ADITYA BIRLA

GRASIM

Ref. No. GIL/CFD/SEC/20/088/SE

26th July 2019

BSE Limited
Dalal Street,
Phiroze Jeejeebhoy Towers,
Mumbai 400 001
Scrip Code: 500300

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051.
Symbol: GRASIM

Dear Sirs,

Sub: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Annual Report for the financial year ended 31st March 2019 including Notice of the 72nd Annual General Meeting

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the Annual Report for the financial year ended 31st March 2019 including Notice of the 72nd Annual General Meeting of Grasim Industries Limited ("the Company") to be held on Friday, 23rd August 2019 at 11.00 a.m. at the Registered Office of the Company at Grasim Staff Club, Birlagram, Nagda-456331, District-Ujjain, Madhya Pradesh.

The same is being dispatched to the Company's shareholders by the permitted mode(s).

The above is for your information and record.

Thank you.

Yours faithfully,
For Grasim Industries Limited

HRWadia

Hutokshi Wadia
President & Company Secretary

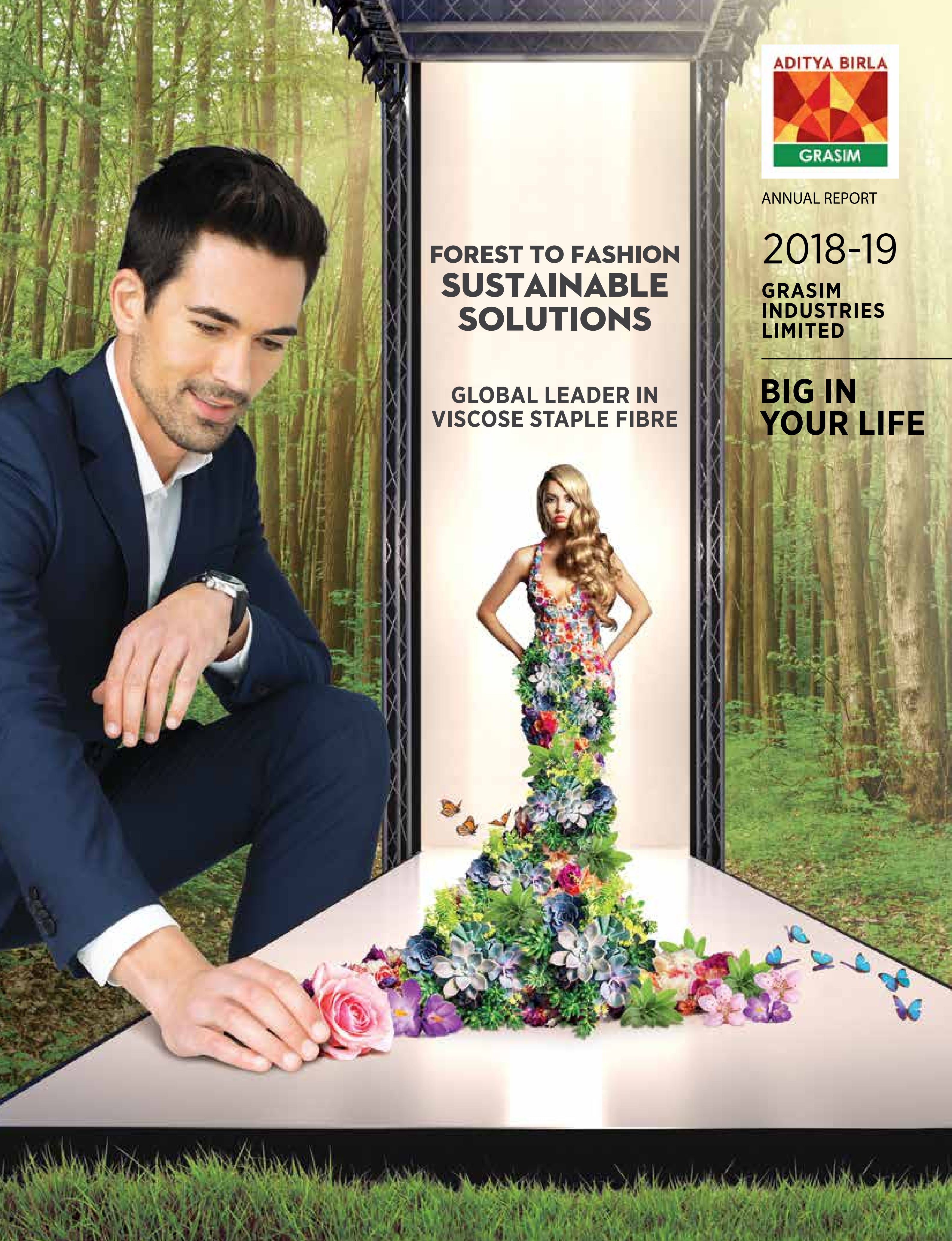
GRASIM INDUSTRIES LIMITED ★ MUMBAI

Encl: as above

Cc:
Luxembourg Stock Exchange
Market & Surveillance Dept.,
P.O. Box 165, L-2011 Luxembourg,
Grand Duchy of Luxembourg, EUROPE

Citi Bank N.A.
Depositary Receipt Services
388 Greenwich Street, 14th Floor,
New York, NY 10013

Citi Bank N.A.
Custodial Services
FIFC, 11th Floor, C-54 & 55, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051


ADITYA BIRLA
GRASIM
ANNUAL REPORT
2018-19
GRASIM INDUSTRIES LIMITED
BIG IN YOUR LIFE
FOREST TO FASHION
SUSTAINABLE SOLUTIONS
GLOBAL LEADER IN VISCOSE STAPLE FIBRE

Chairman's letter to the Shareholders

Dear Shareholders,

India's medium-term growth prospects continue to be robust. Significant reforms undertaken in the recent years such as GST and insolvency code would raise India's growth potential in the coming years, amplifying the effect of the long-term structural cornerstones of the Indian growth story such as demography and urbanization.

Global Economy

The global economy recorded a healthy growth of 3.6% in 2018. During the second half of the year, however, the global economy lost some momentum, mainly on account of the increased trade frictions between the US and China, and the tightening of financial conditions. International Monetary Fund (IMF) expects growth to decelerate to 3.3% in 2019 and its projections suggest that all three major engines of the global economy, viz. US, China and Euro area are likely to decelerate in 2019. On the positive side, however, IMF expects world economic output to recover and grow at 3.6% in 2020.

Of late, there have been a few growth-supportive factors such as the announcement of economic stimulus in China and halt to the process of monetary policy tightening in developed countries. But the business sentiment has become somewhat clouded with challenges arising from the apparent setback to the US-China trade talks, the spread of trade frictions to technology sectors and the increased intermingling of economic policies. These challenges signal that global commodity prices could be under pressure.

Indian Economy

Indian economy exhibited mixed record in the just concluded fiscal. GDP growth slowed from 7.2% in FY18 to 6.8% in FY19. Sub-par rainfall in 2018, tight financial conditions faced by the non-banking financial sector and moderation of external demand were the key challenges faced by the economy. Consumption growth declined during the second half of the year, but there were some signs of revival in the investment cycle, as the rate of gross fixed capital formation improved from 31.4% of GDP in FY18 to 32.3% in FY19.

Macroeconomic stability indicators broadly maintained their health. Low inflation has created the space for monetary policy easing, which will also help support growth revival. The fiscal deficit target for FY19 was adhered to, despite a shortfall in tax revenues. While the current account deficit was high at 2.6% of GDP during the first three quarters of FY19, the softness in international oil prices portends its narrowing in the coming quarters. Following the resounding political mandate for the ruling Government, expectations of further economic reforms and impetus to large infrastructure investments have been reinforced. These are reflected in strong inflows in the capital market, taking equity indices to record levels in the weeks following the general elections.

India's medium-term growth prospects continue to be robust. Significant reforms undertaken in the recent years such as GST and insolvency code would raise India's growth potential in the coming years, amplifying the effect of the long-term structural cornerstones of the Indian growth story such as demography and urbanization. In the near-term, however, uncertainty over the forthcoming monsoon season and the heightened global risks present headwinds for FY20. Accordingly, the outlook for the Indian economy in FY20 is one of cautious optimism at this juncture.

Your Company's Performance

Your company has a storied legacy of business transformation over the years. Grasim's bold bets to create additional capacity and re-imagine business models have led to another year of very strong performance. On a Consolidated basis, Revenue for FY2018-19 stood at ₹ 72,965 Crore and EBITDA at ₹ 10,883 Crore.

Viscose

The Viscose business reported another year of exceptional performance as reflected in operational and financial numbers contributed by Viscose Staple Fibre (VSF) as well as Viscose Filament Yarn (VFY). The Company's strong thrust on sustainability is demonstrated by the substantial investments we have committed towards the same.

> The tremendous success of our brand "LIVA" can be attributed to our relentless focus on customer centricity over the years. "LIVA" which was predominantly a women's apparel brand, has been extended to the home textile segment also. The launch of 'Livaeco' as an eco-enhanced variant of 'Liva', is a step towards giving further boost to our sustainability credentials, while retaining the fashion quotient of the brand.

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The business is also focused on capacity creation. The capacity expansion at Vilayat plant is progressing well; post expansion (FY21) it will be the single largest location plant of VSF in Asia (Ex-China) [The total VSF capacity will get enhanced to 788KT from 566KT].

Viscose Net Revenue grew by 23% YoY to ₹ 10,325 Crore in FY19. EBITDA rose to ₹ 2,052 Crore up 22% YoY.

The VSF business reported its best ever production and sales volume of 541KT in FY19 led by capacity debottlenecking. The share of domestic sales in the overall sales rose to 86% in Q4FY19 from 83% in the corresponding quarter of the previous fiscal.

Chemicals

Grasim's Chemicals business witnessed a remarkable operational and financial performance in FY19. The Caustic Soda sales surpassed the one-million-ton mark in FY19, a first in the country by any company. The business is in a transformational stage and we have a razor- sharp focus on expanding our share of value added products in the overall portfolio. In FY19 we have launched new valued added products to cater to the needs of the food, plasticizer, sanitizer and water treatment business segments.

Sustainability has been a core focus area for the business. Water conservation measures through reduction, recycle and reuse have been initiated in all the units.

The Net Revenue for FY19 stood at ₹ 6,436 Crore up by 29% YoY and EBITDA at ₹ 1,827 Crore up by 40% YoY, driven by higher sales volume and better realization.

Your company is in the process of executing its stated capacity expansion plans, that will increase capacity, across multiple locations, from 1,147 KTPA to 1,457 KTPA. The acquisition of the Chlor-Alkali business of KPR Industries for ₹ 253 Crore during the Q4 FY19 is aimed at strengthening the operations on the east coast of India, a key consumption hub.

Pulp & Fibre JVs

Your Company's Joint Venture pulp units in Canada and Sweden continue to bring enormous strategic value to the business. These units cater to a significant portion of our pulp requirement and ensure consistency in the supply of prime quality pulp.

Other Businesses

The operational performance of the fertiliser business was steady.

The linen business has a created a strong foothold in the Indian market; it enjoys 37% market share in the linen yarn segment and 45% market share in the linen fabric segment. During the year, the Company also acquired 100% stake in Soktas India Private Limited, as part of its strategy to strengthen its leadership in the linen fabric market in India.

The overall demand in the Indian Insulator market remained subdued.

Outlook

Your Company's leadership position in the Viscose and Chemicals segments will get further strengthened by the expansion plans under implementation. Simultaneously, continued focus on enhancing share of value added products across businesses will lead to better quality of earnings. I believe, going forward, Grasim will continue its unrelenting pursuit of enhancing shareholder value, and growth in earnings and revenues.

The Aditya Birla Group: In Perspective

The Aditya Birla Group in many ways is a proxy for a Rising India, given the diversified nature of our businesses.

The year 2018-19 has been one of strategic decisions and partnerships; with many transformational business transactions: Vodafone-Idea merger, purchase of Binani Cement, acquisition of Aleris in Metals and Söktaş in Textiles. We have demonstrated the courage to think mega scale, to act decisively and to be calm in a volatile and changing environment. We have reaffirmed the commitment and trust that we can reinvent ourselves and be game changers in the industry. Consequently, we are globally the third largest cement company (outside of China), and among the top 3 telecom players in the world. The Aditya Birla Group close the year with revenues of US $ 48.3 billion and an EBIDTA of US $ 6.1 billion.

We believe our people and people processes give us the definitive edge to manage scale and yet remain nimble to embrace change proactively.

On the people front, I am delighted to share that our robust people processes that have been the bedrock of our success over the years continue to evolve and stay contemporary. Let me give you a flavour of what we have accomplished and how it is making a difference.

The Caustic Soda sales surpassed the one-million-ton mark in FY19, a first in the country by any company. The business is in a transformational stage and we have a razor- sharp focus on expanding our share of value added products in the overall portfolio.

As a Group, we continue to be deeply invested in our talent pipeline across levels. At one level, we have on-boarded over 200 fresh recruits from top engineering and management institutes for premier trainee programs, and at the other end, we are actively building an internal talent pipeline in our businesses. Our Employee Value Proposition of 'A World Of Opportunities' is truly coming alive with this eclectic mix of experienced and young leaders. We have developed a robust leadership pipeline with a healthy ratio of 1:1 identified successors for more than 300 leadership roles across the Group.

Gyanodaya, the Aditya Birla Group Centre for Leadership Development continues to build curiosity for new learning, self-reflection and coaching in existing and future leaders. Broad-based leadership programs like Chairman Series brought 300 top leaders across the globe together on marketing, finance and strategy and built cohesion and cross-functional appreciation.

Functional Academies have been established in 5 distinct areas: Human Resources, Manufacturing, Sales / Marketing and Customer Centricity, Information Technology and Finance to develop cutting edge functional capabilities in these areas. Over the past three years, over 5000 employees have refreshed their skills, thereby enhancing the functional design and experience across the Group.

ABG Core Conclave, of middle managers across businesses, enabled 3000 managers and business leaders to share nuances and have candid conversations on missed opportunities and challenges ahead. This unique platform reinforced the One ABG connect, brought new perspectives and gave me a first-hand feel of the excitement, passion and commitment of our vibrant next generation leaders.

Businesses have adopted new areas like Robotic Process Automation, Artificial Intelligence, Machine Learning, Analytics, Design thinking. They are experimenting with the same in manufacturing processes, servicing customers, logistics enhancing the agility of the business and turnaround times, dramatically.

I believe the real test of HR processes lies in advancing business outcomes, and we have demonstrated a track record of doing just that. Greenfield projects were commissioned at earlier than planned time, and at a lower cost, acquired units were re-branded and recommissioned in days instead of months earlier. While saving precious capital and related resources, these initiatives inspire confidence within the organization and in the ecosystem.

The Aditya Birla Group, over the years, has institutionalized best practices that have led to efficiency, safety, sustainability, and stronger Businesses. We have systematically got the customer to the centre of our Business discussions. As we continue to strive on this front, we need to get closer to the end consumer and innovate continuously to ensure a faster growth trajectory. With this in mind, we have constituted the Central Innovation Team. This team will not only build the innovation framework and pipeline but also get an outside-in perspective to our Businesses. This team works closely with Business R&D and Marketing teams, Technology talent, and a strong team of Data scientists. We are also in the process of evaluating partnerships with Global Universities and Start-ups relevant to the sectors in which we operate. The intent is to shift the Centre of gravity of the Company closer to the consumer.

We are determined to innovate. We are determined to grow.

I am excited with the speed and precision with which we are transforming ourselves to be future-focused while remaining steadfast to our time-tested values. We move into 2019, with the confidence that we have the right capabilities not just to seize, but pounce on every opportunity that comes our way.

The best is yet to come. Thank you for your continuing support.

Yours sincerely

Kumar Mangalam Birla

Ranked #205 in the list of "Global 2000 - Growth Champions" Forbes Magazine - USA.

Consolidated - 2019

Net Revenue from Operations

₹ 72,971 Cr

↑ 2.2x

Consolidated - 2015

Net Revenue from Operations

₹ 32,847 Cr

Consolidated - 2019

EBITDA

₹ 12,820 Cr

↑ 2.3x

Consolidated - 2015

EBITDA

₹ 5,683 Cr

We are BIG IN YOUR LIFE.

Incorporated in 1947, Grasim Industries Limited is a flagship company of the Aditya Birla Group.

Through Viscose and Yarn, we are present in the eco-friendly clothes you wear.

Through Chemicals, we are present in the daily-use products you use.

In the form of Cement, we are a part of the Roads or Flyovers you tread upon.

Through Aditya Birla Capital Limited (ABCL), we remain committed to serve the end-to-end financial services needs of retail and corporate customers.

We also have a presence in Textiles, Fertilisers, Insulators and Solar Power.

Grasim is **"Big In Your Life"** by virtue of its leadership position across businesses

VISCOSE STAPLE FIBRE

A global leader in Pulp & Fibre

No.1

Producer in India of Viscose Staple Fibre (VSF)

CHEMICALS

No.1

Caustic and Specialty Chemicals Producer in India

CEMENT

No.1

Cement Producer in India

No.3

Global Cement Producer (Ex-China)

FINANCIAL SERVICES

Top 3

Asset Management Companies**

Top 5

Private Diversified NBFC

** Excluding ETF

OTHERS

No.1 in Linen

Leading Player in Fertilisers

Leading Player in Insulators

Growing presence in Solar Power

Viscose Staple Fibre
- Global Leader in Pulp & Fibre

BUSINESS PERFORMANCE FY19

Net Revenue

₹ 8,402 Cr

11% YoY

EBITDA

₹ 1,617 Cr

9% YoY

We are the No. 1 VSF producer in India and have been manufacturing the world-class Viscose Staple Fibre for more than seven decades across four plant locations.

VSF is a regenerated cellulose fibre made from wood pulp, a sustainable natural resource and is bio-degradable and eco-friendly. Our Viscose enriches every garment with fluidity, lustre, softness, drape and comfort. Excellent for skin, these delightful fibres, inspire soft drapes, effortless style and are bound to make your everyday moments glamorous.

We are in the midst of a capacity expansion at one of our plant location, our current capacity will stand augment to 788 KTPA from 566 KTPA.

MAKING INDIA THE PREFERRED DESTINATION FOR VSF PRODUCTS

- Doubled Viscose Fibre consumption in India
- Registered double-digit domestic sales volume growth of 22% YoY
- Achieved record sales of 541 KTPA
- Moved up the VSF share in the overall Fibre market share from 3.5% to 5% in last four years
- Launched Livaeco and LivaHome brands

3rd Generation Specialty Fibre line of 16 KTPA based on in-house green technology commissioned at Kharach in record time


Liva Fluid Fashion

Expanding the Liva brand into Home Textiles

Having served the women's apparel segment, fibre brand Liva extended co-branding into home textile space-furnishing, bed linen and carpets. Liva Home offers the same brand promise - it's a nature-based, high quality fabric from an accredited manufacturing value chain.

Our "**Bedtime Bliss**" range in bed linen and comforters is available nationwide.

Customer and consumer response to these products has been overwhelming.

ECO-FRIENDLY

SOFT FEEL

HIGHLY UNIFORM

THERMAL COMFORT

BREATHABLE

MOISTURE MANAGEMENT

ANTI-STATIC

Viscose Filament Yarn

BUSINESS PERFORMANCE FY19

Net Revenue

₹ 1,923 Cr

↑ 147% YoY

EBITDA

₹ 435 Cr

↑ 123% YoY

Grasim is the largest producer of Viscose Filament Yarn in India. Raysil, our viscose filament yarn, is a versatile fashion yarn manufactured from premium and imported wood pulp. It is 100% bio-degradable and eco-friendly, giving a feather-light feel, vivid colours and a natural lustre.

Largest Producer of Viscose Filament Yarn in India	Raysil Available in over 600 shades (purest tints and medium tones to vibrant deep shades)
Capacity of 47 KTPA	First in India to adopt most advanced VFY technology

What makes Raysil stand apart

- 100% natural origin, skin-friendly and comfortable
- Produced from best quality wood pulp
- Rich lustre, brilliant colour depth, softness and smoothness
- High thermal protection, no pilling and anti-shredding
- Available in wide array of colours, including natural whites

Wide range of applications

- Superfine georgettes, crepes and chiffons
- Fine Brasso, Shantun, Satin, Velvet, Suit Lining, Selvedge, Ties, Knitwear
- Fine and lustrous embroidery threads
- Home textiles med-tech and other technical applications

Textile Business

BUSINESS PERFORMANCE FY19

Net Revenue

₹ 1,501 Cr

41% YoY

EBITDA

₹ 139 Cr

125% YoY

Established in 1949 as a textile unit, Jayshree Textiles is a producer of premium textiles (linen fabric, linen yarn and worsted yarn) in the linen and wool business in India. Through our brand Linen Club, we have significantly revolutionised the Indian textile market by popularising linen in India across a wide customer base. Our integrated linen factory is equipped with state-of-the-art facilities in spinning, weaving and finishing system from Switzerland and Italy. Even at intricate stages of dyeing and finishing, we develop new techniques to add brighter colours and more innovative features to the finished product. We are a preferred global supplier of best quality of wool and wool-blended yarns.

What Defines Us

- Top Player in Wool and Linen
- Leading Manufacturer of Wool Tops
- Leading Player in Worsted Yarn
- State-of-the-Art Facilities at Rishra, West Bengal

Our Capacities

LINEN

6,250 TPA Yarn

9.1 Million Metres Per Annum Fabric

WOOL

36,352 Spindles Worsted Yarn

8 Cards Wool Combing

Linen Spinning | Linen Fabric | Wool Combing | Worsted Spinning

Retailing Linen Fabric

180+ EBOs

4,000+ MBOs

Chemicals

- Surpassing 1-million-tonne mark in caustic soda sales

BUSINESS PERFORMANCE FY19

Net Revenue

₹ 6,436 Cr

29% YoY

EBITDA

₹ 1,827 Cr

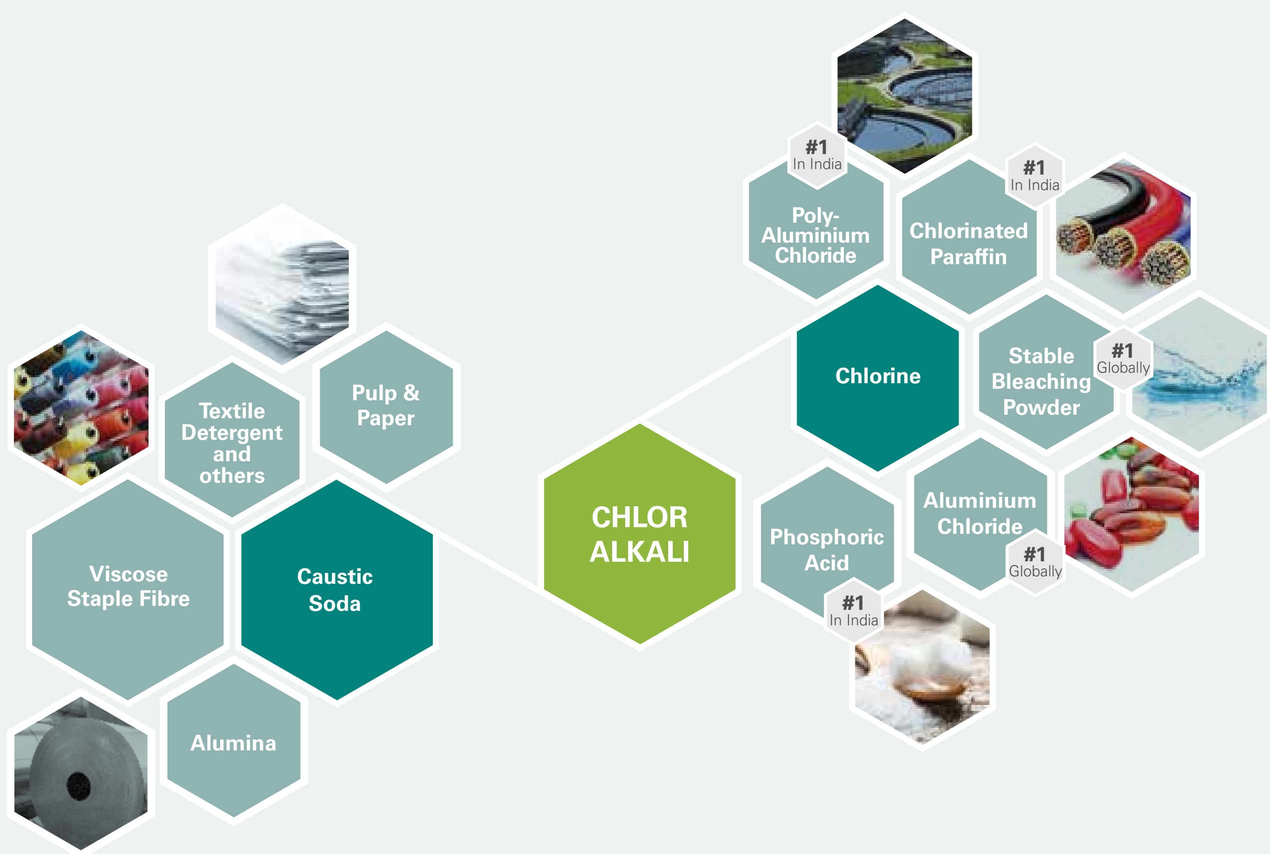
40% YoY

We are the largest caustic soda producers in India with significant integration and a capacity of 1,147 KTPA. Our largest end-consumers are alumina, textiles, and others. Our net sales in Caustic Soda surpassed the 1-million-tonne mark during the year - a new benchmark set by any Indian company.

During the year, we acquired the Chlor-Alkali facility of KPR Industries at Balabhadrapuram in Andhra Pradesh.

Our total Caustic Soda capacities are set to increase from 1,147 KTPA to 1,457 KTPA by FY21.

We are also making investments in expanding production of chlorine value-added products. Chlorine, a chemical produced as a by-product during production of caustic soda, will drive the overall growth of the business.



EPOXY

We are one of the leading epoxy resin manufacturers globally. Epoxy resin is a versatile product, which finds its application across industries viz. automotive, construction, heavy engineering, transport, electronics, food and beverage, packing and coatings, thereby touching the lives of everyone. Our product applications directly contribute to the generation and growth of the renewable energy sector. The use of epoxy in the automotive and aerospace sector reduces the use of metal, and thereby environmental impact of its use.

Cement

BUSINESS PERFORMANCE FY19

UltraTech is today the 3rd largest cement company in the World, excluding China with a consolidated capacity of 102.75 million tonnes per annum of grey cement (including 4.00 million tonnes per annum under commissioning) and the largest manufacturer of grey cement, ready-mix concrete and white cement in India.

Net Revenue

₹ 37,379 Cr

↑ 21% YoY

EBITDA

₹ 7,226 Cr

↑ 7% YoY

UltraTech is India's No. 1 cement and concrete brand. UltraTech has an operational presence in five countries (India, UAE, Bahrain, Bangladesh and Sri Lanka).

In India, UltraTech's distribution network comprises a network of 49 cement plants, over 100 ready-mix concrete plants, more than 650 warehouses and more than 200 railheads.

UltraTech services 20,000 orders of different order sizes on a daily basis through a mix of logistical modes comprising rail, road and sea.

Financial Services

BUSINESS PERFORMANCE FY19

Net Revenue**

₹ 15,032 Cr

65% YoY

EBITDA**

₹ 1,060 Cr

40% YoY

Aditya Birla Capital Limited (ABCL) is the holding company of all the financial services businesses. Aditya Birla Capital has a strong presence across a wide range of Protecting, Investing and Financing Solutions, which include Life Insurance, Health Insurance, Motor Insurance, Corporate General Insurance, Mutual Funds, Wealth Management, Stocks and Securities Broking, Portfolio Management Services, Real Estate Investments, Pension Funds, Home Finance, Personal Finance, SME Finance, Real Estate Finance, Loan Against Securities, Corporate Finance, Debt Capital Markets, Loan Syndication and Asset Reconstruction.

PROTECTING

Premium[1]

₹ 8,008 Cr

30% YoY

INVESTING

AAUM[2]

₹ 2,65,109 Cr

6% YoY

FINANCING

Lending Book[3]

₹ 63,119 Cr

23% YoY

Ind FYP* (₹ Crore)

Equity Mix (%)

Lending Book (Housing Finance) (₹ Crore)

Note:

[1] Includes life insurance & health insurance gross total premium (as per IRDAI reporting)

[2] AAUM of Asset Management Business

[3] Includes NBFC & Housing Finance Business

* *First Year Premium*

** *The financial of ABCL have been restated in accordance with Ind AS 103, Business Combination, post demerger of ABCL w.e.f. 4th July 2017. Hence, the Net Revenue and EBITDA will not match with ABCL reported figures*

Innovation at fore. Sustainability at core.

Innovation at Fore...

Innovation is at the core of our business. We are committed to innovation, with an unrelenting focus on product quality. Our key aim is to continuously improve on our offerings to the customers through our improved R&D facilities. We are driving innovation in all the critical areas of product quality, cost reduction, new product offerings and environmental sustainability with the ultimate aim of producing differentiated offerings. Our innovative technologies, new insights and process innovations have been filling our pipeline with increased business opportunities and also helping us achieve our long-term goals.

Sustainability at Core...

At Grasim, it is our endeavour to build a green environment through continuous adoption of new technologies in an attempt to minimise environmental impact and waste generation. Being sensitive to environment conservation and sustainable forestry, we are promoting the use of renewable sources and reduce energy consumption and an end-to-end safety focus.

Grasim endeavors to apply the Best Available Technologies for production of viscose fibers in order to achieve world class environmental performance, which means going beyond the applicable regulatory norms and achieve the most stringent global benchmark standards (such as EU BAT, Eu Ecolabel and ZDHC standards) for the discharge of water and emissions to air. Grasim believes that continually investing in the most efficient technologies, such as Closed Loop viscose production, is key to achieving leadership in Sustainability practices and will create value for all the stakeholders in long term.

Liva Fluid Fashion

At Grasim, Innovation means Progress

Our research & development continues to focus on creation of brand-new processes. This is aimed at making a step-change reduction in material consumption and fulfilling our vision of creating new global benchmarks. This is what leads us to enjoy a leadership position in an increasingly competitive market of the future.

Our breakthroughs in R&D, together with successful development of several new fibre products and processes, are opening up future opportunities. These opportunities enable us to participate and lead in our area of operation, and grants the potential for exponential capacity increases in the future.

The approach to synergistically integrate all functions implies that innovation and change management is guided through a stage-gate process. Here, manufacturing, marketing and R&D are brought together to work on projects from concept to commercialisation.

We are also innovating in process control by finding clever ways to implement statistical process control. Our plants have increased their capability to eliminate stoppages and defects.

Newly Commissioned State of the Art Speciality Fibre Plant: Gujarat (Kharach)

SOWING SEEDS OF OUR PASSION

5	4	131
Exclusive R&D Centres for VSF	Exclusive R&D Centres for Chlor-Alkali, Epoxy, Insulator	Number of Employees in R&D team

Introduction of new products, such as specialty fibre and antimicrobial fibres, provides a sustainable alternative to conventional fibres that require excessive use of water and chemicals.

Our product applications directly contribute to generation and growth of renewable energy sector. It also reduces carbon footprints through usage of epoxy in the automotive and aerospace sectors.

Current area of work include recycling of pre and post consumer waste as raw material in order to achieve complete circularity in value chain.

State-of-the-art research and development centre set up at Kharach, Gujarat

Driven by a strong team of research scientists, respected in the industry and textile community

One of its kind in the world: A total solution provider to the global man-made cellulose textile, clothing & made-ups industry

Deploys the best of diverse technologies for small sampling, mid-bulk in yarn, fabric, apparel & made-ups for different applications

CENTRE FOR INNOVATION-TRADC

The Textile Research and Application Development Centre (TRADC)

Sustainable Value Creation

Business success means creating value for the environment, society and business. And that's the reason sustainability has been reinforced as a cornerstone of our strategy. We stand committed to sustainable and responsible viscose production. Our businesses are deeply committed to improve the environmental footprint across the value chain–from forest to fibre.

At Grasim, we have a strong conviction–that growth cannot be sustainable if it is achieved at the cost of our planet and its resources. We understand future sustainability trends and derive appropriate measures for us to seize business opportunities and minimise risks across the value chain.

37%* ↓
in Water Consumption

26%* ↓
Waste Water Discharge

13%* ↓
Sulfur Emission

* % change since FY16 to FY19 (per ton of fiber)

Sustainability has been a part of our Group's philosophy since inception. Our endeavour is to build a green environment and minimise pollution and waste generation. This is being achieved through continuous adoption of new processes and technologies. We are also promoting the use of renewable sources and reduce energy consumption and an end-to-end safety focus.

Value to Society

We are developing an agile, customer-centric organisation and a stronger business model to create sustainable value. Our approach is to optimise the use of our resources to create financial, environmental, social and economic wealth. We are working with industry peers and NGOs for setting up global norms in the man-made cellulosic fibre industry, with a key aim to achieve better environmental performance.

Water - A key area of focus

Water has been a key focus area for us. We are constantly developing new techniques to enable water savings for every metre of fibre manufactured. Today, we are in the lowest specific water consumption globally in the viscose industry.

Assessing Economic, Environmental and Social Impact:

1

Commissioned 3rd Generation 16 KTPA **Specialty Fibre plant** using in-house Green technology to enable entry into newer end-use segments with superior quality offerings.

2

Strengthened environmental credentials by launching Livaeco: Eco-enhanced variant of LIVA with 'End-to-End' traceability, a first in the country.

3

Achieved lowest water consumption per tonne of VSF globally; Introduced multiple **water conservation measures** to ensure reduction, recycle and reuse water in all units.

4

In progress to achieve zero-liquid discharge at Rehla and Ganjam plants of **Chemicals** division.

5

New initiatives under implementation for **reducing water consumption** across businesses.

6

Continuous focus on **improving energy efficiency** across businesses; Adding renewable energy sources in the overall power mix.

7

Tracking movement of chlorine [tonner] right from delivery from factory to customer's end through our mobile application **Suraksha**. This provides customers real-time feedback on **safety issues** and also achieve immediate response from the experts.

Forest to Fashion, Sustainable Solutions

On the back of the success of brand Liva, we launched our eco-enhanced VSF variant Livaeco. Derived from Forest Stewardship Council (FSC) certified pulp, based on wood sourced from sustainable forests, Livaeco helps in conserving bio-diversity, protecting endangered forests and in increasing overall green cover.

Pivoted on Sustainability

Livaeco is a natural-based fabric that provides a unique combination of fluidity and luxurious softness

It saves water, increases forest cover and reduces CO_2 emission in its manufacturing process and lowers greenhouse gas emissions

Every Livaeco garment has a unique tracer which helps trace the origin and full journey of garment across the entire supply chain

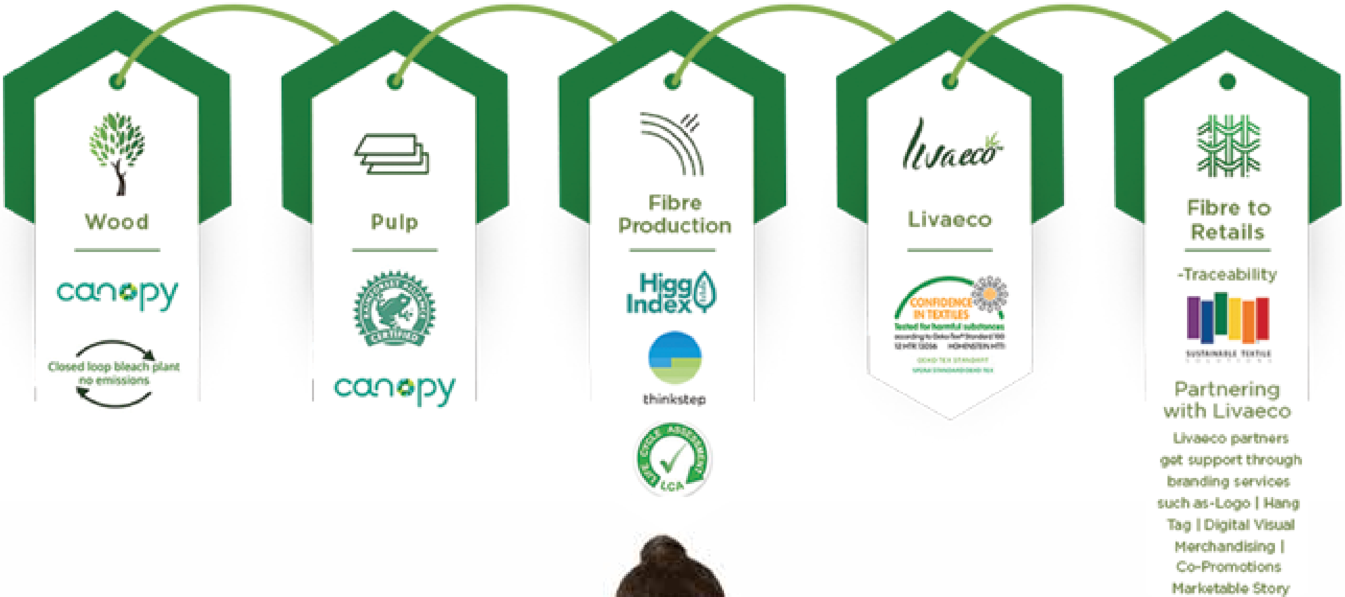
40
No. of Top Brands Covered

225
No. of Cities where Livaeco is available

3,500
Exclusive business outlets, large-format stores and multi-brand outlets

Livaeco - Promoting Greener, Sustainable Fashion:

- 100% sustainable and responsible forestry
- Low water consumption
- Low greenhouse gas emission
- Fastest bio-degradability
- Traceability of source



Logos used for representation purpose

Building an end-to-end ecosystem

Through Liva Accredited Partner Forum (LAPF), we worked with the entire textile value chain to improve processes and products and to offer eco-friendly fashionable clothing to the consumers. LAPF is a consortium of spinners, weavers, knitters and processors committed towards quality and innovation using fibres from Grasim. The community works together to meet global standards, scale and capabilities, thereby placing India on the global map.

By way of hand-holding, we equipped the consortium in services like design and development, technical services, vendor management, marketing and buyer linkages support and market intelligence. We rolled out a complete logistics set-up integrating the fabric converters, designers and marketers. Setting up an ecosystem helped us excel in product innovation, quality management, process deliveries and systems integration and upgrade.

Liva Fluid Fashion

Corporate Social Responsibility

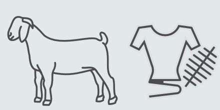
Corporate Social Responsibility (CSR) and community initiatives form an integral part of our sustainability efforts. The Group's footprint straddles across 5,000 villages globally, reaching out to 7.5 million people annually. We shall continue to build on this legacy and further strengthen it, based on impact assessment study to be conducted periodically through an independent professional agency.

KEY PILLARS OF CSR

Education

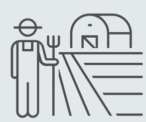
Through the schools in and around our facilities, we provide scholarships and technical education to children.

Social



We engage with Self Help Groups (SHG) to empower households financially and socially. Key training is provided by SHGs in goatery, dairy, loom weaving, sutli weaving, tailoring, and blanket weaving, among others.

Sustainable Livelihood



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

Infrastructure Development

We are taking up projects to enable physical connectivity to towns through roads, augmenting power connectivity through renewable sources, as well as digital and mobile connectivity.

Healthcare

We provide quality healthcare facilities with special focus on maternal and child health as well as clean drinking water and sanitation.

CSR ACCOLADES

Nagda
Apex CSR Excellence Gold Award 2018

Vilayat
Certificate of Appreciation by CSR Authority, Government of Gujarat for their Sustainable & Impactful CSR Project

Vilayat
Greentech Gold CSR Award 2018

Kharach
4th EKDKN, Exceed Silver Award 2018 in CSR in Manufacturing

IGF
Asia's best CSR Practices Award

Halol
Global CSR Excellence & Leadership Award

Rehla
Agrotech Award 2019

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

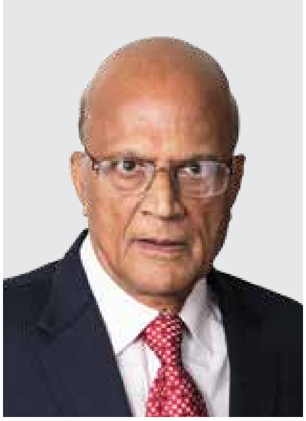
Mr. Shailendra K. Jain
Non-Executive Director

Ms. Usha Sangwan
Non-Executive Director

*up to 30th June 2019

Mr. Cyril Shroff
Independent Director

Dr. Thomas M. Connelly, Jr.
Independent Director



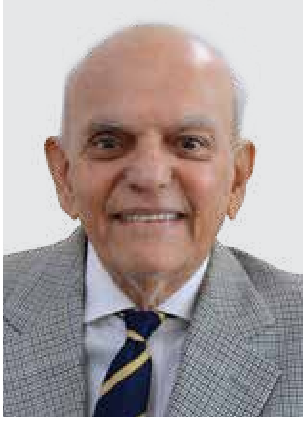
Mr. O. P. Rungta
Independent Director

Mr. Arun Thiagarajan
Independent Director

Ms. Anita Ramachandran
Independent Director

Mr. N. Mohanraj#
Independent Director

Mr. B. V. Bhargava
Independent Director



Mr. M. L. Apte
Independent Director

#w.e.f. 12th July 2019

Financial Highlights

Total Standalone

Net Revenue (₹ Crore)

FY 2019	20,550
FY 2018	15,786
FY 2017	10,346

EBITDA (₹ Crore)

FY 2019	4,639
FY 2018	3,542
FY 2017	2,629

PBT* (₹ Crore)

FY 2019	3,680
FY 2018	2,786
FY 2017	2,125

Total Consolidated

Net Revenue (₹ Crore)

FY 2019	72,971
FY 2018	55,894
FY 2017	36,068

EBITDA (₹ Crore)

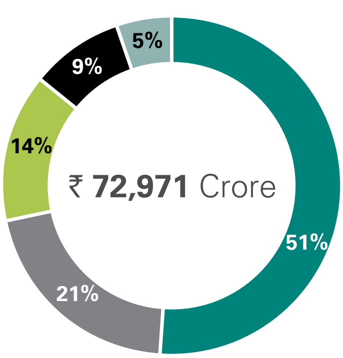
FY 2019	12,820
FY 2018	10,883
FY 2017	8,333

PBT * (₹ Crore)

FY 2019	7,779
FY 2018	6,795
FY 2017	5,823

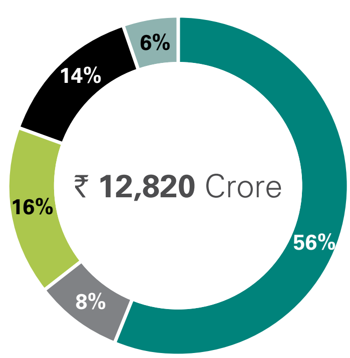
* Before exceptional items

Revenue from Operations (Net)
(₹ Crore)



- Cement - **37,379**
- Financial Services - **15,032**
- Viscose - **10,325**
- Chemicals - **6,437**
- Others & Inter-segment Elimination - **3,798**

EBITDA
(₹ Crore)



- Cement - **7,226**
- Financial Services - **1,060**
- Viscose - **2,052**
- Chemicals - **1,827**
- Others & Inter-segment Elimination - **655**

Viscose

Net Revenue
(₹ Crore)

FY 2019	10,325
FY 2018	8,374
FY 2017	7,101

EBITDA
(₹ Crore)

FY 2019	2,052
FY 2018	1,680
FY 2017	1,439

Chemical

Net Revenue
(₹ Crore)

FY 2019	6,436
FY 2018	5,004
FY 2017	3,813

EBITDA
(₹ Crore)

FY 2019	1,827
FY 2018	1,300
FY 2017	842

UltraTech

Net Revenue
(₹ Crore)

FY 2019	37,379
FY 2018	30,979
FY 2017	25,375

EBITDA
(₹ Crore)

FY 2019	7,226
FY 2018	6,734
FY 2017	5,861

Aditya Birla Capital

Net Revenue
(₹ Crore)

FY 2019	15,032
FY 2018	9,083

EBITDA
(₹ Crore)

FY 2019	1,060
FY 2018	756

Key Managerial Personnel / Senior Management Team

MANAGING DIRECTOR

Mr. Dilip Gaur
Business Director-Pulp & Fibre

CHIEF FINANCIAL OFFICER

Mr. Sushil Agarwal
(up to 30th June 2019)

Mr. Ashish Adukia
(w.e.f. 1st July 2019)

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, FERTILISERS AND INSULATORS (CFI)

Dr. Santrupt Misra
Business Director

Mr. Kalyan Madabhushi
Business Head-CFI Sector

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

Mr. Pradip Kumar Dubey
Senior President-Epoxy

Mr. G. K. Tulsian
Executive President

Mr. Rahul Kohli
Chief Executive Officer-Fertilisers
(up to 30th June 2019)

Mr. Sunil Kulwal
Chief Executive Officer-Fertilisers
(w.e.f. 1st July 2019)

Mr. Rohit Pathak
Chief Executive Officer-Insulators

Ms. Chandra Bhattacharjee
Chief Human Resource Officer-Chemical

Mr. N. M. Patnaik
Senior President & Chief Financial Officer-Chemical
(up to 30th June 2019)

Mr. Manoj Kedia
Chief Financial Officer-CFI Sector
(w.e.f. 1st July 2019)

TEXTILE BUSINESS

Mr. D. Shivakumar
Business Director

Mr. Thomas Varghese
Business Head-Textiles

Mr. Ashok Machher
Chief Financial Officer-Textiles
(w.e.f. 1st July 2019)

CORPORATE FINANCE DIVISION

Mr. Pavan K. Jain
Senior President

Mr. Hemant K. Kadel
Senior 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

STATUTORY AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENT

Karvy Fintech Private Limited

SOLICITORS

Cyril Amarchand Mangaldas
Advocates & Solicitors

Contents

Financial Highlights - Consolidated

(Results for the year 2018-19, 2017-18, 2016-17 and 2015-16 are as per IND AS)

Financial Year ----->	Unit	2018-19	2017-18	2016-17	2015-16	2014-15
Production						
Grey Cement	Mn. Tonnes	71.43	60.79	51.00	50.57	46.71
Viscose Staple Fibre	Lakh Tonnes	5.41	4.99	4.93	4.64	4.08
Caustic Soda	Lakh Tonnes	9.95	8.86	7.80	7.56	4.12
Sales*						
Grey Cement (Incl. Clinker)	Mn. Tonnes	74.97	63.28	52.40	51.33	48.17
Viscose Staple Fibre	Lakh Tonnes	5.41	5.08	5.00	4.67	4.03
Caustic Soda	Lakh Tonnes	10.03	8.79	7.84	7.63	4.09

** (Including Captive Consumption)*

(₹ in Crore)

Profit & Loss Account	USD Million[1]	₹ in Crore				
Financial Year ----->	**2018-19**		**2017-18**	**2016-17**	**2015-16**	**2014-15**
Revenue from Operations (Net)						
Cement	5,347	37,379	30,979	25,375	25,173	24,349
Financial Services*	2,150	15,032	9,083	-	-	-
Viscose	1,477	10,325	8,374	7,101	6,022	6,643
Chemicals	921	6,437	5,004	3,813	3,429	1,701
Others	691	4,831	3,372	467	615	636
Inter-segment Elimination	-148	-1,033	-918	-688	-751	-482
Total Revenue from Operations (Net)	**10,439**	**72,971**	**55,894**	**36,068**	**34,488**	**32,847**
EBITDA						
Cement	1,034	7,226	6,734	5,861	5,365	4,476
Financial Services*	152	1,060	756	-	-	-
Viscose	294	2,052	1,680	1,439	923	459
Chemicals	261	1,827	1,300	842	663	292
Others/Unallocated/Inter-segment Elimination	94	655	413	191	115	456
Total EBITDA	**1,834**	**12,820**	**10,883**	**8,333**	**7,066**	**5,683**
Interest	255	1,781	1,364	702	718	667
Gross Profit (PBDT)	**1,579**	**11,039**	**9,519**	**7,631**	**6,348**	**5,016**
Depreciation	466	3,260	2,724	1,808	1,834	1,563
Profit before Tax and Exceptional Items	**1,113**	**7,779**	**6,795**	**5,823**	**4,514**	**3,453**
Exceptional Items (EI)	-368	-2,575	-433	0	-28	-9
Profit before Tax	**744**	**5,204**	**6,362**	**5,823**	**4,486**	**3,443**
Total Tax Expenses	351	2,457	1,947	1,707	1,225	1,016
Net Profit	**393**	**2,747**	**4,415**	**4,116**	**3,262**	**2,427**
Less: Minority Interest	144	1,004	1,008	1,078	987	838
Add: Share in Profit/(Loss) of Associate	4	29	-727	129	193	154
Net Profit	**253**	**1,772**	**2,679**	**3,167**	**2,468**	**1,744**
Other Comprehensive Income (Owners of the Company)	-404	-2,827	-166	951	210	-
Total Comprehensive Income (Owners of the Company)	**-151**	**-1,055**	**2,513**	**4,119**	**2,678**	**-**

Note [1] - 1 USD = INR 69.9050

** The financial of ABCL have been restated in accordance with Ind AS 103, Business Combination, post demerger of ABCL w.e.f. 4th July 2017. Hence, the Net Revenue and EBITDA will not match with ABCL reported figures.*

(₹ in Crore)

Balance Sheet	USD Million[2] 2018-19	₹ in Crore 2018-19	2017-18	2016-17	2015-16	2014-15
Net Fixed Assets (incl. CWIP and Capital Advances)	9,180	63,488	57,615	33,443	33,550	32,057
Long-Term Loans and Advances	438	3,027	1,730	650	923	1,648
Loans and Advances of Financing Activities	8,961	61,972	50,649	-	-	-
Investments (Non-Current and Current)	3,043	21,048	28,268	14,200	10,601	7,255
Investments of Insurance business	2,390	16,532	13,020	-	-	-
Goodwill	2,598	17,970	16,192	2,994	3,016	3,283
Assets held to cover linked liabilities	3,639	25,166	24,709	-	-	-
Current Assets	2,885	19,952	15,718	11,460	11,486	9,790
Total	**33,133**	**2,29,155**	**2,07,901**	**62,747**	**59,576**	**54,033**
Equity Share Capital	19	132	131	93	93	92
Share Capital (Other than Equity)	-	-	-	-	-	59
Reserves and Surplus	8,045	55,641	57,230	31,293	27,336	22,989
Net Worth	**8,064**	**55,773**	**57,362**	**31,387**	**27,429**	**23,140**
Non Controlling Interest	3,960	27,387	26,337	9,702	8,729	7,682
Deferred Tax Liabilities (Net)	859	5,938	5,597	3,518	3,025	3,410
Long-Term Liabilities & Provisions	99	682	494	449	386	297
Policy Shareholders' Liability	5,805	40,150	36,373	-	-	-
Total Loan Funds [3]	5,006	34,623	26,918	9,213	12,504	11,930
Borrowings related to financial services business	6,846	47,346	40,151	-	-	-
Current Liabilities [3]	2,495	17,256	14,669	8,478	7,503	7,574
Total	**33,133**	**2,29,155**	**2,07,901**	**62,747**	**59,576**	**54,033**

Note [2] - 1 USD = INR 69.1612

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

Ratios & Statistics	Unit	2018-19	2017-18	2016-17	2015-16	2014-15
EBITDA Margin (EBITDA/Total Income)	(%)	17.4	19.2	22.5	20.1	17.0
Net Margin (before exceptional)	(%)	6.9	7.1	11.5	9.9	7.8
ROACE (EBIT/Avg.CE) (Excl. CWIP)	(%)	8.3	10.0	12.8	11.3	10.5
RONW (PAT before EI/EO/Avg. NW)	(%)	7.3	6.8	10.8	9.6	7.8
Interest Cover (EBITDA-Current Tax/ Total Interest)	(x)	5.8	6.7	9.8	8.4	6.8
Total Debt Equity Ratio	(x)	0.42	0.32	0.22	0.35	0.39
Net Debt to Equity Ratio	(x)	0.24	0.16	-0.05	0.10	0.20
Net Debt to EBITDA Ratio	(x)	1.53	1.25	-0.27	0.51	1.08
Basic Earnings per Share (before EI/EO)	₹ / Share	62.3	45.9	67.8	52.8	38.2
Book Value per Share[@]	₹ / Share	845	873	672	588	504
Market Cap	₹ / Crore	56,419*	71,604	48,971	35,884	33,272

[@] Previous year numbers are adjusted for split of shares
** As on 31st March 2019*

Financial Highlights - Standalone

(Results for the year 2018-19, 2017-18, 2016-17 and 2015-16 are as per IND AS)

(₹ in Crore)

Financial Year ----->	USD Million[1]	₹ in Crore				
	2018-19		2017-18	2016-17	2015-16	2014-15
Profit & Loss Account						
Revenue from Operations (Net)	**2,940**	**20,550**	**15,786**	**10,346**	**8,980**	**6,333**
EBITDA	664	4,639	3,542	2,629	1,851	1,013
Interest	28	199	128	58	147	39
Gross Profit (PBDT)	**635**	**4,440**	**3,414**	**2,571**	**1,704**	**974**
Depreciation	109	760	628	446	445	263
Profit before Tax and Exceptional Items	**526**	**3,680**	**2,786**	**2,125**	**1,259**	**711**
Exceptional Items (EI)	-339	-2,368	-273	0	-29	-26
Profit before Tax	**865**	**1,312**	**2,513**	**2,125**	**1,230**	**685**
Total Tax Expense	114	797	744	565	259	155
Net Profit	**751**	**515**	**1,769**	**1,560**	**971**	**530**
Equity Dividend (including CTD)	74	516	455	401	221	169
Other Comprehensive Income	-400	-2,798	-222	1,012	92	-
Total Comprehensive Income	**-327**	**-2,283**	**1,547**	**2,572**	**1,062**	**-**

Balance Sheet	USD Million[2]	₹ in Crore				
	2018-19		2017-18	2016-17	2015-16	2014-15
Net Fixed Assets (incl. CWIP and Capital Advance)	1,886	13,044	11,712	7,317	7,339	5,710
Long-Term Loans & Advances	31	215	282	178	225	454
Investments (Non-Current & Current)	4,501	31,128	35,547	8,996	7,100	5,350
Current Assets	1,074	7,427	6,177	3,360	3,133	2,851
Total	**7,492**	**51,814**	**53,718**	**19,851**	**17,796**	**14,365**
Share Capital	19	132	131	93	93	92
Reserves and Surplus	6,048	41,828	44,658	16,138	13,778	11,091
Net Worth	6,067	41,960	44,790	16,231	13,872	11,183
Deferred Tax Liability (Net)	272	1,879	1,835	663	494	615
Long-Term Liabilities & Provisions	14	97	76	110	96	89
Total Loan Funds[3]	479	3,310	2,969	701	1,839	1,115
Current Liabilities[3]	660	4,568	4,048	2,146	1,494	1,363
Total	**7,492**	**51,814**	**53,718**	**19,851**	**17,796**	**14,365**

Ratios & Statistics	Unit	2018-19	2017-18	2016-17	2015-16	2014-15
EBITDA Margin	(%)	22.0	21.8	24.3	19.8	15.2
Net Margin (before exceptional Item)	(%)	12.2	12.2	14.4	10.7	8.3
Interest Cover (EBITDA-Current Tax/Total Interest)	(x)	19.0	21.7	36.4	11.0	13.8
Total Debt to Equity Ratio	(x)	0.1	0.1	0.0	0.1	0.1
Net Debt to Equity Ratio[4]	(x)	-0.01	-0.01	-0.11	0.0	0.0
Dividend per Share[5]	₹ / Share	7.0	6.2	5.5	4.5	18.0
Basic Earnings per Share (before EI/EO)[5]	₹ / Share	39.1	30.1	33.4	21.4	12.1
Book Value per Share[5]	₹ / Share	638	681	348	297	1,217
No. of Equity Shareholders	No.	2,32,610	2,30,926	1,52,463	1,39,659	1,34,350
No. of Employees	No.	24,390	24,286	8,669	8,891	7,381

Note [1] - 1 USD = INR 69.9050

Note [2] - 1 USD = INR 69.1612

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

Note [4] - 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 [5] - Adjusted for share split.

Board's Report

To the Members,

Your Directors are pleased to present the 72nd Annual Report of your Company along with the Audited Financial Statements for the financial year ended 31st March 2019.

FINANCIAL HIGHLIGHTS

Your Company's financial performance for the year ended 31st March 2019, is summarised below:

(₹ in Crore)

Particulars	Consolidated		Standalone	
	2018-19	**2017-18**	**2018-19**	**2017-18**
Revenue from Operations	**72,970.64**	57,033.67	**20,550.43**	16,032.05
Less: Excise Duty	-	1,140.16	-	246.24
Net Revenue from Operations	**72,970.64**	55,893.51	**20,550.43**	15,785.81
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	**12,819.85**	10,883.37	**4,639.14**	3,541.54
Less: Finance Costs	**1,780.56**	1,363.98	**199.05**	128.13
Less: Depreciation and Amortisation Expenses	**3,260.45**	2,724.36	**760.39**	627.66
Profit Before Share in Profit/(Loss) of Equity Accounted Investees, Exceptional Items and Tax	**7,778.84**	6,795.03	**3,679.70**	2,785.75
Share in Profit/(Loss) of Equity Accounted Investees	**29.06**	(727.44)	-	-
Exceptional Items	**(2,574.52)**	(432.85)	**(2,368.01)**	(272.61)
Profit Before Tax (PBT)	**5,233.38**	5,634.74	**1,311.69**	2,513.14
Tax Expenses	**2,457.43**	1,947.12	**796.39**	744.48
Profit for the Period Attributable to:	**2,775.95**	3,687.62	**515.30**	1,768.66
Shareholders of the Company	**1,771.92**	2,678.58	**515.30**	1,768.66
Non-Controlling Interest	**1,004.03**	1,009.04	-	-
Other Comprehensive Income for the Year Attributable to:	**(2,786.46)**	(276.65)	**(2,798.07)**	(221.69)
Shareholders of the Company	**(2,826.72)**	(166.05)	**(2,798.07)**	(221.69)
Non-Controlling Interest	**40.26**	(110.60)	-	-
Total Comprehensive Income for the Year Attributable to:	**(10.51)**	3,410.97	**(2,282.77)**	1,546.97
Shareholders of the Company	**(1,054.80)**	2,512.53	**(2,282.77)**	1,546.97
Non-Controlling Interest	**1,044.29**	898.44	-	-
Profit for the Period attributable to Shareholders of the Company	**1,771.92**	2,678.58	**515.30**	1,768.66
Opening Balance in Retained Earnings	**3,453.58**	3,299.75	**3,765.46**	3,434.87
Gain/(Loss) on Re-measurements of Defined Benefits Plans	**(7.37)**	15.78	**(5.49)**	(12.87)
Gain on sale of non-current investment transferred to retained earnings from equity instruments through OCI	**21.39**	8.19	-	0.02
Stake Dilution in Subsidiary Companies	**(0.57)**	-	-	-
Transaction Cost on cancellation of Shares in UltraTech Nathdwara Cement Limited (UNCL)	**(0.90)**	-	-	-
Others (Increase in stake in Aditya Birla Solar Limited, transfer from ESOP reserve on exercise of option and movement in Joint Venture Companies)	**0.09**	(1.90)	-	-
Subvention Money Received in subsidiary books	**4.44**	-	-	-
Idea Cellular Limited (now known as Vodafone Idea Limited) not consolidated as an Associate w.e.f. 31st August 2018	**636.67**	-	-	-
Amount available for Appropriation	**5,879.25**	6,000.40	**4,275.27**	5,190.68
Less: Transfer to Debenture Redemption Reserve	**(48.71)**	(73.68)	**(23.38)**	(23.75)
Less: Transfer to General Reserve	**(1,084.98)**	(1,963.36)	-	(1,000.00)
Less: Dividend Paid on Equity Shares (including Corporate Dividend Tax)	**(491.5)**	(435.07)	**(455.83)**	(401.47)
Less: Transfer to Special Reserve Fund	**(107.47)**	(74.39)	-	-
Less: Transfer to Legal Reserve	-	(0.32)	-	-
Closing Balance in Retained Earnings	**4,146.59**	3,453.58	**3,796.06**	3,765.46

DIVIDEND

Based on your Company's performance, the Directors are pleased to recommend for your approval, a dividend of ₹ 7 (Rupees Seven Only) per equity share of ₹ 2 each of your Company (dividend @350% of the face value), for the financial year ended 31st March 2019. The dividend, if approved by the members, would involve a cash outflow of ₹ 515.88 Crore (inclusive of Dividend Distribution Tax of ₹ 55.54 Crore).

In terms of the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations"), your Company has formulated a Dividend Distribution Policy. This Policy is given in **Annexure 'A'** to this Report and is available on your Company's website, www.grasim.com.

Dividend declared by your Company for the financial year ended 31st March 2019, is in compliance with the Dividend Distribution Policy.

TRANSFER TO RESERVES

The Board of Directors of your Company has decided not to transfer any amount to the General Reserves, for the financial year ended 31st March 2019.

PERFORMANCE REVIEW

On a consolidated basis, the revenue from operations for FY 2018-19, increased to ₹ 72,970.64 Crore which was 31% higher than that of the previous year (₹ 55,893.51 Crore in FY 2017-18). The consolidated EBITDA increased to ₹ 12,819.85 Crore for FY 2018-19 which was 18% higher than that of the previous year (₹ 10,883.37 Crore in FY 2017-18).

On a standalone basis, revenue from operations for FY 2018-19, increased to ₹ 20,550.43 Crore which was 30% higher than that of the previous year (₹ 15,785.81 Crore in FY 2017-18). The standalone EBITDA increased to ₹ 4,639.14 Crore for FY 2018-19 which was 31% higher than that of the previous year (₹ 3,541.54 Crore in FY 2017-18).

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

STRATEGIC INITIATIVES

CHLOR ALKALI BUSINESS

During the year, your Company acquired Chlor-Alkali Business ("CAB") of K. P. R. Industries (India) Limited ("KPR") by way of a slump sale. This acquisition is a strategic fit and further strengthens your Company's leadership in the chlor-alkali sector. The CAB consists of an under-construction 200 TPD Chlor-Alkali project at Balabhadrapuram, Andhra Pradesh.

The acquisition is in line with your Company's strategy to strengthen operations on the east coast of India. Further, the purchase of a partially-completed project, vis-à-vis a greenfield project, will translate into a shorter time-to-market. The acquired Business also has the potential for future expansions. Once operationalised, this plant, along with other ongoing expansion projects, will enhance your Company's caustic soda capacity to 1,457 KTPA.

Caustic soda is one of the essential inputs for the manufacture of alumina. Given the expansion plans for the aluminium businesses, it will serve as an excellent sourcing point for leading aluminium players.

It is also used widely in various other industries, viz., viscose staple fibre, water treatment, pharma, chemicals, etc. The business is strategically located in proximity of various aluminium manufacturing plants, which offer significant growth opportunities.

The chlor-alkali division of your Company already operates seven state-of-the-art chlor-alkali plants, pan India. The completion of this chlor-alkali project in Andhra Pradesh enables your Company to serve the fastest growing market of caustic soda in India, and will also catalyse growth of the chlorine downstream sector in Andhra Pradesh.

ACQUISITION OF SOKTAS INDIA PRIVATE LIMITED (NOW KNOWN AS GRASIM PREMIUM FABRIC PRIVATE LIMITED)

During the year, your Company acquired 100% equity of Soktas India Private Limited ("SIPL"), from its current promoters, SÖKTAŞ TEKSTIL SANAYI VE TICARET ANONIM SIRKETI, world renowned producer and marketer of fabrics at a consideration of ₹ 135 Crore. SIPL is in the business of manufacturing and the distribution of premium cotton fabrics. SIPL became a wholly owned subsidiary on 29th March 2019 and has been renamed as Grasim Premium Fabric Private Limited (GPFPL).

Its state-of-the-art manufacturing facility is located at Kolhapur, Maharashtra and its plant capacity is about 10 million metres per annum of finished fabric. GPFPL sells premium fabrics in India under the "SÖKTAŞ", "Giza House" and "Excellence by SÖKTAŞ" brands. GPFPL is also a preferred supplier to leading Indian and Global menswear brands. The acquisition is in line with your Company's Linen business strategy, to strengthen its presence in the premium fabric market. Increasing disposable income, fashion and quality orientation of Indian consumers has resulted in an increase in the demand for premium fabric over the years.

Your Company already has a significant presence in India's premium linen fabric market, through its leading brand "Linen Club". It is India's top linen fabric manufacturer. This acquisition is a compelling strategic fit with the linen business, and further strengthens our leadership in the premium fabric market in India. The brand Linen Club is well recognised in the evolving Indian fashion industry, which will be further bolstered by the "SÖKTAŞ", "Giza House" and "Excellence by SÖKTAŞ" brands.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 (Act), read with the Companies (Accounts) Rules, 2014, Listing Regulations and Ind AS 110 - Consolidated Financial Statements/and Ind AS 28 - Investment in Associates/ and Joint Ventures, the Audited Consolidated Financial Statements forms integral part of this Annual Report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The following are the changes in the subsidiaries, associates and joint venture companies of the Company:

Name of the Company	Change in Status	Effective Date
Aditya Birla Renewables Limited	Became a wholly owned subsidiary	15th May 2018
Vodafone Idea Limited (formerly known as Idea Cellular Limited)	Ceased to be an Associate	31st August 2018
Birla Laos Pulp & Plantations Company Limited	Ceased to be the Joint Venture	18th September 2018
Sun God Trading and Investment Limited	Ceased to be a direct subsidiary	29th September 2018
Aditya Birla Chemicals (Belgium) BVBA	Ceased to be a subsidiary	21st January 2019
Shaktiman Mega Food Park Private Limited	Ceased to be a subsidiary	22nd February 2019
Soktas India Private Limited (now known as Grasim Premium Fabric Private Limited)	Became a subsidiary	29th March 2019
Aditya Birla Solar Limited	Became a wholly owned subsidiary	31st March 2019

In accordance with the provisions of Section 129(3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of financial statements of each of the subsidiaries/ associates/joint venture companies of the Company, in the prescribed Form AOC-1, is given in **Annexure 'B'** to this Report.

The said Form also highlights the financial performance of each of the subsidiaries/associates/joint venture companies included in the CFS pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

In accordance with the provisions of Section 136(1) of the Companies Act, 2013, the Annual Report of your Company, containing *inter alia* the audited standalone and consolidated financial statements, has been placed on the website of your Company, www.grasim.com. Further, the audited financial statements along with related information and other reports of each of the subsidiary companies is also available on the website of your Company, www.grasim.com.

In accordance with Section 136 of the Companies Act, 2013, the financial statements of the subsidiary companies and related information are available for inspection by the Members of the Company at its registered office, during business hours, upto the date of the Annual General Meeting (AGM). Any Member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of your Company.

Your Company does not have any material unlisted subsidiary company. UltraTech Cement Limited and Aditya Birla Capital Limited are the material listed subsidiary companies of your Company. The Audit Committee and the Board reviews the financial statements, significant transactions and working of all the subsidiary companies, and the minutes of unlisted subsidiary companies are placed before the Board.

UltraTech Cement Limited (UltraTech)

a) The National Company Law Appellate Tribunal (NCLAT) by its order dated 14th November 2018, approved the Resolution Plan of UltraTech for acquiring Binani Cement Limited (BCL) under the provisions of the Insolvency and Bankruptcy Code, 2016, as amended. BCL became a wholly-owned subsidiary of UltraTech with effect from 20th November 2018 and it was re-named as UltraTech Nathdwara Cement Limited, with effect from 13th December 2018.

b) The Board of Directors of UltraTech had approved a Scheme of Demerger amongst Century Textiles and Industries Limited (Century) and UltraTech and their respective shareholders and creditors (the Scheme). In terms of the Scheme, Century would demerge its cement business into UltraTech.

The National Company Law Tribunal, Mumbai Bench (NCLT) has by its Order dated 3rd July 2019 approved the Scheme and has fixed the Appointed Date as 20th May 2018. The Scheme will be effective upon receipt of the required regulatory approvals for transfer of mining leases.

The Consolidated Financial Statements of the Company for the FY 2018-19 included in this Annual Report, are without giving impact of the Scheme.

Aditya Birla Capital Limited (ABCL)

a) ABCL and Aditya Birla ARC Limited, a subsidiary of the ABCL, entered into a strategic joint venture with Varde Partners ("Varde") and created a joint platform to pursue investments in stressed and distressed assets in India. Varde is a global investment adviser focused on credit and value investing strategies.

b) The National Company Law Tribunal, Ahmedabad Bench by its order dated 14th November 2018 approved of the amalgamation of Aditya Birla Money Limited ("ABML") and Aditya Birla Commodities Broking Limited ("ABCBL"), with effect from 14th December 2018. ABML is a subsidiary of ABCL and ABCBL is a wholly owned subsidiary of ABML and a step-down subsidiary of ABCL.

Your Company has in accordance with the amendments to the Listing Regulations revised the Policy for determining Material Subsidiaries. The said Policy is available on your Company's website, www.grasim.com

SHARE CAPITAL

During the FY 2018-19:

- your Company allotted 2,26,928 equity shares of ₹ 2/- each pursuant to the exercise of Stock Options and Restricted Stock Units in terms of the Employees Stock Option Schemes of your Company.
- your Company has not issued any shares with differential voting rights or any sweat equity shares.

PURCHASE OF TREASURY SHARES

The Grasim Employees' Welfare Trust constituted in terms of the Company's Employee Stock Option Scheme, 2018 ("ESOS 2018") acquired 13,57,375 equity shares of your Company from the secondary market, to be allotted to the eligible employees under ESOS 2018. As per the Ind AS, purchase of own equity shares are treated as treasury shares.

DEPOSITS

During the year under review, your Company has not accepted or renewed any deposits within the meaning of Section 73 of the Companies Act, 2013, 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.

ISSUE OF NON-CONVERTIBLE DEBENTURES

On 26th March 2019, your Company has issued and allotted 5,000, 7.65%, fully paid-up, Unsecured, Redeemable Non-Convertible Debentures of face value of Rupees Ten Lakh each, having a tenure of 3 years and 20 days, with maturity date being 15th April 2022, at an issue price of Rupees Ten Lakh each, aggregating to ₹ 500 Crore, on private placement basis.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, disclosures on particulars relating to loans, advances and investments as on 31st March 2019 are given in the Notes to the Financial Statements. There are no guarantees issued, or securities provided by your Company in terms of Section 186 of the Companies Act, 2013, read with the Rules issued thereunder.

ABRIDGED ANNUAL REPORT

In terms of the provisions of Section 136(1) of the Companies Act, 2013, Rule 10 of Companies (Accounts) Rules, 2014, and Regulation 36 of the Listing Regulations, the Board of Directors has decided to circulate the Abridged Annual Report containing salient features of the Balance Sheet and Statement of Profit and Loss, and other documents to the shareholders for the FY 2018-19, under the relevant laws.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations, is presented in a separate section, and forms an integral part of this Report. It, *inter alia*, provides details about the Indian economy, business performance review of the Companies various businesses and other material developments during the FY 2018-19.

CORPORATE GOVERNANCE

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

In terms of Regulation 34 of the Listing Regulations, a separate report on Corporate Governance, along with a certificate from the Auditors on its compliance is given in **Annexure 'C'** to this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

- In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment & Qualification of Directors) Rules, 2014, and the Articles of Association of the Company, Mr. Kumar Mangalam Birla (DIN: 00012813) and Ms. Usha Sangwan (DIN: 02609263), Non-Executive Directors of your Company, are liable to retire by rotation at the ensuing Annual General Meeting (AGM) and, being eligible, have offered themselves for re-appointment. Resolutions seeking shareholders' approval for the re-appointment of Mr. Kumar Mangalam Birla and Ms. Usha Sangwan have been included in the Notice of the ensuing AGM.

- In terms of the Regulation 17(1A) of the Listing Regulations, approval of the shareholders, by way of a special resolution, is required for the continuation of directorship of non-executive directors, who have attained the age of 75 years.

  Mr. Arun Thiagarajan (DIN: 00292757), Independent Director, of your Company will attain the age of 75 years, in September 2019. The Nomination and Remuneration Committee had after considering various attributes, including the experience of Mr. Thiagarajan recommended his continuation as Non-Executive Independent Director on the Board of the Company, till the end of his term. Based on the recommendation of the Nomination and Remuneration Committee, the Board has, subject to the approval of the shareholders, consented to the continuation of Directorship of Mr. Arun Thiagarajan till the end of his tenure. Shareholders' approval by way of a special resolution for the continuation of Directorship of Mr. Arun Thiagarajan till the end of his tenure has been included in the Notice of the ensuing AGM.

- Mr. Cyril Shroff, Dr. Thomas M. Connelly, Jr., Mr. M. L. Apte and Mr. B. V. Bhargava were appointed as Independent Directors at the AGM of your Company held on 6th September 2014, for a period of 5 consecutive years. Mr. O. P. Rungta was appointed as an Independent Director, at the AGM of your Company held on 19th September 2015, for a term of 5 consecutive years, with effect from 25th September 2014.

  Based on the report of performance evaluation and the recommendations of the Nomination and Remuneration Committee, the Board has, subject to the approval of the shareholders approved the re-appointment of the following Independent Directors:

  - Mr. Cyril Shroff and Dr. Thomas M. Connelly, Jr., for a further term of 5 years commencing from 23rd August 2019;
  - Mr. O. P. Rungta for a further term of 5 years commencing from 25th September 2019

  Shareholders' approval by way of special resolutions for the above Independent Directors have been included in the Notice of the ensuing AGM.

- Mr. M. L. Apte and Mr. B. V. Bhargava whose existing term of office as Independent Directors is up to the conclusion of the ensuing AGM and who are eligible for re-appointment as Independent Directors have expressed their unwillingness to be re-appointed at the ensuing AGM, due to personal reasons. The Board placed on record its deep appreciation for the contribution made by Mr. M. L. Apte and Mr. B. V. Bhargava during their tenure as Independent Directors of the Company.

  Subject to the approval of the shareholders, and based on the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on 12th July 2019 appointed Mr. N. Mohanraj (DIN: 00181969) as an Additional Independent Director of the Company, for a period of 5 years commencing from 12th July 2019.

  The resolution seeking the appointment of Mr. N. Mohanraj as an Independent Director has been included in the Notice of the ensuing AGM.

  Your Directors commend the Resolutions for your approval for the aforesaid appointment/re-appointment continuation.

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

- Pursuant to the Group's Policy of rotation of senior leaders, Mr. Sushil Agarwal, Whole-time Director & CFO has relinquished his role as Chief Financial Officer of Grasim Industries Limited and as a member of its Board, with effect from the close of business hours on 30th June 2019. Mr. Agarwal has ceased to be a Director on the Board of the Company, with effect from close of business hours on 30th June 2019.

  Mr. Sushil Agarwal was appointed as the Chief Financial Officer of the Company and inducted as a Whole-time Director on the Board of the Company, with effect from 1st July 2015. He was given additional responsibility of Group Chief Financial Officer (Group CFO) on 1st April 2016. Mr. Sushil Agarwal has made significant contributions to your Company's growth, notable being the amalgamation of Aditya Birla Chemicals (India) Limited with Grasim Industries Limited, merger of Aditya Birla Nuvo Limited with Grasim Industries Limited and demerger of its financial services business to Aditya Birla Capital Limited and other merger and acquisition transactions.

  Mr. Sushil Agarwal is a long-serving member of the Aditya Birla Group and has held variety of roles across the Group. Over 30 years with the Group, he has closely worked with several businesses of the Group including Financial Services, where he was the COO of Birla Global Finance Limited and the CEO of Birla Insurance Advisory. He was conferred the Chairman's Award as an Exceptional Achiever in 2000 and an Outstanding Leader Award in the year 2013.

  The Board placed on record its deep appreciation for the substantial contribution and services rendered by Mr. Sushil Agarwal during his tenure with your Company as the Whole- time Director & CFO.

Key Managerial Personnel

Pursuant to the provisions of Sections 2(51), and 203 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Key Managerial Personnel of the Company as on 31st March 2019 are Mr. Dilip Gaur, Managing Director, Mr. Sushil Agarwal, Whole-time Director & Chief Financial Officer and Mrs. Hutokshi R. Wadia, President and Company Secretary.

Consequent to Mr. Sushil Agarwal, relinquishing his office as Whole-time Director & CFO, he ceased to be the Key Managerial Personnel of the Company, with effect from the close of business hours on 30th June 2019.

In line with the Group's talent movement plans and its strategy of bringing talent into significant roles and based on the recommendations of the Nomination and Remuneration Committee and Audit Committee, the Board of Directors at its meeting held on 24th May 2019, appointed Mr. Ashish Adukia as the Chief Financial Officer of the Company, with effect from 1st July 2019.

Mr. Ashish Adukia joined the Group in August 2014 as President and Head-Group Corporate Finance, Aditya Birla Management Corporation Private Limited. In his last role Mr. Adukia was Senior President and Head-Group Corporate Finance. He has contributed significantly to mergers and acquisitions and capital raising initiatives of the Group, and has been responsible for Business Planning and the Group MIS, amongst other key financial initiatives. He has worked closely with the Chairman and Business Leaders on many strategic and critical projects, maximising value creation from the Corporate Centre to the Group's key business issues. His major contributions include systematically providing funding solutions and meeting objectives of cost optimization and long-term impact, providing capital restructuring solutions and numerous major mergers and acquisition transactions within the Group.

Prior to joining the Group, Mr. Adukia was Executive Director – Investment Banking at Morgan Stanley India Co. Ltd. Earlier in his career, he has been with Citigroup and PriceWaterhouse Coopers Private Limited.

MEETINGS OF THE BOARD

The Board of Directors of the Company met 4 times during the year to deliberate on various matters. The meetings were held on 23rd May 2018, 14th August 2018, 14th November 2018 and 7th February 2019. Further details are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

DECLARATION OF INDEPENDENCE

Definition of 'Independence' of Directors is derived from Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013 and Rules framed thereunder. Your Company has received declarations from all the Independent Directors of your Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, its Committees, Independent Directors, Non-Executive Directors, Executive Directors, and the Chairman of the Board.

The Nomination and Remuneration Committee of the Board has 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 your Company.

The performance of Non-Independent Directors, the Board as a whole, and the Committees of the Board has been evaluated by Independent Directors in a separate meeting. At the same meeting, the Independent Directors also evaluated the performance of the Chairman of your Company, after taking into account the views of Executive Directors and Non-Executive Directors. Evaluation as done by the Independent Directors was submitted to the Nomination and Remuneration Committee and subsequently to the Board.

The performance of the Board and its Committees was evaluated by the Nomination and Remuneration Committee after seeking inputs from all the Directors, on the basis of criteria such as the Board/Committee composition and structure, effectiveness of the Board/Committee process, information and functioning, etc.

The performance evaluation of all the Directors of your Company, (including Independent Directors, Executive and Non-Executive Directors and Chairman), is done at the Nomination and Remuneration Committee meeting and the Board meeting by all the Board members, excluding the Director being evaluated on the basis of criteria, such as contribution at the meetings, strategic perspective or inputs regarding the growth and performance of your Company, among others. Following the meetings of Independent Directors and of Nomination and Remuneration Committee, the Board at its meeting discussed the performance of the Board, as a whole, its committees and individual Directors.

The new Directors inducted into the Board attends an orientation programme. The details of the programme for familiarisation of Independent Directors of your Company are provided in the Corporate Governance Report, which forms part of this Annual Report and are also available on your Company's website, www.grasim.com.

DIRECTORS' RESPONSIBILITY STATEMENT

The audited accounts for the year under review are in conformity with the requirements of the Companies Act, 2013 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 your Company's financial condition and results of operations.

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm that:

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

b) the 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 your Company as at 31st March 2019 and of the profit of your Company for the year ended on that date;

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

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

e) your 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 Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, B S R & Co. LLP Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) and S R B C & Co, LLP, Chartered Accountants (ICAI Firm Registration No. 324982E/E300003) have been appointed 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 and 75th AGM of the Company to be held in the year 2022, respectively.

Pursuant to the provisions of Section 139(1) of the Companies Act, 2013, as amended with effect from 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 withdrawn from the Section 139(1) of the Companies Act, 2013 with effect from that date. In view of the above, no resolution is proposed for ratification of appointment of the Joint Statutory Auditors at the ensuing AGM, and a note in respect of the same has been included in the Notice of the ensuing AGM.

The Joint Statutory Auditors have confirmed that they are not disqualified to continue as Auditors, and are eligible to hold office as Auditors of the Company. As authorised by the shareholders, the Board, on the recommendation of the Audit Committee, has ratified the appointment of the Joint Statutory Auditors for their respective remaining terms at such remuneration, as may be mutually agreed between the Board of Directors and the Joint Statutory Auditors, from time to time.

The observations made by the Joint Statutory Auditors on the Financial Statements of the Company, in their Report for the financial year ended 31st March 2019, 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 Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation, disclaimer or adverse remark.

COST AUDITORS

The cost accounts and records as required to be maintained under Section 148(1) of Companies Act, 2013 are duly made and maintained by your Company. Pursuant to the provisions of Section 148 of the Companies Act, 2013 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 the following Cost Auditors for FY 2019-20:

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 Filament Yarn-Century Rayon Division	Not exceeding ₹ 15 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 Filament Yarn-Century Rayon Division	Not exceeding ₹ 2.20 Lakh plus applicable taxes and reimbursement of out-of-pocket expenses

Your 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 your Company for the FY 2019-20, along with separate certificates confirming each of their eligibility.

As required under the Companies Act, 2013, a resolution ratifying the remuneration payable to the cost auditors has been placed before the Members for their approval, at the ensuing AGM.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 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 FY 2019-20. The Secretarial Audit Report, issued by M/s. BNP & Associates, Company Secretaries for the FY 2018-19, is set out in **Annexure 'E'** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation, disclaimer or adverse remark.

Your Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor have reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against your Company by its officers and employees, details of which would need to be mentioned in the Board's Report.

DISCLOSURES

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During FY 2018-19, all contracts / arrangements / transactions entered into by your Company with Related Parties were on arm's length basis and in the ordinary course of business. There are no material transactions with any Related Party as defined under section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014. All Related Party transactions have been approved by the Audit Committee of your Company. Your Company has implemented Related Party Transactions Policy and Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

The details of contracts and arrangements with Related Parties of your Company for the financial year ended 31st March 2019, are given in Notes to the Standalone Financial Statements, forming part of this Annual Report.

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has established a robust Vigil Mechanism for reporting of concerns through the Whistle Blower Policy of your Company, which is in compliance of the provisions of Section 177 of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and the Listing Regulations. 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, which forms part of this Annual Report and the Whistle Blower Policy has been uploaded on the website of your Company, www.grasim.com.

CORPORATE SOCIAL RESPONSIBILITY

In terms of the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has a Corporate Social Responsibility (CSR) Committee, which is chaired by Mrs. Rajashree Birla. The other Members of the Committee are Mr. B. V. Bhargava, Independent Director, Mr. Shailendra K. Jain, Non-Executive Director and Mr. Dilip Gaur, Managing Director. Dr. Pragnya Ram, Group Executive President, CSR, is a permanent invitee to the Committee. The Corporate Social Responsibility Policy (CSR Policy), indicating the activities undertaken by your Company, is available on your Company's website, www.grasim.com.

Your Company is a caring corporate citizen and lays significant emphasis on development of the host communities around which it operates. Your 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 initiatives undertaken by your Company on CSR activities, during the FY 2018-19, are set out in **Annexure 'F'** to this Report, in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. Your Company has spent a sum of ₹ 47.14 Crore, which is more than 2% of the average net profits of the last three years for the purposes of CSR.

RISK MANAGEMENT

Pursuant to the requirement of Listing Regulations, your Company has constituted Risk Management Committee, which is mandated to review the risk management plan/process of your Company. Risk evaluation and management is an ongoing process within the Organisation. Your 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. Your Company has comprehensive risk management framework, which is periodically reviewed by the Risk Management Committee.

BUSINESS RESPONSIBILITY REPORT

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

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of your Company as on 31st March 2019 in **Form MGT-9**, in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is given in **Annexure 'G'** to this Report. The same is also available on your Company's website, www.grasim.com

INTERNAL FINANCIAL CONTROLS

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

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Arun Thiagarajan, Mr. B. V. Bhargava, Mr. M. L. Apte and Mr. Dilip Gaur as its Members. The Committee comprises of majority of Independent Directors with Mr. Arun Thiagarajan being the Chairman. The CFO of your Company is the permanent invitee.

Further details relating to the Audit Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

All the recommendations made by the Audit Committee, during the year, were accepted by the Board of Directors of your 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, which forms an integral 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, which forms an integral part of this Annual Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Stakeholders' Relationship Committee looks into matters relating to transfer/transmission of securities; non-receipt of dividends; non-receipt of annual report etc. Further details pertaining to Stakeholders Relationship Committee are provided in the Corporate Governance Report, which forms an integral 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

The Pulp R&D and Technology teams have focused their efforts on increasing capacity, improving quality and opening new specialty markets. The Domsjo Plant (a joint venture) is working to increase pulp capacity by addressing the bottleneck in evaporation through improved efficiencies and reduced process flows. Domsjo is also improving pulp quality through stabilising wood chip uniformity, improved bleaching to reduce viscosity variations, and standardised mill operating strategies. These improvements have also supported increasing our pulp specialty products growth with the introduction of new customers in filament yarn and casing applications. In addition, the new pulp quality brand, Ultra, is now fully accepted by a Cellulose Acetate customer.

Across Pulp JV plants, advanced process control systems in the digester and bleaching areas have been developed to enhance consistency, and the system is under stabilisation.

A digitization initiative aimed at seamlessly connecting Pulp plant processes with the consuming Fibre plants is progressing. The first technology platform to allow sharing real-time pulp quality and dispatch data with the Fibre sites has been piloted successfully.

This allows to improve fibre spinning consistency. Full-scale implementation plans are being developed. A new pulp blending methodology has led to improved pulp ratio control and viscose spinning solution consistency. These systems enable further improvements through the development of models for predictive control.

FIBRE RD&T

Production efficiency and improved customer experience are prime focus areas for innovations in Viscose Staple Fibre (VSF) production facilities. One key initiative has been expanding the gradual implementation of technologies, which reduce in-process material consumption amounts. Process developments reducing the usage of energy and water are also reducing costs, while enhancing sustainability. While we are in the process of implementing our public commitments for reducing the environmental footprint, we are doing so by improving emission control technologies to also reduce our overall usage of chemicals and energy.

Our work to improve our customers' experience includes specific technologies to improve non-woven spunlacing process performance, dope-dyed fibre uniformity leading to higher efficiency yarn spinning and quality, and improved spinning performance for greige fibres. In addition, our increased effort on differentiated products has resulted in several new offerings at different stages of commercialisation. Liva Sno, a fibre with high whiteness, is now produced in regular campaigns for applications like uniforms, melange and patterned fabrics. This provides an environmentally friendly alternative to customers' existing downstream processes for producing yarns and fabrics with high whiteness. Livaeco, a fibre recently launched with molecular tagging, provides supply-chain traceability for our branded products that incorporate special sustainability attributes. The differentiated products pipeline continues to progress with three additional value-added products from our pilot plant, having gone through customer acceptance tests. These will be scaled-up to commercial production and sales in the coming year. Methodical innovation processes, coupled to business needs, are guiding our selection of new products for development.

Overall fibre quality continues to improve with the objective of bringing fibre lines to global benchmark quality levels by adopting the "Product by Process" approach using Six Sigma principles. During FY19, continued upgrades to our production lines has resulted in 78% of capacity now being mechanically capable of producing benchmark quality. We are aggressively addressing a key quality challenge, the growing vortex (MVS) type yarn-spinning demand, which requires especially low fibre imperfection levels. MVS Grade production has been increased from 64% in FY17 to 82% during this year, and our goal is to achieve 90 % in FY 20. As a result of these efforts, customer complaints were reduced from 4.0/10Kt in FY17 to 2.9 in FY19 and were further reduced to 2.1 in FY19. The Quality Initiative focus for the coming year will be improving the process stability and product quality of non-benchmark production lines through innovative solutions requiring little new capital.

Our journey in the Excel® project reached a critical milestone with the commissioning of the new 45 TPD plant based on the environment-friendly solvent spinning technology developed in-house. The new technology offers a higher performance product with improved sustainability as a key growth alternative for our business. The new plant has set the platform for rapid "take-off" of our technology in the coming years.

Textile Research and Application Development Centre (TRADC) continues to be a significant contributor to ensure global leadership through development of innovative applications, such as Men's range, Home Textiles, Warp knit range which were considered as challenges for VSF. In collaboration with internal and external customers, TRADC brings contemporary, innovative and cost-effective solutions for the Global Fashion Industry, through continuous improvement in quality by process development, with an eye on sustainability. Recently a brand has selected our dope-dyed fibres for blending with polyester for Sportswear. Similarly, Cotton/Modal denim development is under mini-bulk conversion at premier textile unit. Modal and Excel are finding application in the place of 100% cotton in Sarees and Dhoti.

Enabling Capabilities

A multi-disciplinary team is responsible for the innovation agenda of the Pulp and Fibre business. Starting with early tests of concepts in laboratory, a screening process leads to short-listing. The selected concepts are then taken through iterative processes of developments and testings, and then through scale-up in fibre pilot plants. The fibres are taken through customer processes of yarn, fabric and garment making. In-house, external and customer-facilities are all engaged for effective delivery in minimum time. Successful products are then transferred to plants for commercial implementation, and placed in the market.

Chemical Business

Your Company's Chlor-Alkali business has accelerated its R&D efforts as its Aditya Birla Water Application & Product Development Centre. The objective is targeted and focused product and market development and transforming from commodity to specialty chemicals mind-set with focus on innovation and application development. Your Company has focused on customer-oriented R&D and providing solutions and solving problems at customer sites. The R&D team also delivered improvement in existing processes in terms of efficiency and quality. This has benefitted the operating plants, not only on costs but also on setting better safety and environmental standards.

Your Company also filed two patents in the areas of water treatment, on raw material and process improvement. Your Company also partnered with several institutions of repute, viz., Institute of Chemical Technology, Mumbai; Malaviya National Institute of Technology, Jaipur; Central Institute for Brackish Water Aquaculture, Chennai; National Environmental Engineering Research Institute, Nagpur and Vasant Dada Sugar Institute, Pune, on various projects. Two new applications were also established for usage of chlorinated-alkanes. Similarly, research efforts led to usage of one of the ingredients into efficient drip-irrigation system. In line with providing sustainable solutions, your Company undertook a research project with a building materials company to utilise by-product of the chemical process to enhance cementing properties.

Specialty Formulations and New Products: Your Company has been a pioneer in developing several new specialty formulations for water treatment, that are customised and targeted solutions for specific industries such as sugar, paper and pulp, oil refinery, edible oil, textile, dye, aquaculture, etc. We have successfully commercialised these formulations in the areas of refinery wastewater treatment, handling of dispersed dye residue, processing of ceramic ingredients, etc. There is a pipeline of at least 5 more products with initial success and ready for commercialisation soon. Such specialty formulations not only enable us to differentiate vis-á-vis competition, but also help us in getting higher realisation than the base product. Your Company strengthened its water treatment portfolio with successful design and commissioning of a new product in collaboration with the US based consultant.

Focused Market Development: Our sales and marketing team has focused on application and performance selling. This is based on gaining deep understanding of customer processes and product applications and providing customised solutions to customers. The marketing team was able to identify the latent potential of nascent and high growth segments, such as Aquaculture and Public Hygiene. Unique value propositions and new brands were developed for these segments and targeted marketing development activities were executed, e.g., conducting workshops and technical discussions with aquaculture farmers in collaboration with CIFE (Centre for Central Institute of Fisheries Education), conducting trials at places of mega religious congregations, etc.

Processes: We took up initiatives in reduction in input consumption for brine treatment and improvement in the quality of filtered brine through secondary process like ion exchange. Further, other process improvements such as Filtration in brine treatment in stages such as recycling of ion exchange effluent to reduce the acidic effluent & recovery Alkaline effluent was also taken up. Your company also partnered with Aditya Birla Science and Technology Centre for improvements in salt quality with efficiency in brine improvements using refining process.

Health, Safety and Environment monitoring: We developed a Central Manufacturing Cockpit to monitor plant parameters at central level to enhance proves efficiency. We also designed and deployed Suraksha application to enhance safe movement of Chlorine via tonners. These measures are setting new industry standards beyond compliances.

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

No material changes and commitments, which could affect your Company's financial position, have occurred between the end of the financial year and the date of this Report. There has been no change in the nature of business of your Company.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details 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 is annexed herewith as **Annexure 'I'** to this Report.

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 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 out in the aforesaid Rules, forms part of this Report. In line with the provisions of Section 136(1) of the Companies Act, 2013, the Report and Accounts, as set out therein, are being sent to all the Members of your Company excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to your Company Secretary at the Registered Office of your Company.

EMPLOYEE STOCK OPTION SCHEMES (ESOS)

ESOS-2006

During the year under review, the Stakeholders' Relationship Committee of the Board of Directors allotted 86,835 Equity Shares of ₹ 2/- of your Company to Options Grantees, pursuant to the exercise of the Stock Options under ESOS-2006.

ESOS-2013

During the year under review, the Nomination and Remuneration Committee of the Board of Directors approved vesting of 48,447 Stock Options and 16,665 Restricted Stock Units (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 1,40,093 equity shares of ₹ 2/- of your Company to the Stock Options and RSUs Grantees, pursuant to the exercise of the Stock Options and RSUs, under ESOS-2013.

ESOS-2018

Pursuant to the approval of the shareholders at the Annual General Meeting held on 14th September 2018, the Board of Directors of your Company and the Nomination and Remuneration Committee, a new scheme viz. 'Grasim Industries Limited Employee Stock Option Scheme 2018' ("ESOS–2018") in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the SEBI SBEB Regulations") has been formulated. The ESOS 2018 is being administered by the Nomination and Remuneration Committee through the Grasim Employees' Welfare Trust (Trust).

During the year under review, a total of 11,18,480 Stock Options and 2,80,384 RSUs were granted to the eligible employees, including Managing Director and Whole-time Director and CFO of your Company, under the said Scheme.

The details of Employee Stock Options granted pursuant to ESOS-2006 and the Employee Stock Options and RSUs granted pursuant to ESOS-2013 and ESOS-2018, 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 your Company's website, www.grasim.com

A certificate from the Statutory Auditors, with respect to implementation of your 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 your Company.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company has zero tolerance for sexual harassment at workplace. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and the rules framed thereunder. Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the POSH Act. During the year under review, your Company received one complaint of sexual harassment, and the same has been resolved. There were no complaints pending as on 31st March 2019, under the aforesaid Act.

HUMAN RESOURCES

Your Company's human resources is the strong foundation for creating many possibilities for its business. During the year under review, your Company added greater employee talent through seamless integration of acquired assets. The efficient operations of manufacturing units, 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. Your 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 your Company's talent management process.

AWARDS AND ACCOLADES

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

- The Dun & Bradstreet Corporate Award 2019 as the Top Company for its stellar performance in the Indian textiles sector.
- Golden Peacock Award for Sustainability-2018 awarded to your Company's Harihar Pulp unit
- "Excellence in Operations" in Manufacturing and Logistics at the IDC Insights Awards 2018
- Grasim Pulp and Fibre won the award for Next Gen Technologies award at the ETCIO Annual Conclave 2019 presented by The Economic Times, India's leading business publication.
- 3 Export Awards by SRTEPC (The Synthetic & Rayon Textiles Export Promotion Council): Viscose Staple Fibre (Gold), Exports of fibre/yarn to "Focus SAARC" countries (Gold), and Second Best Overall Export Performance (Silver)
- Certificate of Appreciation for Sustainable and Impactful CSR projects in Gujarat (Vilayat) from Gujarat CSR Authority (Govt. of Gujarat)-Gujarat State CSR Awards 2019
- Liva won a Gold in the prestigious Abby Awards, Goa Fest 2019 for Innovative use of emerging technology.

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 your Company under any Scheme save and except ESOS referred to in this report;
3. There were no revisions in the financial statements;
4. There has been no change in the nature of business of your Company; and
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and your Company's operations in the future.

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

For and on behalf of the Board

Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Mumbai, 12th July 2019

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

Form AOC - 1

Pursuant to first proviso to sub section (3) of section 129 of Companies Act, 2013 read with Rule (5) of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statements of subsidiaries/associates companies/joint ventures

Part "A" - Subsidiaries

(Amount 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	**2018-19**	₹	**6.50**	**49.59**	**5.16**	**1.26**	**52.19**	**1.28**	**5.08**	**1.27**	**3.81**	-	**100%**
		2017-18		6.50	45.78	5.44	1.23	48.07	-	4.13	1.04	3.09	-	100%
2	ABNL Investments Limited	**2018-19**	₹	**28.14**	**70.99**	**112.61**	**21.49**	**8.01**	**2.26**	**3.45**	**(0.53)**	**3.98**	-	**100%**
		2017-18		28.14	66.57	113.62	23.51	4.60	-	1.66	0.47	1.19	-	100%
3	Sun God Trading And Investments Limited	**2018-19**	₹	**0.05**	**5.64**	-	**1.49**	**7.18**	-	**0.03**	**0.01**	**0.02**	-	**100%**
		2017-18		0.05	3.92	-	1.00	4.97	-	0.03	0.01	0.02	-	100%
4	Aditya Birla Chemicals (Belgium) BVBA (ceased to be subsidiary w.e.f. 21st Jan, 2019)	**2018-19**	**Euro**	-	-	-	-	-	**131,884**	**(1,280)**	-	**(1,280)**	-	-
			₹	-	-	-	-	-	1.07	(0.01)	-	(0.01)		
		2017-18	**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)	-	
5	Aditya Birla Renewables Limited	**2018-19**	₹	**118.81**	**0.89**	**114.20**	**72.37**	-	**14.09**	**3.60**	**1.01**	**2.59**	-	**100%**
		2017-18		32.64	(1.69)	93.74	72.82	-	-	(0.69)	(0.22)	(0.47)	-	85.59%
6	Aditya Birla Solar Limited	**2018-19**	₹	**66.59**	**13.01**	**361.44**	**281.84**	-	**44.28**	**10.13**	**2.06**	**8.07**	-	**100%**
		2017-18		60.53	5.06	341.47	275.88	-	31.52	8.87	2.38	6.49	-	50.10%
7	Aditya Birla Renewables SPV1 Limited	**2018-19**	₹	**41.74**	**1.83**	**167.64**	**124.07**	-	**13.12**	**3.11**	**1.02**	**2.09**	-	**89.65%**
		2017-18		13.55	(0.16)	72.91	59.52	-	0.75	(0.10)	0.06	(0.16)	-	79.29%
8	Aditya Birla Renewables Subsidiary Limited (w.e.f. 15th May 2018)	**2018-19**	₹	**22.10**	**0.50**	**115.86**	**93.26**	-	**5.26**	**1.03**	**0.53**	**0.50**	-	**74%**
		2017-18		-	-	-	-	-	-	-	-	-	-	-
9	Soktas India Private Limited (w.e.f. 29th March 2019)	**2018-19**	₹	**113.09**	**(39.24)**	**156.09**	**82.24**	-	-	-	-	-	-	**100%**
		2017-18		-	-	-	-	-	-	-	-	-	-	-
10	Aditya Birla Idea Payment Bank Limited	**2018-19**	₹	**568.97**	**(406.22)**	**217.35**	**84.51**	**29.90**	**22.98**	**(152.58)**	-	**(152.58)**	-	**51%**
		2017-18		452.32	(254.86)	253.61	79.77	23.61	1.44	(119.22)	-	(119.22)	-	51%
11	Shaktiman Mega Food Park Private Limited (ceased to be subsidiary w.e.f. 22nd February, 2019)	**2018-19**	₹	-	-	-	-	-	-	-	-	-	-	-
		2017-18		0.44	(0.44)	-	-	-	-	-	-	-	-	100%
12	UltraTech Cement Limited (UTCL) - (Standalone)	**2018-19**	₹	**274.64**	**27,672.43**	**51,371.94**	**30,488.73**	**2,911.77**	**35,703.50**	**3,562.30**	**1,106.58**	**2,455.72**	**380.76**	**60.20%**
		2017-18		274.61	25,648.41	48,210.10	28,449.98	5,439.51	30,251.75	3,301.84	1,070.56	2,231.28	347.61	60.21%
13	Dakshin Cements Limited	**2018-19**	₹	**0.05**	**(0.05)**	**37,774**	**73,734**	-	-	**(10,000)**	-	**(10,000)**	-	**100%**
		2017-18		0.05	(0.05)	37,774	63,734	-	-	(10,000)	-	(10,000.00)	-	100%
14	Harish Cement Limited	**2018-19**	₹	**0.25**	**153.78**	**156.40**	**2.37**	-	-	**(1,097)**	-	**(1,097)**	-	**100%**
		2017-18		0.25	153.63	156.25	2.37	-	-	(340)	-	(340)	-	100%

(Amount 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
15	Gotan Limestone Khanij Udyog Pvt. Ltd.	**2018-19**	₹	**2.33**	**18.24**	**21.45**	**0.88**	-	-	**(0.43)**	-	**(0.43)**	-	**100%**
		2017-18		2.33	18.67	21.89	0.89	-	-	(0.43)	-	(0.43)	-	100%
16	Bhagwati Lime Stone Company Pvt. Ltd.	**2018-19**	₹	**0.01**	**1.77**	**2.05**	**0.27**	-	**0.19**	**0.01**	-	**0.01**	-	**100%**
		2017-18		0.01	1.76	1.95	0.18	-	-	(0.05)	-	(0.05)	-	100%
17	UltraTech Cement Lanka Pvt. Ltd.	**2018-19**	**SLR**	**50.00**	**103.10**	**397.55**	**244.45**	-	**1,581.35**	**(51.97)**	**(14.27)**	**(37.71)**	-	**80%**
			₹	**19.76**	**40.75**	**157.14**	**96.63**	-	**656.16**	**(21.57)**	**(5.92)**	**(15.65)**	-	
		2017-18	SLR	50.00	140.77	355.85	165.08	6.64	1,340.87	39.25	12.05	27.20	-	80%
			₹	20.92	58.91	148.89	69.06	16.81	563.39	16.50	5.06	11.44	-	
18	UltraTech Cement Middle East Investment Ltd. (Standalone)	**2018-19**	**AED**	**25.13**	**14.43**	**108.64**	**69.08**	-	-	**(0.08)**	-	**(0.08)**	-	**100%**
			₹	**473.11**	**271.76**	**2,045.42**	**1,300.54**	-	-	**(1.53)**	-	**(1.53)**	-	
		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)	-	
19	Star Cement Co LLC, Dubai @	**2018-19**	**AED**	**1.50**	**(17.82)**	**35.99**	**52.31**	-	**28.94**	**(2.36)**	-	**(2.36)**	-	**100%**
			₹	**28.24**	**(335.52)**	**677.51**	**984.80**	-	**550.95**	**(44.94)**	-	**(44.94)**	-	
		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)	-	
20	Arabian Cement Industry LLC, Abu Dhabi @	**2018-19**	**AED**	**1.00**	**(7.11)**	**16.13**	**22.23**	-	**18.97**	**(0.84)**	-	**(0.84)**	-	**100%**
			₹	**18.83**	**(133.80)**	**303.62**	**418.59**	-	**361.19**	**(16.05)**	-	**(16.05)**	-	
		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)	-	
21	Star Cement Co LLC, Ras Al Khaimah @	**2018-19**	**AED**	**0.50**	**14.48**	**53.38**	**38.40**	-	**39.01**	**3.85**	-	**3.85**	-	**100%**
			₹	**9.41**	**272.57**	**1,004.95**	**722.96**	-	**742.74**	**73.22**	-	**73.22**	-	
		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	-	
22	Al Nakhla Crushers LLC, Fujairah @	**2018-19**	**AED**	**0.20**	**2.99**	**4.64**	**1.45**	-	**4.51**	**1.12**	-	**1.12**	-	**100%**
			₹	**3.77**	**56.32**	**87.31**	**27.22**	-	**85.93**	**21.40**	-	**21.40**	-	
		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	-	
23	UltraTech Cement Bahrain Company WLL, Bahrain@	**2018-19**	**Bahrain Dirham (BHD)**	**0.03**	**1.32**	**1.45**	**0.10**	-	**1.28**	**0.14**	-	**0.14**	**0.13**	**100%**
			₹	**5.51**	**242.39**	**266.37**	**18.47**	-	**238.37**	**25.75**	-	**25.75**	**24.49**	
		2017-18	Bahrain Dirham (BHD)	0.03	1.32	1.57	0.22	-	2.03	0.36	-	0.36	0.15	100%
			₹	5.18	227.59	271.09	38.33	-	346.46	62.44	-	62.44	24.83	
24	Emirates Cement Bangladesh Ltd, Bangladesh @	**2018-19**	**Takka**	**158.93**	**(56.69)**	**207.12**	**104.88**	-	**239.31**	**49.82**	**6.35**	**43.47**	-	**100%**
			₹	**131.84**	**(47.03)**	**171.82**	**87.01**	-	**199.93**	**41.62**	**5.30**	**36.32**	-	
		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	-	
25	Emirates Power Company Ltd, Bangladesh @	**2018-19**	**Takka**	**27.00**	**(16.66)**	**16.17**	**5.84**	-	**2.03**	-	**(4.51)**	**4.51**	-	**100%**
			₹	**22.39**	**(13.82)**	**13.42**	**4.84**	-	**1.69**	-	**(3.77)**	**3.77**	-	
		2017-18	Takka	27.00	(21.15)	17.41	11.57	-	2.07	-	-	-	-	100%
			₹	21.12	(16.55)	13.62	9.05	-	1.63	-	-	-	-	

(Amount 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
26	PT UltraTech Mining Indonesia	2018-19	Indonesian Rupee	1,158.90	(1,038.26)	120.63	-	-	-	(0.60)	-	(0.60)	-	80%
			₹	5.63	(5.05)	0.58	-	-	-	-	-	-	-	
		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	-	-	-	-	-	-	
27	PT UltraTech Investment Indonesia	2018-19	Indonesian Rupee	1,992.40	34.08	2,037.01	10.54	-	-	(3.23)	-	(3.23)	-	100%
			₹	9.68	0.16	9.90	0.06	-	-	(0.02)	-	(0.02)	-	
		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	-	-	-	-	-	-	
28	PT UltraTech Cement Indonesia	2018-19	Indonesian Rupee	2,033.46	(1,382.29)	648.95	0.78	-	-	34.53	-	34.53	-	99%
			₹	9.87	(6.70)	3.15	-	-	-	0.17	-	0.17	-	
		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	-	
29	Krishna Holdings Pte. Ltd. (KHL)#	2018-19	USD	6.19	0.35	7.70	1.15	-	-	(0.00)	-	(0.00)	-	BCL-55.54% MHL-44.46%
			₹	430.13	24.50	534.79	80.16	-	-	(0.15)	-	(0.15)	-	
		2017-18	USD	-	-	-	-	-	-	-	-	-	-	-
			₹	-	-	-	-	-	-	-	-	-	-	
30	Mukundan Holdings Ltd. (MHL)#	2018-19	USD	7.70	(1.83)	10.26	4.39	-	-	(0.02)	-	(0.02)	-	100%
			₹	534.77	(126.96)	712.46	304.65	-	-	(1.24)	-	(1.24)	-	
		2017-18	USD	-	-	-	-	-	-	-	-	-	-	-
			₹	-	-	-	-	-	-	-	-	-	-	
31	Murari Holdings Ltd. (MUHL)#	2018-19	USD	5.48	(0.79)	7.98	3.29	-	-	(0.05)	-	(0.05)	-	100%
			₹	380.60	(55.20)	553.94	228.54	-	-	(3.86)	-	(3.86)	-	
		2017-18	USD	-	-	-	-	-	-	-	-	-	-	-
			₹	-	-	-	-	-	-	-	-	-	-	
32	Swiss Merchandise Infrastructure Limited#	2018-19	INR	0.05	1.88	60.14	58.22	-	-	0.01	0.01	0.00	-	100%
		2017-18	₹	-	-	-	-	-	-	-	-	-	-	-
33	Merit Plaza Limited#	2018-19	INR	0.05	2.19	46.42	44.18	-	-	0.01	(0.28)	0.28	-	100%
		2017-18	₹	-	-	-	-	-	-	-	-	-	-	-
34	Bhumi Resources (Singapore) Pte. Ltd (Bhumi)#	2018-19	INR	1.50	(0.03)	1.54	0.07	-	-	(0.06)	-	(0.06)	-	100%
			₹	104.17	(2.06)	107.18	5.07	-	-	(4.19)	-	(4.19)	-	
		2017-18	AED	-	-	-	-	-	-	-	-	-	-	-
			₹	-	-	-	-	-	-	-	-	-	-	
35	Binani Cement Factory LLC (BCF LLC)#	2018-19	AED	3.19	(1.81)	25.52	24.14	-	7.57	(1.62)	-	(1.62)	-	MUHL-51% MHL-49%
			₹	60.39	(34.29)	482.45	456.34	-	145.14	(31.14)	-	(31.14)	-	
		2017-18	AED	-	-	-	-	-	-	-	-	-	-	-
			₹	-	-	-	-	-	-	-	-	-	-	

(Amount in Crore)

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36	Binani Cement Fujairah LLC*#	2018-19	AED	-	-	-	-	-	-	-	-	-	-	BCFLLC-80%
			₹	-	-	-	-	-	-	-	-	-	-	
		2017-18	AED	-	-	-	-	-	-	-	-	-	-	-
			₹	-	-	-	-	-	-	-	-	-	-	
37	Smooth Energy Private Ltd#	2018-19	INR	0.01	0.02	0.03	23,107	-	-	136	5,364	5,500	-	100%
		2017-18	₹	-	-	-	-	-	-	-	-	-	-	-
38	Shandong Binani Rong'An Cement Co. Ltd. (SBRCC)#	2018-19	RMB	45.00	(4.61)	75.50	35.11	-	18.98	5.10	1.47	3.63	-	KHL-92.5%
			₹	465.60	(47.70)	781.16	363.25	-	196.73	52.83	15.26	37.57	-	
		2017-18	RMB	-	-	-	-	-	-	-	-	-	-	-
			₹	-	-	-	-	-	-	-	-	-	-	
39	PT Anggana Energy Resources#	2018-19	IDR	546.30	(106.58)	957.83	518.10	-	-	(294.08)	-	(294.08)	-	BHUMI-100%
			₹	2.66	(0.52)	4.67	2.53	-	-	(60,450.77)	-	(60,450.77)	-	
		2017-18	IDR	-	-	-	-	-	-	-	-	-	-	-
			₹	-	-	-	-	-	-	-	-	-	-	
40	BC Tradelink Limited#	2018-19	TZS	2,000	2.21	2.21	0.00	-	-	-	-	-	-	BCFLLC-100%
			₹	60	0.07	0.07	0.00	-	-	-	-	-	-	
		2017-18	TZS	-	-	-	-	-	-	-	-	-	-	-
			₹	-	-	-	-	-	-	-	-	-	-	
41	Binani Cement Tanzania Limited#	2018-19	TZS	3.20	(408.67)	330.16	735.63	-	-	(230.46)	-	(230.46)	-	BCFLLC-100%
			₹	0.10	(12.27)	9.91	22.08	-	-	(7.01)	-	(7.01)	-	
		2017-18	TZS	-	-	-	-	-	-	-	-	-	-	-
			₹	-	-	-	-	-	-	-	-	-	-	
42	Binani Cement (Uganda) Ltd#	2018-19	UGX	2,000	0.59	0.59	(0.00)	-	-	-	-	-	-	BCFLLC-100%
			₹	37	0.01	0.01	(0.00)	-	-	-	-	-	-	
		2017-18	UGX	-	-	-	-	-	-	-	-	-	-	-
			₹	-	-	-	-	-	-	-	-	-	-	
43	Bahar Ready Mix Concrete Limited#	2018-19	₹	6.21	(9.62)	0.05	3.46	-	-	20,089	-	20,089	-	100%
		2017-18		-	-	-	-	-	-	-	-	-	-	-
44	UltraTech Nathdwara Cement Limited	2018-19	₹	3,400.00	(4,645.68)	3,568.28	4,813.96	-	1,165.06	(743.34)	(0.11)	(743.24)	-	100%
		2017-18		-	-	-	-	-	-	-	-	-	-	-
45	Aditya Birla Capital Limited (ABCL)*	2018-19	₹	2,201.40	5,093.59	8,899.31	1,604.31	249.19	177.78	(11.64)	(2.04)	(9.60)		55.98%
		2017-18		2,201.04	4,943.05	155.11	866.89	166.30	174.79	61.49	-	61.49	-	55.99%
46	Aditya Birla PE Advisors Private Limited (Formerly known Aditya Birla Capital Advisors Private Limited)*	2018-19	₹	3.50	7.84	21.49	10.15	8.49	2.67	(14.36)	0.80	(15.16)	-	100.00%
		2017-18		3.50	24.52	34.45	6.43	20.69	9.73	(8.62)	(0.75)	(7.87)	-	100.00%
47	Aditya Birla MyUniverse Limited (Formerly know as Aditya Birla Customer Service Limited)*	2018-19	₹	18.00	(276.82)	24.52	283.34	-	9.65	(36.76)	-	(36.76)	-	100.00%
		2017-18		18.00	(240.06)	32.62	254.68	-	15.82	(41.61)	-	(41.61)	-	93.70%
48	Aditya Birla Trustee Company Private Limited*	2018-19	₹	0.05	0.36	0.44	0.03	0.42	0.05	0.05	0.01	0.04	-	100.00%
		2017-18		0.05	0.32	0.40	0.03	0.38	0.07	0.05	0.01	0.04	-	100.00%
49	Aditya Birla Insurance Brokers Limited*	2018-19	₹	5.13	53.97	165.27	106.18	24.26	444.60	27.35	7.46	19.89	22.20	50.002%
		2017-18		2.70	59.91	154.13	91.52	28.75	260.98	39.15	14.48	24.67	22.53	50.002%

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50	Aditya Birla Money Mart Limited*	**2018-19**	₹	**0.10**	**(7.89)**	**30.65**	**38.44**	**29.75**	**0.45**	**(3.03)**	-	**(3.03)**	-	**100.00%**
		2017-18		0.10	(4.86)	30.43	35.19	29.75	0.12	(1.20)	-	(1.20)	-	100.00%
51	Aditya Birla Money Insurance Advisory Services Limited*	**2018-19**	₹	**2.47**	**(4.38)**	**1.59**	**3.51**	-	**0.84**	**0.14**	**0.22**	**(0.08)**	-	**100.00%**
		2017-18		2.47	(4.29)	1.75	3.57	-	1.18	(1.81)	-	(1.81)	-	100.00%
52	ABCAP Trustee Company Private Limited*	**2018-19**	₹	**0.03**	**(0.03)**	**0.01**	**0.01**	-	-	**(0.01)**	-	**(0.01)**	-	**100.00%**
		2017-18		0.02	(0.02)	-	-	-	-	ß	-	ß	-	100.00%
53	Aditya Birla Sun Life Trustee Company Private Limited*	**2018-19**	₹	**0.02**	**0.92**	**1.08**	**0.13**	**0.76**	**0.30**	**0.28**	**0.07**	**0.21**	-	**50.85%**
		2017-18		0.02	0.72	0.77	0.03	0.69	0.05	0.07	(0.01)	0.08	-	50.85%
54	Aditya Birla Wellness Private Limited*	**2018-19**	₹	**11.67**	**9.89**	**27.00**	**5.44**	**12.52**	**8.10**	**(4.93)**	-	**(4.93)**	-	**51.00%**
		2017-18		8.33	8.06	22.27	5.88	11.38	2.23	(5.99)	-	(5.99)	-	51.00%
55	Aditya Birla Financial Shared Services Limited*	**2018-19**	₹	**0.05**	**0.53**	**89.27**	**88.69**	**0.14**	-	**0.12**	-	**0.12**	-	**100.00%**
		2017-18		0.05	0.62	55.30	54.63	1.82	-	0.06	ß	0.06	-	100.00%
56	Aditya Birla Health Insurance Company Limited*	**2018-19**	₹	**212.03**	**(52.62)**	**634.06**	**474.63**	**487.65**	**366.76**	**(254.50)**	-	**(254.50)**	-	**51.00%**
		2017-18		132.88	(43.48)	334.41	245.01	210.07	247.99	(189.22)	-	(189.22)	-	51.00%
57	Aditya Birla Commodities Broking Limited (merged with Aditya Birla Money Limited in current year)*	**2018-19**	₹	-	-	-	-	-	-	-	-	-	-	-
		2017-18		5.50	(0.62)	25.63	20.75	-	5.21	0.51	0.01	0.50	-	74.03%
58	Birla Sun Life AMC (Mauritius) Limited*	**2018-19**	**USD**	**0.01**	**0.09**	**0.10**	**0.00**	-	**0.01**	**0.04**	**0.00**	**0.04**	**0.08**	**51%**
			₹	**0.31**	**6.08**	**6.59**	**0.20**	-	**3.83**	**2.73**	**0.08**	**2.65**	**5.31**	
		2017-18	USD	0.01	0.13	0.13	0.00	-	0.11	0.10	0.00	0.09	0.06	51%
			₹	0.29	8.13	8.63	0.21	-	7.31	6.21	0.19	6.02	3.87	
59	Birla Sun Life AMC Pte. Limited, Singapore*	**2018-19**	**SGD**	**1.36**	**(0.92)**	**0.51**	**0.07**	-	**0.34**	**0.02**	-	**0.02**	-	**51%**
			₹	**69.42**	**(46.92)**	**26.13**	**3.63**	-	**17.59**	**0.85**	-	**0.85**	-	
		2017-18	SGD	1.36	(0.94)	0.54	0.12	-	0.58	0.12	-	0.12	-	51%
			₹	67.55	(46.48)	26.84	5.77	-	27.78	5.91	-	5.91	-	
60	Birla Sun Life AMC Limited, Dubai*	**2018-19**	**USD**	**0.31**	**(0.23)**	**0.13**	**0.05**	-	**0.17**	**0.01**	-	**0.01**	-	**51%**
			₹	**21.61**	**(16.04)**	**8.97**	**3.40**	-	**11.51**	**0.44**	-	**0.44**	-	
		2017-18	USD	0.31	(0.24)	0.10	0.02	-	0.09	0.00	-	0.00	-	51%
			₹	20.33	(15.50)	6.39	1.56	-	5.74	0.22	-	0.22	-	
61	Aditya Birla Sun Life Asset Management Company Limited (Formerly known as Birla Sun Life AMC Limited)*	**2018-19**	₹	**18.00**	**1,245.17**	**1,468.48**	**205.31**	**1,212.32**	**1,305.23**	**648.01**	**199.14**	**448.87**	**360.57**	**51.00%**
		2017-18		18.00	1,054.60	1,361.55	288.95	1,068.65	1,216.07	484.32	162.32	322.00	240.47	51.00%
62	Aditya Birla ARC Limited*	**2018-19**	₹	**100.00**	**(4.39)**	**108.88**	**13.26**	**15.01**	-	**(3.30)**	ß	**(3.30)**	-	**100.00%**
		2017-18		100.00	(1.09)	107.99	1.08	-	-	(1.09)	-	(1.09)	-	100.00%
63	Aditya Birla Stressed Asset AMC Private Limited*	**2018-19**	₹	**0.25**	**(0.15)**	**0.11**	**0.01**	-	-	**(0.15)**	-	**(0.15)**	-	**100.00%**
		2017-18		-	-	-	-	-	-	-	-	-	-	-

(Amount 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
64	Aditya Birla Sun Life Insurance Company Limited (Formerly known as Birla Sun Life Insurance Company Limited)*	**2018-19**	₹	**1,901.21**	**198.58**	**42,381.37**	**40,281.58**	**15,278.43**	**10,393.95**	**125.62**	-	**125.62**	-	**51.00%**
		2017-18		1,901.20	111.79	38,623.55	36,610.56	12,138.75	6,374.96	166.83	-	166.23	-	51.00%
65	Aditya Birla Sun Life Pension Management Limited (Fomerly known as Birla Sun Life Pension Management Limited)*	**2018-19**	₹	**32.00**	**(5.02)**	**28.38**	**1.40**	**26.10**	**0.01**	**(4.02)**	**(0.02)**	**(4.00)**	-	**51.00%**
		2017-18		27.00	(1.19)	26.45	0.64	23.52	ß	(1.25)	0.01	(1.26)	-	51.00%
66	Aditya Birla Housing Finance Limited*	**2018-19**	₹	**475.56**	**714.76**	**11,499.23**	**10,308.91**	-	**1,025.05**	**107.29**	**32.66**	**74.63**	-	**100.00%**
		2017-18		412.57	337.49	8,242.01	7,491.95	-	615.12	23.72	(8.86)	32.58	-	100.00%
67	Aditya Birla Finance Limited*	**2018-19**	₹	**656.25**	**6,760.30**	**52,178.07**	**44,761.53**	**1,576.51**	**5,607.27**	**1,328.01**	**459.29**	**868.72**	-	**100.00%**
		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%
68	Aditya Birla Money Limited*	**2018-19**	₹	**5.63**	**15.85**	**692.32**	**670.84**	**280.58**	**168.05**	**14.00**	**4.01**	**9.99**	-	**73.80%**
		2017-18		15.61	39.74	514.65	459.30	29.75	156.94	12.27	2.70	9.57	-	74.03%

PT Ultratech Mining Sumatra is yet to start operations and no equity infusion.

Note: For converting the figures given in foreign currency appearing in the accounts of the subsidiary companies into equivalent INR, following exchange rates are used for 1 INR.

Sr No	Currency	Balance Sheet (Closing Rate)		Profit & Loss Account (Average Rate)	
		2018-19	2017-18	2018-19	2017-18
1	Sri Lankan Rupee (SLR)	**2.5300**	2.3900	**2.4100**	2.3800
2	UAE Dirham (AED)	**0.0531**	0.0564	**0.0525**	0.0570
3	Taka (BDT)	**1.2055**	1.2780	**1.1970**	1.2689
4	Bahrain Dirham (BHD)	**0.0054**	0.0058	**0.0054**	0.0058
5	Indonesian Rupiah (IDR)	**206.1856**	211.1932	**205.5580**	208.4636
6	US Dollar (USD)	**69.4460**	0.0000	**70.4582**	0.0000
7	Chinese Yuan (CNY)	**10.3468**	0.0000	**10.3652**	0.0000
8	Ugandan shilling (UGX)	**0.0187**		**0.0190**	
9	Tanzanian shilling (TZS)	**0.0300**		**0.0304**	

$ 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.

\# Subsidiaries of UltraTech Nathdwara Cement Ltd. These have been classified as assets held for sale.

* As per statutory books of Aditya Birla Capital Ltd. and its subsidiaries

ß 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	Considered in consolidation	Not considered in Consolidation
			Nos.	Amount of Equity Investment in Joint venture/ Associate	Extent of Holding (%)				
1	Madanpura (North) Coal Company Private Limited	31.03.2019	1,152,560	1.15	11.17%	0.95	0.06	0.01	0.05
2	Bhaskarpara Coal Company Limited	31.03.2019	8,141,050	8.15	47.37%	6.24	0.02	0.01	0.01
3	AV Group NB Inc.	31.03.2019	204,750	153.04	45.00%	635.25	245.80	110.61	135.19
4	Birla Jingwei Fibres Co. Limited	31.03.2019	-	117.40	26.63%	89.11	26.10	6.95	19.15
5	Bhubaneswari Coal Mining Limited	31.03.2019	33,540,000	33.54	26.00%	103.01	56.08	14.58	41.50
6	Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	31.03.2019	16,665	0.47	33.33%	1.19	0.45	0.15	0.30
7	Aditya Group AB	31.03.2019	50	274.89	33.33%	366.09	9.12	3.04	6.08
8	AV Terrace Bay Inc. (AVTB)@	31.03.2019	28,000,000	156.36	40.00%	-	3.40	-	3.40
9	Aditya Birla Science & Technology Co. Private Limited#	31.03.2019	9,899,500	11.35	49.50%	16.25	0.75	0.37	0.38
10	Waacox Energy Private Limited#	31.03.2019	3,062,990	30.63	49.00%	30.19	(0.90)	(0.44)	(0.46)

Name of associates or joint ventures which have been liquidated or sold during the year.

1. Idea Cellular Limited (ceased to be an Associate w.e.f. 31st August 2018)
2. Birla Laos Pulp & Plantation Company Limited (Joint Venture upto 18th September 2018)

Represents Associates

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

For and on behalf of the Board of Directors

Dilip Gaur
Managing Director
DIN: 02071393

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN: 00060017

Hutokshi Wadia
Company Secretary
Membership No.: 5761

Arun Thiagarajan
Independent Director
DIN: 00292757

M. L. Apte
Independent Director
DIN: 00003656

B. V. Bhargava
Independent Director
DIN: 00001823

Mumbai, 24th May 2019

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 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, 2019. 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 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 3 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 ICAI.

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, 2019 and verified that at least one Women Director was on the Board during the year;

   iv. Obtained and read the minutes of the following meetings held between April 1, 2018 and March 31, 2019:

      (a) Board of Directors Meeting;

      (b) Audit Committee Meeting;

(c) Annual General Meeting;

(d) Nomination and Remuneration Committee Meeting;

(e) Stakeholders' Relationship Committee Meeting;

(f) Corporate Social Responsibility Committee Meeting;

(g) Risk Management Committee Meeting;

(h) Finance Committee Meeting; and

(i) Independent Director's 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 March 31, 2019, 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 registration number: 101248W/W-100022

Akeel Master
Partner
Membership No: 046768

Mumbai, 24th May 2019

For **S R B C & CO LLP**
Chartered Accountants
Firm registration number: 324982E/E300003

Vijay Maniar
Partner
Membership No: 36738

Mumbai, 24th May 2019

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 utilization of heat available in the system by heat integration of various processes to save steam and power through
  - ➢ Pre heating of air in fibre dryer using Desulph bath hot streams
  - ➢ Replacement of chilled water for press lye cooling by cooling tower water
  - ➢ Utilization of steam condensate of salt drum dryer for water evaporation in sodium salt Triple effect Evaporator
  - ➢ Reducing chilling load in steep lye cooling by installation of PHE for heat integration
- Adoption of high efficiency equipment to reduce energy consumption
  - ➢ Installation of VFDs in critical and high power applications like dissolvers, MSFE circulation pumps, cutters and filter water pumps
  - ➢ Replacement of old high power consuming Air conditioners with energy efficient ones and sodium/metal halide lamps with LEDs
  - ➢ FRP Pultruded cooling towers in place of old wooden cooling towers
  - ➢ Replacing motors with high efficiency motors in cooling towers, WTP
  - ➢ Steam ejector replacement with new design for salt crystallization
- Process improvement to save energy
  - ➢ Installation of additional Biogas reactor to utilize left over Pre Hydrolysis liquor to generate Biogas and save furnace oil
  - ➢ Reducing salt mother liquor purging in crystallizer to reduce energy loss
  - ➢ Optimizing viscose ripening loop to minimize double pumping
  - ➢ Balancing of exhaust air blowers to minimize power consumption in spinning section
  - ➢ Optimization of Pulping cycle time to minimize power consumption

ii) Chemical Units

The Company has undertaken re-membraning, re-coating and upgrading electrolyser membranes to ensure that production technology is efficient and state of the art. It is also implementing central manufacturing cockpit to monitor the plant power consumption at all the units thereby successfully reducing the Cell Power consumption.

iii) Textile Units

The following projects have been completed for energy saving measure

- **Utilities**
  - ➢ Re-engineering Project at Humidification Plant, Phase I (9 H.Plant) for electrical energy saving and for improvement of performance
  - ➢ Replacement of old Chiller Plant of 220 Ton rating with energy efficient plant
  - ➢ Installation of VFD's in Humidification Plant of 20 Looms shed
  - ➢ Modification in Bleaching machine to increase production capacity in same utilities consumption
  - ➢ Optimization of Operations of Chiller System to save energy
- **Thermal Energy (To improve Boiler efficiency by 2-3%)**
  - ➢ Installation of Steam Accumulator in Steam system for Flax 4 unit to reduce jerk load on Boilers
  - ➢ Auto Blow down system for Boiler to improve boiler efficiency
  - ➢ Steam Condensate recovery units installed to increase boiler feed water temp and to improve boiler efficiency
- **Water & Waste water**
  - ➢ Recycling and reuse of Waste water by approx. 1100 KL/day
  - ➢ Reduced fresh water consumption by 10%

iv) Rayon Units

- ➢ Aux Power Reduction in CPP-2 by installing VFD in PA, SA& ID fans
- ➢ Electrolyser-G recoating
- ➢ Frequency reduction from 131 Hz to 130 Hz in Spinning Machine
- ➢ Hydraulic coupling installation in BFP-5
- ➢ Replacement of old Transformer with high efficiency transformer
- ➢ Replacement of Flat belt drive with Energy efficient flat belt drive
- ➢ Installation of VFD in cooling Tower and process pumps
- ➢ Replacement of Electrical air drier with Heat less drier
- ➢ Replacement of smaller capacity multiple pumps running parallel with higher capacity pumps.

iv) Fertiliser Unit

- ➢ Replacement of Ammonia converter basket from S-200 to S-50 to reduce pressure drop in synthesis loop of Ammonia plant resulting in reduction in energy consumption in Synthesis gas compressor.
- ➢ Replacement of catalyst in High Temperature Shift (HTS) Converter to improve conversion and reduce pressure drop.
- ➢ Installation of new latest designed Urea prilling bucket in place of existing bucket resulting in reduction in Urea product temperature leading to power saving by stopping Bulk Flow Cooler (BFC).

v) Insulator Units

- ➢ Base pillar design modification
- ➢ Design modification of K-5 arch
- ➢ Design modification of K-3 burner to stop cold air suction from out side
- ➢ Installation of LPG operated direct fired hot air generators for remaining 6 nos mangle dryers in place of HSD fired indirect type thermic fluid heater
- ➢ Replacement of old conventional motor by EFF2 motor at ball mil and filter press
- ➢ Reduction of cycle time in refired cycle of kilns

- Automation in Kiln Firing system from manual Air/Gas control to ratio control in K2
- Optimization of blower's speed in Dryers and conversion of Delta connections to Star connection.
- Replacement of conventional lights with LED lights in phase manner in all the plants

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

i) Viscose Staple Fibre (VSF) and Pulp Units

The Company has co-gen power plants using steam for manufacturing process as well as power generation

ii) Chemical Units

The Company has entered into contracts to purchase 20 MW solar power capacity at Karwar and another contract for purchase of 15.4 MW wind power capacity at Vilayat which will be operational by Q1 FY 19-20. Further, wind power installation contract at Karwar is in planning stage. The Company has installed Rooftop Solar capacity of 0.05 MW at Veraval.

iii) Textile Units

Installed Roof Top Solar Plant 1.6 MWp rating as alternate source of energy.

iv) Fertiliser Unit

Installed 25 KW Solar power Plant for non-plant energy use

c) The capital investment on energy conservation equipments

Total investment made ₹ 24.52 Crore.

B. TECHNOLOGY ABSORPTION

a) The efforts made towards Technology Absorption

i) Viscose Staple Fibre (VSF) and Pulp Units

- Capability of commercialization of in house developed new specialty products like Dye Catcher and Liva Eco were developed after successful pilot trials at customer end
- Adopted new machines at two old lines in Nagda during overhauling which is expected to improve fibre quality
- Adopted recycling of effluent through installation of Reverse Osmosis technology which for the first time in VSF to reduce fresh water consumption by increasing water recycling
- Implemented environment friendly Oxygen Delignification process in place of chlorine bleaching for pulp plant resulting in reduction in water consumption and effluent by 25% and improving pulp quality

ii) Chemical Units

- The Company has developed and commissioned Aluminium based chlorine derivative in October 2018 with a capacity of 5000 TPA using Metal hydrolysis technology. The implementation of calcium hypochlorite is in advanced stages

iii) Rayon Units

- New product development of ATY, 85/70 and 75/10 filament yarn successfully commercialized
- Optimize O2% to reduce fuel consumption and Arrest air ingress in Various Boilers
- Improve vacuum in TG-2 surface condensor which will reduce fuel consumption in boiler
- Old Flaking Air Preheater replacement for fuel savings
- Development of new varieties of yarns for the development of new market segment.
- Commissioning of BIO-Scrubber to maintain H2S gases limit as per Environmental emission norms.

- Productivity improvement by machines speed increase with production gain.
- Extra EDTA wash as per OEKOTEX class 1 requirement
- Installation of MSEF in place of double effect evaporators for steam saving (Under Erection).

iv) Fertiliser Unit

- Ammonia converter basket replacement from S-200 to S-50 of M/s HTAS to improve conversion and reduce pressure drop in synthesis loop of Ammonia plant
- Working with M/s BHGE and Hitachi for energy solution leveraging latest generation technology for increasing the efficiency of rotary machines.

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

i) Chemical Units

The Company is partnering with 4 institutions of repute to work on product development. There has been new product usage in drip irrigation industry and new usage for one of our by-products to increase cementing properties in the construction industry. New application developments in Refinery wastewater treatment, in handling of dispersed dye residue & in processing of ceramic ingredients have also been undertaken. The Company also witnessed improvement in the quality of filtered brine through secondary process like ion exchange

ii) Rayon Units

- Development of new market segment
- Quality and productivity improvement
- Cost optimization and utility conservation
- Improvement in input consumption ratios

iii) Fertiliser Unit

- Testing protocol for some of the traded product have been developed and successfully evaluated to be superior in the in-house research farm testing phase.
- Less energy consuming process for Zinc with 39.5 percent formulation and bio active Cafura formulations has been developed in-house. These products are presently procuring from third party

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

Chemical Units

The Company implemented Sulphate removal system at Vilayat which contains membrane technology and reduces the waste generated by circumventing the process required to add additives to remove sulphates thereby reducing waste generated

d) The expenditure incurred on Research and Development

Expenditure	₹ in Crore
a. Capital	17.31
b. Revenue	119.49
	136.80

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- **Foreign Exchange used** : ₹ 6,327.35 Crore
- **Foreign Exchange earned** : ₹ 2,890.30 Crore

Annexure 'E' to the Board's Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Grasim Industries Limited** (hereinafter called the 'Company') for the financial year ended on 31st March 2019 (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 period ended on 31st March 2019 according to the provisions of:

(i) The Companies Act, 2013 (the "Act") and the Rules made thereunder;

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

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

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of External Commercial Borrowings transferred from erstwhile Aditya Birla Nuvo Limited pursuant to the Scheme and Overseas Direct Investment;

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

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

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

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

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

(e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;

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

(g) 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 relating to Board Meetings and General Meetings.

During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Secretarial 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.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit 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, the following specific events were held:

i. During the year under review, Company acquired 2,96,60,749 (49%) equity shares of ₹ 10 each of Aditya Birla Solar Limited (ABSL) at a face value from Abraaj Group thereby bringing Company's holding in ABSL to 99.10%. Further, ABSL became wholly owned subsidiary of the Company consequent to acquisition of its remaining share capital from Essel Mining with effect from 31st March 2019

ii. Company acquired 47,04,000 (14.41%) equity shares of the face value of ₹ 10 each of Aditya Birla Renewables Limited (ABReL), at par, from Abraaj Group bringing Company's share holding in ABReL to 100%. ABReL, became a wholly owned subsidiary company of the Company with effect from 18th May 2018

iii. The Company divested its shareholding in Birla Lao Pulp and Plantations Company Limited (Birla Lao) to Sunpaper Holding (Lao) Co. Limited. Consequently, Birla Lao ceased to be joint venture of the company.

iv. Company sold its entire shareholding (53,900 equity shares) of Sun God Trading and Investment Limited (SGTIL) to ABNL Investment Limited, subsidiary of the Company. Pursuant to such sale SGTIL became the wholly- owned subsidiary of ABNL Investment Limited.

v. Pursuant to merger of Vodafone India Limited (Vodafone) with Idea Cellular Limited, the Company's shareholding in Vodafone Idea Limited (VIL) reduced to 11.55 % and VIL ceased to be an Associate of the Company with effect from 31st August 2018.

vi. Company has sold 18,548 shares (partially paid up to € 6,198) held by it in the capital of Aditya Birla Chemicals Belgium, BVBA to Aditya Birla Chemicals (Europe) GMBH. Subsequently, Aditya Birla Chemicals Belgium has ceased to be the subsidiary of the Company with effect from 21st January 2019.

vii. With effect from 22nd February 2019, Shaktiman Mega Food Park Private Limited ceased to be a subsidiary of the Company.

viii. Consent of the Shareholders was obtained at the Annual General Meeting held on 14th September 2018 for :

- Adopting the Grasim Industries Limited Employee Stock Option Scheme 2018;
- Extending the benefit of the Grasim Industries Limited Employee Stock Option Scheme 2018 to the permanent employees in the management cadre, including Managing Director and Whole-time Directors, of holding and subsidiary companies of the Company; and
- Use of trust route for implementation of the Grasim Industries Limited Employee Stock Option Scheme 2018 (Scheme 2018) and secondary acquisition of the equity shares of the Company by the trust to be set up.

ix. Company acquired the Chlor-Alkali Business ("CAB") of K. P. R. Industries (India) Limited by way of slump sale, comprising of an under-construction 200 TPD Chlor-Alkali project at Balabhadrapuram, Andhra Pradesh.

x. During the period under review, the Company has issued and allotted 2,26,928 equity shares, pursuant to exercise of Stock Options/RSUs in terms of the Employee Stock Option Scheme in various tranches.

xi. Company issued and allotted 5,000, 7.65% fully-paid up Unsecured Redeemable Non-Convertible Debentures (NCDs) of ₹ 10 lakh each aggregating to ₹ 500 Crore, on private placement basis.

xii. The Company acquired 100 % share capital of Soktas India Private Limited (SIPL). Subsequent to this acquisition SIPL became wholly owned subsidiary of the Company with effect from 29th March 2019. Name of SIPL was subsequently changed to Grasim Premium Fabric Private Limited.

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

B. Narasimhan
Partner
FCS No.:-1303
COP No.:-10440
PR No.:- 544/2017

Mumbai, 24th May 2019

Annexure I to the Secretarial Audit Report for the financial year ended 31^{st} March 2019

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]

B. Narasimhan
Partner
FCS No.:-1303
COP No.:-10440
PR No.:- 544/2017

Mumbai, 24^{th} May 2019

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. Furthermore, to contribute effectively towards inclusive growth and raise the country's human development index. Our projects focus on-education, healthcare, environment and livelihood, rural development projects, social empowerment and protection of heritage, art & culture. The Company's CSR policy can be accessed on: http://grasim.com/policies-and-code-of-conduct.aspx
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-CSR, Permanent Invitee
3	Average net profit of the company for last three financial years	:	₹ 1698.71 Crore
4	Prescribed CSR Expenditure (two percent of the amount as in Item 3 above)	:	₹ 33.97 Crore
5	**Details of CSR spent during the financial year:**		
	Total amount to be spent for the financial year	:	₹ 33.97 Crore
	Total amount spent for the financial year	:	₹ 47.14 Crore
	Amount unspent, if any	:	Nil

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 Lakh)	Amount Spent on the Project/Programmes Subheads: (1) Direct expenditure on project/programs (2) Overheads (₹ in Lakh)	Cumulative Spend upto reporting period (₹ in Lakh)	Amount Spent: Direct or through implementing agency*
1	**1. Pre school education Project** Balwadies/play schools/crèches; Strengthening Anganwadis Centres	Education	Bharuch, Surat & Gir Somnath (Gujarat), Rehla (Jharkhand), Renukoot (UP), Ganjam (Orissa), Hoogly (WB)	36.65	34.06	2,225.13	All expenses incurred directly by the Company/ Trust through implementing Agency
	2. School Education Project Enrollment awareness programs/ events; Formal schools outside campus (Company fun); Education Material (Study materials, Uniform, Books etc.); Scholarship (Merit and Need based assistance) School competitions/Best teacher award; Cultural events, Quality of Education (support teachers, improve education methods); Specialized Coaching; Exposure visits/awareness, Formal schools inside campus (Company Schools), Support to Midday Meal Project		Bharuch, Surat & Gir Somnath, Panchmahal (Gujarat), Ujjain, Bhind (MP), Rehla (Jharkhand), Ganjam (Orissa), Hoogly (WB), Amethi (UP), Haveri Karwar (Karnataka)	711.78	1,795.67		
	3. Education support programs Knowledge Centre/Library; Adult/Non Formal Education; Celebration of National days; Computer education; Reducing drop out rate and Continuing Education (Kasturba Balika/ counselling), Career Counselling and orientation		Bharuch, Surat & Gir Somnath, Panchmahal (Gujarat), Ujjain (MP), Ganjam (Orissa),Hoogly (WB), Haveri Karwar (Karnataka)	135.78	142.77		
	4. Vocational and Technical Education: Strengthening ITI's; Skill Based Individual training Programs		Bharuch, Surat (Gujarat), Ujjain (MP), Rehla (Jharkhand), Hoogly (WB), Amethi (UP)	51.34	54.31		
	5. School Infrastructure 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 & Gir Somnath, Panchmahal(Gujarat), Ujjain, Bhind (MP), Rehla (Jharkhand), Ganjam (Orissa), Hoogly (WB), Amethi (UP), Haveri Karwar (Karnataka)	212.74	198.32		
2	**1. Preventive Health Care:** Immunization, Pulse polio, 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, Panchmahal (Gujarat), Ujjain, Bhind (MP), Rehla (Jharkhand), Ganjam (Orissa),Hoogly (WB), Amethi, Renukoot (UP), Haveri (Karnataka)	78.13	73.92	1,463.72	All expenses incurred directly by the Company/ Trust through implementing Agency

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 Lakh)	Amount Spent on the Project/Programmes Subheads: (1) Direct expenditure on project/programs (2) Overheads (₹ in Lakh)	Cumulative Spend upto reporting period (₹ in Lakh)	Amount Spent: Direct or through implementing agency*
	2. Curative Health Care program General Health camps Specialized Health Camps, Eye camps, Treatment Camps (Skin, cleft, etc.), Homeopathic/Ayurvedic Camps, Surgical camps, Tuberculosis, Leprosy Company operated hospitals/dispensaries/clinic		Bharuch, Surat & Gir Somnath, Panchmahal (Gujarat), Ujjain, Bhind (MP), Rehla (Jharkhand), Ganjam (Orissa), Hoogly (WB), Amethi, (UP), Haveri (Karnataka)	1,326.07	1,208.20		
	3. Reproductive and Child Health Mother and Child Health care (Ante Natal Care, Pre Natal Care and Neonatal care), Adolescent Health care, Infant and child health (Healthy baby competition), Support to family planning/camps, Nutritional programs for mother/ child		Bharuch, Surat & Gir Somnath, (Gujarat), Ujjain, Bhind (MP), Ganjam (Orissa), Hoogly (WB), Amethi, (UP), Haveri (Karnataka)	5.59	5.24		
	4. Quality/Support Program 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		Bharuch, Surat & Gir Somnath, (Gujarat), Ujjain (MP), Ganjam (Orissa), Amethi, (UP), Haveri (Karnataka)	22.80	16.92		
	5. Health Infrastructure & Others Buildings and Civil structures (new), Buildings and Civil structures(renovation and maintenance), Village Community Sanitation (toilets/drainage), Individual Toilets, Drinking water new sources, (Hand pump/RO/ Water Tank/well), Drinking water existing sources (operation/ maintenance), Water source purification		Bharuch, Surat & Gir Somnath, Panchmahal (Gujarat), Ujjain, Bhind (MP), Rehla (Jharkhand), Ganjam (Orissa), Hoogly (WB), Amethi (UP), Haveri Karwar (Karnataka)	195.29	159.44		
3	**1. Agriculture and Farm Based** Agriculture & Horticulture training program/Farmers group Transfer of Technology-Demonstration plots, Support for horticulture plots, Seeds Improvement Program, Support for improved agriculture equipment and inputs, Exposure visits/Support for agricultural mela, Integrated agricultural/horticultural improvement, program/ productivity improvement programs, soil health and organic farming	Environment & Livelihood	Bharuch, Surat & Gir Somnath, (Gujarat), Ujjain (MP), Rehla (Jharkhand), Ganjam (Orissa), Hoogly (WB), Amethi, Renukoot (UP), Haveri (Karnataka)	56.52	39.14	169.02	All expenses incurred directly by the Company/ Trust through implementing Agency
	2. Animal Husbandry Based Treatment and vaccination, Breed improvement Productivity, Improvement programs and training		Bharuch, Surat & Gir Somnath, (Gujarat), Ujjain (MP), Rehla (Jharkhand), Ganjam (Orissa), Hoogly (WB), Amethi (UP), Haveri (Karnataka)	35.10	28.18		

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 Lakh)	Amount Spent on the Project/Programmes Subheads: (1) Direct expenditure on project/programs (2) Overheads (₹ in Lakh)	Cumulative Spend upto reporting period (₹ in Lakh)	Amount Spent: Direct or through implementing agency*
	3. Non farm & Skills Based Income generation Program Capacity Building Program-Tailoring, Beauty Parlor, Mechanical, Rural Enterprise development& Income Generation Programs, Support to SHGs for entrepreneurial activities		Bharuch, Surat & Gir Somnath, (Gujarat), Ujjain (MP), Rehla (Jharkhand), Ganjam (Orissa), Hoogly (WB), Amethi (UP), Haveri, Karwar (Karnataka)	28.89	20.61		
	4. Natural Resource conservation programs & Non conventional Energy: Bio gas support program, Solar energy support and other energy support programs - (low smoke wood stoves/sky light),Plantation/ Green Belt Development/Roadside Plantation, Soil conservation/Land improvement, Water conservation and harvesting(small structures/ bigger structures), Community Pasture Land Development/ Orchard Development		Bharuch, Surat & Gir Somnath, (Gujarat), Ujjain (MP), Rehla (Jharkhand), Ganjam (Orissa), Amethi (UP), Haveri (Karnataka)	69.67	46.08		
	5. Livelihood Infrastructure & Others		Gir Somnath, (Gujarat), Ujjain (MP), Haveri (Karnataka)	88.56	35.01		
4	**Rural Infrastructure Development other than for the purpose of Health/ Education/Livelihood & Others** 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	Bharuch, Surat & Gir Somnath, Panchmahal (Gujarat), Ujjain (MP), Rehla (Jharkhand) Amethi (UP), Haveri (Karnataka)	214.35	136.44	136.44	All expenses incurred directly by the Company/ Trust through implementing Agency
5	**1. Institutional building & strengthening** Strengthening/formation of community based organization (SHGs), Support to development organizations, Old age Home, Orphanage	Social Empowerment	Bharuch, Surat (Gujarat), Ujjain (MP), Rehla (Jharkhand), Ganjam (Orissa), Renukoot (UP), Haveri (Karnataka)	16.30	26.97	204.83	All expenses incurred directly by the Company/ Trust through implementing Agency
	2. Social Security & support to development organization Support to Old age/Widow/ physically Challenged Persons/ poor Insurance, Pension Scheme.		Panchmahal (Gujarat), Bhind (MP), Rehla (Jharkhand), Ganjam (Orissa),Hoogly (WB), Amethi (UP),	12.43	16.11		
	3. Awareness programs Community Awareness programmes, awareness Campaign, social abuse, Early marriages/HIV prevention		Bharuch, Surat & Gir Somnath, Panchmahal (Gujarat), Ujjain, Bhind (MP), Rehla (Jharkhand), Haveri (Karnataka)	4.08	5.47		
	4. Social Events to minimise causes of poverty Support to mass marriages/ widow remarriages; National days celebrations with community; Support with basic amenities;		Bharuch, Surat & Gir Somnath, (Gujarat), Ujjain, Bhind (MP), Rehla (Jharkhand), Amethi (UP), Haveri (Karnataka)	29.32	30.24		

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 Lakh)	Amount Spent on the Project/Programmes Subheads: (1) Direct expenditure on project/programs (2) Overheads (₹ in Lakh)	Cumulative Spend upto reporting period (₹ in Lakh)	Amount Spent: Direct or through implementing agency*
	5. Promotion of Heritage/Culture/ Sports Support to rural cultural program, Festivals & Melas support to rural sports		Bharuch, Surat & Gir Somnath, Panchmahal (Gujarat), Ujjain (MP), Ganjam (Orissa), Amethi (UP), Haveri (Karnataka)	11.93	23.76		
	6. Disaster Relief Programmes, Support to development organizations & Others		Bharuch, Surat & Gir Somnath, (Gujarat), Ujjain (MP), Ganjam (Orissa), Amethi (UP), Haveri (Karnataka)	60.22	102.28		
6	**Traditional Handicrafts Promotion/ Development (Handloom Textiles - Ikat, Jamdani & Banarasi Artisans)**	Protection of heritage, art and culture	Gir Somnath, (Gujarat)	375.36	375.36	375.36	All expenses incurred directly by the Company/ Trust through implementing Agency
7	**Salaries and Overheads**		Bharuch, Surat & Gir Somnath, (Gujarat), Ujjain (MP), Rehla (Jharkhand), Hoogly (WB), Amethi (UP), Haveri Karwar (Karnataka)	126.17	139.61	139.61	All expenses incurred directly by the Company/ Trust through implementing Agency
	Total (₹ in Lakh)			**3,905.07**	**4,714.11**	**4,714.11**	

* Grasim Jana Seva Trust and Others

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

Not Applicable

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)

Mumbai, 12th July 2019

Annexure 'G' to the Board's Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2019

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L17124MP1947PLC000410
ii.	Registration Date	25th August 1947
iii.	Name of the Company	Grasim Industries Limited
iv.	Category/Sub-Category of the Company	Public Company limited by shares
v.	Address of the Registered Office and Contact Details	P.O. Birlagram, Nagda - 456 331, Dist. Ujjain (M.P.), India Tel: (07366) 246760/66 Fax: (07366) 244114/246024 Website: www.grasim.com/www.adityabirla.com E-mail: grasim.secretarial@adityabirla.com
vi.	Whether Listed Company (Yes/No)	Yes
vii.	Name, Address and Contact Details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited "Karvy Selenium", Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telegana-500 032 Tel: +91 40 6716 2222 Fax: +91 040 23420814 Toll Free No. 1800 5724 001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of Main Products/Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1	Viscose Staple Fibre	20302	53.24%
2	Chemicals	20116	31.83%
3	Fertilisers	20121	13.68%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate of the Company	% of Shares held	Applicable Section
1	UltraTech Cement Limited B-Wing, Ahura Centre, 2nd Floor, Mahakali Caves Road, Andheri (East), Mumbai - 400093	L26940MH2000PLC128420	Subsidiary	60.20	2(87)
2	Samruddhi Swastik Trading and Investments Limited Birlagram, Nagda, Ujjain, Madhya Pradesh - 456331	U67120MP1994PLC008447	Subsidiary	100	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate of the Company	% of Shares held	Applicable Section
3	Sun God Trading and Investment Limited Birlagram, Nagda, Ujjain, Madhya Pradesh - 456331	U67120MP1994PLC008446	Subsidiary	100	2(87)
4	Grasim Premium Fabric Private Limited (Formerly known as Soktas India Private Limited) Plot No. T-8, Kagal Hatkanangle, Five Star MIDC, Kasba Sangaon, Taluka- Kagal Kolhapur -416217	U24233PN2007PTC133637	Subsidiary	100	2(87)
5	Aditya Birla Capital Limited Indian Rayon Compound, Veraval - 362266, Gujarat.	L67120GJ2007PLC058890	Subsidiary	55.98	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	100	2(87)
8	Aditya Birla Renewables Limited A-4, Aditya Birla Centre, S. K. Ahire Marg, Worli, Mumbai 400030	U40300MH2015PLC267263	Subsidiary	100	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)

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 2018)				No. of Shares held at the end of the Year (31st March 2019)				% of Change during the Year (2018-19)
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoters									
Indian									
Individuals/HUFs	871162	0	871162	0.13	871162	0	871162	0.13	0.00
Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	238723178	0	238723178	36.31	239175046	0	239175046	36.37	0.06
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
Sub-Total - A(1)	**239594340**	**0**	**239594340**	**36.44**	**240046208**	**0**	**240046208**	**36.50**	**0.06**

Category of Shareholders	No. of Shares held at the beginning of the Year (1st April 2018)				No. of Shares held at the end of the Year (31st March 2019)				% of Change during the Year (2018-19)
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign									
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
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
Sub-Total-A(2) :	**0**	**0**	**0**	0.00	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding Promoters (A) = A(1) + A(2)	**239594340**	**0**	**239594340**	**36.44**	**240046208**	**0**	**240046208**	**36.50**	**0.06**
Public Shareholding									
Institutions									
Mutual Funds	34145866	39594	34185460	5.20	49999071	39094	50038165	7.61	2.41
Banks/FIs	1096853	58085	1154938	0.18	994136	51367	1045503	0.16	(0.02)
Central Govt./State Govt.(s)	7906	0	7906	0.00	7906	1250	9156	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	47519119	18452	47537571	7.23	71664801	17952	71682753	10.90	3.67
FIIs	180291940	11830	180303770	27.43	131543136	7995	131551131	20.00	(7.43)
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
Sub-Total - B(1)	**263061684**	**127961**	**263189645**	**40.04**	**254209050**	**117658**	**254326708**	**38.68**	**(1.36)**
Non-Institutions									
Bodies Corporate	23148269	374098	23522367	3.58	32566376	361982	32928358	5.01	1.43
Individuals									
Individuals Shareholders holding nominal share capital upto ₹ 1 lakh	49315183	7569179	56884362	8.65	49568486	6032520	55601006	8.46	(0.19)
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3954344	0	3954344	0.60	4477669	0	4477669	0.68	0.08
Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Nationals	23019	0	23019	0.00	21809	0	21809	0.00	0.00
I E P F	2170761	0	2170761	0.33	2449651	0	2449651	0.37	0.04
NRIs (Rep.)	1707014	1295224	3002238	0.46	2046401	1169168	3215569	0.49	0.03
NRIs (Non-Rep.)	1279508	0	1279508	0.19	1487511	0	1487511	0.23	0.04
OCB	0	13115226	13115226	2.00	0	13115226	13115226	1.99	(0.01)
Trust	4448191	30091	4478282	0.68	5928070	30091	5958161	0.91	0.23
Clearing Members	167803	0	167803	0.03	272421	0	272421	0.04	0.01
NBFC	592542	0	592542	0.09	32063	0	32063	0.00	(0.09)
Sub-Total- B(2)	**86806634**	**22383818**	**109190452**	**16.61**	**98850457**	**20708987**	**119559444**	**18.18**	**1.57**
Total Public Shareholding B = B(1) + B(2)	**349868318**	**22511779**	**372380097**	**56.65**	**353059507**	**20826645**	**373886152**	**56.86**	**0.21**
Total (A+B)	**589462658**	**22511779**	**611974437**	**93.09**	**593105715**	**20826645**	**613932360**	**93.36**	**0.27**

Category of Shareholders	No. of Shares held at the beginning of the Year (1st April 2018)				No. of Shares held at the end of the Year (31st March 2019)				% of Change during the Year (2018-19)
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Shares held by Custodians for GDRs and ADRs									
Promoters and Promoter Group	24011520	0	24011520	3.65	24011520	0	24011520	3.65	0.00
Public	21384728	750	21385478	3.25	18355917	750	18356667	2.79	(0.46)
Shares held by Employee Trust	0	0	0	0.00	1297816	0	1297816	0.20	0.20
Total (C)	**45396248**	**750**	**45396998**	**6.90**	**43665253**	**750**	**43666003**	**6.64**	**(0.26)**
GRAND TOTAL (A+B+C)	**634858906**	**22512529**	**657371435**	**100.0**	**636770968**	**20827395**	**657598363**	**100.00**	**0.00**

ii. Shareholding of Promoters/Promoter Group:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	%Change in Shareholding during the Year No. of Shares
1	KUMAR MANGALAM BIRLA	36993	0.01	0.00	36993	0.01	0.00	0.00
2	ADITYA VIKRAM KUMARMANGALAM BIRLA HUF	89720	0.01	0.00	89720	0.01	0.00	0.00
3	RAJASHREE BIRLA	552850	0.08	0.00	552850	0.08	0.00	0.00
4	VASAVADATTA BAJAJ	118537	0.02	0.00	118537	0.02	0.00	0.00
5	NEERJA BIRLA	73062	0.01	0.00	73062	0.01	0.00	0.00
6	TURQUOISE INVESTMENT AND FINANCE PRIVATE LIMITED	42119836	6.41	0.00	42119836	6.41	0.00	0.00
7	TRAPTI TRADING AND INVESTMENTS PRIVATE LIMITED	41525217	6.32	0.00	41525217	6.31	0.00	(0.01)
8	PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED	22624112	3.44	0.00	24274527	3.69	0.00	0.25
9	HINDALCO INDUSTRIES LIMITED	28222468	4.29	0.00	28222468	4.29	0.00	0.00
10	TGS INVESTMENT & TRADE PRIVATE LIMITED	35882075	5.46	0.00	35882075	5.46	0.00	0.00
11	UMANG COMMERCIAL COMPANY PRIVATE LIMITED	26746262	4.07	0.00	26746262	4.07	0.00	0.00
12	IGH HOLDINGS PRIVATE LIMITED	33491293	5.09	0.00	33491293	5.09	0.00	0.00
13	MANAV INVESTMENT AND TRADING CO. LIMITED	1198547	0.18	0.18	0	0.00	0.00	(0.18)
14	BIRLA INSTITUTE OF TECHNOLOGY AND SCIENCE	661205	0.10	0.00	661205	0.10	0.00	0.00
15	RENUKA INVESTMENTS & FINANCE LIMITED	242185	0.04	0.00	242185	0.04	0.00	0.00
16	ECE INDUSTRIES LIMITED	337094	0.05	0.00	337094	0.05	0.00	0.00
17	BIRLA GROUP HOLDINGS PRIVATE LIMITED	5477270	0.83	0.00	5477270	0.83	0.00	0.00
18	BIRLA INDUSTRIAL FINANCE (INDIA) LIMITED	87485	0.01	0.00	87485	0.01	0.00	0.00
19	BIRLA CONSULTANTS LIMITED	87382	0.01	0.00	87382	0.01	0.00	0.00
20	BIRLA INDUSTRIAL INVESTMENTS (INDIA) LIMITED	18657	0.00	0.00	18657	0.00	0.00	0.00
21	VIKRAM HOLDINGS PRIVATE LIMITED	750	0.00	0.00	750	0.00	0.00	0.00
22	VAIBHAV HOLDINGS PRIVATE LIMITED	670	0.00	0.00	670	0.00	0.00	0.00
23	RAJRATNA HOLDINGS PRIVATE LIMITED	670	0.00	0.00	670	0.00	0.00	0.00
24	P.T. INDO BHARAT RAYON	20004020	3.04	0.00	20004020	3.04	0.00	0.00
25	PT SUNRISE BUMI TEXTILES	1268750	0.19	0.00	1268750	0.19	0.00	0.00
26	PT ELEGANT TEXTILE INDUSTRY	808750	0.12	0.00	808750	0.12	0.00	0.00
27	THAI RAYON PUBLIC COMPANY LIMITED	1925000	0.29	0.00	1925000	0.29	0.00	0.00
28	SURYA KIRAN INVESTMENTS PTE LTD	5000	0.00	0.00	5000	0.00	0.00	0.00
	TOTAL	**263605860**	**40.10**	**0.18**	**264057728**	**40.15**	**0.00**	**0.06**

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**PILANI INVESTMENT AND INDUSTRIES CORPORATION LTD.**				
	At the beginning of the Year	22624112	3.44		
	Purchase on 28.09.2018	1198547	0.18	23822659	3.62
	Purchase on 05.12.2018	22061	0.01	23844720	3.63
	Purchase on 06.12.2018	142509	0.02	23987229	3.65
	Purchase on 07.12.2018	77401	0.01	24064630	3.66
	Purchase on 21.12.2018	200000	0.03	24264630	3.69
	Purchase on 24.12.2018	2233	0.00	24266863	3.69
	Purchase on 26.12.2018	7664	0.00	24274527	3.69
	At the end of the Year			24274527	3.69
2	**MANAV INVESTMENT AND TRADING CO. LTD.**				
	At the beginning of the Year	1198547	0.18		
	Sale on 28.09.2018	(1198547)	(0.18)	0	0.00
	At the end of the Year			0	0.00

iv Shareholding Patterrn of Top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date of transaction	Increase/ Decrease in share holding during the Year	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	38190901	5.81	01/04/2018			38190901	5.81
				13/04/2018	1600	Transfer	38192501	5.81
				13/04/2018	(1600)	Transfer	38190901	5.81
				20/04/2018	5200	Transfer	38196101	5.81
				20/04/2018	(5200)	Transfer	38190901	5.81
				11/05/2018	756223	Transfer	38947124	5.92
				18/05/2018	1695889	Transfer	40643013	6.18
				25/05/2018	1426904	Transfer	42069917	6.40
				01/06/2018	932418	Transfer	43002335	6.54
				08/06/2018	1030863	Transfer	44033198	6.70
				15/06/2018	986406	Transfer	45019604	6.85
				22/06/2018	1018790	Transfer	46038394	7.00
				29/06/2018	1335799	Transfer	47374193	7.20
				06/07/2018	1274129	Transfer	48648322	7.40
				13/07/2018	1573559	Transfer	50221881	7.64
				20/07/2018	1671833	Transfer	51893714	7.89
				27/07/2018	1169919	Transfer	53063633	8.07
				03/08/2018	725119	Transfer	53788752	8.18
				10/08/2018	720683	Transfer	54509435	8.29
				17/08/2018	233620	Transfer	54743055	8.32
				24/08/2018	149201	Transfer	54892256	8.35

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date of transaction	Increase/ Decrease in share holding during the Year	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
				31/08/2018	135066	Transfer	55027322	8.37
				21/09/2018	122500	Transfer	55149822	8.39
				28/09/2018	1564365	Transfer	56714187	8.62
				05/10/2018	1604501	Transfer	58318688	8.87
				12/10/2018	1541571	Transfer	59860259	9.10
				19/10/2018	964036	Transfer	60824295	9.25
				14/12/2018	500	Transfer	60824795	9.25
				31/03/2019			60824295	9.25
2	EUROPACIFIC GROWTH FUND	15831077	2.41	01/04/2018			15831077	2.41
				06/04/2018	(2165688)	Transfer	13665389	2.08
				13/04/2018	(808452)	Transfer	12856937	1.96
				20/04/2018	(174299)	Transfer	12682638	1.93
				27/04/2018	(109463)	Transfer	12573175	1.91
				04/05/2018	(1316878)	Transfer	11256297	1.71
				18/05/2018	(685336)	Transfer	10570961	1.61
				26/10/2018	(1200324)	Transfer	9370637	1.42
				02/11/2018	(4313548)	Transfer	5057089	0.77
				11/01/2019	(3173974)	Transfer	1883115	0.29
				18/01/2019	(1883115)	Transfer	0	0.00
				31/03/2019			0	0.00
3	RELIANCE CAPITAL TRUSTEE CO. LTD- RELIANCE ETF NIF	10664219	1.62	01/04/2018			10664219	1.62
				06/04/2018	261389	Transfer	10925608	1.66
				06/04/2018	(253500)	Transfer	10672108	1.62
				13/04/2018	61813	Transfer	10733921	1.63
				13/04/2018	(135313)	Transfer	10598608	1.61
				20/04/2018	254000	Transfer	10852608	1.65
				27/04/2018	648000	Transfer	11500608	1.75
				04/05/2018	797100	Transfer	12297708	1.87
				04/05/2018	(580850)	Transfer	11716858	1.78
				11/05/2018	(252000)	Transfer	11464858	1.74
				18/05/2018	634975	Transfer	12099833	1.84
				18/05/2018	(891475)	Transfer	11208358	1.70
				25/05/2018	(229500)	Transfer	10978858	1.67
				01/06/2018	4500	Transfer	10983358	1.67
				01/06/2018	(134000)	Transfer	10849358	1.65
				08/06/2018	90000	Transfer	10939358	1.66
				15/06/2018	5250	Transfer	10944608	1.66
				22/06/2018	37500	Transfer	10982108	1.67
				22/06/2018	(40000)	Transfer	10942108	1.66
				29/06/2018	99750	Transfer	11041858	1.68
				29/06/2018	(156751)	Transfer	10885107	1.66
				06/07/2018	225000	Transfer	11110107	1.69
				13/07/2018	16500	Transfer	11126607	1.69
				13/07/2018	(475)	Transfer	11126132	1.69

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date of transaction	Increase/ Decrease in share holding during the Year	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
				20/07/2018	168000	Transfer	11294132	1.72
				27/07/2018	78750	Transfer	11372882	1.73
				10/08/2018	83252	Transfer	11456134	1.74
				10/08/2018	(982)	Transfer	11455152	1.74
				17/08/2018	193500	Transfer	11648652	1.77
				24/08/2018	402250	Transfer	12050902	1.83
				31/08/2018	(246444)	Transfer	11804458	1.80
				07/09/2018	3000	Transfer	11807458	1.80
				07/09/2018	(33750)	Transfer	11773708	1.79
				14/09/2018	(14340)	Transfer	11759368	1.79
				21/09/2018	(456091)	Transfer	11303277	1.72
				28/09/2018	88	Transfer	11303365	1.72
				28/09/2018	(310667)	Transfer	10992698	1.67
				05/10/2018	48000	Transfer	11040698	1.68
				12/10/2018	31500	Transfer	11072198	1.68
				19/10/2018	38250	Transfer	11110448	1.69
				19/10/2018	(1182)	Transfer	11109266	1.69
				26/10/2018	181500	Transfer	11290766	1.72
				02/11/2018	925737	Transfer	12216503	1.86
				09/11/2018	4500	Transfer	12221003	1.86
				16/11/2018	109500	Transfer	12330503	1.88
				23/11/2018	(1677000)	Transfer	10653503	1.62
				30/11/2018	83250	Transfer	10736753	1.63
				07/12/2018	12352	Transfer	10749105	1.63
				14/12/2018	15750	Transfer	10764855	1.64
				21/12/2018	115500	Transfer	10880355	1.65
				28/12/2018	406500	Transfer	11286855	1.72
				28/12/2018	(98)	Transfer	11286757	1.72
				31/12/2018	90	Transfer	11286847	1.72
				04/01/2019	48750	Transfer	11335597	1.72
				04/01/2019	(9)	Transfer	11335588	1.72
				11/01/2019	99222	Transfer	11434810	1.74
				11/01/2019	(219750)	Transfer	11215060	1.71
				18/01/2019	(28059)	Transfer	11187001	1.70
				25/01/2019	29968	Transfer	11216969	1.71
				01/02/2019	17287	Transfer	11234256	1.71
				01/02/2019	(3519)	Transfer	11230737	1.71
				08/02/2019	7152	Transfer	11237889	1.71
				08/02/2019	(85)	Transfer	11237804	1.71
				15/02/2019	4488	Transfer	11242292	1.71
				15/02/2019	(169)	Transfer	11242123	1.71
				22/02/2019	6027	Transfer	11248150	1.71
				22/02/2019	(4029)	Transfer	11244121	1.71
				01/03/2019	255	Transfer	11244376	1.71

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date of transaction	Increase/ Decrease in share holding during the Year	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
				01/03/2019	(29)	Transfer	11244347	1.71
				08/03/2019	1311	Transfer	11245658	1.71
				08/03/2019	(71)	Transfer	11245587	1.71
				15/03/2019	(997)	Transfer	11244590	1.71
				22/03/2019	4108	Transfer	11248698	1.71
				22/03/2019	(35)	Transfer	11248663	1.71
				29/03/2019	15044	Transfer	11263707	1.71
				29/03/2019	(101441)	Transfer	11162266	1.70
				31/03/2019			11162266	1.70
4	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA	1249141	0.19	01/04/2018			1249141	0.19
				06/04/2018	21509	Transfer	1270650	0.19
				13/04/2018	1233956	Transfer	2504606	0.38
				20/04/2018	286987	Transfer	2791593	0.42
				04/05/2018	34754	Transfer	2826347	0.43
				01/06/2018	132843	Transfer	2959190	0.45
				08/06/2018	13	Transfer	2959203	0.45
				15/06/2018	(233)	Transfer	2958970	0.45
				06/07/2018	(53)	Transfer	2958917	0.45
				27/07/2018	17402	Transfer	2976319	0.45
				17/08/2018	3	Transfer	2976322	0.45
				24/08/2018	3000	Transfer	2979322	0.45
				31/08/2018	12712	Transfer	2992034	0.45
				07/09/2018	15063	Transfer	3007097	0.46
				14/09/2018	225893	Transfer	3232990	0.49
				28/09/2018	3000	Transfer	3235990	0.49
				28/09/2018	(90)	Transfer	3235900	0.49
				05/10/2018	(142)	Transfer	3235758	0.49
				12/10/2018	142	Transfer	3235900	0.49
				19/10/2018	187	Transfer	3236087	0.49
				26/10/2018	5000	Transfer	3241087	0.49
				02/11/2018	(572)	Transfer	3240515	0.49
				09/11/2018	3482	Transfer	3243997	0.49
				16/11/2018	796	Transfer	3244793	0.49
				07/12/2018	36620	Transfer	3281413	0.50
				07/12/2018	(4234)	Transfer	3277179	0.50
				14/12/2018	107760	Transfer	3384939	0.51
				21/12/2018	36224	Transfer	3421163	0.52
				04/01/2019	130000	Transfer	3551163	0.54
				04/01/2019	(90)	Transfer	3551073	0.54
				11/01/2019	3240000	Transfer	6791073	1.03
				18/01/2019	30000	Transfer	6821073	1.04
				01/02/2019	600000	Transfer	7421073	1.13
				08/02/2019	400023	Transfer	7821096	1.19
				15/02/2019	234691	Transfer	8055787	1.23

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date of transaction	Increase/ Decrease in share holding during the Year	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
				22/02/2019	100000	Transfer	8155787	1.24
				08/03/2019	(704)	Transfer	8155083	1.24
				29/03/2019	(86)	Transfer	8154997	1.24
				31/03/2019			8154997	1.24
5	ABERDEEN EMERGING MARKETS FUND	6347183	0.97	01/04/2018			6347183	0.97
				29/06/2018	(390654)	Transfer	5956529	0.91
				06/07/2018	(121246)	Transfer	5835283	0.89
				20/07/2018	(612800)	Transfer	5222483	0.79
				17/08/2018	(714400)	Transfer	4508083	0.69
				31/08/2018	(273129)	Transfer	4234954	0.64
				07/09/2018	(182871)	Transfer	4052083	0.62
				31/03/2019			4052083	0.62
6	GOVERNMENT OF SINGAPORE	6269561	0.95	01/04/2018			6269561	0.95
				06/04/2018	3724	Transfer	6273285	0.95
				20/04/2018	(50955)	Transfer	6222330	0.95
				27/04/2018	(1954)	Transfer	6220376	0.95
				04/05/2018	437191	Transfer	6657567	1.01
				11/05/2018	240264	Transfer	6897831	1.05
				18/05/2018	(7777)	Transfer	6890054	1.05
				25/05/2018	(1794)	Transfer	6888260	1.05
				01/06/2018	89239	Transfer	6977499	1.06
				08/06/2018	182156	Transfer	7159655	1.09
				15/06/2018	134505	Transfer	7294160	1.11
				22/06/2018	29797	Transfer	7323957	1.11
				20/07/2018	36033	Transfer	7359990	1.12
				27/07/2018	56911	Transfer	7416901	1.13
				03/08/2018	139909	Transfer	7556810	1.15
				10/08/2018	(29153)	Transfer	7527657	1.14
				24/08/2018	83647	Transfer	7611304	1.16
				31/08/2018	193037	Transfer	7804341	1.19
				07/09/2018	120335	Transfer	7924676	1.21
				14/09/2018	106406	Transfer	8031082	1.22
				21/09/2018	437745	Transfer	8468827	1.29
				28/09/2018	98795	Transfer	8567622	1.30
				05/10/2018	(39230)	Transfer	8528392	1.30
				12/10/2018	(5420)	Transfer	8522972	1.30
				19/10/2018	17197	Transfer	8540169	1.30
				02/11/2018	11074	Transfer	8551243	1.30
				23/11/2018	(1382683)	Transfer	7168560	1.09
				30/11/2018	160106	Transfer	7328666	1.11
				07/12/2018	(10601)	Transfer	7318065	1.11
				21/12/2018	53593	Transfer	7371658	1.12
				28/12/2018	(2814)	Transfer	7368844	1.12
				04/01/2019	33048	Transfer	7401892	1.13

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date of transaction	Increase/ Decrease in share holding during the Year	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
				08/02/2019	101379	Transfer	7503271	1.14
				01/03/2019	(93567)	Transfer	7409704	1.13
				08/03/2019	(121135)	Transfer	7288569	1.11
				15/03/2019	153375	Transfer	7441944	1.13
				22/03/2019	190370	Transfer	7632314	1.16
				29/03/2019	136262	Transfer	7768576	1.18
				31/03/2019			7768576	1.18
7	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	6155005	0.94	01/04/2018			6155005	0.94
				06/04/2018	135664	Transfer	6290669	0.96
				13/04/2018	(25785)	Transfer	6264884	0.95
				20/04/2018	91202	Transfer	6356086	0.97
				27/04/2018	(159458)	Transfer	6196628	0.94
				04/05/2018	(4593)	Transfer	6192035	0.94
				11/05/2018	(113184)	Transfer	6078851	0.92
				18/05/2018	(75785)	Transfer	6003066	0.91
				25/05/2018	(81115)	Transfer	5921951	0.90
				01/06/2018	62429	Transfer	5984380	0.91
				01/06/2018	(15352)	Transfer	5969028	0.91
				08/06/2018	(24935)	Transfer	5944093	0.90
				15/06/2018	52219	Transfer	5996312	0.91
				22/06/2018	(22450)	Transfer	5973862	0.91
				29/06/2018	(321331)	Transfer	5652531	0.86
				06/07/2018	(326667)	Transfer	5325864	0.81
				13/07/2018	33793	Transfer	5359657	0.82
				20/07/2018	27141	Transfer	5386798	0.82
				27/07/2018	(5800)	Transfer	5380998	0.82
				03/08/2018	42374	Transfer	5423372	0.82
				03/08/2018	(59159)	Transfer	5364213	0.82
				10/08/2018	(1283)	Transfer	5362930	0.82
				24/08/2018	1314853	Transfer	6677783	1.02
				31/08/2018	54813	Transfer	6732596	1.02
				31/08/2018	(55206)	Transfer	6677390	1.02
				07/09/2018	76590	Transfer	6753980	1.03
				14/09/2018	330143	Transfer	7084123	1.08
				21/09/2018	113824	Transfer	7197947	1.09
				28/09/2018	420046	Transfer	7617993	1.16
				05/10/2018	529192	Transfer	8147185	1.24
				12/10/2018	597030	Transfer	8744215	1.33
				19/10/2018	48072	Transfer	8792287	1.34
				26/10/2018	(1474)	Transfer	8790813	1.34
				02/11/2018	473076	Transfer	9263889	1.41
				09/11/2018	(23744)	Transfer	9240145	1.41
				16/11/2018	17093	Transfer	9257238	1.41
				23/11/2018	716523	Transfer	9973761	1.52

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date of transaction	Increase/ Decrease in share holding during the Year	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
				30/11/2018	58173	Transfer	10031934	1.53
				30/11/2018	(35813)	Transfer	9996121	1.52
				07/12/2018	289481	Transfer	10285602	1.56
				14/12/2018	(35489)	Transfer	10250113	1.56
				21/12/2018	34681	Transfer	10284794	1.56
				28/12/2018	16233	Transfer	10301027	1.57
				28/12/2018	(29210)	Transfer	10271817	1.56
				31/12/2018	2974	Transfer	10274791	1.56
				04/01/2019	(38479)	Transfer	10236312	1.56
				11/01/2019	663612	Transfer	10899924	1.66
				18/01/2019	62452	Transfer	10962376	1.67
				25/01/2019	70027	Transfer	11032403	1.68
				01/02/2019	37629	Transfer	11070032	1.68
				01/02/2019	(108632)	Transfer	10961400	1.67
				08/02/2019	57141	Transfer	11018541	1.68
				15/02/2019	(97610)	Transfer	10920931	1.66
				22/02/2019	(102537)	Transfer	10818394	1.65
				01/03/2019	175230	Transfer	10993624	1.67
				01/03/2019	(1034)	Transfer	10992590	1.67
				08/03/2019	32237	Transfer	11024827	1.68
				15/03/2019	(5207)	Transfer	11019620	1.68
				22/03/2019	549	Transfer	11020169	1.68
				29/03/2019	14261	Transfer	11034430	1.68
				31/03/2019			11034430	1.68
8	ABU DHABI INVESTMENT AUTHORITY - BEACON	5898734	0.90	01/04/2018			5898734	0.90
				06/04/2018	(13332)	Transfer	5885402	0.90
				13/04/2018	(134000)	Transfer	5751402	0.87
				04/05/2018	(2790)	Transfer	5748612	0.87
				18/05/2018	(355000)	Transfer	5393612	0.82
				25/05/2018	17655	Transfer	5411267	0.82
				01/06/2018	(30195)	Transfer	5381072	0.82
				06/07/2018	347655	Transfer	5728727	0.87
				13/07/2018	(1170602)	Transfer	4558125	0.69
				20/07/2018	(278440)	Transfer	4279685	0.65
				27/07/2018	(391617)	Transfer	3888068	0.59
				03/08/2018	(253951)	Transfer	3634117	0.55
				10/08/2018	(166431)	Transfer	3467686	0.53
				24/08/2018	23315	Transfer	3491001	0.53
				28/09/2018	(642850)	Transfer	2848151	0.43
				05/10/2018	(253498)	Transfer	2594653	0.39
				12/10/2018	(158827)	Transfer	2435826	0.37
				19/10/2018	(87372)	Transfer	2348454	0.36
				26/10/2018	(51520)	Transfer	2296934	0.35
				02/11/2018	(487895)	Transfer	1809039	0.28

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date of transaction	Increase/ Decrease in share holding during the Year	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
				16/11/2018	6956	Transfer	1815995	0.28
				07/12/2018	5839	Transfer	1821834	0.28
				14/12/2018	30342	Transfer	1852176	0.28
				14/12/2018	(30342)	Transfer	1821834	0.28
				31/03/2019			1821834	0.28
9	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	5247139	0.80	01/04/2018			5247139	0.80
				06/04/2018	32160	Transfer	5279299	0.80
				06/04/2018	(1500)	Transfer	5277799	0.80
				13/04/2018	475	Transfer	5278274	0.80
				20/04/2018	(532)	Transfer	5277742	0.80
				11/05/2018	5627	Transfer	5283369	0.80
				11/05/2018	(7877)	Transfer	5275492	0.80
				18/05/2018	353141	Transfer	5628633	0.86
				25/05/2018	30880	Transfer	5659513	0.86
				25/05/2018	(30012)	Transfer	5629501	0.86
				15/06/2018	(260000)	Transfer	5369501	0.82
				22/06/2018	(14000)	Transfer	5355501	0.81
				20/07/2018	129000	Transfer	5484501	0.83
				20/07/2018	(170000)	Transfer	5314501	0.81
				27/07/2018	23753	Transfer	5338254	0.81
				27/07/2018	(353386)	Transfer	4984868	0.76
				03/08/2018	750	Transfer	4985618	0.76
				03/08/2018	(23200)	Transfer	4962418	0.75
				10/08/2018	(480)	Transfer	4961938	0.75
				17/08/2018	4656	Transfer	4966594	0.76
				24/08/2018	40052	Transfer	5006646	0.76
				24/08/2018	(78000)	Transfer	4928646	0.75
				31/08/2018	(55000)	Transfer	4873646	0.74
				28/09/2018	(757500)	Transfer	4116146	0.63
				05/10/2018	(709500)	Transfer	3406646	0.52
				26/10/2018	104	Transfer	3406750	0.52
				02/11/2018	1135850	Transfer	4542600	0.69
				09/11/2018	493000	Transfer	5035600	0.77
				23/11/2018	35000	Transfer	5070600	0.77
				07/12/2018	(5250)	Transfer	5065350	0.77
				21/12/2018	9262	Transfer	5074612	0.77
				21/12/2018	(9262)	Transfer	5065350	0.77
				01/02/2019	40000	Transfer	5105350	0.78
				15/02/2019	29349	Transfer	5134699	0.78
				22/02/2019	144410	Transfer	5279109	0.80
				01/03/2019	40652	Transfer	5319761	0.81
				01/03/2019	(5062)	Transfer	5314699	0.81
				08/03/2019	110000	Transfer	5424699	0.82
				15/03/2019	327	Transfer	5425026	0.82

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date of transaction	Increase/ Decrease in share holding during the Year	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
				29/03/2019	6768	Transfer	5431794	0.83
				29/03/2019	(6168)	Transfer	5425626	0.83
				31/03/2019			5425626	0.83
10	STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY P	5089085	0.77	01/04/2018			5089085	0.77
				06/04/2018	(354721)	Transfer	4734364	0.72
				13/04/2018	(42200)	Transfer	4692164	0.71
				20/04/2018	(200000)	Transfer	4492164	0.68
				27/04/2018	(80000)	Transfer	4412164	0.67
				04/05/2018	(310000)	Transfer	4102164	0.62
				11/05/2018	(176893)	Transfer	3925271	0.60
				18/05/2018	(80395)	Transfer	3844876	0.58
				25/05/2018	(98823)	Transfer	3746053	0.57
				01/06/2018	(97235)	Transfer	3648818	0.56
				15/06/2018	(47069)	Transfer	3601749	0.55
				22/06/2018	(53981)	Transfer	3547768	0.54
				29/06/2018	(76847)	Transfer	3470921	0.53
				13/07/2018	1152	Transfer	3472073	0.53
				20/07/2018	(162393)	Transfer	3309680	0.50
				27/07/2018	(132277)	Transfer	3177403	0.48
				10/08/2018	(53416)	Transfer	3123987	0.48
				17/08/2018	(27013)	Transfer	3096974	0.47
				24/08/2018	(247946)	Transfer	2849028	0.43
				14/09/2018	(86413)	Transfer	2762615	0.42
				21/09/2018	(390000)	Transfer	2372615	0.36
				05/10/2018	13223	Transfer	2385838	0.36
				12/10/2018	(261793)	Transfer	2124045	0.32
				19/10/2018	(412554)	Transfer	1711491	0.26
				02/11/2018	4470	Transfer	1715961	0.26
				21/12/2018	2231	Transfer	1718192	0.26
				01/02/2019	(422464)	Transfer	1295728	0.20
				08/02/2019	(88637)	Transfer	1207091	0.18
				31/03/2019			1207091	0.18
11	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI	5015398	0.76	01/04/2018			5015398	0.76
				04/05/2018	(10240)	Transfer	5005158	0.76
				11/05/2018	(9728)	Transfer	4995430	0.76
				01/06/2018	(7680)	Transfer	4987750	0.76
				15/06/2018	(7680)	Transfer	4980070	0.76
				22/06/2018	(20828)	Transfer	4959242	0.75
				29/06/2018	(33528)	Transfer	4925714	0.75
				06/07/2018	(13716)	Transfer	4911998	0.75
				13/07/2018	(21844)	Transfer	4890154	0.74
				16/11/2018	7695	Transfer	4897849	0.74
				23/11/2018	20007	Transfer	4917856	0.75
				07/12/2018	9747	Transfer	4927603	0.75

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date of transaction	Increase/ Decrease in share holding during the Year	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
				21/12/2018	27702	Transfer	4955305	0.75
				01/02/2019	29406	Transfer	4984711	0.76
				08/02/2019	93795	Transfer	5078506	0.77
				29/03/2019	11661	Transfer	5090167	0.77
				31/03/2019			5090167	0.77
12	GOVERNMENT PENSION FUND GLOBAL	1424430	0.22	01/04/2018			1424430	0.22
				24/08/2018	552848	Transfer	1977278	0.30
				31/08/2018	487489	Transfer	2464767	0.37
				07/09/2018	259258	Transfer	2724025	0.41
				28/09/2018	100000	Transfer	2824025	0.43
				30/11/2018	528312	Transfer	3352337	0.51
				07/12/2018	459549	Transfer	3811886	0.58
				21/12/2018	164148	Transfer	3976034	0.60
				28/12/2018	39570	Transfer	4015604	0.61
				31/12/2018	141000	Transfer	4156604	0.63
				04/01/2019	210665	Transfer	4367269	0.66
				18/01/2019	419551	Transfer	4786820	0.73
				25/01/2019	74401	Transfer	4861221	0.74
				31/03/2019			4861221	0.74
13	ABERDEEN GLOBAL INDIAN EQUITY LIMITED	4674004	0.71	01/04/2018			4674004	0.71
				13/07/2018	(240000)	Transfer	4434004	0.67
				27/07/2018	(180000)	Transfer	4254004	0.65
				03/08/2018	(280000)	Transfer	3974004	0.60
				31/03/2019			3974004	0.60
14	NEW WORLD FUND INC	4504724	0.69	01/04/2018			4504724	0.69
				06/04/2018	(509083)	Transfer	3995641	0.61
				13/04/2018	(190041)	Transfer	3805600	0.58
				20/04/2018	(40972)	Transfer	3764628	0.57
				27/04/2018	(25731)	Transfer	3738897	0.57
				04/05/2018	(309308)	Transfer	3429589	0.52
				18/05/2018	(160946)	Transfer	3268643	0.50
				06/07/2018	(381769)	Transfer	2886874	0.44
				09/11/2018	(1845401)	Transfer	1041473	0.16
				16/11/2018	(1041473)	Transfer	0	0.00
				31/03/2019			0	0.00
15	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4376965	0.67	01/04/2018			4376965	0.67
				18/05/2018	30599	Transfer	4407564	0.67
				01/06/2018	33140	Transfer	4440704	0.68
				08/06/2018	44893	Transfer	4485597	0.68
				29/06/2018	49446	Transfer	4535043	0.69
				20/07/2018	45298	Transfer	4580341	0.70
				27/07/2018	12485	Transfer	4592826	0.70
				24/08/2018	88448	Transfer	4681274	0.71
				21/09/2018	147200	Transfer	4828474	0.73

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date of transaction	Increase/ Decrease in share holding during the Year	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
				16/11/2018	77212	Transfer	4905686	0.75
				25/01/2019	48050	Transfer	4953736	0.75
				01/03/2019	76706	Transfer	5030442	0.76
				30/03/2019			5030442	0.76
16	SBI NIFTY INDEX FUND	2648983	0.40	01/04/2018			2648983	0.40
				06/04/2018	3136177	Transfer	5785160	0.88
				13/04/2018	7862	Transfer	5793022	0.88
				20/04/2018	24456	Transfer	5817478	0.88
				27/04/2018	30093	Transfer	5847571	0.89
				04/05/2018	22008	Transfer	5869579	0.89
				11/05/2018	36068	Transfer	5905647	0.90
				18/05/2018	26696	Transfer	5932343	0.90
				18/05/2018	(384539)	Transfer	5547804	0.84
				25/05/2018	490090	Transfer	6037894	0.92
				01/06/2018	48791	Transfer	6086685	0.93
				08/06/2018	20480	Transfer	6107165	0.93
				15/06/2018	18682	Transfer	6125847	0.93
				15/06/2018	(115461)	Transfer	6010386	0.91
				22/06/2018	505101	Transfer	6515487	0.99
				22/06/2018	(3)	Transfer	6515484	0.99
				29/06/2018	27819	Transfer	6543303	1.00
				06/07/2018	19773	Transfer	6563076	1.00
				13/07/2018	21650	Transfer	6584726	1.00
				13/07/2018	(470)	Transfer	6584256	1.00
				20/07/2018	19982	Transfer	6604238	1.00
				27/07/2018	518400	Transfer	7122638	1.08
				27/07/2018	(54)	Transfer	7122584	1.08
				03/08/2018	2	Transfer	7122586	1.08
				03/08/2018	(41004)	Transfer	7081582	1.08
				10/08/2018	30356	Transfer	7111938	1.08
				10/08/2018	(1)	Transfer	7111937	1.08
				17/08/2018	9527	Transfer	7121464	1.08
				24/08/2018	24874	Transfer	7146338	1.09
				31/08/2018	40176	Transfer	7186514	1.09
				31/08/2018	(358)	Transfer	7186156	1.09
				07/09/2018	88563	Transfer	7274719	1.11
				07/09/2018	(40)	Transfer	7274679	1.11
				14/09/2018	33900	Transfer	7308579	1.11
				14/09/2018	(1109)	Transfer	7307470	1.11
				21/09/2018	27781	Transfer	7335251	1.12
				28/09/2018	124	Transfer	7335375	1.12
				28/09/2018	(6757)	Transfer	7328618	1.11
				05/10/2018	22438	Transfer	7351056	1.12
				05/10/2018	(500000)	Transfer	6851056	1.04

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date of transaction	Increase/ Decrease in share holding during the Year	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
				12/10/2018	43130	Transfer	6894186	1.05
				19/10/2018	13802	Transfer	6907988	1.05
				26/10/2018	28446	Transfer	6936434	1.05
				02/11/2018	614964	Transfer	7551398	1.15
				02/11/2018	(1)	Transfer	7551397	1.15
				09/11/2018	18199	Transfer	7569596	1.15
				16/11/2018	29550	Transfer	7599146	1.16
				16/11/2018	(345)	Transfer	7598801	1.16
				23/11/2018	17347	Transfer	7616148	1.16
				30/11/2018	14300	Transfer	7630448	1.16
				07/12/2018	1051	Transfer	7631499	1.16
				07/12/2018	(395258)	Transfer	7236241	1.10
				14/12/2018	6164	Transfer	7242405	1.10
				14/12/2018	(118151)	Transfer	7124254	1.08
				21/12/2018	23042	Transfer	7147296	1.09
				21/12/2018	(880000)	Transfer	6267296	0.95
				28/12/2018	13056	Transfer	6280352	0.96
				28/12/2018	(1155201)	Transfer	5125151	0.78
				31/12/2018	6584	Transfer	5131735	0.78
				31/12/2018	(276573)	Transfer	4855162	0.74
				04/01/2019	128602	Transfer	4983764	0.76
				04/01/2019	(97234)	Transfer	4886530	0.74
				11/01/2019	45248	Transfer	4931778	0.75
				18/01/2019	36211	Transfer	4967989	0.76
				18/01/2019	(134)	Transfer	4967855	0.76
				25/01/2019	39690	Transfer	5007545	0.76
				25/01/2019	(50)	Transfer	5007495	0.76
				01/02/2019	42893	Transfer	5050388	0.77
				08/02/2019	36610	Transfer	5086998	0.77
				15/02/2019	22883	Transfer	5109881	0.78
				15/02/2019	(101)	Transfer	5109780	0.78
				22/02/2019	25207	Transfer	5134987	0.78
				01/03/2019	52319	Transfer	5187306	0.79
				08/03/2019	39901	Transfer	5227207	0.79
				08/03/2019	(1796)	Transfer	5225411	0.79
				15/03/2019	52995	Transfer	5278406	0.80
				22/03/2019	37423	Transfer	5315829	0.81
				22/03/2019	(835)	Transfer	5314994	0.81
				29/03/2019	31297	Transfer	5346291	0.81
				31/03/2019			5346291	0.81

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	**Mr. Kumar Mangalam Birla (Director)**				
	At the beginning of the year	36993	0.01		
	Date-wise Increase/Decrease	0	0.00		
	At the end of the year			36993	0.01
2	**Mrs. Rajashree Birla (Director)**				
	At the beginning of the year	552850	0.08		
	Date-wise Increase/Decrease	0	0.00		
	At the end of the year			552850	0.08
3	**Mr. Himanshu Kapania (Director)**				
	At the beginning of the year	250	0.00		
	Date-wise Increase/Decrease	750	0.00		
	At the end of the year			1,000	0.00
4	**Mr. M. L. Apte (Director)**				
	At the beginning of the year	650	0.00		
	Date-wise Increase/Decrease	0	0.00		
	At the end of the year			650	0.00
5	**Mr. B. V. Bhargava (Director)**				
	At the beginning of the year	2000	0.00		
	Date-wise Increase/Decrease	0	0.00		
	At the end of the year			2000	0.00
6	**Mr. Cyril Shroff (Director)**				
	At the beginning of the year	685	0.00		
	Date-wise Increase/Decrease	(350)	0.00		
	At the end of the year			335	0.00
7	**Dr. Thomas M. Connelly, Jr. (Director)**				
	At the beginning of the year	0	0.00		
	Date-wise Increase/Decrease	0	0.00		
	At the end of the year			0	0.00
8	**Ms. Usha Sangwan (Director)**				
	At the beginning of the year	0	0.00		
	Date-wise Increase/Decrease		0.00		
	At the end of the year			0	0.00
9	**Mr. Shailendra K. Jain (Director)**				
	At the beginning of the year	65430	0.01		
	Date-wise Increase/Decrease	0	0.00		
	At the end of the year			65430	0.01
10	**Mr. O. P. Rungta (Director)**				
	At the beginning of the year	1,135	0.00		
	Date-wise Increase/Decrease	(885)	0.00		
	At the end of the year			250	0.00
11	**Mr. Arun Thiagarajan (Director)**				
	At the beginning of the year	1,475	0.00		
	Date-wise Increase/Decrease		0.00		
	At the end of the year		0.00	1475	0.00

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
12	**Ms. Anita Ramachandran (Director)**				
	At the beginning of the year	0	0.00		
	Date-wise Increase/Decrease	0	0.00		
	At the end of the year			0	0.00
13	**Mr. Dilip Gaur (Managing Director)**				
	At the beginning of the year	0	0.00		
	Date-wise Increase/Decrease	0	0.00		
	At the end of the year			0	0.00
14	**Mr. Sushil Agarwal (Whole Time Director & Chief Financial Officer)**				
	At the beginning of the year	34622	0.01		
	Date-wise Increase/Decrease	0	0.00		
	At the end of the year			34622	0.01
15	**Mrs. Hutokshi Wadia (Company Secretary)**				
	At the beginning of the year	0	0.00		
	Date-wise Increase/Decrease	0	0.00		
	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
	Indebtedness at the beginning of the Financial Year - 1st April 2018				
i)	Principal Amount	562.30	2,406.47	-	2,968.77
ii)	Interest Due but not Paid	-	-	-	-
iii)	Interest Accrued but not Due	4.38	19.23	-	23.61
	Total (i + ii + iii)	**566.68**	**2,425.70**	-	**2,992.38**
	Change in Indebtedness during the Financial Year			-	
	• Addition	1,634.15	8,334.15	-	9,968.30
	• Reduction	(1,516.65)	(8,109.66)	-	(9,626.31)
	Net Change	**117.50**	**224.49**	-	**341.99**
	Indebtedness at the end of the Financial Year - 31st March 2019			-	
i)	Principal Amount	679.80	2,630.96	-	3,310.76
ii)	Interest Due but not Paid	-	-	-	-
iii)	Interest Accrued but not Due	0.43	21.23	-	21.66
Total (i + ii + iii)		**680.23**	**2,652.19**	-	**3,332.42**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ in Lakh)

Sl. 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 Section17(1) of the Income-tax Act, 1961	377.45	376.20	753.65
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	22.30	19.91	42.21
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	19.73*	-	19.73
3	Sweat Equity	-	-	-
4	Commission			
	- As % of Profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify Provident Fund and Other Funds (PF, SAF, NPS)	47.53	38.77	86.30
6	Performance Bonus	187.54	174.44	361.98
	Total (A)	**654.55**	**609.32**	**1,263.87**
	Ceiling as per the Act	Being 10% of the Net profit of the Company as worked out as per Section 198 of the Companies Act, 2013		**35,950.40**

* perquisite value of Stock Options of Aditya Birla Capital Limited exercised during FY 2018-19.

B. Remuneration of other Directors:

I. Independent Directors:

(₹ in Lakh)

Particulars of Remuneration	Name of Directors							Total Amount
	Mr. M. L. Apte	Mr. B. V. Bhargava	Mr. Arun Thiagarajan	Dr. Thomas M. Connelly, Jr.	Mr. O. P. Rungta	Mr. Cyril Shroff	Ms. Anita Ramachandran	
Fee for attending Board/ Committee Meetings	5.95	5.25	3.45	2.00	2.00	0.90	1.50	21.05
Commission proposed*	40.00	34.00	30.00	12.00	18.00	12.00	11.00	157.00
Others, please specify	0	0	0	0	0	0	0	0.00
Total (I)	**45.95**	**39.25**	**33.45**	**14.00**	**20.00**	**12.90**	**12.50**	**178.05**

* Excluding GST

II. Other Non-Executive Directors:

(₹ in Lakh)

Particulars of Remuneration	Name of Directors					Total Amount
	Mr. Kumar Mangalam Birla	Mrs. Rajashree Birla	Mr. Shailendra K. Jain	Ms. Usha Sangwan	Mr. Himanshu Kapania	
Fee for attending Board/ Committee Meetings	1.60	1.40	2.60	1.00	1.50	8.10
Commission proposed#	1,332.00	125.00	20.00	8.00*	8.00	1,493.00
Others, please specify	0	0	0	0	0	0.00
Total (II)	**1,333.60**	**126.40**	**22.60**	**9.00**	**9.50**	**1,501.10**
Total (B) = (I+II)						**1,679.15**
Ceiling as per the Act	Being 1% of the Net profit of the Company as worked out as per Section 198 of the Companies Act, 2013					**3,595.04**

* To be paid to LIC.

\# Excluding GST

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

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of the KMP Mrs. Hutokshi Wadia, Company Secretary	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	71.07	71.07
	(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 Provident Fund and Other Funds (PF, SAF, NPS)	5.52	5.52
6	Performance Bonus	18.21	18.21
	Total (C)	**95.63**	**95.63**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ended 31st March 2019.

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.

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.

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

Sr. No.	Name of the Director/Key Managerial Personnel (KMP) and Designation	Remuneration[ii] of Director/KMP for financial year 2018-19 (₹ in Lakh)	Ratio of remuneration of each Director to the Median remuneration of employees for the financial year 2018-19	% Increase/ (Decrease) in remuneration in the financial year 2018-19
1	Mr. Kumar Mangalam Birla, Chairman and Non-Executive Director	1332.00	371.31	4.88
2	Mrs. Rajashree Birla, Non-Executive Director	125.00	34.85	89.39
3	Mr. Himanshu Kapania, Vice Chairman and Non-Executive Director	8.00	2.23	Not Applicable
4	Mr. M. L. Apte, Independent Director	40.00	11.15	0.00
5	Mr. B. V. Bhargava, Independent Director	34.00	9.48	0.00
6	Mr. Arun Thiagarajan, Independent Director	30.00	8.36	20.00
7	Mr. Cyril Shroff, Independent Director	12.00	3.35	20.00
8	Mr. Shailendra K. Jain, Non-Executive Director	20.00	5.58	53.85
9	Dr. Thomas M. Connelly, Jr., Independent Director	12.00	3.35	0.00
10	Mr. Om Prakash Rungta, Independent Director	18.00	5.02	(5.26)
11	Ms. Anita Ramachandran, Independent Director	11.00	3.07	Not Applicable
12	Ms. Usha Sangwan, Non-Executive Director	8.00	2.23	Not Applicable
13	Mr. Dilip Gaur, Managing Director	654.55*	182.47	11.98
14	Mr. Sushil Agarwal, Whole-time Director & CFO	609.32	169.86	15.41
15	Mrs. Hutokshi Wadia, Company Secretary	95.63	26.66	9.52

** Includes perquisite value of Stock Options of Aditya Birla Capital Limited exercised during FY 2018-19.*

ii. Remuneration to Non-Executive and Independent Directors includes commission payable for the year ended 31st March 2019, which is subject to the approval of the Members of the Company. Sitting fee paid to Directors is excluded.

iii. During the financial year 2018-19, there was an increase of 10.61% over the previous financial year, in the Median remuneration of the employees.

iv. The calculation of percentage increase in the Median Remuneration is based on the comparable employees.

v. There were 21,682 permanent employees on the rolls of the Company as on 31st March 2019.

vi. Average percentage increase made in the salaries of employees, other than the managerial personnel in the financial year 2018-19, was 10.94% 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 12.30% due to the better performance of the Company as compared to the previous financial year.

vii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Management Discussion and Analysis

The Indian economy retains its ranking as the world's fastest-growing major economy. Primary factors responsible for this growth include upswing in consumption, strengthening of investment, strong domestic demand encouraged by benefits from the Goods and Services Tax (GST) and rebound in credit growth.

Eight core industries posted a strong growth rate driven by healthy production figures. With inflation under control, the Reserve Bank of India (RBI) slashed the benchmark repo rate by 25 basis points (bps) to 6.25% in February 2019 to provide a fillip to this growth. The domestic economy now appears to be at the cusp of a promising revival led by significant reforms, such as bank re-capitalization, enactment of insolvency framework, farm relief package, increased infrastructure spending by the government, and similar measures. Simultaneously a multitude of schemes to enhance various human development indicators is being planned.

The International Monetary Fund states: "Growth in India is expected to stabilize at just under 7.34 percent over the medium term, based on continued implementation of structural reforms and easing of infrastructure bottlenecks".

India excelled by 23 points in the World Bank's ease of doing business index to 77th place, becoming the leading country in South Asia for the first time and third among the BRICS nations.

The key businesses have recorded all-round growth in operational and financial metrics as detailed below.

Business Performance Review:

Viscose

	Unit	FY 2018-19	FY 2017-18	% Change
Standalone Performance				
Installed Capacity-VSF	KT	**566**	498	14%
Installed Capacity-VFY	KT	**46**	46	-
Production-VSF	KT	**541**	499	8%
Production-VFY	KT	**46**	19	142%
Sales Volumes-VSF	KT	**541**	508	6%
Sales Volumes-VFY	KT	**46**	19*	142%
Net Divisional Revenue	₹ Crore	**10,325**	8,374	23%
EBITDA	₹ Crore	**2,052**	1,680	22%
EBITDA Margin	%	**20%**	20%	-

* Not comparable on account of acquisition of Rights to operate and manage Century Rayon (the VFY business of Century Textiles and Industries Limited) with effect from 1st February 2019.

VSF demand in India witnessed a double digit growth for the second consecutive year. Grasim has been at the forefront of driving the VSF consumption in India with the Launch of LIVA in 2014. In FY19 the Company introduced Livaeco and Liva Home as an extension of the brand LIVA. VSF demand in India is expected to maintain its growth momentum and witness a high single digit growth for the next 2-3 years.

In FY19 ~1 MTPA of capacity was added by VSF players in Asia taking the overall capacity to 7 MTPA. This is expected to create a demand supply imbalance in the shorter time frame.

VFY sales volume has increased substantially during the current year led by acquisitions of rights to operate and manage Century Rayon by the Company effective from 1st February 2018.

During FY19 prices of Chinese VSF declined. On the other hand, global cotton and polyester prices witnessed an increase. In India, cotton prices experienced a double digit price increase owing to lower domestic production, depletion in the cotton reserves of China, and hike in the MSP (Minimum Support Price) of Indian cotton crop. Polyester prices globally have maintained an upward trend due to a spike in the crude oil prices.

The cost of key inputs like Dissolving grade pulp, Caustic soda and Sulphur remained higher during FY19.

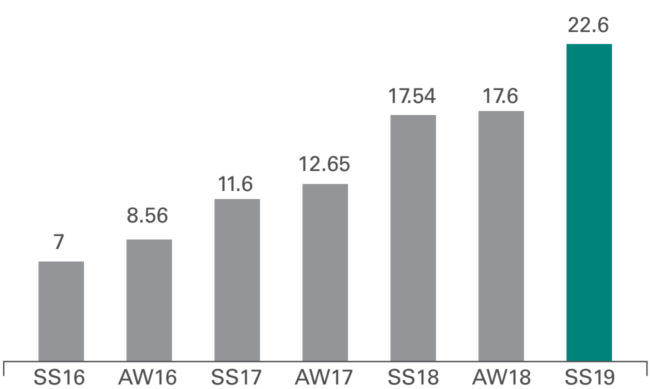
LIVA and LIVAeco – Eco-friendly brands

Livaeco is a unique brand conceived on the principles of sustainability. It is derived from certified sustainable forests and is certified by FSC (Forest Stewardship Council). Livaeco helps conserve bio-diversity, protects endangered forests, and increases the overall green cover. Every Livaeco garment has a unique molecular tracer which helps the end consumer trace the origin and full journey of the garment he/she is buying.

Besides it promises minimal usage of valuable water in its manufacturing process, vis-à-vis other natural fibres and lower greenhouse gas emissions. Livaeco is an impressive eco-friendly addition to the brand, LIVA.

Today, LIVA partners with over 40 retail brands and is available across 3,500 outlets in Exclusive Business Outlets and Large Format Stores. Additionally, it can be sourced from many more MBOs in 250 cities of India. This has resulted in doubling the viscose fibre consumption in the Country over the past 4 years. Viscose business has been registering a double digit growth in recent years and the market share has gone up from 3.5% to 5% in the last four years.

LIVA Garments-Tagging (in Millions)



SS - Spring Summer

AW - Autumn Winter

Distinct eco-friendly features of LIVA eco

Lowest water consumption

The process of making Livaeco saves 900 litres of water vis-à-vis other natural fibres. Water today is one of the most valuable resources.

Lowest greenhouse gas emissions

300 grams less green-house gases are emitted in the process of making Livaeco as compared to competing natural fibres.

Fastest bio-degradability

Biodegrades completely within 6 weeks- Zero damage to the environment.

Traceability of source

Molecular tracer helps in tracing garments to source at any stage. Downstream traceability can be done through a web enabled system.

Outlook

The VSF business is slated to grow vigorously, expanding the market in India by partnering with the textile value chain. It will achieve better customer connect through its brand LIVA and related products, through a larger share of specialty fibre. VSF continues to be the fastest growing textile fibre globally. However, new capacities recently commissioned in Asia may create temporary demand supply mismatch and resultant pressure on prices.

The global demand for VSF is likely to grow at a CAGR of 6-7% over the next 2-3 years, tad higher than the growth of competing fibres like cotton and polyester. The Asia-Pacific region is witnessing a healthy growth in the demand for this product. This is due to its special natural attributes and increased popularity in countries like India and China, which make it "a preferred fibre of choice".

Chemicals

	Unit	FY 2018-19	FY 2017-18	% Change
Caustic Soda				
- Installed Capacity	KT	**1,147**	938	22%
- Production	KT	**995**	866	15%
- Sales Volume	KT	**1,003**	860	17%
Specialty Chemicals				
(Chlorine Value Added Products)				
- Production	KT	**555**	513	8%
- Sales Volume	KT	**549**	515	7%
Chemical Business				
Net Divisional Revenue	₹ Crore	**6,437**	5,004	29%
EBITDA	₹ Crore	**1,827**	1,300	40%
EBITDA Margin	%	**28.3%**	25.9%	-

The global prices of caustic soda were volatile during the year led by multiple factors like:

- Closure of alumina refinery in South America
- There were limited environment related shutdown in China during the winter months to control pollution level and
- Mandatory adherence to BIS guidelines in India.

In India, the prices remained firm during the year driven by stable demand conditions and slowdown in imports.

Domestic consumption of caustic soda is expected to increase by 2-3% over the medium term on account of a strong demand from key consuming sectors such as textile, alumina, pulp and paper, and chemicals industries.

The Company achieved a new milestone of 1 Million Tonne Sales of Caustic Soda this year, the first company in the Country to attain this record.

Over the years, the demand for chlorine remained firm with prices maintaining a stable trend. The Company is a global leader in the chlorine Value-Added Products (VAP) such as AICI3 and stable bleaching powder. In India, we hold a leadership position in CP (ChlroParafin), PAC (Poly Aluminium Chloride) and PA (Phosphoric Acid).

Outlook

The Chemical business is witnessing expansion in both Chlor-alkali and specialty chemicals. The recent acquisition of Chlor-alkali business of KPR Industries Limited (plant under construction) is aimed at increasing the market share in the Eastern region of India, a caustic consumption hub. This, coupled with ongoing brownfield expansion projects at other sites and new product lines for specialty chemicals will lead to an upward swing in the business in the near future.

INDO GULF FERTILISERS

Domestic production of urea remained stable during the year, leading to better capacity utilization.

The Fertilizer business achieved a sales revenue of ₹ 2,812 Crore and EBITDA of ₹ 238 Crore in FY 2018-19.

The Agricultural sector continues to be in focus of the government. Improvement in rural infrastructure, higher crop insurance and agricultural credit will lead to an increase in use of fertilizer.

Textiles

Grasim's textiles business has Linen and Wool as the popular product lines. Grasim Textiles business for FY 2018-19, reported a Revenue of ₹ 1,501 Crore and EBITDA of ₹ 139 Crore.

Our Linen business maintained its leadership in the Linen Market with ~45% market share in linen fabric (Pure Linen category) and ~45% in linen yarn. The retail arm of the business, under the brand "Linen Club" is one of the largest single brand franchise network in India. It added 28 new 'Linen Club' EBOs, during FY 2018-19, with a total count of 200 EBOs. Besides fabrics, Linen Club Stores also offer wide range of Linen Apparel. Further, during the year, linen business ventured into intimate blend fabrics and apparels by launching two new brands "Mazury" and "Cavallo" respectively. Cavallo is supplied through E-Commerce channels.

Our Wool operation has integrated combing and spinning facilities. We export to over 30 countries with a wide product basket and good share of Value Added Products. We continue to be the market leaders in domestic wool combing market with 40% capacity market share

The acquisition of 100% equity of Soktas India Private Limited by the company for ₹ 135 Crore is aimed at expanding its leadership in the premium fabric segment, complementing its existing linen business. SIPL has since been renamed as Grasim Premium Fabric Pvt. Ltd.

Grasim has brands rights for the "SOKTAS", "Giza House" and "Excellence by SOKTAS" brands in key territories including India, Bangladesh and Nepal.

The general business outlook remains positive in view of the overall demand condition.

Insulators

The demand growth for insulator industry is being driven by power generation, transmission and distribution. The business generated Revenue of ₹ 434 Crore and EBITDA of ₹ 22 Crore for FY 2018-19.

The Insulator industry may continue to remain subdued due to lack of investment in the power sector in the Country.

UltraTech Cement Ltd. (A subsidiary of the Company)

India's cement sector witnessed an encouraging double digit demand growth in FY19 highest since FY10. India's cement industry is a vital part of its economy, providing employment to more than a million people, directly or indirectly. The demand growth was driven by Infrastructure projects, low cost housing and performance of the Industrial and commercial sector. The overall demand phase is expected to maintain positive momentum in the months ahead. Increase in demand will facilitate greater capacity utilization.

UltraTech was a beneficiary of the strong demand growth. The consolidated sales volume registered an increase of 17% on YoY basis to ~76mtpa (FY19). The Consolidated Net Revenue in FY19 witnessed a growth of 21% to ₹ 37,379 Crore and EBITDA increased by 7% to ₹ 7,226 Crore.

The Board of Directors of UltraTech had approved a Scheme of Demerger amongst Century Textiles and Industries Limited (Century) and UltraTech and their respective shareholders and creditors (the Scheme). In terms of the Scheme, Century would demerge its cement business into UltraTech.

The National Company Law Tribunal, Mumbai Bench (NCLT) has by its Order dated 3rd July 2019 approved the Scheme and has fixed the Appointed Date as 20th May 2018. The Scheme will be effective upon receipt of the required regulatory approvals for transfer of mining leases.

On completing this acquisition and with the on-going capacity expansions, UltraTech's cement manufacturing capacity will stand augmented to 113.4 mtpa, in India. The Company will reposition itself as the 3rd largest cement player globally (excluding China).

The Government's thrust on infrastructure development namely, construction of cement concrete roads, metro rail networks, airports, DFC, irrigation projects and increase in the pace of execution under the low cost housing program, supported strong volume off-takes of cement. Some of the recent major initiatives such as development of 98 smart cities are expected to provide a major boost to the cement sector. With stabilization of RERA, pick-up in urban housing is also being witnessed. All of these are expected to result in sustained demand growth for cement. This augurs well for the industry. UltraTech, with its recent expansions in the last 3 years is very well placed to participate in the growth of the Indian economy.

Aditya Birla Capital Ltd. (A subsidiary of the Company)

The Aditya Birla Capital reported a strong Financial Performance. The Revenue and Net Profit after Tax for FY19 increased to ₹ 15,032 Crore and ₹ 566 Crore up by 65% and 37%.

The NBFC Lending book (Including housing finance) expanded 23% YoY to ₹ 63,119 Crore (FY19)

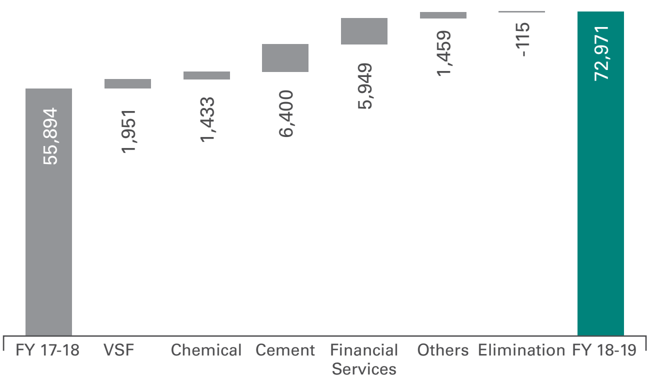
The Average Assets Under Management at ₹ 2,65,109 Crore (FY19) is up 6% YoY.

In Life Insurance business, the Individual First year Premium are up 56% to ₹ 1,798 Crore in FY19. The persistency ratios also witnessed a consistent improvement, to 78% (FY19) up 3%.

In the Health Insurance business, Gross written premium increased to ₹ 497 Crore (FY19), almost doubled as compared to the previous year.

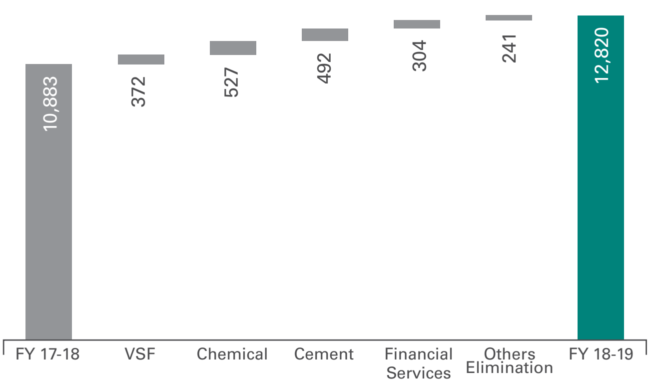
Revenue from Operations

The Consolidated Revenues from operations (Net of Excise Duty) increased to ₹ 72,971 Crore in FY19 from ₹ 55,894 Crore in FY18 driven by all round growth in Financial Services, Cement, Viscose, Chemicals businesses with visible steady growth in production and sales volume.



Operating Profit (EBITDA)

The rise in the EBITDA at ₹ 12,820 Crore for the year compared to ₹ 10,883 Crore in FY18 was majorly driven by the performance of the Chemicals, Cement, Viscose, and Financial services, despite increase in the cost of major inputs.



Finance Cost

The Finance cost moved up from ₹ 1,364 Crore in FY18 to ₹ 1,781 Crore in FY19 mainly due to higher borrowings by UltraTech during the year (Debt taken to acquire the Erstwhile Binani assets). At standalone level the finance cost increased from ₹ 128 Crore (FY18) to ₹ 199 Crore (FY19). This was due to increase in the debt level to support brownfield expansion projects.

At Standalone level, the net surplus (liquid investment) stood at ₹ 458 Crore as at 31 March 2019 against ₹ 389 Crore as at 31 March 2018.

At Consolidated level, the company moved from net debt position of ₹ 13,574 Crore as on 31 March 2018 to ₹ 19,652 Crore as on 31 March 2019.

Depreciation

The Depreciation charge increased from ₹ 2,724 Crore in FY18 to ₹ 3,260 Crore in FY19 on account of acquisition of assets and capitalization of a new cement plant.

Tax Expenses

The total tax expenses increased from ₹ 1,947 Crore in FY18 to ₹ 2,457 Crore in FY19 namely on account of higher profits.

Profit after Tax (PAT)

The Profit after Tax (Before Exceptional item net of Tax of ₹ 2,340 Crore) for the year was at ₹ 4,112 Crore compared to ₹ 3,015 Crore in FY18.

Post merger of Vodafone India Ltd. with Idea Cellular Ltd., the merged entity Vodafone Idea Ltd. ceased to be an 'Associate' of the company w.e.f. 31st August 2018. Hence share in PAT of Vodafone Idea Ltd has not been consolidated w.e.f. 31st August 2018.

During FY19 Exceptional item (net of tax) of ₹ 2,003 Crore represents the difference between Book Value and Fair value of Vodafone Idea Ltd as on 30th August 2018, consequent to Vodafone Idea Ltd. ceasing to be an 'Associate'. This has been charged to Profit and Loss Statement as an exceptional item.

Standalone Financial Performance

Strong YoY growth reported by the Viscose and Chemical business pushed the Revenue from Operations up, 30% to ₹ 20,550 Crore in FY19 from ₹ 15,786 Crore (FY18). The Revenues of Viscose business are up 23% YoY to ₹ 10,325 Crore in FY19 from ₹ 8,374 Crore in FY18 driven by better realization and higher volumes YoY due to debottlenecking of capacity. The Chemicals business reported a Revenue growth of 29% to ₹ 6,437 Crore in FY19 from ₹ 5,004 Crore in FY18 fueled by record sales volume, positive Chlorine realizations and improvement in the range of Value Added Products.

Standalone EBITDA rose by 31% to ₹ 4,639 Crore in FY19 from ₹ 3,542 Crore in FY 2017-18 led by solid EBITDA growth reported in the Chemical and VSF businesses.

The PAT (before exceptional items) increased by 30% YoY to ₹ 2,574 Crore in FY 2018-19 from ₹ 1,976 Crore in FY 2017-18.

The PAT after exceptional items touched ₹ 515 Crore for FY 2018-19 against ₹ 1,769 Crore in the previous year.

Key ratios capturing our financial performance have been illustrated below:

Sl No.	Particulars	FY 19	FY 18	Change
1	Debtors T/o Ratio [Net Sales/Avg. Debtors]	6.75	8.44	-25%
2	Debtors T/o Ratio (Calculated on Closing Debtors)	5.90	6.14	-4%
3	Inventory T/o Ratio [Operating Cost ie. Total Income-EBITDA/Average Inventory]	5.97	5.99	0%
4	Inventory T/o Ratio [Operating Cost ie. Total Income-EBITDA/Closing Inventory]	5.62	5.00	11%
5	Interest Coverage Ratio (EBITDA-Current Tax/Interest)	18.37	21.65	-18%
6	Current Ratio (Current Assets/Current Liabilities)	1.52	1.32	13%
7	Debt Equity Ratio (borrowings/Net worth)	0.08	0.07	16%
8	Operating Profit Margin (EBIT/Net Revenue from Operations)	19%	18%	2%
9	Net Profit Margin (PAT/Total Income)	2%	11%	-339%
10	Net Profit Margin (Before exceptional Items)	12%	12%	0%

** Debtors Turnover ratio when calculated on average debtors has reduced to 6.75 Times in FY19 from 8.44 times in FY18. Trade receivables as on 31 March 2017 does not include the trade debtors pertaining to the erstwhile ABNL, since ABNL has merged with the Company w.e.f. 30 June 2017. Hence, the average debtors as on 31 March 2018 and 31 March 2019 are not strictly comparable.*

 # Net Profit After Tax of FY19 includes one-time non-cash exceptional item of ₹ 2,003 Crore (net of tax) representing the difference between Book Value and Fair value of Vodafone Idea Ltd as on 30th August 2018 charged to Profit and Loss Statement consequent to Vodafone Idea Ltd. ceasing to be an 'Associate' of the Company. Hence, the Net Profit Margin is skewed and is not comparable with that of FY18.

Cash Flow Analysis

(₹ in Crore)

Particulars	FY 19
Sources of Cash	
Cash from operations	3,631
Proceeds from issue of share capital (ESOS)	9
Proceeds from sale of Investment	157
Proceeds of borrowing (Net of repayment)	350
Interest Received	103
Dividend Received	238
Total	4,488
Usage of cash	
Net capital expenditure	2,038
Increase in working capital	1,075
Increase in investment	581
Non-operating cash flow	141
Interest (Net of Interest Subsidy)	205
Dividend (Incl DDT)	453
Total	4,494
Net Increase/(Decrease) in Cash and Cash Equivalents	-7
Cash and Cash Equivalents at the Beginning of the Year	26
Cash and Cash Equivalents at the End of the Year	20

Sources of Cash

Cash generated from operations during the year was at ₹ 3,631 Crore.

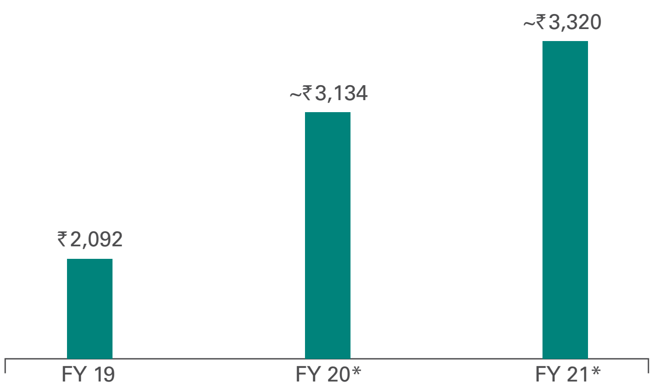
Dividend and Interest income

Your company received Dividend of ₹ 238 Crore in FY 2018-19 and interest income of ₹ 103 Crore.

Uses of Cash

Capital Expenditure

The company's total capex spend stood at ~ ₹ 2,092 Crore in FY19. This amount includes the capex spend in VSF and Chemicals businesses and ₹ 253 Crore paid towards acquisition of under-construction Chlor-Alkali Plant from KPR Industries Limited located in Andhra Pradesh.



* Proposed Capex on 1st April 2019

Working Capital

The working capital of the Company increased by an amount of ₹ 1,075 Crore.

Dividend

Cash outflow on account of dividend for the FY18 was ₹ 453 Crore (inclusive of the corporate tax on dividend).

Credit Rating:

Your Company has adequate liquidity and a strong Balance Sheet. CRISIL , ICRA and CARE have given rating of AAA for Long Term debt and A1+ for Short Term debt. India Ratings and Research has given rating of AAA for the company.

Key Risk	Impact on Grasim	Mitigation Plans
Commodity Price Volatility Risk.	High volatility in prices of key raw materials, energy inputs and finished goods may adversely impact profitability	- Securing the supplies of the key raw material in the Viscose business by setting up captive caustic soda and pulp plants - Securing the supplies of key raw material (Salt) for Chemicals business by improvising on the sourcing mix between captive and third party. - Minimizing our reliance on grid/energy exchange by setting up captive power plants in all businesses and long term tie-ups - Optimising the fuel mix and energy efficiency as well as explore alternative fuels for use in the plant for Cement business. - Increasing share of value added products in all businesses - Focussed Cost Management and efficiency improvement
Availability of natural resources based inputs	Scarcity of coal driven by high consumption in key user industries may increase the prices	- Government taking various measures viz auctioning of coal mines to private players, removing bottlenecks at Coal India and soft demand for coal globally to improve supply of coal. - Entering into long term contracts, securing coal supplies at competitive prices. - Optimising the fuel mix and energy efficiency as well as explore the use of alternative fuels in cement business.
	Non-availability of limestone may impact the growth plans of Cement business in long term.	- Cement business currently possess 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
	Scarcity of water may impact business operations in Viscose and Chemical Business	- Continuous reduction in the fresh water consumption - Water recycling and Zero liquid discharge - Creating new reservoirs closer to plant location
	Low availability of wood (input for pulp production) due to ban/ Restriction on Cultivation of Eucalyptus by Karnataka State Government	- Import of Pulp - Dispose Clonal Plantlets (saplings) ready for planting in other states for future use of manufacturing pulp - Representation to the government authorities jointly with peer industries for removing the ban, decision already stayed by the Court
Global capacity additions in the VSF business	Capacity additions by existing players may lead to oversupply in global markets thereby impacting VSF realisations	- Increasing focus on domestic sales to maintain the position by focused Market development activities helped by launch of LIVA brand - Increasing Indian Market Size - Newer product applications - Continuous focus on R&D
Human Resources Risk.	Attrition and non availability of the required talent resources can affect the performance of the Company.	- Continuous benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent. - Regular review, monitoring and engagement on personal development plans of high performers and high potential employees - Proactive action to strengthen technical and other functional bench strength by mapping internal/external talent market and accelerated hiring - Focused talent development
Competition Risk.	VSF and Chemicals are global commodities therefore they are exposed to any change in the competition intensity in the global market space With expanding capacity of exiting players and emergence of new entrants, competition is a sustained risk for cement business	- Continuous efforts to enhance the brand image of the Company by focusing on R&D, quality, cost, timely delivery and customer service. - Increasing level of customer engagement - Customer connect initiatives to reach out end users (such as Liva brand for VSF) - 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

Key Risk	Impact on Grasim	Mitigation Plans
Information Technology Risk	Risks related to Information Technology systems; data integrity and data security	- 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
Environmental and other regulatory risks	Any default can attract penal provisions and may impact the company reputation	- Adherence to current norms is being ensured - Technology/equipment upgradation is done on a continuous basis - Continuous monitoring of regulatory changes to ensure compliance with all applicable statutes and regulations - Implementation of Sustainability initiatives such as Zero Liquid Discharge at Chemical Division- Nagda & Renukoot etc.
Industrial Safety, Employee Health and Safety Risk	The manufacturing business of the company are labour intensive and are exposed to health and injury risk due to machinery breakdown, human negligence etc. Chemical business has exposure to risks arising from producing and handling of hazardous chemicals	- Association with M/s DuPont Safety Resources to build a culture of safety and strengthen your Company's Safety Management System in Chemicals and Cement Businesses. - Development and implementation of critical safety standards across the Units and Project sites, establishing processes for training need identification at each level of employee, introduction of 'Life Saving Rules'. - Continuous focus on building of safety culture across units covering entire workforce. - Adequate Insurance Coverage.

Note: Financial Risks are covered in the Audited Standalone Financial Statements (Refer Note 4.10)

INTERNAL CONTROL SYSTEM

Your Company has a well-established and robust internal control systems in place which are commensurate with the nature of its businesses, size & scale and complexity of its operations. Roles and responsibilities are clearly defined and assigned.

Standard operating procedures (SOP) are in place and have been designed to provide a reasonable assurance. Your Company has carried out the evaluation of design and operating effectiveness of the controls to ensure adherence to the SOPs and noted no significant deficiencies/material weaknesses.

In addition to the above, internal audits are undertaken on a continuous basis by a reputed CA firm and Corporate Audit team of the Group covering all units and business operations periodically to independently validate the existing controls. The Internal audit program 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. Significant audit observations are presented to the Audit Committee along with the status of management actions and the progress of implementation of recommendations

Your Company also periodically engages outside experts to carry out an independent review of the effectiveness of various business processes. The observations and best practices suggested are reviewed by the Management and Audit Committee and appropriately implemented with a view to continuously strengthen internal controls.

The Audit Committee reviews the adequacy and effectiveness of internal control systems and provides guidance for further strengthening them.

Report on Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance refers to a set of laws, regulations and good practices that enables an organisation to perform its business efficiently and ethically to generate long-term wealth and create value for all its stakeholders.

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 committed to the adoption of best governance practices and its adherence in true spirit, at all times.

Your Company's governance practices are self-driven, reflecting the culture of the trusteeship that is deeply ingrained in its value system and reflected in its strategic growth process. Your Company's governance philosophy rests on five basic tenets, viz.

- Board accountability to the Company and stakeholders
- Equitable treatment to all shareholders
- Strategic guidance and effective monitoring by the Board
- Protection of minority interests and rights
- Transparency and timely disclosure

Your Company confirms compliance with the Corporate Governance requirements stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as 'Listing Regulations'], the details of which for the Financial Year ended 31st March 2019 is as set out hereunder:

II. BOARD OF DIRECTORS

Composition of Board of Directors (Board)

Your Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations. Your Board represents a confluence of varied skills, experience and expertise from diverse background. The Directors possess requisite qualification, experience and expertise in their respective functional areas, which enable them to discharge their responsibilities and provide effective leadership to the management.

The Listing Regulations mandates that for a company with a non-executive chairman, who is a promoter, at least half of the Board should comprise of independent directors. As on 31st March 2019, your Company's Board comprises of 14 Directors, of which 7 are Independent Directors, 5 are Non-Executive Directors and 2 are Executive Directors. The Listing Regulations also mandates that the Board of Directors of the top 500 listed entities shall have at least one independent woman director. 3 out of 14 Directors on your Company's Board are women directors, of which 1 is an Independent Director. The position of Chairman and Managing Director are held by different individuals, where Chairman of the Board is a Non-Executive Chairman. The Board periodically evaluates the need for change in its size and composition in order to remain aligned with statutory and business requirements.

None of the Director is a director on the Board of more than 10 public limited companies or acts as an Independent Director in more than 7 listed companies. None of the Director holds directorship in more than 8 listed companies. Further, none of the Director is a Member of more than 10 committees or chairperson of more than 5 committees, across all listed companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairmanship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations. No Director is related to any other Director on the Board, except for Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, who are related to each other as son and mother. The composition of the Board is in conformity with the requirements of the Act and the Listing Regulations.

All Independent Directors are free from any business or other relationship that could materially influence their judgement. The Company has issued the formal letter of appointment to all the Independent Directors as prescribed under Schedule IV of the Act and the Listing Regulations. The terms and conditions of their appointment is also available on the Company's website, www.grasim.com. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Regulation 16(1)(b) of the Listing Regulations and under Section 149(6) of the Act and they are qualified to act as Independent Directors. In terms of Regulation 25(8) of the Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence. The brief profile of the Directors on the Board is available on the Company's website, www.grasim.com.

The details of the Board of Directors of the Company and the outside directorships and committee positions held by them as on 31st March 2019 are as under:

Name of the Director	Executive/ Non-Executive/ Independent[1]	No. of Equity Shares Held	No. of outside directorship(s) held in other Public Companies[2]	No. of outside committee position(s) held[3]		Names of outside listed entities where the person is a director and the category of directorship
				Member	Chairman	
Mr. Kumar Mangalam Birla, Chairman (DIN: 00012813)	Non-Executive	1,26,713[4]	8	-	-	1. Vodafone Idea Limited-Non-Executive Director 2. Aditya Birla Capital Limited-Non-Executive Director 3. Century Textiles and Industries Limited-Non- Executive Director 4. Hindalco Industries Limited-Non-Executive Director 5. UltraTech Cement Limited-Non-Executive Director
Mrs. Rajashree Birla (DIN: 00022995)	Non-Executive	5,52,850	6	-	-	1. Pilani Investment and Industries Corporation Limited-Non-Executive Director 2. Century Enka Limited-Non-Executive Director 3. UltraTech Cement Limited-Non-Executive Director 4. Hindalco Industries Limited-Non-Executive Director 5. Century Textiles and Industries Limited-Non-Executive Director
Mr. Himanshu Kapania[5], Vice-Chairman (DIN: 03387441)	Non-Executive	1,000	4	1	-	1. Vodafone Idea Limited-Non-Executive Director
Mr. Shailendra K. Jain (DIN: 00022454)	Non-Executive	65,430	2	1	-	-
Ms. Usha Sangwan[6] (DIN: 02609263)	Non-Executive	-	2	1	1	1. Axis Bank Limited-Non-Executive Director (Nominee Director) 2. BSE Limited-Non-Executive Director
Mr. M. L. Apte (DIN: 00003656)	Independent	650	6	6	1	1. Bajaj Hindusthan Sugar Limited-Independent Director 2. Bombay Burmah Trading Corporation Limited-Independent Director 3. Raja Bahadur International Limited- Independent Director 4. Standard Industries Limited-Independent Director 5. Kulkarni Power Tools Limited-Independent Director 6. Zodiac Clothing Company Limited- Independent Director

Name of the Director	Executive/ Non-Executive/ Independent[1]	No. of Equity Shares Held	No. of outside directorship(s) held in other Public Companies[2]	No. of outside committee position(s) held[3]		Names of outside listed entities where the person is a director and the category of directorship
				Member	Chairman	
Mr. B. V. Bhargava (DIN: 00001823)	Independent	2,000	3	1	1	1. The Supreme Industries Limited- Independent Director 2. Excel Crop Care Limited- Independent Director 3. JK Lakshmi Cement Limited- Independent Director
Dr. Thomas M. Connelly, Jr. (DIN: 03083495)	Independent	-	-	-	-	-
Mr. Cyril Shroff (DIN: 00018979)	Independent	335	-	-	-	-
Mr. O. P. Rungta (DIN: 00020559)	Independent	250	-	-	-	-
Mr. Arun Thiagarajan (DIN: 00292757)	Independent	1,475	5	3	3	1. Gokaldas Exports Limited- Independent Director 2. GE Power India Limited - Independent Director 3. TTK Prestige Limited- Independent Director 4. Aditya Birla Fashion and Retail Limited- Independent Director 5. Vodafone Idea Limited- Independent Director
Ms. Anita Ramachandran[7] (DIN: 00118188)	Independent	-	8	8	1	1. Rane (Madras) Limited- Independent Director
Mr. Dilip Gaur (DIN: 02071393)	Managing Director	-	-	-	-	-
Mr. Sushil Agarwal (DIN: 00060017)	Whole-time Director and CFO	34,622	6	5	-	1. Aditya Birla Capital Limited- Non-Executive Director 2. Aditya Birla Fashion and Retail Limited- Non-Executive Director

1. Independent Directors are Non-Executive Directors as defined 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 equity shares held by HUF.
5. Mr. Himanshu Kapania was appointed as Non-Executive Director (Vice-Chairman), with effect from 14th August 2018, as approved by the shareholders at the 71st AGM held on 14th September 2018.
6. Ms. Usha Sangwan was appointed as a Non-Executive Director, with effect from 23rd May 2018, as approved by the shareholders at the 71st AGM held on 14th September 2018.
7. Ms. Anita Ramachandran was appointed as an Independent Director, with effect from 14th August 2018, as approved by the shareholders at the 71st AGM held on 14th September 2018.

Role of Board of Directors

The Company's Board of Directors plays a primary role in ensuring good governance, smooth functioning of the Company and in the creation of stakeholders' 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 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, the 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. The Board monitors the Company's overall performance, directs and guides the activities of the Management towards the set goals and seeks accountability. The 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 4 times on 23rd May 2018, 14th August 2018, 14th November 2018 and 7th February 2019. The necessary quorum was present for all the meetings. The maximum interval between any 2 meetings did not exceed 120 days. Video conference facility is made available to facilitate Directors travelling/ residing abroad or at other locations to participate in the meetings.

Details of attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM) held during the FY 2018-19 are as under:

Name of the Directors	Number of Board Meetings attended in FY 2018-19	Attended last AGM held on 14th September 2018
Mr. Kumar Mangalam Birla	2	No
Mrs. Rajashree Birla	2	No
Mr. Himanshu Kapania	3	Yes
Mr. Shailendra K. Jain	4	Yes
Ms. Usha Sangwan	3	No
Mr. M. L. Apte	3	Yes
Mr. B. V. Bhargava	2	Yes
Dr. Thomas M. Connelly, Jr.	4	No
Mr. Cyril Shroff	1	No
Mr. O. P. Rungta	4	No
Mr. Arun Thiagarajan	4	Yes
Ms. Anita Ramachandran	3	No
Mr. Dilip Gaur	4	Yes
Mr. Sushil Agarwal	4	Yes

Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 7th February 2019, without the presence of Non-Independent Directors and the management, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, quantity 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 for the Board of Directors and Senior Management" of your Company, which is available on the Company's website, www.grasim.com. All Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the Board of Directors and Senior Management. 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 Company's website, www.grasim.com. When a director joins the Board of the Company, 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. 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 apprised 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.

Prevention of Insider Trading

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated and adopted the revised "Code of Conduct to regulate, monitor and report trading by designated persons in Listed or Proposed to be Listed Securities" of the Company ("the Insider Trading Code"). The object of the Insider Trading Code is to set framework, rules and procedures which all concerned should follow, both in letter and spirit, while trading in listed or proposed to be listed securities of the Company. During the year, the Company has also adopted the Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("the Code") in line with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018 and formulated a Policy for determination of 'legitimate purposes' as a part of the Code. The Code also includes policy and procedures for inquiry in case of leakage of Unpublished Price Sensitive Information (UPSI) and aims at preventing misuse of UPSI. The Code is available on the Company's website, www.grasim.com.

III. COMMITTEES OF THE BOARD

The Board has constituted various Committees with specific terms of reference in line with the provisions of the Listing Regulations and the Act. The Board Committees play a vital role in improving the Board effectiveness in the areas where more focused and extensive discussions are required. As on 31st March 2019, the Company had 10 Committees of the Board, namely, Audit Committee, Risk Management Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Finance Committee, Birla Laos Divestment Committee, Chlor Alkali Business Acquisition Committee, Soktas India Business Acquisition Committee and Merger Committee. During the year under review, the Board of Directors of the Company have, *inter alia*, revised the terms of reference of Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee of the Board of Directors of the Company, in view of the amendments to the Listing Regulations and amendments to the Act.

A. AUDIT COMMITTEE OF THE BOARD

Composition, Meetings and Attendance

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 Listing Regulations and the Act.

During the year under review, 6 Audit Committee meetings were held on 23rd May 2018, 14th August 2018, 12th October 2018, 14th November 2018, 7th December 2018 and 7th February 2019.

The details of composition and attendance of the members at the Audit Committee meetings are given below:

Name of the Members	Categories	No. of Meetings	
		Held	Attended
Mr. Arun Thiagarajan, Chairman	Non-Executive-Independent	6	5
Mr. B. V. Bhargava	Non-Executive-Independent	6	5
Mr. M. L. Apte	Non-Executive-Independent	6	5
Mr. Dilip Gaur	Managing Director	6	6

The Chief Financial Officer is a permanent invitee to the Audit Committee meetings. The Joint Statutory Auditors and the Internal Auditors of the Company are also invited to the Audit Committee meetings. Representatives of the 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 was present at the last AGM of the Company held on 14th September 2018.

The Audit Committee acts as link between the management, the Statutory and Internal Auditors 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, maintain 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. The recommendations of the Audit Committee are accepted by the Board.

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 Statements 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 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. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision;

11. Valuation of undertakings or assets of the Company, wherever it is necessary;

12. Evaluation of internal financial controls and risk management systems;

13. Monitoring the end use of funds raised through public offers and related matters;

14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

15. 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;

16. Discussion with internal auditors of any significant findings and follow up thereon;

17. 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;

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

19. 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;

20. To review the functioning of the Whistle Blower Mechanism;

21. In consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit;

22. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate; and

23. 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) Financial statements, in particular, the investments made by the unlisted subsidiary companies.

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

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

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

(6) Appointment, removal and terms of remuneration of the Internal Auditor;

(7) 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.

(8) Any Show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important, including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;

(9) Any material default in financial obligations by the Company; and

(10) Any significant or important matters affecting the business of the Company.

Vigil Mechanism/Whistle Blower Policy

The Company has adopted 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 Chairman of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Chairman of the Audit Committee. The Whistle Blower Policy has been uploaded on the Company's website, www.grasim.com. The Policy is in line with the Company's Code of Conduct, Vision and Values and forms part of good Corporate Governance.

B. NOMINATION AND REMUNERATION COMMITTEE

Composition, Meetings and Attendance

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

During the year under review, 3 NRC meetings were held on 23rd May 2018, 13th August 2018 and 13th November 2018. The recommendations of the NRC have been accepted by the Board.

The details of composition and attendance of the members at the NRC meetings are given below:

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

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 effective evaluation of performance of the Board, its Committees and individual Directors and review its implementation and compliance;

(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;

(9) Review and implement succession plans for Managing Director, Executive Directors and Senior Management; and

(10) Review and make recommendations to the Board with respect to any incentive-based compensation and equity-based plans that are subject to Board or shareholder approval (including broad-based plans).

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, its Committees, Independent Directors, Non-Executive Directors, Executive Directors, and the Chairman of the Board.

The Nomination and Remuneration Committee of the Board has 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 performance of Non-Independent Directors, the Board as a whole, and the Committees of the Board has been evaluated by Independent Directors in a separate meeting. At the same meeting, the Independent Directors also evaluated the performance of the Chairman of your Company, after taking into account the views of Executive Directors and Non-Executive Directors. Evaluation as done by the Independent Directors was submitted to the Nomination and Remuneration Committee and subsequently to the Board.

The performance of the Board and its Committees was evaluated by the Nomination and Remuneration Committee after seeking inputs from all the Directors, on the basis of criteria such as the Board/ Committee composition and structure, effectiveness of the Board/Committee process, information and functioning, etc.

Following the meetings of Independent Directors and of Nomination and Remuneration Committee, the Board at its meeting discussed the performance of the Board, as a whole, its committees and individual Directors. The performance evaluation of all the Directors of your Company, (including Independent Directors, Executive and Non-Executive Directors and Chairman), is done at the Board meeting by all the Board members, excluding the Director being evaluated on the basis of criteria, such as contribution at the meetings, strategic perspective or inputs regarding the growth and performance of your Company, among others.

Board Competence

The Board has identified the below mentioned core skills/expertise/competencies of the Directors, which are fundamental to the Company's business and are currently possessed by the Directors:

1. **Governance & Sustainability:** Ensuring adherence to the Corporate Governance Principles, ability to benchmark with the best governance practices globally, protecting and enhancing stakeholders value. Ability to guide on sustainability initiatives and corporate social responsibility activities for betterment of the underprivileged and society at large are additional competencies required.

2. **Strategy Planning:** Good business instincts and acumen, ability to get to the crux of the issue, ability to provide guidance and active participation in complex decision making, set priorities and focus energy and resources towards achieving goals.

3. **Technical Expertise:** Sound Technical knowledge, ability to anticipate technological trends, create advanced business models, provide guidance for technical collaboration etc.

4. **Financial Management, Legal Expertise and Risk Management:** In depth understanding of financial statements, financial controls, proficiency in financial management and reporting process, expertise in dealing with complex financial transactions, having profound legal knowledge and expertise in corporate law matters and other regulatory aspects, in depth knowledge of risk management etc.

5. **Sales & Marketing:** Experience in sales and marketing, understanding of brand equity, provide guidance in developing strategies for increasing sales, enhancing brand value customer satisfaction etc.

Remuneration Policy

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy on remuneration of Directors and Senior Management Employees, which is available on the Company's website, www.grasim.com. 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.

Remuneration of Directors

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 on recommendation of Nomination and Remuneration Committee.

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

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, type of the meeting and responsibilities under various statutes, etc. For FY 2018-19, the Board has approved payment of ₹ 16.50 Crore as commission to the Non-Executive/ Independent Directors.

Details of remuneration paid/to be paid to the Non-Executive/Independent Directors for the year under review is as under:

(₹ in Lakh)

Name of the Directors	Commission	Sitting Fees (for Board and its Committees)
Mr. Kumar Mangalam Birla[1]	1,332.00	1.60
Mrs. Rajashree Birla	125.00	1.40
Mr. Himanshu Kapania	8.00	1.50
Mr. Shailendra K. Jain	20.00	2.60
Ms. Usha Sangwan[2]	8.00	1.00
Mr. M. L. Apte	40.00	5.95
Mr. B. V. Bhargava	34.00	5.25
Dr. Thomas M. Connelly, Jr.	12.00	2.00
Mr. Cyril Shroff	12.00	0.90
Mr. O. P. Rungta	18.00	2.00
Mr. Arun Thiagarajan	30.00	3.45
Ms. Anita Ramachandran	11.00	1.50
Mr. Dilip Gaur	-	-
Mr. Sushil Agarwal	-	-
Total	**1,650.00**	**29.15**

1. Mr. Kumar Mangalam Birla assumed the role of Executive Chairman of Aditya Birla Management Corporation Private Limited with effect from 1st January 2019. Accordingly, he would not like to receive any commission from the Company with effect from 1st January 2019.

2. Commission is payable to LIC and sitting fees is paid to Ms. Usha Sangwan; however sitting fee for the first Board meeting attended by Ms. Sangwan was paid to LIC.

Notes:

- There are no pecuniary relationship or transaction between your Company and its Non-Executive/Independent Directors for the financial year under review.

- As per the Company's policy no loan is advanced to any Directors except to the Executive Directors, in the course of normal employment.

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

(₹ in Lakh)

Executive Directors	Salary, Benefits, Bonus, Pension, etc., paid during the Year	Performance-linked Incentive paid during the Year[1]	Service Contract, Notice Period and Severance Fee	Stock Option Details, if any
Mr. Dilip Gaur (Managing Director)	467.01*	187.54	See Note 2	See Note 3
Mr. Sushil Agarwal (Whole-time Director and CFO)	434.88	174.44	See Note 2	See Note 4

* *Includes perquisite value of stock options of Aditya Birla Capital Limited exercised during FY 2018-19.*

1 The Board has approved payment of performance-linked variable pay for the FY 2017-18 as aforesaid to the Managing Director and the Whole-Time Director & CFO on achievement of the targets.

2 The Managing Director's and the Whole-time Director & CFO's appointment may be terminated by three months' notice in writing on either side and no severance fees is payable to the Executive Directors of the Company.

3 During the year, in terms of the Company's Employee Stock Option Scheme 2013 (ESOS 2013), 7,610 Stock Options have vested in Mr. Dilip Gaur and in terms of the Company's Employee Stock Option Scheme 2018 (ESOS 2018) 1,19,048 Stock Options and 22,796 RSUs have been granted to Mr. Dilip Gaur.

4 During the year, in terms of the Company's ESOS 2013; 30,435 Stock Options and 16,665 RSUs have vested in Mr. Sushil Agarwal and in terms of the Company's ESOS 2018; 79,368 Stock Options and 15,198 RSUs have been granted to Mr. Sushil Agarwal.

Employee Stock Options Scheme

a. ESOS-2006

During the year under review, the Stakeholders' Relationship Committee of the Board of Directors allotted 86,835 Equity Shares of ₹ 2/- of the Company to Options Grantees, pursuant to the exercise of the Stock Options under ESOS-2006.

b. ESOS-2013

During the year under review, the Nomination and Remuneration Committee of the Board of Directors approved vesting of 48,447 Stock Options and 16,665 Restricted Stock Units (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 the Company in this regard.

Further, the Stakeholders' Relationship Committee of the Board of Directors allotted 1,40,093 equity shares of ₹ 2/- of the Company to Stock Options and RSUs Grantees, pursuant to the exercise of the Stock Options and RSUs, under ESOS-2013.

c. ESOS- 2018

Pursuant to the approval of the shareholders at the Annual General Meeting held on 14th September 2018, the Board of Directors and the Nomination and Remuneration Committee, a new scheme viz. 'Grasim Industries Limited Employee Stock Option Scheme 2018' ("ESOS–2018") in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the SEBI SBEB Regulations") has been formulated. The ESOS 2018 is being administered by the Nomination and Remuneration Committee through the Grasim Employees' Welfare Trust (Trust).

During the year under review, a total of 11,18,480 Stock Options and 2,80,384 RSUs were granted to the eligible employees, including Managing Director and Whole-time Director and CFO of the Company, under the said Scheme.

The details of Employee Stock Options granted pursuant to ESOS-2006 and the Employee Stock Options and RSUs granted pursuant to ESOS-2013 and ESOS-2018, and 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

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition, Meeting and Attendance

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

During the year under review, 3 Stakeholders' Relationship Committee meetings were held on

22nd May 2018, 30th October 2018 and 29th March 2019. The recommendations of the Stakeholders' Relationship Committee have been accepted by the Board.

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

Name of the Members	Categories	No. of Meetings	
		Held	Attended
Mr. B. V. Bhargava, Chairman	Non-Executive Independent	3	3
Mr. Cyril Shroff	Non-Executive Independent	3	0
Mr. M. L. Apte	Non-Executive Independent	3	3
Mr. Sushil Agarwal	Whole-time Director and CFO	3	3

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

The Chairman of the Stakeholders' Relationship Committee was present at the last AGM of the Company held on 14th September 2018.

Brief Description of Terms of Reference

1. To monitor complaints received by your Company from its Shareholders, Debentureholders, other security holders, Securities and Exchange Board of India (SEBI), Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc. and action taken by your Company for redressing the same;
2. To approve allotment of shares, debentures or any other securities as per the authority conferred/to be conferred to the Committee by the Board of Directors from time to time;
3. To approve requests for transposition, deletion, consolidation, sub-division, change of name, dematerialisation, rematerialisation etc. of shares, debentures and other securities;
4. To authorise Officers of your Company to approve requests for transposition, deletion, consolidation, sub-division, change of name, dematerialisation, rematerialisation etc. of shares, debentures and other securities;
5. To approve and ratify the action taken by the authorised officers of your Company in compliance of the requests received from the shareholders/investors for issue of duplicate/ replacement/consolidation/sub-division, dematerialisation, rematerialisation and other purposes for the shares, debentures and other securities of your Company;
6. To monitor and expedite the status and process of dematerialisation and rematerialisation of shares, debentures and other securities of your Company;
7. To give directions for monitoring the stock of blank stationery and for printing of stationery required by the Secretarial Department of your Company from time to time for issuance of share certificates, debenture certificates, allotment letters, dividend warrants, pay orders, cheques and other related stationery;
8. To review the measures taken to reduce the quantum of unclaimed dividend/interest and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of your Company;
9. Resolving grievances of security holders including complaints related to transfers/ transmission of shares, non-receipt of annual report, non-receipt of dividends, issue of new/ duplicate certificates, general meetings etc.;
10. Review measures taken for effective exercise of voting rights by shareholders;
11. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
12. To perform such other acts, deeds, and things as may be delegated to the Committee by the Board from time to time.

Shareholders' complaints

The number of shareholders' complaints received and resolved as on 31st March 2019 is given in the Shareholders' Information section, which forms part of this Annual Report.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

Composition, Meeting and Attendance

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

During the year under review, 3 CSR Committee meetings were held on 7th May 2018, 7th December 2018 and 29th March 2019. The recommendations of CSR Committee have been accepted by the Board.

The CSR Committee recommends to the Board the activities to be undertaken during the year and the amount to be spent on these activities. The CSR Policy and CSR Report forms part of this Annual Report.

The details of composition and attendance of the members at the CSR Committee meeting are given below:

Name of the Members	Categories	No. of Meetings	
		Held	Attended
Mrs. Rajashree Birla, Chairperson	Non-Executive	3	2
Mr. B. V. Bhargava	Non-Executive 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

Composition, Meeting and Attendance

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

The terms of reference of the Risk Management Committee, *inter alia,* includes implementation of Risk Management Framework for identifying, assessing, monitoring, reviewing and devising mitigation plans in respect of the risks associated with the Company. The recommendations of the Risk Management Committee have been accepted by the Board.

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

During the year under review, 1 meeting of the Risk Management Committee was held on 7th December 2018.

The details of composition and attendance of the members at the Risk Management Committee meeting are given below:

Name of the Members	Categories	No. of Meetings	
		Held	Attended
Mr. B. V. Bhargava, Chairman	Non-Executive-Independent	1	1
Mr. Arun Thiagaranjan	Non-Executive-Independent	1	1
Mr. M. L. Apte	Non-Executive-Independent	1	1
Mr. Dilip Gaur	Managing Director	1	1
Mr. Sushil Agarwal	Whole-time Director and CFO	1	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	0

F. FINANCE COMMITTEE

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

Composition, Meetings and Attendance

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

During the year under review, 7 Finance Committee meetings were held on 12th April 2018, 22nd May 2018, 4th July 2018, 30th October 2018, 21st January 2019, 7th February 2019 and 5th March 2019.

The details of composition and attendance of the members at the Finance Committee meetings are given below:

Name of the Members	Categories	No. of Meetings	
		Held	Attended
Mr. B. V. Bhargava, Chairman	Non-Executive Independent	7	6
Mr. M. L. Apte	Non-Executive Independent	7	7
Mr. Sushil Agarwal	Whole-time Director and CFO	7	7

G. BIRLA LAOS DIVESTMENT COMMITTEE

The Birla Laos Divestment Committee of the Board of Directors was constituted for divestment of Birla Lao Pulp and Plantations Company Limited. This Committee comprises of 2 Non-Executive Independent Directors and 2 Executive Directors. The Committee comprises of Mr. B.V. Bhargava, Mr. M. L. Apte, Mr. Dilip Gaur and Mr. Sushil Agarwal.

During the year under review, 1 meeting of the Birla Laos Divestment Committee was held on 12th April 2018 and the same was attended by Mr. B. V. Bhargava, Mr. M. L. Apte and Mr. Sushil Agarwal.

H. CHLOR ALKALI BUSINESS ACQUISITION COMMITTEE

The Chlor Alkali Business Acquisition Committee of the Board of Directors was constituted to facilitate acquisition of K.P.R. Industries (India) Limited. This Committee comprises of 2 Non-Executive Independent Directors and 2 Executive Directors. The Committee comprises of Mr. B. V. Bhargava, Mr. M. L. Apte, Mr. Dilip Gaur and Mr. Sushil Agarwal.

During the year under review, 1 meeting of the Chlor Alkali Business Acquisition Committee was held on 5th February 2019 and the same was attended by Mr. M. L. Apte, Mr. Dilip Gaur and Mr. Sushil Agarwal.

I. SOKTAS INDIA BUSINESS ACQUISITION COMMITTEE

Soktas India Business Acquisition Committee of the Board of Directors was constituted to facilitate acquisition of Soktas India Private Limited. This Committee comprises of 2 Non-Executive Independent Directors and 2 Executive Directors. The Committee comprises of Mr. B. V. Bhargava, Mr. M. L. Apte, Mr. Dilip Gaur and Mr. Sushil Agarwal.

During the year under review, 1 meeting of Soktas India Business Acquisition Committee was held on 29th March 2019 and the same was attended by Mr. B.V. Bhargava, Mr. M. L. Apte, Mr. Dilip Gaur and Mr. Sushil Agarwal.

J. MERGER COMMITTEE

The Merger Committee comprises of Mr. M. L. Apte, Mr. Arun Thiagarajan, Mr. O. P. Rungta, Mr. Dilip Gaur and Mr. Sushil Agarwal.

During the year under review, no meeting of Merger Committee was held.

IV. SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian subsidiary company as defined under the Listing Regulations. UltraTech Cement Limited and Aditya Birla Capital Limited are the material listed subsidiaries of the Company. The Company has formulated a Policy for Determining Material Subsidiaries, which is available on the Company's website, www.grasim.com.

The Audit Committee reviews the financial statements and, in particular, the investments made by the unlisted subsidiary companies. The minutes of the Board meetings as well as 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 of the Company held during the last 3 years are as follows:

Financial Year/Type of Meeting	Date and Time	Location	Particulars of Special Resolution
2015-16 Court Convened Meeting	10th June 2015, 11.30 a.m.	Birlagram, Nagda-456331, Madhya Pradesh	• Resolution passed for amalgamation of Aditya Birla Chemicals (India) Ltd. with Grasim Industries Limited
2015-16 69th Annual General Meeting	23rd September 2016, 11.30 a.m.	Birlagram, Nagda-456331, Madhya Pradesh	• Payment of Commission to Non-Executive Directors of the Company • Issuance of Non-Convertible Debentures on private placement basis • Alteration of Articles of Association of the Company

Financial Year/Type of Meeting	Date and Time	Location	Particulars of Special Resolution
2016-17 Extra-Ordinary General Meeting	10th October 2016, 11.30 a.m.	Birlagram, Nagda-456331, Madhya Pradesh	• Increase in limit for investment in the Equity Share capital of the Company by Registered Foreign Portfolio Investors, including Foreign Institutional Investors
2016-17 Extra-Ordinary General Meeting	3rd March 2017, 11.00 a.m.	Birlagram, Nagda-456331, Madhya Pradesh	• Increase in limit for investment in the equity share capital of the Company by Registered Foreign Portfolio Investors including Foreign Institutional Investors
2017-18 NCLT Convened Meeting	6th April 2017, 11.00 a.m.	Birlagram, Nagda-456331, Madhya Pradesh	• 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.
2016-17 70th Annual General Meeting	22nd September 2017, 11.00 a.m.	Birlagram, Nagda-456331, Madhya Pradesh	• Issuance of Non-Convertible Debentures on private placement basis • Alteration of Articles of Association of the Company
2017-18 71st Annual General Meeting	14th September 2018, 11.00 a.m.	Birlagram, Nagda-456331, Madhya Pradesh	• Continuation of Directorships of Directors who have attained 75 years of age • Adoption of Grasim Industries Limited Employee Stock Options Scheme-2018 • Extension of benefit of Grasim Industries Limited Employee Stock Option Scheme 2018 to permanent employees in the management cadre, including Managing and Whole-time Directors, of the Subsidiary Companies • Approved the use of trust route for implementation of Grasim Industries Limited Employee Stock Options Scheme-2018 and secondary acquisition of the Equity Shares of the Company by the trust to be set up

POSTAL BALLOT

During the Financial Year 2018-2019, no resolution was passed through Postal Ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

VI. MEANS OF COMMUNICATION

- Copies of the press release, quarterly presentations on the Company's performance, official news release made to Institutional Investors/Analysts are hosted on the Company's website, www.grasim.com, and the Group's website, www.adityabirla.com.
- Quarterly Results:

  Results are normally published in:

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

  Results are displayed on the Company's website, www.grasim.com and on www.adityabirla.com

- At the end of each quarter, the Company organizes earnings call with the analysts and investors and the transcripts of the same are thereafter uploaded on the website of the Company.

- Disclosures pursuant to various provisions of the Listing Regulations, as applicable, are promptly communicated to the stock exchanges where the shares of the Company are listed, and are also displayed on the Company's website www.grasim.com.

- The Company has engaged Karvy Fintech Private Limited for providing live webcast of AGM proceedings to its shareholders. The same may be accessed at https://evoting.karvy.com.

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 4.5.3 to the Standalone Financial Statements, forming part of this Annual Report, which sets out the related party disclosures. The Policy on Related Party Transactions, as approved by the Audit Committee and the Board is available on the Company's website, www.grasim.com.

(ii) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges 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 the 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 are provided in the Notice of the Annual General Meeting, which forms part of this Annual Report.

(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 of equity shares.

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

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

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

(vi) Certification by Practicing Company Secretary

As per the amended Listing Regulations, the Company has obtained a certificate from the Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified, from being appointed or continuing as Directors, by Securities and Exchange Board of India/Ministry or Corporate Affairs or any such authority and the same is appended as an Annexure to this Report.

(vii) Total Fees paid to Statutory Auditors

Total fees for all services paid by your Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors are a part is ₹ 11.56 Crore for FY 2018-19.

(viii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year: 1 (One)

b. number of complaints disposed of during the financial year: 1 (One)

c. number of complaints pending as on end of the financial year: Nil

(ix) Managing Director and Chief Financial Officer Certification

In terms of the Listing Regulations, certificate from Managing Director and Whole-time Director & Chief Financial Officer of the Company is appended as an Annexure to this Report.

(x) Website

The Company's website, www.grasim.com has a dedicated section for investor relations containing the financial results, shareholding pattern, annual reports, quarterly reports, updates/intimations filed with Stock Exchange(s), various policies adopted by the Board. Other general information like history of the Company, business carried out by the Company, its subsidiary(ies) and associate(s), details of the Board of Directors, Key Managerial Personnel and Business Heads of the Company, is also available on the Company's website, www.grasim.com.

(xi) 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 the Non-Executive Chairman to discharge his responsibilities.

b. There are no audit qualification on the Financial Statements of the Company for the financial year ended 31st March 2019.

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 meetings and present their observations to the Audit Committee when the audit matter is discussed.

VIII. REPORT ON CORPORATE GOVERNANCE

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

IX. COMPLIANCES

(i) Your Company confirms the compliances with Corporate Governance requirements as specified in the Listing Regulations.

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

(iii) There is a separate section for general Shareholder Information which forms part of this Annual Report.

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

(v) During the year under review the Board has accepted the recommendations made by the various Board Committees constituted.

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 for Board Members and Senior Management for the year ended 31st March 2019.

Dilip Gaur
Managing Director
DIN: 02071393

Mumbai
Date: 24th May 2019

CEO/CFO CERTIFICATION

The Board of Directors
Grasim Industries Limited

We certify that:

A. We have reviewed the Financial Statements and the Cash Flow Statement of Grasim Industries Limited (the Company) for the year ended 31st March 2019 and that to the best of our knowledge and belief:

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

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

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

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the 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:

   (1) significant changes in the internal control, if any, over financial reporting during the year;

   (2) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the Notes to the Financial Statements; and

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

Place: Mumbai
Date: 24th May 2019

Dilip Gaur
Managing Director
DIN: 02071393

Sushil Agarwal
Whole-time Director & CFO
DIN: 00060017

CERTIFICATE

Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

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

We have examined the relevant books, papers, minutes books, forms and returns filed, notices received from the Directors for the financial year 2018-19, and other records maintained by the Company and also the information provided by the officers, agents and authorised representatives of Grasim Industries Limited CIN: L17124MP1947PLC000410 (hereinafter referred to as 'the Company') having its registered office at Birlagram, Nagda - 456331, District- Ujjain, Madhya Pradesh for the purpose of issue of Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide notification no SEBI/LAD/NRO/GN/2018/10 dated 09th May 2018 issued by SEBI.

In our opinion and to the best of our knowledge and based on such examination as well as information and explanations furnished to us, we hereby certify that none of the Directors of the Company stated below who are on the Board of the Company as on 31st March 2019, have been debarred or disqualified from being appointed or continuing to act as Directors of the Company by Securities and Exchange Board of India or the Ministry of Corporate Affairs, Government of India or any such other statutory authority.

Sr. No	DIN	Name of the Directors	Designation	Date of Appointment
1	00012813	Mr. Kumar Mangalam Birla	Non-Executive Director (Chairman)	14/10/1992
2	00022995	Mrs. Rajashree Birla	Non-Executive Director	14/03/1996
3	03387441	Mr. Himanshu Kapania	Non-Executive Director(Vice-Chairman)	14/08/2018
4	00022454	Mr. Shailendra K. Jain	Non-Executive Director	01/04/2010
5	02609263	Ms. Usha Sangwan	Non-Executive Director	23/05/2018
6	00003656	Mr. M. L. Apte	Independent Director	06/05/1987
7	00001823	Mr. B.V. Bhargava	Independent Director	26/03/1997
8	00018979	Mr. Cyril Shroff	Independent Director	25/07/2000
9	03083495	Dr. Thomas M. Connelly, Jr.	Independent Director	20/08/2010
10	00020559	Mr. O. P. Rungta	Independent Director	25/09/2014
11	00292757	Mr. Arun Thiagarajan	Independent Director	07/05/2016
12	00118188	Ms. Anita Ramachandran	Independent Director	14/08/2018
13	02071393	Mr. Dilip Gaur	Managing Director	01/04/2016
14	00060017	Mr. Sushil Agarwal	Whole Time Director and Chief Financial Officer	01/07/2015

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

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

B. Narasimhan
Partner
FCS No.:-1303
COP No.:-10440
PR No.:- 544/2017

Place: Mumbai
Date: 24th May 2019

Shareholder Information

1. Annual General Meeting	
- Date and Time	Friday, 23rd August 2019, at 11.00 a.m.
- Venue	Registered Office of the Company, (Grasim Staff Club), Birlagram, Nagda-456 331, Madhya Pradesh, India
- Webcast Facility for AGM	The live webcast of AGM proceedings can be accessed by the shareholders at https://evoting.karvy.com
2. Financial Calendar for reporting	
- Financial Year of the Company	1st April to 31st March
- Financial reporting for the quarter ending 30th June 2019	On or before 14th August 2019
- Financial reporting for the quarter/half year ending 30th September 2019	On or before 14th November 2019
- Financial reporting for the quarter ending 31st December 2019	On or before 14th February 2020
- Financial reporting for the quarter/year ending 31st March 2020	On or before 30th May 2020
- 73rd Annual General Meeting for the year ending 31st March 2020	On or before 31st August 2020
3. Dates of Book Closure :	Tuesday, 13th August 2019 to Friday, 23rd August 2019 (both days inclusive)
4. Dividend Payment Date	On or after 23rd August 2019
5. Registered Office	Birlagram, Nagda-456 331, Madhya Pradesh, India Tel: (07366) 246760/66 Fax: (07366) 244114/246024 E-mail: grasim.secretarial@adityabirla.com
6. Website :	www.grasim.com/www.adityabirla.com
7. Corporate Identification Number (CIN) :	L17124MP1947PLC000410

8. Listing Details

a. Listing on Stock Exchanges:

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

IDBI Trusteeship Services Limited
Asian Building, Ground floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai-400001
Tel: 91-022-40807000 Fax: 91-022-40807080
Email: naresh.sachwani@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

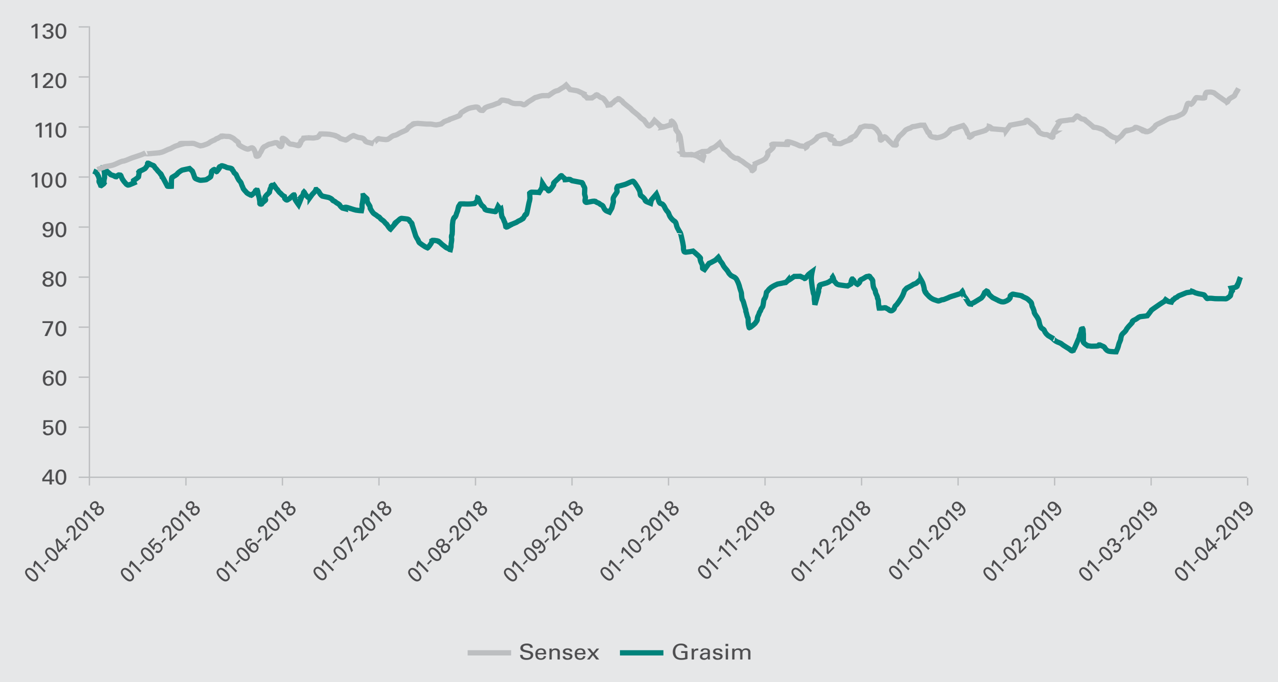
9. Stock Code:

	Stock Code	Reuters	Bloomberg
BSE	500300	GRAS.BO	GRASIM IB
NSE	GRASIM	GRAS.NS	GRASIM IS
LSE	-	GRAS.LU	GRAS LX
ISIN of Equity Shares	INE047A01021	-	-
ISIN of GDRs	US3887061030 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-18	1,115.00	1,046.65	1,091.05	17,32,567	1,115.00	1,045.00	1,093.70	1,78,67,938	16.90	15.80	16.30
May-18	1,114.70	996.30	1,037.75	19,84,775	1,114.90	995.50	1,039.80	2,31,01,491	16.70	14.80	15.40
Jun-18	1,059.80	991.00	1,005.80	8,48,166	1,060.00	989.20	1,006.85	1,64,60,612	15.70	14.50	14.70
Jul-18	1,040.20	915.00	1,026.75	28,85,122	1,040.50	914.20	1,025.20	2,41,23,039	15.10	13.40	14.90
Aug-18	1,091.65	957.90	1,068.00	14,65,824	1,093.00	957.55	1,067.50	3,00,92,983	15.50	14.10	15.00
Sept-18	1,081.10	994.80	1,020.55	14,05,430	1,082.00	993.80	1,021.50	1,86,45,291	15.10	13.80	14.10
Oct-18	1,022.50	756.00	831.25	57,97,099	1,023.00	756.00	833.55	3,63,69,398	13.70	10.30	11.20
Nov-18	891.20	796.15	863.30	30,36,795	891.70	795.20	866.25	3,32,79,441	12.40	11.10	12.40
Dec-18	882.40	777.20	826.80	11,38,324	883.00	775.00	825.60	2,53,65,638	12.40	10.90	11.80
Jan-19	844.90	715.50	722.05	20,68,328	844.90	714.50	721.00	3,19,45,959	11.90	10.10	10.10
Feb-19	796.70	688.65	776.55	14,62,612	796.90	688.65	777.05	3,16,20,958	11.00	9.75	11.00
Mar-19	860.10	777.75	858.20	8,64,540	861.00	777.75	857.95	2,51,35,597	12.40	10.00	12.40

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	(21.56)%	25.83%	96.57%
BSE Sensex	9.99%	51.03%	72.51%
NSE Nifty	8.24%	48.08%	73.58%

Annualised Returns (In %)

(In Percentage)	1 Year	3 Years	5 Years
GRASIM	(21.56)%	7.96%	14.47%
BSE Sensex	9.99%	14.73%	11.52%
NSE Nifty	8.24%	13.98%	11.66%

13. Registrar and Share Transfer Agent:

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

Karvy Fintech Private Limited

Karvy Selenium Tower B, Plot no. 31-32,
Financial District, Nanakramguda, Gachibowli,
Hyderabad-500 032
Tel: 040 67162222
Toll Free No.: 1800 5724 001
Fax: 040 23420814
E-Mail ID: einward.ris@karvy.com; grasim.ris@karvy.com
E-mail ID for Investor Complaints:
grasim.secretarial@adityabirla.com

14. Share Transfer System:

96.83% 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 Fintech 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 2500 shares in physical form under one transfer deed. One Director jointly with one Officer of the Company have been authorised to approve the transfers exceeding 2500 shares 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 2018-19				
Transfer Period (in Days)	**No. of Transfers**	**No. of Shares**	**%**	**Cumulative Total %**
1-5	31	4,017	2.29	2.29
6-15	1321	1,45,460	97.71	100.00
Total	**1352**	**1,49,477**	**100.00**	**100.00**

Number of pending share transfer as at 31st March 2019 - 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 2019:

Nature of Complaints	2018-19	
	Received	**Cleared**
Opening Pending Complaints	-	-
Transfer, Transmission, Duplicate shares, Change of address, etc.	72	72
Annual Report	5	5
Dividend	4	4
TOTAL	**81**	**81**

16. Distribution of Shareholding as on 31st March 2019:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares Held	% Shareholding
1-100	146541	63.00	4666677	0.71
101-200	32892	14.14	5055345	0.77
201-500	29561	12.71	9607095	1.46
501-1000	11778	5.06	8451449	1.29
1001-5000	9856	4.24	19815237	3.01
5001-10000	988	0.42	6819765	1.04
10001 & above	994	0.43	603182795	91.73
Total	**232610**	**100.00**	**657598363**	**100.00**

Categories of Shareholding as on 31st March 2019:

Categories	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Promoter and Promoter Group*	27	0.01	264057728	40.15
Mutual Fund and Alternate Investment Fund	55	0.02	50038165	7.61
Banks, Financial Institutions, NBFC & Insurance Companies	96	0.04	72760319	11.06
FIIs	474	0.20	131551131	20.00
GDRs	1	0.00	18356667	2.79
NRIs/OCBs/Foreign National	8035	3.45	17840115	2.71
Central Government/State Government(s)/President of India	3	0.00	9156	0.00
Bodies Corporate/Trust/Clearing Member/Pvt. Insurance Comp/IEPF etc.	2030	0.87	41608591	6.33
Individuals	221888	95.41	60078675	9.15
Shares held by Employee Trust	1	0.00	1297816	0.20
Total	**232610**	**100.00**	**657598363**	**100.00**

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

17. Dematerialisation of Shares and Liquidity:

96.83% of the outstanding Equity (including 6.44% of capital in the form of Global Depository Receipts) has been dematerialised as on 31st March 2019. Trading in the shares of your Company is permitted only in dematerialized form.

• National Securities Depository Ltd. (NSDL) :	94.73%
• Central Depository Services (India) Ltd. (CDSL) :	2.10%
Total	**96.83%**

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

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

19. Outstanding GDRs/Warrants and Convertible Bonds:

4,23,68,187 GDRs (Previous Year 4,53,96,998) are outstanding as on 31st March 2019. Each GDR represents one underlying equity share. There are no warrants/convertible bonds outstanding as at the year-end.

20. 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 derivatives 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.

The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15th November 2018.

21. Secretarial Audit:

(a) 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.

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

The said certificate is submitted quarterly to Stock Exchanges, NSDL and CDSL and is also placed before the Board of Directors.

(c) Pursuant to Section 204 of the Companies Act, 2013, M/s BNP & Associates, Practicing Company Secretaries, have conducted a Secretarial Audit of the Company for the financial year 2018-19. The Audit Report is annexed to the Board's Report. Further, M/s BNP & Associates, Practicing Company Secretaries, have been appointed as the Secretarial Auditor of the Company for the financial year 2019-20.

22. Corporate Office and Plant Locations

Corporate Office:

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

Plant Locations:

Fibre and Pulp Plants:

Name	Address	Phone Nos.	Fax Nos.
Staple Fibre Division	Birlagram, Nagda-456 331 Madhya Pradesh	(07366) 246760-66	(07366) 244114/246024
Harihar Polyfibers & Grasilene Divisions	Harihar, Dist. Haveri Kumarapatnam-581 123, Karnataka	(08373) 242171-75	(08373) 242875 (08192) 247555
Birla Cellulosic Division	Birladham, Kharach, Kosamba-394 120 Dist. Bharuch, Gujarat	(02646) 270001-05	(02646) 270010, 270310
Grasim Cellulosic Division	Plot No.1, GIDC Vilayat Industrial Estate P. O. Vilayat, Taluka: Vagra, District: Bharuch-392 012 Gujarat	(02642) 291214	-

Chemical Plants:

Name	Address	Phone Nos.	Fax Nos.
Grasim Chemical Division	Birlagram Nagda-456 331, Madhya Pradesh	(07366) 246760-66	(07366) 246176/ 245845/246097
Grasim Chemical Division	Plot No.1, GIDC Vilayat Industrial Estate P. O. Vilayat Taluka: Vagra, District: Bharuch-392 012 Gujarat	08347008059	-
Grasim Chemical Division	Garhwa Road, P.O.-Rehla, Distt.-Palamau, Jharkhand PIN-822124	06584-262221, 06584-262211	06584-221205
Grasim Chemical Division	P. O. Binaga-581 307, Karwar District: Uttar Kannada Karnataka, India	(08382)230514, 230174 & 230178	(08382) 230468
Grasim Chemical Division	P. O. : Renukoot- 231217 Dist : Sonebhadra, Uttar Pradesh	(05446) 252044, 252055, 252075	(05446) 253378
Grasim Chemical Division	P. O. Jayshree-761025 Dist-Ganjam (Odisha)	06811-254319 06811-254336	06811-254384

Name	Address	Phone Nos.	Fax Nos.
Grasim Chemical Division	P. O. Balabhadrapuram-Survey No. 1,2,3,4, Kanedumetta Road, Balabhadrapuram, East Godavari-533343, Andhra Pradesh	-	-
Grasim Chemical Division	Veraval-362 266, Gujarat	(02876) 245711/248401	-

Epoxy Plant:

Grasim Epoxy Division	Plot No.1, GIDC Vilayat Industrial Estate P. O. Vilayat Taluka: Vagra, District: Bharuch-392 012 Gujarat	02641-273206	-

Textile Plants:

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

Viscose Filament Yarn Plants:

Indian Rayon Compound	Veraval-362 266, Gujarat	(02876) 245711/248401	-
Century Rayon	Murbad Road,Shahad-421103, Dist-Thane, (Maharashtra)	0251-2733670 -79	0251-2730064

Insulator Plants:

Name	Address	Phone Nos.	Fax Nos.
Aditya Birla Insulators, Rishra	P.O. Prabhas Nagar, Rishra Dist. Hoogly 712 249, West Bengal	(033) 26723535	-
Aditya Birla Insulators, Halol	P.O. Meghasar Taluka, Halol Dist. Panchmahal,Gujarat-389330	(02676) 221002	-

Fertiliser Plant:

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

23. Investor Correspondence

For Secretarial Matters and Investor Grievances : **Karvy Fintech Private Limited**
Registrar & Share Transfer Agent (RTA)
Karvy Selenium Tower B, Plot no. 31-32,
Gachibowli, Financial District, Nanakramguda
Hyderabad-500 032
Tel: 040 67162222
Toll Free No.: 1800 5724 001
Fax: 040 23001153
E-Mail ID : einward.ris@karvy.com, grasim.ris@karvy.com
E-Mail ID for Investor Complaints:
grasim.secretarial@adityabirla.com

24. Corporate Benefits to Investors

Dividend declared during/for the last 10 years:

Financial Year	Date of Declaration	Dividend Per Share* (₹)
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
2017-18	14.09.2018	6.20

*Per Equity Share of ₹ 2/- each.

25. Details of all credit ratings obtained by the Company during the Financial Year 2018-19, for the debt instruments issued by the Company are as under:

Nature of Instrument	Name of Credit Rating Agency	Credit Rating Assigned
Commercial Paper	CRISIL and Indian Ratings and Research Private Limited	A1+
NCD	CRISIL and Indian Ratings and Research Private Limited	AAA (Stable)
Consortium Limits	CRISIL and Indian Ratings and Research Private Limited	AAA(Stable) Long Term A1+ Short Term
Out of Consortium Limits	CRISIL and Credit Analysis & Research	AAA(Stable) Long Term A1+ Short Term
Company Rating	Indian Ratings and Research Private Limited	AAA(Stable)

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), members, surviving joint holders/legal heirs be furnished to the Company while making request for transfer, deletion of name of deceased joint holder, transposition of names and transmission of shares, as the case may be.

Nomination Facility for Shareholding

Section 72 of the Companies Act, 2013, extends nomination facility to individuals holding shares in physical form. Shareholders, in particular, those holding shares in single name, may avail the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form, which can be downloaded from the website of the Company or obtained from the Share Department of the Company/RTA by sending a written request through any mode including e-mail on grasim.ris@karvy.com/einward.ris@karvy.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 email address, etc., directly to their DP as the said records are maintained by the DPs.

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

Correspondence with the Company

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

All correspondence regarding physical shares should be addressed only to the 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.ris@karvy.com/einward.ris@karvy.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 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.

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.

The Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for 7 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/shares upto the year ended 31st March 2011 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 2012 or any subsequent years are requested to make their claim to the Share Department at the Registered Office of the Company at Nagda or to RTA.

Mr. Ullash Parida has been appointed as the Nodal Officer to ensure compliance with IEPF Rules. Nodal Officer can be contacted at:
Tel: +91 22 6652 5000/2499 5000 or
Email: grasim.secretarial@adityabirla.com/
grasim.iepf@adityabirla.com

The details of unpaid/unclaimed dividend for the year 2011-12 onwards are as under:

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 & complete Address;
- Bank Account Number (SB/CC/Current)
- 9 digit MICR Code (Magnetic Ink Character Recognition) appearing on the MICR cheque issued by your bank to you
  - **In case you are holding shares in 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.

Year	Due Date of Transfer		
	Grasim Industries Limited	Erstwhile Aditya Birla Chemical (India) Limited	Erstwhile Aditya Birla Nuvo Limited
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		-
2017-18	20th October 2025		

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

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

Unclaimed shares in Physical Form

Schedule VI to 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 Regulation, 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 to 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.

Transfer of shares in Physical Form

The Company's shares are compulsorily traded in the dematerialised form. In terms of the provisions of the Listing Regulations, w.e.f 1st April 2019, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in dematerialised form with the depositories i.e National Securities Depository Limited and Central Depository Services (India) Limited. Requests for transmission/transposition of shares held in physical form will however be attended to. 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 dematerialisation.

Company's website

You are requested to visit the Company's website, www.grasim.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

Disclosure pursuant to Schedule VI to 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 2018	2,071 shareholders holding 2,39,425 equity shares of the Company
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	7 shareholders holding 828 equity shares of the Company
Number of shareholders to whom shares were transferred from suspense account during the year	7 shareholders holding 828 equity shares of the Company
Number of whose shares were transferred to IEPF account pursuant to the MCA Circular dated 5th September 2016	55 shareholders holding 11,125 equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 31st March 2019	2,009 shareholders holding 2,27,472 equity shares of the Company

The voting rights on the shares in the suspense account as on 31st March 2019 shall remain frozen till the rightful owners of such shares claim the shares.

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 grasim.secretarial@adityabirla.com or by logging on to the Company's website, www.grasim.com.

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

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

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

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

Feedback:

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

Link for Green Initiative:

http://grasim.com/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 16 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.

Business Responsibility Report

Section A: General Information about the Company

1. **Corporate Identification Number (CIN) of the Company** : L17124MP1947PLC000410
2. **Name of the Company** : Grasim Industries Limited ("Grasim")
3. **Registered Address** : Birlagram, Nagda 456331, Madhya Pradesh, India
4. **Website** : www.grasim.com
5. **E-mail ID** : grasim.brr@adityabirla.com
6. **Financial Year Reported** : 1st April 2018 to 31st March 2019
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	Manufacture of 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
Fertilisers	201	2012	20121	Manufacture of Urea and other Fertilisers
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 (Provide details of major 5) : On standalone basis, Grasim does not have any manufacturing Unit outside India
   ii. Number of National Locations : 20 Units, 2 Salt Works, MBDD (Vadodara), Corporate Office, Registered Office and Zonal Sales Offices
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) : ₹ 131.52 Crore
2. Total Turnover (INR) : ₹ 20,550.43 Crore
3. Total Profit After Taxes (INR) : ₹ 515.30 Crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%) : The Company has spent ₹ 47.14 Crore during the FY 2018-19, which is more than 2% of the average Profit after taxes of the Company in the previous three financial years.

5. List of activities in which expenditure in 4 above has been incurred: :
   a. Education
   b. Healthcare
   c. Environment & Livelihood
   d. Rural Development Projects
   e. Social Empowerment

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 & SBU Head – Chlor Alkali and Viscose Filament Yarn
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 Auditors 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

Section E: Principle-wise Performance

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

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

   The Company's governance structure guides the Company 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 various 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 (Caustic Soda, Chlorine, Hydro Chloric Acid and Sodium Hypo chloride), 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.

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

   With respect to salt procurement, the Company is continuously increasing the sourcing of mechanized washed salt which helps in reduction of sludge generation substantially. The Company is continuously encouraging salt manufacturers to install mechanized salt washery to maximize washed salt production.

   Further, we are also putting up Sludge Drying System and Sulphate Removal System in the upcoming years, which will further reduce brine sludge generation as well as handling and disposal.

   We have designed transport management system to monitor and ensure safety of our vehicles using GPS. We have developed Suraksha Mobile App which helps customers lodge alarms when they observe any hazard.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?**

   If Yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Yes, the Company fosters local and small suppliers for procurement of goods and services including communities in proximity to its plant locations. First preference is 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.

   The Company prefers local and small suppliers for procurement of goods and services up to the maximum extent possible. Most recently transportation contracts of two major raw materials were awarded to the transporters belonging to the local community with a condition that they deploy the trucks of local and needy people, especially those who have one or two trucks.

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

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

   Waste Water Recycling is also being done across all its locations. The Company has installed Reverse Osmosis Plants at various units for treating waste water.

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

1.	**Please indicate the total number of employees**	:	21,682
2.	**Please indicate the total number of employees hired on temporary/ contractual/casual basis**	:	17,543
3.	**Please indicate the number of permanent women employees**	:	300
4.	**Please indicate the number of permanent employees with disabilities**	:	105
5.	**Do you have an employee association that is recognised by management**	:	Yes
6.	**What percentage of your permanent employees is members of this recognized employee association?**	:	Almost, all the workers are members of the recognised employee associations (unions)
7.	**Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**	:	

S. No.	Category	No. of Complaints Filed during the Financial Year	No. of Complaints Pending as on end of the Financial Year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual Harassment	1	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	Continuous Process
(b)	Permanent Women Employees	
(c)	Casual/Temporary/ Contractual Employees	
(d)	Employees with Disabilities	

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

The Company believes in continual learning of its employees and has institutionalized a continual learning model for skill upgradation. 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 marginalised stakeholders:**

   Yes, the Company has identified disadvantaged, vulnerable and marginalised 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. Sustainability policy for water, energy, environment, occupational health and safety is adopted and is practised.

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) Liquour 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 production commenced 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: The Company has installed a 20 MW capacity solar power plant in Karwar. The Company is in the process of implementing wind energy in Karwar and Vilayat plant.

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

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

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

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

   No 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
   j. Indian Chemical Council

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 likeminded 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 ₹ 47.14 Crore on CSR activities mainly on education, health care, environment and livelihood, rural development projects, Social 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./ Remarks (additional information):**

   The Company displays product information on the products' label. The Company also has a website which provides information about its products and their usage.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on the end of the financial year. If so, provide details thereof, in about 50 words or so:**

   An investigation is being conducted by the Competition Commission of India (CCI) against the Company for alleged abuse of dominance in the VSF business of the Company. The investigation report of DG has been shared with the Company and the Company has filed its response/ objections to it. The matter is pending for hearing before CCI.

   CCI has imposed penalty on few Chlor-Alkali companies, including the Company for alleged contravention of provisions of section 3(3)(d) of the Competition Act, 2002, in respect of supply of poly aluminium chloride. The Company has appealed before the National Company Law Appellate Tribunal and has obtained a stay in the matter, which is pending for final hearing.

   The Company believes that it has not indulged in any such activities and that it has strong cases, in the above matters.

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

   Yes, Consumer Satisfaction Surveys are being conducted periodically through an independent agency 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

"'No one', said Mahatma Gandhiji, 'is free, until everyone, regardless of caste, and creed, is rid of not only discrimination, but also deprivation'. On this 150th Birth Anniversary of the Father of Nation, we reaffirm our pledge to inclusive growth.

As inclusive growth is our overall vision, we feel it is worthwhile to link our community engagement with the UN Sustainability Development Goals (SDGs).

We have set expectations in line with these goals. The SDGs, are a bold universal agreement, to end poverty, every which way. Its laudable vision, is also to craft an equal, fair and secure world for people, the planet, and prosperity, by 2030. These, were adopted by 193 member states, at the UN General Assembly Summit. The SDGs, came into effect, on 1st January 2016.

The SDGs outlines 17 clear goals, all of which are universally relevant. They have also given 169 targets, specific to the different goals. Our Government, has accepted the goals, and based the structure, and focus of our nation's social investment, on the SDG goals as well.

India has made huge strides. Poverty, in India is down to 21%, according to the Government estimates. In a highly laudatory article on India recently in the New York Times, it mentioned that "A booming economy is lifting 40 million, out of poverty and is expected to have the majority of its population in the middle-class, already equal to the entire US population, 2025".

As a point in reference, let's take the year 1947, when we became an independent country. In 1947, life expectancy was 32 years. Today, it is nearly 69 years. Infant mortality, is down from 161, for every thousand births, to 40 now. Access to quality maternal health services, has more than tripled as have institutional deliveries, which now stand at over 80% according to the WHO Report. The overall death rate, which was at 25.5 per thousand, has fallen to 7 per thousand. So, we see a phenomenal improvement.

Even as the struggle for equality, for dignity and for raising the quality of life of, each and every person in 1.2 billion cohort is still on, every effort is being made to mitigate this issue. The Government, has done enormous work and continues to focus on poverty alleviation but we have to do more. Fortunately, social investment, is gaining traction. There is the eco system of investors, entrepreneurs, and enablers, all of whom are significantly engaged, in social impact initiatives. India, is in the midst, of a historic transformation. There is the promise, of the end to poverty by 2022. A decent roof, over every individual's head, and a life of dignity, through sustainable livelihood.

Pursuing the SDGs, I strongly believe is, one of the ways to fast forward inclusive growth, and our social progress. In this context, I am very pleased to share with you, that in our CSR engagement, we are totally in sync with the first 8 goals. The remaining 9 goals pertain to sustainability, responsible industrialization and geopolitical issues. On sustainable development, climate change, ecosystems, among others, our Group is in line with them".

Rajashree Birla
Chairperson
Aditya Birla Centre for Community Initiatives and Rural Development

On Track With SDGs

Our community engagement in our five focus areas viz. education, healthcare, sustainable livelihood, infrastructure development and social reform, have been linked with the key nine **SDGs**. A number of SDGs flow into each other and hence have been clubbed. For instance, SDG-1, which is to end poverty is an overarching goal that connects to all the other goals. Collectively our programmes aim at this very objective.

We are spread across 7 States, spanning 297 villages, reaching out to 10.24 lakh people. Over decades of unrelentingly battling with poverty, in collaboration with the District Authorities and leveraging Government Schemes, collectively we have been able to lift the burden of poverty from the shoulders of nearly 80% of the people. With Government initiatives, in full throttle, it should seem possible, to cut the poverty levels even further in the ensuing years.

The **second SDG**, is to end hunger, achieve food security, and improved nutrition and promote sustainable agriculture. Hunger issues are inextricably linked with poverty alleviation where water and agriculture play a major part. In the villages where we work, the malnutrition rate is minimal, in the range of approximately 4% to 5%. We have set for ourselves the target to lower it to 1% to 2% in the next 2-3 years, through our projects and taking Government Schemes forward as catalysts.

Water positivity, within the fence and beyond, is one of the most important tasks before us. It includes water conservation, and water harvesting structures. Water is the lifeline for agriculture. The farm based interventions, farmer training programmes, farmer producer groups, improved agriculture techniques, and animal husbandry management, take us close to the goal, of sustainable agriculture.

Our farmer meetings aimed at knowledge sharing on farm related activities, boosting agriculture and horticulture and training programmes that profess the best-in-class agricultural practices and mechanism, have touched the lives of over 6,059 farmers.

Furthermore, farmers from Veraval and Rehla were taken for field visits to the Krishi Vigyan Kendras in Gujarat and Jharkhand to attune them to the latest cropping patterns, which they can apply to their field. Small farmers are helped through exposure to demonstration plots in waste lands where the farming inputs are minimal.

We maintain 100 biogas plants at Nagda and Rehla and sponsor plantations alongside roads, wastelands and farm boundaries in support of the green movement.

This year 26,932 animals were immunized in veterinary camps and a large number were artificially inseminated for better breed. This has raised the milk output and consequently there has been a surge in the income of the farmers. BAIF have been our project partner in the cattle breeding project. Over 7,800 cattle owners have been the beneficiaries.

The **third SDG**, pertains to ensuring, healthy lives and promoting well-being for all, at all ages. Here what we do is indeed impressive. Nearly 6 lakh people across our units, have been the beneficiaries of our projects.

In over 1,160 rural medical and awareness camps, 91,105 people were examined. Health check-ups were conducted for ailments such as malaria, diarrhea, diabetes, hepatitis, arthritis, skin diseases, gynecological disorders and cardiac related issues. Our rural mobile medical van services complemented these efforts.

One of the major concern issues is that even where we are working more than 70% of women, including adolescent girls are anemic. In the near future, our aim is to bring it down to less than 20%, with the support of the District Authorities.

Splendid patient care is accorded at our Company's 6 hospitals located at Kharach and Veraval in Gujarat, SFD Nagda (M.P.), Rehla (Jharkhand), Harihar (Karnataka). More than 2,81,323 patients were treated.

At mega eye camps, we treated 11,538 people, performed 1,933 intraocular operations.

Dental check-up camps and health check- up camp are carried out regularly in schools at our units. These included Kharach and Veraval in Gujarat. Our teams examined 4,797 students on their dental hygiene and treatment. At the same time, they underwent eye check-ups as well.

In collaboration with the District Health Department, our mother and child healthcare project served 6,748 women (antenatal, post-natal care, mass immunization, nutrition and escort services for institutional delivery). Over 87,537 children were immunized against polio, BCG, DPT and Hepatitis-B across the Company's Units.

Our intensive motivational drive towards responsible family raising led to 713 villagers opting for planned families.

At blood donation camps, we garnered 251 donors in Ganjam (Orissa), Rishra (W.B.). Several of our company colleagues were among the donors.

Furthermore, we organised the "Swachhata Hi Seva" week at Kharach, Nagda, (SFD & Chemical) Harihar, Malanpur, Veraval, Jagdishpur and Halol. Our objective was to promote hygienic habits. Over 400 awareness programmes were conducted on sanitation. We involved villagers in constructing sanitation blocks through sweat equity. We distributed sanitation kits, dustbins and an innovative game based on the Snakes & Ladder concept. Over 44,770 people were involved.

De-Addiction and Health awareness camps, and thalassemia testing camps were held at Harihar, Vilayat, Veraval, Renukoot, Ganjam and Jagdishpur. These benefitted 4,081 people.

We organised HIV/AIDS awareness and On Spot testing at SFD Nagda, Veraval, Malanpur, Rehla and Rishra reaching out to 6,314 beneficiaries. Artificial limb placement camps at Jagdishpur and Veraval enabled 1,069 people get back on their feet.

Under the Leprosy treatment programme, we reached out to 97 patients at Jagdishpur and Rishra. At 66 camps on malnutrition, 759 children emerged under-nourished. They were treated by our units at Kharach, Vilayat, Malanpur and Veraval.

At 12 Blood group testing camps, we registered 2,025 participants. Harihar and Jagdishpur Malaria Protection Programmes enlisted 34,158 people.

Inclusive and equitable quality education, and in the larger context, promoting lifelong learning opportunities, for all is the pivot of the **fourth SDG**. HG Wells, the renowned, (early 20th Century) historian in his voluminous work "The Outline of History", wrote "Human history becomes more and more, a race between education and catastrophe".

Our proactive initiatives to foster education in the villages have yielded encouraging results. We would like to particularly mention our enrolment campaign titled "Shala Praveshotsav". This was popularized in Kharach-Nagda, Harihar, Veraval, Halol and Rehla. The campaign was successful. It not only got students in schools but also stemmed the dropout rate. Under its aegis we distributed education material including notebooks, school bags and uniforms to over 21,253 children. We leveraged the Sarva Shiksha Abhiyan. We align very well with the Kasturba Balika Vidyalayas at at SFD & Chemical-Nagda, Malanpur, Rehla, Ganjam and Halol, encouraging girls to pursue education. Through the talent search programmes, we recognized 1,059 bright students, giving them scholarships.

Over 3,115 students from the hinterland attended the computer literacy programmes conducted by us.

We would like to make a particular mention of specialised coaching and counselling classes across 3 of our plants through the Gyanarjan project. It covered 439 high school students at Harihar, Halol and Rishra.

Furthermore, Grasim organised an exposure tour for students at Vilayat with a batch of 325 active participants. At a Knowledge enhancement programme at Veraval, 7,364 students participated actively.

Facilities such as transport and other support processes in terms of infrastructure development, sanitation and safe drinking water facility benefit yet another 21,854 children.

Women empowerment and gender equality, is the focus of the **fifth SDG**. We already have 122 self-help groups comprising of 3229 women. We are working to broaden the base, and provide the last mile linkage. Most of the SHGs have been linked with economic centres. Women are engaged in a number of economic activities such as tailoring, masala making, creating traditional pieces for celebrations.

The **sixth, seventh and eighth SDGs**, can be bunched together, as they are interlinked. These SDGs call for, water and sanitation, reliable, sustainable and modern energy and decent work and economic growth.

Towards providing accessibility to safe drinking water, we have installed 5 Reverse Osmosis plants at Kharach, Vilayat and Renukoot covering 7,357 villagers.

At Nagda, Harihar, Vilayat, Renukoot, Halol and Karwar, pipelines and bore wells provide access to water, benefiting 28,974 villagers.

Additionally, 2,474 individual toilets and sanitation facilities were set-up at schools at various locations. In the villages that we operate in, 44 villages have been declared ODF.

In the context of work, imparting vocational training, skills training, coupled with our farm based programmes and SHGs, meet with these goals. The activities include computer training, heavy vehicle driving and bag making etc. More than 3,418 people have been trained

At Indo Gulf, Jagdishpur, Aditya Birla Insulators - Halol, Jaya Shree Textiles - Rishra, Staple Fibre Division - Nagda and Ganjam Industrial Training Centre, 1,195 students are trained annually to become electricians, fitters, mechanics and welders. Successful students are absorbed in the industries around this location and beyond

Water Conservation & Harvesting

Teams from Veraval, Halol, Nagda, Ganjam and Rehla have carried out water conservation and water harvesting projects in collaboration with the district authorities and Gram Panchayats.

SDG-9 Build resilient infrastructure

Towards better infrastructure, we are engaged in the connecting/repairing of roads, community halls and assets, rest places, installation of solar lights, construction of water tanks and installation of piped water supply. These activities have aided 73,959 people.

Finally, on model villages

Of the 297 villages that we work in, we have zeroed in on 51 villages for a transformative process that raises them to become model villages. So far in a 7 year timeframe, we have been able to morph 22 villages into model villages.

Our CSR spends

For the year 2018-19, our CSR spend was ₹ 363.8 million (2.13% of our net profit for the last 3 years) vis-à-vis ₹ 317.84 million in the preceding year. In addition, we mobilised over ₹ 290 million through Government Schemes.

In sum

With all of us working so wholeheartedly, and the Government also fully committed, to inclusive growth, transparency and good governance, we can hope for a holistic transformation of our country. Very soon, in the next 5 years, India will be an even more resplendent nation. By then the word poverty will be struck off the lexicon and no mention of it will be made in relation to India.

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

Independent Auditor's Report

To the Members of
Grasim Industries Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Grasim Industries Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Assessment of impairment of investments in subsidiaries, associates and joint ventures	
As disclosed in note 2.3 of standalone financial statements, the Company has investments in subsidiaries, associates and joint venture companies of ₹ 21,186.76 Crore. The said investments are carried at cost less allowance for impairment, if any. The Management reviews regularly whether there are any indicators of impairment of the said investments by reference to the requirements under Ind AS 36. The Management carries out impairment assessment for each investment by: • Comparing the carrying value of each investment with the net worth of each company based on audited financials. • Comparing the performance of the investee companies with projections used for valuations and approved business plans. As impairment assessment involves significant assumptions and judgment, we regard this as a key audit matter.	Our audit procedures included the following: • Assessment of whether there were indications of impairment of such investments. We have assessed on whether management has estimated the recoverable amounts of these investments, the assumptions used by the management in making such estimates, and the allowance for impairment. • Comparison of the carrying values of the Company's investment in subsidiaries, associates and joint ventures with their respective net asset values and discussions with management of the performance and their outlook. • Evaluating the methodologies used by the Company in projections used for valuations, in particular those relating to the cash flows, sales growth rate, pre-tax discount rate and growth rates used. We also assessed the historical accuracy of management's estimates and evaluated the business plans incorporated in the projections.

Key audit matters	How our audit addressed the key audit matter
Litigation pertaining to direct tax matters	
As disclosed in note 4.1 of the standalone financials statements, the Company has pending litigations on account of direct tax matters amounting to ₹ 5,950 Crore. - The Management applies significant judgment in estimating the likelihood of the future outcome in each case based on its own past assessments, judicial precedents and opinions of experts / legal counsels when considering whether and how much to provide or in determining the required disclosure for the potential exposure. - Due to inherent complexity and magnitude of potential exposures, we regard this as key audit matter.	Our audit procedures included the following: • Obtained and read the list of direct tax assessment / litigations for movements from previous periods; • Read the orders passed during the year; • For appeals filed during the year, read and assessed correspondence / grounds of appeal filed by the Company; • Assessed opinions obtained by the management, from independent tax experts / counsels; • We have also involved our direct tax experts to evaluate management's assessment of possible outcome of disputes and; • Considered the disclosures in note 4.1 made in relation to these direct tax matter for compliance with disclosure requirements.

Information Other than the Standalone Financial Statements and Auditors' Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view state of affairs, profit and 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) specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

(A) 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), 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 financial statements comply with the specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

(B) 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 as at 31 March 2019 on its financial position in its standalone financial statements. Refer Note 4.1 to the standalone 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 4.10 to the standalone 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.

iv. The disclosures in the standalone 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 in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

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

Akeel Master
Partner
Membership No: 46768

Mumbai
24th May 2019

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

Vijay Maniar
Partner
Membership No: 36738

Mumbai
24th May 2019

Annexure - A

to the Independent Auditor's Report on standalone financial statements of Grasim Industries Limited for the year ended 31 March 2019

Report on the Companies (Auditor's Report) Order, 2016 ("the Order"), with reference to aforesaid standalone financial statements, in terms of Section 143(11) of the Companies Act, 2013 ("the Act")

With reference to the Annexure referred to in the Independent Auditors' Report to the Members of the Company on the standalone financial statements for the year ended 31 March 2019, 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 program 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 three years. In accordance with this program, 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, the title deeds of immovable properties, as disclosed in Note 2.1.1 to the standalone financial statements, are held in the name of the Company, except for the following:

(₹ in Crore)

Particulars	Leasehold land	Freehold land	Building
Gross Block as at 31 March 2019	212.47	702.84	452.05
Net Block as at 31 March 2019	203.48	702.84	380.01

(ii) Inventory, except good-in-transit, has been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. 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.

(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 or loans or guarantees or security provided to the parties covered under Section 186.

(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 Section 148 (1) 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, goods and service tax, duty of customs, cess 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, goods and service tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2019 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 financial institutions, banks, government or due to 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 year.

(xi) According to the information and explanations give to us and based on our examination of the records, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable 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 financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures notified under the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

(xiv) According to the information and explanations give to us and based on our examination of the records 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 him as referred to in section 192 of the Act. Accordingly, Clause 3(xv) of the Order is not applicable.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3 (xvi) of the Order is not applicable to the Company.

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

Akeel Master
Partner
Membership No: 46768

Mumbai
24th May 2019

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

Vijay Maniar
Partner
Membership No: 36738

Mumbai
24th May 2019

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 (₹ Crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	5,872.13	2017-18	High Court
		116.98	1984-18	Appellate Authority
		627.25	2003-18	Assessing Authority
Sales Tax / Value Added Tax Act	Sales Tax, VAT, Interest and Penalty	30.15	1992-18	Appellate Authority
		8.48	2001-16	Assessing Authority
		1.64	1999-12	High Court
Entry Tax Act	Entry Tax and Interest	0.89	2005-18	Appellate Authority
		0.01	2004-05	Assessing Authority
		15.83	2004-17	High Court
		2.83	2006-18	Supreme Court
Service Tax under Finance Act, 1994	Service Tax, Interest and Penalty	29.80	1997-18	Appellate Authority
		50.13	1999-18	Assessing Authority
Customs Act, 1962	Customs Duty, Interest and Penalty	13.62	1979-18	Appellate Authority
		0.96	2004-08	Assessing Authority
		2.20	1975-02	High Court
Central Excise Act, 1944	Excise duty, Interest and Penalty	60.88	1985-19	Appellate Authority
		39.83	1989-19	Assessing Authority
		13.31	1978-18	High Court
Central Goods and Services Tax Act, 2017	Goods and Service Tax	0.23	2018-19	Appellate Authority

Annexure - B

to the Independent Auditor's Report on standalone financial statements of Grasim Industries Limited for the year ended 31 March 2019

Report on the internal financial controls, with reference to aforesaid standalone financial statements, under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Grasim Industries Limited as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note")

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note. 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 standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls, 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Akeel Master
Partner
Membership No: 46768

Mumbai
24th May 2019

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

Vijay Maniar
Partner
Membership No: 36738

Mumbai
24th May 2019

Balance Sheet
as at 31st March 2019

(₹ in Crore)

	Note No.	As at 31st March 2019	As at 31st March 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2.1	**10,053.14**	9,539.69
Capital Work-in-Progress	2.1	**1,567.20**	745.11
Other Intangible Assets	2.2	**1,179.10**	1,276.87
Financial Assets			
Investments in Equity of Subsidiaries, Joint Ventures and Associates	2.3	**21,186.76**	28,175.51
Other Investments	2.4	**6,974.86**	5,411.70
Loans	2.5	**140.93**	138.32
Other Financial Assets	2.6	**36.59**	36.60
Non-Current Tax Assets (Net)		**27.17**	32.04
Other Non-Current Assets	2.7	**254.90**	225.24
		41,420.65	45,581.08
Current Assets			
Inventories	2.8	**2,931.66**	2,591.66
Financial Assets			
Investments	2.9	**2,965.95**	1,959.38
Trade Receivables	2.10	**3,484.07**	2,609.32
Cash and Cash Equivalents	2.11	**19.54**	26.07
Bank Balances other than Cash and Cash Equivalents	2.12	**22.93**	15.81
Loans	2.13	**118.28**	84.90
Other Financial Assets	2.14	**173.70**	218.01
Current Tax Assets (Net)		**0.01**	84.53
Other Current Assets	2.15	**675.17**	544.23
Assets Held for Disposal		**1.23**	2.54
		10,392.54	8,136.45
TOTAL		**51,813.19**	53,717.53
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.16	**131.53**	131.48
Other Equity	2.17	**41,827.66**	44,658.35
		41,959.19	44,789.83
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	2.18	**1,055.11**	853.16
Other Financial Liabilities	2.19	**3.56**	7.85
		1,058.67	861.01
Provisions	2.20	**30.73**	31.32
Deferred Tax Liabilities (Net)	2.21	**1,878.88**	1,834.96
Other Non-Current Liabilities	2.22	**62.68**	36.41
		3,030.96	2,763.70
Current Liabilities			
Financial Liabilities			
Borrowings	2.23	**1,848.48**	1,729.32
Trade Payables	2.24		
Total Outstanding due of Micro and Small Enterprises		**14.78**	10.52
Total Outstanding due of Creditors other than Micro and Small Enterprises		**2,359.05**	2,242.90
Other Financial Liabilities	2.25	**1,148.32**	955.53
		5,370.63	4,938.27
Other Current Liabilities	2.26	**574.01**	490.79
Provisions	2.27	**430.66**	477.39
Current Tax Liabilities (Net)		**447.74**	257.55
		6,823.04	6,164.00
TOTAL EQUITY AND LIABILITIES		**51,813.19**	53,717.53
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

Akeel Master
Partner
Membership No.: 46768

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

Vijay Maniar
Partner
Membership No: 36738

Dilip Gaur
Managing Director
DIN: 02071393

Arun Thiagarajan
Independent Director
DIN: 00292757

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN: 00060017

M. L. Apte
Independent Director
DIN: 00003656

Hutokshi Wadia
Company Secretary
Membership No.: 5761

B. V. Bhargava
Independent Director
DIN: 00001823

Mumbai
Dated: 24th May 2019

Mumbai
Dated: 24th May 2019

Statement of Profit and Loss

for the year ended 31st March 2019

(₹ in Crore)

	Note No.	Year Ended 31st March 2019 (Current Year)	Year Ended 31st March 2018 (Previous Year)
INCOME			
Revenue from Operations	3.1	**20,550.43**	16,032.05
Other Income	3.2	**567.98**	464.02
Total Income (I)		**21,118.41**	16,496.07
EXPENSES			
Cost of Materials Consumed	3.3	**9,565.36**	7,088.15
Purchases of Stock-in-Trade	3.4	**267.35**	170.48
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.5	**(126.24)**	51.87
Excise Duty		**-**	246.24
Employee Benefits Expense	3.6	**1,529.00**	1,142.72
Finance Costs	3.7	**199.05**	128.13
Depreciation and Amortisation Expense	3.8	**760.39**	627.66
Power and Fuel		**3,011.71**	2,289.71
Other Expenses	3.9	**2,232.09**	1,965.36
Total Expenses (II)		**17,438.71**	13,710.32
Profit Before Exceptional Items and Tax		**3,679.70**	2,785.75
Exceptional Items	3.10	**(2,368.01)**	(272.61)
Profit Before Tax		**1,311.69**	2,513.14
Tax Expense	3.11		
Current Tax		**983.28**	767.10
Provision for Tax of Earlier Years Written Back		**(6.19)**	(62.77)
Deferred Tax		**(180.70)**	40.15
Total Tax Expense		**796.39**	744.48
Profit For The Year (III)		**515.30**	1,768.66
OTHER COMPREHENSIVE INCOME	3.12		
A (i) Items that will not be reclassified to profit or loss		**(2,750.85)**	(182.81)
(ii) Income Tax relating to items that will not be reclassified to profit or loss		**(28.05)**	(39.05)
B (i) Items that will be reclassified to profit or loss		**(29.01)**	0.78
(ii) Income Tax relating to items that will be reclassified to profit or loss		**9.84**	(0.61)
Other Comprehensive Income For The Year (IV)		**(2,798.07)**	(221.69)
Total Comprehensive Income For The Year (III + IV)		**(2,282.77)**	1,546.97
Earnings Per Equity Share (Face Value ₹ 2 each)	3.13		
Basic (₹)		**7.84**	29.20
Diluted (₹)		**7.84**	29.17
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

Akeel Master
Partner
Membership No.: 46768

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

Vijay Maniar
Partner
Membership No: 36738

Dilip Gaur
Managing Director
DIN: 02071393

Arun Thiagarajan
Independent Director
DIN: 00292757

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN: 00060017

M. L. Apte
Independent Director
DIN: 00003656

Hutokshi Wadia
Company Secretary
Membership No.: 5761

B. V. Bhargava
Independent Director
DIN: 00001823

Mumbai
Dated: 24th May 2019

Mumbai
Dated: 24th May 2019

Statement of Changes in Equity

for the year ended 31st March 2019

A. EQUITY SHARE CAPITAL

For the year ended 31st March 2019 (₹ in Crore)

Balance as at 1st April 2018	Changes in Equity Share Capital during the year (Note 2.16.3)	Balance as at 31st March 2019
131.48	0.05	**131.53**

For the year ended 31st March 2018 (₹ in Crore)

Balance as at 1st April 2017	Changes in Equity Share Capital during the year (Note 2.16.3)	Balance as 31st March 2018
93.37	38.11	131.48

B. OTHER EQUITY

(₹ in Crore)

	Reserves and Surplus						Other Comprehensive Income (OCI)				Total
	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Capital Reserve	Treasury Shares	Retained Earnings	Employee Stock Options Reserve	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Hedging Reserve	
As at 31st March 2019											
Opening Balance as at 1st April 2018	**23,672.95**	**72.08**	**11,464.40**	**3,670.17**	**-**	**3,765.46**	**22.77**	**7.20**	**1,986.19**	**(2.87)**	**44,658.35**
Profit for the Year	-	-	-	-	-	515.30	-	-	-	-	515.30
Other Comprehensive Income of the Year	-	-	-	-	-	@ (5.49)	-	(2.12)	(2,773.41)	(17.05)	(2,798.07)
Transfer from Retained Earnings to Debenture Redemption Reserve	-	23.38	-	-	-	(23.38)	-	-	-	-	-
Dividend (including Corporate Dividend Tax) pertaining to FY 2017-18	-	-	-	-	-	(455.83)	-	-	-	-	(455.83)
Treasury Shares held by ESOP Trust	-	-	-	-	(111.74)	-	-	-	-	-	(111.74)
Employee Stock Options Exercised	12.58	-	-	-	-	-	(4.05)	-	-	-	8.53
Employee Stock Options Granted (Net of Lapses)	-	-	-	-	-	-	11.12	-	-	-	11.12
Closing Balance as at 31st March 2019	**23,685.53**	**95.46**	**11,464.40**	**3,670.17**	**(111.74)**	**3,796.06**	**29.84**	**5.08**	**(787.22)**	**(19.92)**	**41,827.66**

@ Represents remeasurement of Defined Benefit Plans

(₹ in Crore)

	Reserves and Surplus						Other Comprehensive Income (OCI)				Total
	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Capital Reserve	Treasury Shares	Retained Earnings	Employee Stock Options Reserve	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Hedging Reserve	
As at 31st March 2018											
Opening Balance as at 1st April 2017	**50.26**	**-**	**10,389.08**	**38.94**	**-**	**3,434.87**	**20.79**	**8.49**	**2,195.18**	**-**	**16,137.61**
Reserves on Merger of erstwhile ABNL as on 1st July 2017	-	123.33	-	15,380.54	-	-	9.80	-	-	(4.33)	15,509.34
- Fair Value Gain in Investment in ABNL transferred to Capital Reserve	-	-	-	588.29	-	-	-	-	-	-	588.29
Adjustment on Demerger of Financial Service Business as on 4th July 2017 (Note 4.11A)											
- Net Assets transferred to ABCL	-	-	-	(1,721.61)	-	-	-	-	-	-	(1,721.61)
- Dilution of Stake in ABCL	-	-	-	(10,616.51)	-	-	-	-	-	-	(10,616.51)

Statement of Changes in Equity (Cont.)

for the year ended 31st March 2019

(₹ in Crore)

	Reserves and Surplus						Other Comprehensive Income (OCI)				
	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Capital Reserve	Treasury Shares	Retained Earnings	Employee Stock Options Reserve	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Hedging Reserve	Total
Capital Reserve arising on acquisition of Rights to manage and Operate Century Rayon (Note 4.11B)	-	-	-	0.52	-	-	-	-	-	-	0.52
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)
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 (Note 4.11A)	(0.14)	-	-	-	-	-	-	-	-	-	(0.14)
Employee Stock Option Reserve transferred to ABCL	-	-	-	-	-	-	(7.38)	-	-	-	(7.38)
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**	**22.77**	**7.20**	**1,986.19**	**(2.87)**	**44,658.35**

@ Represents remeasurement of Defined Benefit Plans

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-L17124MP1947PLC000410

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

Akeel Master
Partner
Membership No.: 46768

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

Vijay Maniar
Partner
Membership No: 36738

Dilip Gaur
Managing Director
DIN: 02071393

Arun Thiagarajan
Independent Director
DIN: 00292757

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN: 00060017

M. L. Apte
Independent Director
DIN: 00003656

Hutokshi Wadia
Company Secretary
Membership No.: 5761

B. V. Bhargava
Independent Director
DIN: 00001823

Mumbai
Dated: 24th May 2019

Mumbai
Dated: 24th May 2019

Cash Flow Statement

for the year ended 31st March 2019

(₹ in Crore)

			Current Year		Previous Year
A.	**Cash Flow from Operating Activities**				
	(a)	**Profit Before Tax**	**1,311.69**		2,513.14
		Adjustments for:			
		Exceptional Items (Note 3.10)	**2,368.01**		272.61
		Depreciation and Amortisation Expense	**760.39**		627.66
		Finance Costs	**199.05**		128.13
		Interest Income	**(104.94)**		(58.00)
		Dividend Income	**(237.63)**		(226.79)
		Allowance for Doubtful Debts (Net)	**(7.31)**		16.87
		Provision for Diminution in Value of Investment	**(1.33)**		5.95
		Provisions against Contingent Liabilities Written Back {Note 2.27.1 (c)}	**(0.26)**		-
		Loss on Sale/Discard of Property, Plant and Equipment (Net)	**16.50**		12.51
		Employee Stock Option/Stock Appreciation Right Expenses (Note 3.6) (net of recovery from a Subsidiary Company against Options Granted to Employees of the Subsidiary)	**11.65**		0.86
		Unrealised Gain on Investments measured at Fair Value through Profit and Loss (Net)	**(142.70)**		(122.28)
		Profit on Sale of Investments (Net)	**(30.20)**		(14.82)
	(b)	**Operating Profit Before Working Capital Changes**	**4,142.92**		3,155.84
		Adjustments for:			
		Trade Receivables	**(1,008.64)**		(183.70)
		Financial and Other Assets	**14.15**		(246.69)
		Inventories	**(340.00)**		(99.96)
		Trade Payables and Other Liabilities	**259.33**		250.72
	(c)	**Cash Generated from Operations**	**3,067.76**		2,876.21
		Direct Taxes Paid (Net of Refund)	**(512.26)**		(523.33)
		Net Cash Generated from Operating Activities		**2,555.50**	2,352.88
B.	**Cash Flow from Investing Activities**				
		Purchases of Property, Plant and Equipment {Note (iii)}	**(2,043.97)**		(1,068.85)
		Proceeds from Disposal of Property, Plant and Equipment	**5.61**		16.71
		Assets Transfer Cost on Merger	**-**		(25.62)
		Acquisition/Investments in Subsidiaries, Joint Ventures and Associates	**(310.85)**		(139.92)
		Proceeds from Sale of Investments in Subsidiaries, Joint Ventures and Associates	**35.79**		-
		Investments in Non-Current Equity Investment	**(0.04)**		-
		Proceeds from Sale of Non-Current Investment	**40.00**		6.26
		Acquisition of Rights to Manage and Operate Century Rayon Business of CTIL	**-**		(903.31)
		Purchases of Mutual Fund Units and Bonds (Non-Current)	**(235.00)**		-
		Sale of Mutual Fund Units and Bonds (Non-Current)	**81.64**		7.19
		Purchases of Mutual Fund Units and Bonds (Current) {Net}	**(35.39)**		(198.44)
		Loans and Advances given to Subsidiaries, Joint Ventures and Associates	**(73.20)**		(55.35)
		Receipts against Loans and Advances given to Subsidiaries, Joint Ventures and Associates	**77.50**		102.43
		Stamp Duty Payment on issue of Equity Shares to erstwhile ABNL Shareholders	**-**		(0.14)
		Investment in treasury shares by Employee Trust	**(106.78)**		-
		Inter-Corporate Deposits Given	**(31.88)**		-
		(Investment)/Redemption in Bank Deposits (having original maturity more than 3 months) and Earmarked Balances with Banks	**(7.10)**		52.12
		Interest Received	**102.98**		58.06
		Dividend Received	**237.63**		226.79
		Net Cash Used in Investing Activities		**(2,263.06)**	(1,922.07)

Cash Flow Statement (Cont.)

for the year ended 31st March 2019

(₹ in Crore)

		Current Year	Previous Year
C.	**Cash Flow from Financing Activities**		
	Proceeds from Issue of Share Capital under ESOS	8.58	2.27
	Proceeds from Non-Current Borrowings	618.03	70.63
	Repayments of Non-Current Borrowings	(386.75)	(618.08)
	Proceeds/(Repayments) of Current Borrowings (Net)	119.16	641.66
	Interest Paid (Net of Interest Subsidy)	(204.95)	(141.76)
	Dividend Paid	(404.95)	(366.04)
	Corporate Dividend Tax Paid	(48.09)	(39.94)
	Net Cash Used in Financing Activities	(298.97)	(451.26)
D.	**Net Increase/(Decrease) in Cash and Cash Equivalents**	(6.53)	(20.45)
	Cash and Cash Equivalents at the Beginning of the Year (Note 2.11)	26.07	34.59
	Cash and Cash Equivalents transferred from erstwhile ABNL	-	11.93
	Cash and Cash Equivalents at the End of the Year (Note 2.11)	19.54	26.07

Notes:

(i) Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 of the Companies Act, 2013.

(ii) During previous year, 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.

(iii) 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.

(iv) Non Cash Transaction from Investing Activities

Particulars	As at 31st March 2018	Cash Flows	Non-Cash Changes			As at 31st March 2019
			Fair Value Adjustments	Reclassify	Others	
Non-Current Investments	33,587.21	270.82	(5,071.50)	(636.34)	11.42	28,161.62
Current Investments	1,959.38	184.61	185.62	636.34	-	2,965.95
	35,546.59	455.43	(4,885.88)	-	11.42	31,127.57

(v) Changes in liabilities arising from financing activities

Particulars	As at 31st March 2018	Cash Flows	Non-Cash Changes Fair Value Adjustment	As at 31st March 2019
Non-Current Borrowings (including Current Maturities of Non-Current Borrowings)	1,239.68	231.28	(8.68)	1,462.28
Current Borrowings	1,729.32	119.16	-	1,848.48
	2,969.00	350.44	(8.68)	3,310.76

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

Akeel Master
Partner
Membership No.: 46768

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

Vijay Maniar
Partner
Membership No: 36738

Dilip Gaur
Managing Director
DIN: 02071393

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN: 00060017

Hutokshi Wadia
Company Secretary
Membership No.: 5761

Arun Thiagarajan
Independent Director
DIN: 00292757

M. L. Apte
Independent Director
DIN: 00003656

B. V. Bhargava
Independent Director
DIN: 00001823

Mumbai
Dated: 24th May 2019

Mumbai
Dated: 24th May 2019

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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, Epoxy 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 the 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 24th May 2019.

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 1.20)
- Certain financial assets and liabilities at fair value [refer accounting policy regarding financial instruments (covered under para 1.22)]
- Assets held for disposal-measured at the lower of its carrying amount and fair value less cost to sell; and
- Employee's Defined Benefit Plans measured as per actuarial valuation.
- Employee Stock Option Plans measured at fair value.
- 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 Crore, 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 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 other equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in other 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 other 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 month 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 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 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, 2019

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when these are 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:

S. 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.	Building (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

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forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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 at the economic life of an asset.

Also, useful life of the part of PPE which is significant to the total cost of PPE, has been separately assessed and depreciation has been provided accordingly.

B. Assets where useful life differs from Schedule II:

S. No.	Nature of Assets	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life of the Assets
1.	Plant and 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.	Buildings (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 up to the month preceding the month of deduction/disposal.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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 recognized as at 1 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 de-recognised.

Intangible Assets and their useful lives are as under:

Sl. 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 Facilities	15 years
9.	Non-compete fees	3 years
10.	Order Backlogs	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 capitalized as an asset, if the following conditions can be demonstrated:

a) The technical feasibility of completing the asset so that it can be made available for use or sell.

b) The Company has intention to complete the asset and use or sell it.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

c) In case of intention to sell, 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.

The 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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forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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. The cost of finished goods and work-in-progress 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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur.

Re-measurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to profit or loss in the Statement of Profit and Loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

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The Company 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 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 Share Based Payments:

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 and Binomial 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 a systematic 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 other 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 other 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 up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

1.19 Treasury Shares:

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The EBT purchase shares of the Company from the market, for giving shares to employees. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued or sold, is recognised in capital reserve. Share options exercised during the reporting period are settled with treasury shares.

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1.20 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 relation to qualifying effective cash flow hedges.

1.21 Derivative Financial Instruments and Hedge Accounting:

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently 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 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 Other Comprehensive Income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in Other Comprehensive Income and accumulated in other 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 Other Comprehensive Income and accumulated in other equity at that time remains in other 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 other equity is recognised immediately in the Statement of Profit and Loss.

1.22 Fair Value Measurement:

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable 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.

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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 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.

1.23 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.

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 Cost:

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 Instruments 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 principal amount outstanding.

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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 recognizes interest income, impairment losses & 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 re-classified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt Instruments at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization 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 amortized 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 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 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 recognized in the OCI. There is no recycling of the amounts of profit or loss 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 recognized in the Statement of Profit and Loss.

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 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.

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On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in other equity is recognised in 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 as 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 de-recognised as well as through the EIR amortisation process.

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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 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 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 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 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 though 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.

1.24 Revenue Recognition:

(a) Revenue from contracts with customers;

- Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.
- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, incentives, volume rebates, outgoing taxes on sales. Any amounts

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receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods.

- Variable consideration - This includes incentives, volume rebates, discounts etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at the end of each reporting period.

- Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less.

(b) Dividend income is accounted for when the right to receive the income is established.

(c) 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.

(d) Insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

1.25 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.

1.26 Government Grants and Subsidies:

Government grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of Profit and Loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

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Government grants, that are receivable towards capital investments under State Investment Promotion Scheme, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognised in the Statement of Profit and Loss.

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.

1.27 Exceptional Item:

Exception items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of the Financial Statements to understand the impact in a more meaningful manner Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

1.28 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 of the Statement of Profit and Loss, is recognised outside of the Statement of Profit and Loss (either in Other Comprehensive Income or in other equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in other 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.

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.

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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 other equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in other 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.

1.29 Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of Profit and Loss and is considered as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented with Deferred Tax Asset.

1.30 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

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Warranty Provisions:

Provisions for warranty-related costs are recognised as an expense in the Statement of Profit and Loss 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.

1.31 Earnings Per Share (EPS):

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders 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.

1.32 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of financial statements, in conformity with the Ind AS requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialised. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

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.

- **Litigation and contingencies:**

  The Company has ongoing litigations with various regulatory authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, the management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the Financial Statements.

- **Assessment of Impairment of investments in Subsidiaries, Associates and Joint Ventures:**

  The Company reviews its carrying value of investments in subsidiaries, associates and joint ventures annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. Determining whether the investments

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in subsidiaries, associates and joint ventures is impaired requires an estimate in the value in use of investments. The management carries out impairment assessment for each investment by comparing the carrying value of each investment with the net worth of each company based on audited financials and comparing the performance of the investee companies with projections used for valuations, in particular those relating to the cash flows, sales growth rate, pre-tax discount rate and growth rates used and approved business plans.

- **Useful Lives of Property, Plant and Equipment and Intangible Assets:**

  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 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. Judgement includes consideration of input such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- **Share-based Payments:**

  The Company measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

  This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

  The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 4.8

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

- **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 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') 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.

(d) Fair Valuation of Current Assets and Liabilities:

The current assets and liabilities are taken at fair value on the date of acquisition.

1.33 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 other equity.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

(₹ in Crore)

	Gross Block						Depreciation/Amortisation					Net Block
Description	As at 1st April 2018	Addition on merger of ABNL (Note 4.11A)	Additions	Assets Transferred on de-merger of Financial Services	Deductions	As at 31st March 2019	As at 1st April 2018	For the Year	Adjustments/ Deductions	Impairment	As at 31st March 2019	As at 31st March 2019
Tangible Assets*												
Freehold Land	777.73	-	58.80	-	0.05	**836.48**	-	-	-	-	-	**836.48**
Leasehold Land#	399.55	-	5.30	-	-	**404.85**	10.10	5.27	-	-	**15.37**	**389.48**
Leasehold Improvements	1.89	-	0.47	-	-	**2.36**	1.10	0.46	-	-	**1.56**	**0.80**
Buildings	1,438.39	-	121.88	-	0.88	**1,559.39**	184.64	59.74	0.51	-	**243.87**	**1,315.52**
Plant and Equipment	8,489.96	-	947.54	-	65.24	**9,372.26**	1,526.60	546.15	45.73	-	**2,027.02**	**7,345.24**
Furniture and Fixtures	49.55	-	18.67	-	0.92	**67.30**	20.67	9.98	0.86	-	**29.79**	**37.51**
Vehicles	118.55	-	19.65	-	8.23	**129.97**	48.10	18.90	6.33	-	**60.67**	**69.30**
Office Equipment	78.49	-	20.84	-	3.02	**96.31**	32.93	16.31	2.80	-	**46.44**	**49.87**
Salt Pans, Reservoir and Condensers	7.41	-	-	-	-	**7.41**	7.04	-	-	-	**7.04**	**0.37**
Railway Sidings	19.47	-	0.05	-	-	**19.52**	10.12	0.83	-	-	**10.95**	**8.57**
Total Tangible Assets	**11,380.99**	**-**	**1,193.20**	**-**	**78.34**	**12,495.85**	**1,841.30**	**657.64**	**56.23**	**-**	**2,442.71**	**10,053.14**
							Capital Work-in-Progress (including Pre-Operative Expenses)					1,567.20
											Total PPE	**11,620.34**

(₹ in Crore)

	Gross Block						Depreciation/Amortisation					Net Block
Description	As at 1st April 2017	Addition on merger of ABNL (Note 4.11A)	Additions	Assets Transferred on de-merger of Financial Services	Deductions	As at 31st March 2018	As at 1st April 2017	For the Year	Adjustments/ Deductions	Impairment	As at 31st March 2018	As at 31st March 2018
Tangible Assets*												
Freehold Land	186.30	589.77	1.66	-	-	**777.73**	-	-	-	-	-	**777.73**
Leasehold Land#	150.69	242.46	9.08	-	2.68	**399.55**	7.29	4.73	1.92	-	**10.10**	**389.45**
Leasehold Improvements	1.89	-	-	-	-	**1.89**	0.72	0.38	-	-	**1.10**	**0.79**
Buildings	1,005.96	357.72	91.98	16.63	0.64	**1,438.39**	126.83	57.82	0.01	-	**184.64**	**1,253.75**
Plant and Equipment	6,556.10	1,364.63	601.66	-	32.43	**8,489.96**	1,027.53	475.87	7.23	30.43	**1,526.60**	**6,963.36**
Furniture and Fixtures	30.62	7.38	11.79	-	0.24	**49.55**	13.21	7.60	0.14	-	**20.67**	**28.88**
Vehicles	95.91	7.96	19.19	0.01	4.50	**118.55**	33.32	17.22	2.44	-	**48.10**	**70.45**
Office Equipment	54.02	7.34	18.99	0.04	1.82	**78.49**	21.18	13.15	1.40	-	**32.93**	**45.56**
Salt Pans, Reservoir and Condensers	7.41	-	-	-	-	**7.41**	7.04	-	-	-	**7.04**	**0.37**
Railway Sidings	15.68	0.29	3.50	-	-	**19.47**	9.48	0.64	-	-	**10.12**	**9.35**
Total Tangible Assets	**8,104.58**	**2,577.55**	**757.85**	**16.68**	**42.31**	**11,380.99**	**1,246.60**	**577.41**	**13.14**	**30.43**	**1,841.30**	**9,539.69**
							Capital Work-in-Progress (including Pre-Operative Expenses)					745.11
											Total PPE	**10,284.80**

* Net Block of Tangible Assets amounting to ₹ 1,564.20 Crore (Previous Year ₹ 2,474.15 Crore) are pledged as security against the secured borrowings.

The Leasehold Land classified as Finance Lease is recognised under PPE as substantially all the significant risk and rewards incidental to ownership of land under lease have been transferred.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

Notes:

(₹ in Crore)

		As at 31st March 2019	As at 31st March 2018
2.1.1	Leasehold and Freehold land include the cost of lands for which lease deeds are in the process of execution (Net Block)	**57.96**	75.33
	The titles of the immovable assets transferred from ABNL and ABCIL pursuant to the respective Schemes of Merger are in the process of being transferred in the name of the Company (Net Block)	**1,228.37**	1247.71
2.1.2	Buildings includes workers' quarters mortgaged with State Government against subsidies received:		
	Gross Block	**0.37**	0.45
	Net Block	**0.18**	0.26
2.1.3	PPE held on Co-ownership with other companies:		
	Leasehold Land	**129.62**	129.62
	Buildings	**72.76**	72.76
	Plant and Equipment	**0.40**	0.40
	Furniture and Fixtures	**4.21**	4.21
	Vehicles	**0.07**	0.07
	Office Equipments	**7.89**	7.89
	Gross Block	**214.95**	214.95
	Net Block	**183.32**	187.38
2.1.4	PPE includes Capital Expenditure for Research and Development activities by approved in-house R&D Centres:		
	Gross Block	**158.64**	147.43
	Net Block	**107.36**	105.15
	Additions during the Year	**11.34**	15.78
	Capital Work-in-Progress	**5.97**	4.70
2.1.5	Additions to PPE includes Capitalisation from CWIP 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 2.18.1 (ii)}

Plant and Equipment is Nil (Previous Year Gross Block ₹ 0.74 Crore and Net block ₹ 0.03 Crore) {refer Note4.7.3 (iii)}

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

		As at 31st March 2019	As at 31st March 2018
2.1.7	Pre-Operative Expenses Pending Allocation included in Capital Work-in-Progress:		
	Expenditure incurred during the year:		
	Raw Materials Consumed	**13.43**	1.43
	Salaries, Wages and Bonus	**28.80**	8.08
	Contribution to Provident and Other Funds	**1.17**	-
	Contribution to Gratuity Fund	**1.44**	-
	Expenses on Employee Stock Option Scheme	**0.27**	-
	Finance Costs	**4.99**	0.69
	Power and Fuel	**10.13**	0.20
	Consumption Of Stores, Spare Parts And Components, Packing Materials And Incidental Expenses	**2.65**	0.07
	Repairs and Maintenance	**4.77**	5.61
	Insurance	**1.13**	0.38
	Rent	**0.39**	0.22
	Miscellaneous Expenses	**41.00**	13.79
		110.17	30.47
	Less: Income Earned during the year		
	Sale of Trial Run Production	**9.68**	0.98
	Stock of Trial Run Production	**3.36**	-
	Interest Received	**1.09**	-
	Miscellaneous Receipts	**0.30**	-
		14.43	0.98
	Total Pre-Operative Expenses incurred during the year	**95.74**	29.49
	Add: Pre-Operative Expenditure Incurred upto Previous Year	**26.95**	2.44
	Add: Transferred from ABNL pursuant to the Scheme of Merger	**-**	4.16
	Less: Pre-Operative Expenditure Allocated to PPE during the Year	**12.40**	9.14
	Total Pre-Operative Expenses Pending Allocation	**110.29**	26.95

2.2 OTHER INTANGIBLE ASSETS

(₹ in Crore)

Description	Gross Block						Depreciation/Amortisation				Net Block
	As at 1st April 2018	Addition on merger of ABNL (Note 4.11A)	Addition on acquisition of Rights in Century Rayon (Note 4.11B)	Additions	Deductions	As at 31st March 2019	As at 1st April 2018	For the Year	Adjustments/ Deductions	As at 31st March 2019	As at 31st March 2019
Intangible Assets											
Computer Software	13.45	-	-	4.98	-	18.43	9.28	2.60	-	11.88	6.55
Value of License/Right to Use	62.99	-	-	-	-	62.99	19.45	6.02	-	25.47	37.52
Customer Relationship	369.90	-	-	-	-	369.90	9.64	16.85	-	26.49	343.41
Production Formula	19.00	-	-	-	-	19.00	1.43	1.90	-	3.33	15.67
Distribution Network	49.90	-	-	-	-	49.90	1.50	1.99	-	3.49	46.41
Order Back Log	16.70	-	-	-	-	16.70	9.03	7.67	-	16.70	0.00
Technical Know-how	2.88	-	-	-	-	2.88	1.77	0.30	-	2.07	0.81
Trade Mark and Brand	130.23	-	-	-	-	130.23	10.54	14.13	-	24.67	105.56
Right to Manage and Operate Manufacturing Facilities	661.50	-	-	-	-	661.50	7.35	44.11	-	51.46	610.04
Non Compete	21.50	-	-	-	-	21.50	1.19	7.18	-	8.37	13.13
Total Intangible Assets	**1,348.05**	-	-	**4.98**	-	**1,353.03**	**71.18**	**102.75**	-	**173.93**	**1,179.10**

(₹ in Crore)

Description	Gross Block						Depreciation/Amortisation				Net Block
	As at 1st April 2017	Addition on merger of ABNL (Note 4.11A)	Addition on acquisition of Rights in Century Rayon (Note 4.11B)	Additions	Deductions	As at 31st March 2018	As at 1st April 2017	For the Year	Adjustments/ Deductions	As at 31st March 2018	As at 31st March 2018
Intangible Assets											
Computer Software	11.22	0.74	-	2.04	0.55	13.45	6.65	3.15	0.52	9.28	4.17
Value of License/Right to Use	36.11	-	-	26.88	-	62.99	13.44	6.01	-	19.45	43.54
Customer Relationship	-	293.60	76.30	-	-	369.90	-	9.64	-	9.64	360.26
Production Formula	-	19.00	-	-	-	19.00	-	1.43	-	1.43	17.57
Distribution Network	-	49.90	-	-	-	49.90	-	1.50	-	1.50	48.40
Order Back Log	-	7.50	9.20	-	-	16.70	-	9.03	-	9.03	7.67
Technical Know-how	2.88	-	-	-	-	2.88	1.35	0.42	-	1.77	1.11
Trade Mark and Brand	0.07	130.10	-	0.06	-	130.23	0.01	10.53	-	10.54	119.69
Right to Manage and Operate Manufacturing Facilities	-	-	661.50	-	-	661.50	-	7.35	-	7.35	654.15
Non Compete	-	-	21.50	-	-	21.50	-	1.19	-	1.19	20.31
Total Intangible Assets	50.28	**500.84**	**768.50**	**28.98**	**0.55**	**1,348.05**	**21.45**	**50.25**	**0.52**	**71.18**	**1,276.87**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS IN EQUITY INSTRUMENTS

(₹ in Crore)

	Face Value	Number of Shares/ Securities	As at 31st March 2019	Number of Shares/ Securities	As at 31st March 2018
(Long-term, Fully Paid-up)					
Subsidiaries: Carried at Cost					
UltraTech Cement Limited #	₹ 10	165,335,150	**2,636.25**	165,335,150	2,636.25
Aditya Birla Capital Limited #	₹ 10	1,232,240,000	**17,076.95**	1,232,240,000	17,076.95
ABNL Investment Limited	₹ 10	28,140,000	**108.79**	28,140,000	108.79
Samruddhi Swastik Trading and Investments Limited	₹ 10	6,500,000	**6.50**	6,500,000	6.50
Shaktiman Mega Food Park Limited (Note 2.3.3)	₹ 10	-	-	442,629	0.44
Impairment in value of Investments			-		(0.44)
Sun God Trading and Investment Limited @	₹ 10	-	-	53,900	0.05
Aditya Birla Chemicals (Belgium) BVBA (Note 2.3.4)	EURO 1	-	-	6,198	0.05
Aditya Birla Renewables Limited (Note 2.3.5)	₹ 10	118,809,600	**118.82**	-	-
Aditya Birla Solar Limited (Note 2.3.5)	₹ 10	66,585,354	**66.83**	-	-
Grasim Premium Fabric Private Limited - Class'A' shares (Note 2.3.6)	₹ 10	102,658,983	**124.05**	-	-
Grasim Premium Fabric Private Limited - Class'B' shares (Note 2.3.6)	₹ 10	10,431,570	**11.35**	-	-
			20,149.54		19,828.59
Joint Ventures: Carried at Cost					
AV Group NB Inc., Canada, Class 'A' Shares of aggregate value of Canadian Dollar 38.25 Million (Note 2.3.7)	WPV	204,750	**153.04**	204,750	153.04
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	₹ 10	16,665	**0.47**	16,665	0.47
AV Terrace Bay Inc., Canada (Note 2.3.7)	CAD 1	28,000,000	**156.36**	28,000,000	156.36
Aditya Group AB, Sweden (Note 2.3.7)	SEK 1,000	50	**274.89**	50	274.89
Aditya Birla Renewables Limited (Note 2.3.5)	₹ 10	-	-	27,936,000	27.94
Aditya Birla Solar Limited (Note 2.3.5)	₹ 10	-	-	30,326,602	30.33
Bhubaneswari Coal Mining Limited	₹ 10	33,540,000	**33.54**	33,540,000	33.54
Birla Jingwei Fibres Company Limited, China, Shares of aggregate value of RMB 174.53 Million (Note 2.3.7)	WPV	-	**117.40**	-	117.40
			735.70		793.97

Notes

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(₹ in Crore)

	Face Value	Number of Shares/ Securities	As at 31st March 2019	Number of Shares/ Securities	As at 31st March 2018
Associates: Carried at Cost					
Vodafone Idea Limited # {Note 3.10 (i) (a)}	₹ 10	-	-	1,008,540,115	7,310.92
Aditya Birla Science & Technology Company Private Limited	₹ 10	9,899,500	11.35	9,899,500	11.35
Aditya Birla Idea Payment Bank Limited	₹ 10	290,172,385	290.17	230,680,885	230.68
			301.52		7,552.95
			21,186.76		28,175.51

WPV - Without Par Value

Quoted Investments

@ Sold to ABNL Investment Limited on 29th September 2018

2.3.1 Aggregate Book Value of:

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Quoted Investments	19,713.20	27,024.12
Unquoted Investments	1,473.56	1,151.39
	21,186.76	28,175.51
Aggregate Market Value of Quoted Investments	78,084.15	90,946.75
Aggregate Impairment in Value of Investments	-	0.44

2.3.2 Category wise Non-Current Investments:

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Quoted:		
Investments measured at Cost		
Equity Shares	19,713.20	27,024.12
Total	19,713.20	27,024.12
Unquoted:		
Investments measured at Cost		
Equity Shares	1,473.56	1,151.39
Total	1,473.56	1,151.39

2.3.3 Shaktiman Mega Food Park Limited has ceased to a subsidiary w.e.f. 22nd February 2019 as the company's name struck off under section 248 of the Companies Act, 2013.

2.3.4 Aditya Birla Chemicals (Belgium) BVBA has ceased to be subsidiary w.e.f. 21st January 2019 as the Company has divested its entire holding in Aditya Birla Chemicals (Belgium) BVBA.

2.3.5 During the year ended 31st March 2019, the Company has acquired stakes in Aditya Birla Solar Limited and Aditya Birla Renewables Limited from its Joint Venture partners, hence status of Aditya Birla Solar Limited and Aditya Birla Renewables Limited has changed from Joint Venture to Subsidiary of the Company w.e.f. 15th May 2018.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.3.6 The Company has acquired 100% equity shareholding of Grasim Premium Fabric Private Limited [formerly known as Soktas India Private Limited (SIPL)] from its promoters SOKTAS Tekstil Sanayi Ve Ticaret A.S., Turkey against cash consideration. Consequent to acquisition, SIPL has become a wholly owned Subsidiary of the Company, w.e.f. 29th March 2019.

2.3.7 The investments in the Company's Joint Ventures, AV Group NB Inc., AV Terrace Bay Inc., Birla Jingwei Fibres Company Limited and Aditya Group AB are subject to maintenance of specified holding by the Company until the credit facility provided by certain lenders to respective companies are outstanding. Without guaranteeing the repayment to the lenders, the Company has also agreed that the affairs of the Joint Ventures will be managed through its nominee directors on the boards of respective borrowing companies, in such a manner that they are able to meet their respective financial obligations.

2.4 NON-CURRENT FINANCIAL ASSETS - OTHER INVESTMENTS

(₹ in Crore)

	Face Value	Number of Shares/ Securities	As at 31st March 2019	Number of Shares/ Securities	As at 31st March 2018
(Long-term, Fully Paid-up)					
Investments in Equity Shares:					
Carried at Fair Value through Other Comprehensive Income (FVTOCI) {Note 4.9 A}					
Thai Rayon Public Company Limited, Thailand#	Thai Baht 1	13,988,570	**120.46**	13,988,570	154.58
P.T. Indo Bharat Rayon Co. Limited, Indonesia	US$ 100	5,000	**427.02**	5,000	505.01
Larsen & Toubro Limited#*	₹ 2	-	-	3,947,803	517.52
Hindalco Industries Limited#	₹ 1	88,048,812	**1,809.40**	88,048,812	1,889.09
Vodafone Idea Limited# {Note 3.10 (i) (a)}	₹ 10	1,008,540,115	**1,840.59**	-	-
Indophil Textile Mills Inc., Philippines	Peso 10	422,496	**2.39**	422,496	2.87
Birla International Limited - Isle of Man	CHF 100	2,500	**4.19**	2,500	4.01
Aditya Birla Fashion and Retail Ltd#	₹ 10	87,380,613	**1,925.43**	87,380,613	1,318.14
Bhadreshwar Vidyut Private Limited	₹ 10	1,996,000	**0.04**	-	-
			6,129.52		4,391.22
Investments in Preference Shares:					
Carried at fair value through Profit or Loss (FVTPL) {Note 4.9A}					
Joint Ventures					
6% Cumulative Redeemable Retractable Non-voting	WPV	6,750,000	**24.53**	6,750,000	22.74
Preferred Shares of AV Group NB Inc., Canada of aggregate value of Canadian Dollar 6.75 Million					
1% Redeemable Preference Shares of Aditya Group AB, Sweden of aggregate value of USD 8 Million	WPV	160,000	**44.41**	160,000	46.32

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

	Face Value	Number of Shares/ Securities	As at 31st March 2019	Number of Shares/ Securities	As at 31st March 2018
Others					
5.25% Cumulative Redeemable Non Convertible Preference Shares of Aditya Birla Health Services Limited@	₹ 100	-	-	4,000,000	39.09
11% Cumulative Redeemable Non-Convertible Preference Shares of TANFAC Industries Limited	₹ 100	500,000	**5.00**	500,000	0.85
8% Cumulative and Redeemable Preference Shares of Aditya Birla Fashion & Retail Limited	₹ 10	500,000	**0.86**	500,000	0.82
8% Preference Shares of Birla Management Centre Services Limited ! ₹ 2000	₹ 10	200	!	200	!
			74.80		109.82
Investments in Debentures and Bonds: Carried at FVTOCI # {Note 4.9A}					
8.10 % Housing and Urban Development Corporation Limited-Tax-Free Bond-2022*	₹ 1,000	-	-	195,000	20.74
7.18 % Indian Railway Finance Corporation Limited-Tax-Free Bond - 2023*	₹ 1,000	-	-	400,000	41.61
7.34 % Indian Railway Finance Corporation Limited-Tax-Free Bond - 2028	₹ 1,000	600,000	**63.91**	600,000	64.91
8.20 % National Highways Authority of India-Tax-Free Bond-2022*	₹ 1,000	-	-	147,238	15.70
8.20 % Power Finance Corporation Limited-Tax-Free Bond-2022*	₹ 1,000	-	-	119,546	12.74
11.50 % Family Credit Limited Perpetual-Taxable Bond-2021	₹ 10,00,000	112	**11.58**	112	12.04
9.50% State Bank of India Taxable Bond - 2025	₹ 10,000	107	**0.11**	107	0.11
			75.60		167.85
Investments In various Mutual Funds units: Carried at Fair Value through Profit or Loss # {Note 4.9A}	₹ 10	615,550,000	**694.94**	659,050,000	742.81
			6,974.86		5,411.70

All shares are fully paid-up, unless otherwise stated.

WPV - Without Par Value

Quoted Investments

* These investments have been reclassified as current investments as on 31st March 2019.

@ During the year, the Company has redeemed 4,000,000 Preference Shares of Aditya Birla Health Services Limited.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.4.1 Aggregate Book Value of:

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Quoted Investments	6,466.42	4,789.99
Unquoted Investments	508.44	621.71
	6,974.86	5,411.70
Aggregate Market Value of Quoted Investments	6,466.42	4,789.99
Aggregate Impairment in Value of Investments	-	-

2.4.2 Category wise Non-Current Investments:

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Quoted:		
Financial Investments measured at FVTOCI		
Equity Shares	5,695.88	3,879.33
Debentures or Bonds	75.60	167.85
Sub-Total (a)	5,771.48	4,047.18
Financial Investments measured at FVTPL		
Mutual Fund Units	694.94	4,391.22
Sub-Total (b)	694.94	4,391.22
Total (a + b)	6,466.42	8,438.40
Unquoted:		
Financial Investments measured at FVTOCI		
Equity Shares	433.64	511.89
Sub-Total (a)	433.64	511.89
Financial Investments measured at FVTPL		
Preference Shares	74.80	109.82
Sub-Total (b)	74.80	109.82
Total (a + b)	508.44	621.71

2.5 NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
(Unsecured, Considered Good unless otherwise stated)		
(Carried at Amortised Cost, except otherwise stated)		
Security Deposits	123.27	125.83
Security Deposits to Related Parties (Note 4.5.3)	12.74	7.37
Loans to Employees	4.92	5.12
	140.93	138.32

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.6 NON-CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
(Carried at Amortised Cost, except otherwise stated)		
Fixed Deposits with Banks with maturity more than 12 months#	1.46	1.48
Receivable towards divested business of erstwhile ABNL*	35.13	35.12
	36.59	36.60

* The Company has to receive from purchaser towards tax refunds.

Lodged as security with Government Departments.

2.7 OTHER NON-CURRENT ASSETS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Capital Advances for Purchase of Property, Plant and Equipment	244.83	150.22
Other Advances (Deposit with Government Authorities, etc.)	10.07	75.02
	254.90	225.24

2.8 INVENTORIES

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

(₹ in Crore)

	As at 31st March 2019			As at 31st March 2018		
	In Hand	In Transit	Total	In Hand	In Transit	Total
Raw Materials	1,098.17	645.24	1,743.41	1,101.93	521.54	1,623.47
Work-in-Progress	176.85	-	176.85	161.83	-	161.83
Finished Goods	529.85	63.91	593.76	422.54	67.06	489.60
Stock-in-trade	31.74	-	31.74	23.03	-	23.03
Stores and Spare Parts	354.50	24.19	378.69	275.64	12.59	288.23
Waste/Scrap (valued at Net Realisable Value)	7.21	-	7.21	5.50	-	5.50
	2,198.32	733.34	2,931.66	1,990.47	601.19	2,591.66

2.8.1 The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory.

Write down of Inventories (Net of reversals) for the year ₹ 3.01 Crore (Previous year ₹ 3.99 Crore). Inventory values shown above are net of the write down.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.8.2 Working Capital Borrowings are secured by hypothecation of inventories of the Company.

2.9 CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Quoted:		
Investments in Equity Shares: Carried at FVTOCI		
Larsen & Toubro Limited (3,947,803 Shares)	**546.89**	-
Investments in Debentures and Bonds: Carried at FVTOCI		
8.10 % Housing and Urban Development Corporation Limited - Tax-Free Bond - 2022 (195,000 Bonds)	**20.40**	-
7.18 % Indian Railway Finance Corporation Limited - Tax-Free Bond - 2023 (400,000 Bonds)	**41.14**	-
8.20 % National Highways Authority of India - Tax-Free Bond - 2022 (147,238 Bonds)	**15.41**	-
8.20 % Power Finance Corporation Limited - Tax-Free Bond - 2022 (119,546 Bonds)	**12.50**	-
Investments in various Mutual Fund Units: Carried at FVTPL		
278,500,000 units (Previous Year 62,711,078 Units)	**353.29**	78.47
Unquoted:		
Investment in various Mutual Funds Units: Carried at FVTPL		
895,574,032 units (Previous Year 854,158,088 Units)	**1,976.32**	1,846.57
Investments in Equity Instruments-Carried at cost		
Joint Ventures:		
Birla Laos Pulp and Plantations Company Limited, Laos* [Face Value US$ 1000, No. of Shares Nil (previous year 19,520 Shares)]	-	95.71
Impairment in Value of Investments	- -	(61.37)
	2,965.95	1,959.38

* The Company has sold investments in Equity Shares of Birla Lao Pulp and Plantations Company Limited, Laos during the year. Hence, it ceased to be as Joint Venture of the Company.

2.9.1 Aggregate Book Value of:

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Quoted Investments	**989.63**	78.47
Unquoted Investments	**1,976.32**	1,880.91
	2,965.95	1,959.38
Aggregate Market Value of Quoted Investments	**989.63**	78.47
Aggregate Impairment in Value of Investments	-	61.37

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.9.2 Category wise Current Investments:

(₹ in Crore)

		As at 31st March 2019	As at 31st March 2018
Quoted:			
Financial Investments measured at FVTOCI			
Equity Shares		**546.89**	-
Debentures or Bonds		**89.45**	-
	Sub-Total (a)	**636.34**	-
Financial Investments measured at FVTPL			
Mutual Fund Units		**353.29**	78.47
	Sub-Total (b)	**353.29**	78.47
	Total (a+b)	**989.63**	78.47
Unquoted:			
Financial Investments measured at Amortised Cost			
Equity Shares	**Sub-Total (a)**	**-**	34.34
Financial Investments measured at FVTPL			
Mutual Fund Units	**Sub-Total (b)**	**1,976.32**	1,846.57
	Total (a+b)	**1,976.32**	1,880.91

2.10 TRADE RECEIVABLES*

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
(Carried at Amortised Cost, except otherwise stated)		
(Unsecured, unless otherwise stated)		
Considered Good # @ {Secured ₹ 159.35 Crore (Previous Year ₹ 106.87 Crore)}	**3,484.07**	2,609.32
Trade Receivables which have significant increase in Credit Risk#	**196.76**	69.98
	3,680.83	2,679.30
Less: Allowance for Trade Receivables, which have significant increase in Credit Risk	**196.76**	69.98
	3,484.07	2,609.32
Trade Receivable are interest and non-interest bearing and are generally upto 120 days terms.		
For ageing analysis of Trade Receivables, refer to Note 4.10 D(i)		
# Includes subsidy receivable from Government of India	**1,551.08**	760.42
@ Includes amount due from Related Parties (Note 4.5.3)	**79.90**	64.28
* Includes amount in respect of which the Company holds Deposits and Letters of Credit/Guarantees from Banks	**559.25**	452.11

2.10.1 Working Capital Borrowings are secured by hypothecation of Book debts of the Company

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.11 CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Balances with Banks		
In Current Account	**11.14**	17.89
In Deposit Account - Original Maturity of 3 months or less	**-**	0.28
In EEFC Account	**7.33**	7.29
Cash on Hand	**1.07**	0.61
	19.54	26.07

- There are no restriction with regard to Cash and Cash Equivalents as at the end of reporting period and prior period.

2.12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Earmarked Balance with Banks		
In Government Treasury Saving Account	**0.03**	0.03
Unclaimed Dividend	**17.60**	14.87
Bank Deposits (with maturity more than 3 months but less than 12 months)*	**5.30**	0.91
	22.93	15.81
- There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March 2019 and 31st March 2018.		
* Includes		
Lodged as Security with Government Departments	**0.94**	0.80
Unclaimed Fractional Warrants	**0.88**	0.83

2.13 CURRENT FINANCIAL ASSETS - LOANS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Unsecured (Considered Good, unless otherwise stated)		
(Carried at Amortised Cost, except otherwise stated)		
Security Deposits	**53.65**	47.56
Loans to Related Parties (Note 4.5.3)	**22.74**	27.04
Loans to Employees and Body Corporates	**41.89**	10.30
	118.28	84.90

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.13.1 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, Joint Ventures and Associates:

(₹ in Crore)

Name of Companies	Terms	Maximum Balance Outstanding during the		Amount Outstanding	
		Current Year	Previous Year	Current Year	Previous Year
Subsidiaries:					
Samruddhi Swastik Trading and Investments Limited	Payable on call, interest rate 6.43% p.a.	**0.12**	0.20	-	-
Aditya Birla Solar Limited	Interest rate 9.00% to 9.85% p.a., repayment in 89 to 180 days	**14.65**	-	-	-
Aditya Birla Renewables SPV1 Limited	Interest rate 9.00% to 9.95% p.a., repayment in 89 to 180 days	**12.60**	-	-	-
Aditya Birla Renewables Subsidiary Limited	Interest rate 9% p.a., repayment in 89 to 91 days	**9.00**	-	-	-
Grasim Bhiwani Textiles Limited	Interest rate 8.75% p.a., repayment in 3 years	-	16.29	-	-
Joint Ventures:					
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	-	-
Associates:					
Aditya Birla Idea Payment Bank Limited	Interest rate 8.60% p.a., repayment in 90 days	-	17.75	-	-
Aditya Birla Science & Technology Company Private Limited	Payable on call, interest rate higher of G Sec and Bank rate	**22.74**	24.94	**22.74**	22.74
Waacox Energy Private Limited (Associate of Aditya Birla Renewables Limited)	Interest rate 10.00% p.a., repayment in 120-125 days	**35.00**	-	-	-
	Total	**94.11**	122.89	**22.74**	27.04

The Loans have been utilised for meeting the business requirements by respective companies.

(b) Refer Note 2.3 and Note 2.4 for investments in Subsidiaries, Associates and Joint Ventures.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.14 CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
(Carried at Amortised Cost, except otherwise stated)		
Interest Accrued on Investments	**6.82**	4.86
Reimbursement of expenses receivable (receivable from Government of India)	**138.52**	141.65
Other Receivables from Related Parties (Note 4.5.3)	**6.26**	0.91
Others (includes Insurance Claim Receivable, Receivables from Mutual Funds against Redemption, etc.)	**22.10**	70.59
	173.70	218.01

2.15 OTHER CURRENT ASSETS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Balances with Government Authorities	**316.43**	268.44
Other Receivables from Related Parties (Note 4.5.3)	**1.46**	0.55
Advances to Suppliers	**262.38**	207.62
Less: Loss Allowance	**(11.37)**	(11.37)
Others (includes Prepayments)	**106.27**	78.99
	675.17	544.23

2.16 EQUITY SHARE CAPITAL

2.16.1 Authorised

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
1,47,25,00,000 Equity Shares of ₹ 2 each (Previous Year 1,47,25,00,000 Shares of ₹ 2 each)	**294.50**	294.50
11,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each	**11.00**	11.00
	305.50	305.50

2.16.2 Issued, Subscribed and Fully Paid-up

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
65,75,98,363 Equity Shares of ₹ 2 each (Previous Year 65,73,71,435 Shares of ₹ 2 each) fully paid-up	**131.52**	131.47
Share Capital Suspense		
28,295 Equity Shares of ₹ 2 each (Previous Year 28,295 Shares of ₹ 2 each) to be issued as fully paid-up pursuant to acquisition of Cement Business of Aditya Birla Nuvo Limited under the Scheme of Arrangement without payment being received in cash	**0.01**	0.01
	131.53	131.48

Shares kept in Abeyance

Pursuant to provisions of Section 126 of the Companies Act, 2013, the issue of 61,985 Equity Shares (previous year 61,985 Equity Shares) are kept in abeyance.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.16.3 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense)

	Number of Shares		₹ in Crore	
	Current Year	Previous Year	Current Year	Previous Year
Outstanding as at the beginning of the year	**657,399,730**	466,865,405	**131.48**	93.37
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 Schemes	**226,928**	71,660	**0.05**	0.02
Outstanding as at the end of the year	**657,626,658**	657,399,730	**131.53**	131.48

2.16.4 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.

2.16.5 The Company does not have any Holding Company.

2.16.6 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
Life Insurance Corporation of India	**60,824,295**	**9.25%**	38,176,351	5.81%
Turquoise Investments and Finance Private Limited	**42,119,836**	**6.40%**	42,119,836	6.41%
Trapti Trading and Investments Private Limited	**41,525,217**	**6.31%**	41,525,217	6.32%
TGS Investment and Trade Private Limited	**35,882,075**	**5.46%**	35,882,075	5.46%
IGH Holdings Private Limited	**33,491,293**	**5.09%**	33,491,293	5.09%

		Current Year		Previous Year	
		No. of Shares	% Holding	No. of Shares	% Holding
2.16.7	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)	**42,368,187**	**6.44%**	45,396,998	6.91%

		Current Year	Previous Year
2.16.8	Shares reserved for issue under options and contracts, including the terms and amounts: For details of Equity Shares reserved for issue under the Employee Stock Options Plan (ESOP) of the Company (refer Note 4.8).	**2,272,768**	1,174,651
2.16.9	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**	197,770,950

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.17 OTHER EQUITY

(₹ in Crore)

			As at 31st March 2019	As at 31st March 2018
a)	**Securities Premium**			
	Opening Balance as per last audited Financial Statement		**23,672.95**	50.26
	Add :	ESOP Exercised	**8.53**	2.26
		Transferred from Employee Stock Option Reserve	**4.05**	1.29
		Issue of Equity Shares to erstwhile ABNL shareholders, pursuant to the Scheme of Arrangement (Note 4.11A)	-	23,619.28
	Less :	Stamp duty payment on issue of Equity Shares to erstwhile ABNL Shareholders, pursuant to the Scheme of Arrangement (Note 4.11A)	-	(0.14)
			23,685.53	23,672.95
b)	**Debenture Redemption Reserve**			
	Opening Balance as per last audited Financial Statement		**72.08**	-
	Add :	Reserves on Merger of erstwhile ABNL as on 1st July 2017	-	123.33
		Transfer from Retained Earnings	**23.38**	23.75
	Less :	Transfer to General Reserve	-	(75.00)
			95.46	72.08
c)	**General Reserve**			
	Opening Balance as per last audited Financial Statement		**11,464.40**	10,389.08
	Add :	Transfer from Retained Earnings	-	1,000.00
		Transfer from Debenture Redemption Reserve on Redemption of Debentures	-	75.00
		Transfer from Employee Share Option Reserve on Cancellation of Options	-	0.32
			11,464.40	11,464.40
d)	**Capital Reserve**			
	Opening Balance as per last audited Financial Statement		**3,670.17**	38.94
	Add :	Reserves on Merger of erstwhile ABNL as on 1st July 2017	-	15,380.54
		Fair value gain in Investment in ABNL transferred to Capital Reserve (Note 4.11A)	-	588.29
		Capital Reserve arising on acquisition of Rights to manage and operate Century Rayon (Note 4.11B)	-	0.52
	Less :	Net Asset transferred to ABCL on demerger of Financial Service Business as on 4th July 2017 (Note 4.11A)	-	(1,721.61)
		Dilution of stake in ABCL on demerger of Financial Service Business as on 4th July 2017 (Note 4.11A)	-	(10,616.51)
			3,670.17	3,670.17
e)	**Treasury Shares**			
	Opening Balance as per last audited Financial Statement		-	-
	Add :	Share of the Company Purchased by Trust for ESOP	**(111.74)**	-
			(111.74)	-

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

		As at 31st March 2019	As at 31st March 2018
f)	**Employee Stock Option Reserve**		
	Opening Balance as per last audited Financial Statement	**22.77**	20.79
	Add : Reserves on Merger of erstwhile ABNL as on 1st July 2017	-	9.80
	Charge for the year	**11.12**	1.17
	Less : Transferred to ABCL on demerger of financial service business as on 4th July 2017 (Note 4.11A)	-	(7.38)
	Transfer to Securities Premium on Exercise of Options	**(4.05)**	(1.29)
	Transfer to General Reserve on Lapse of Options	-	(0.32)
		29.84	22.77
g)	**Retained Earnings**		
	Opening Balance as per last audited Financial Statement	**3,765.46**	3,434.87
	Add : Profit for the year	**515.30**	1,768.66
	Gain/(Loss) on remeasurement of Defined Benefit Plans (net of tax)	**(5.49)**	(12.87)
	Gain on Sale of Non-Current Investment transferred to retained earnings from equity instruments through OCI		0.02
	Less : Appropriation -		
	Transfer to Debenture Redemption Reserve	**(23.38)**	(23.75)
	Transfer to General Reserve	-	(1,000.00)
	Dividend on Equity Shares	**(407.74)**	(361.53)
	Corporate Tax on Dividend	**(48.09)**	(39.94)
		3,796.06	3,765.46
h)	**Other Comprehensive Income**		
	(i) Debt Instruments through Other Comprehensive Income		
	Opening Balance as per last audited Financial Statement	**7.20**	8.49
	Add: Gain/(Loss) during the year (Net of Tax)	**(2.12)**	(1.29)
		5.08	7.20
	(ii) Equity Instruments through Other Comprehensive Income		
	Opening Balance as per last audited Financial Statement	**1,986.19**	2,195.18
	Add: Gain/(Loss) during the year (Net of Tax)	**(2,773.41)**	(208.99)
		(787.22)	1,986.19
	(iii) Hedging Reserve		
	Opening Balance as per last audited Financial Statement	**(2.87)**	-
	Add: Reserves on Merger of erstwhile ABNL as on 1st July 2017	-	(4.33)
	Gain/(Loss) during the year (Net of Tax)	**(17.05)**	1.46
		(19.92)	(2.87)
		41,827.66	44,658.35

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forming part of the Standalone Financial Statements for the year ended 31st March, 2019

The Description of the nature and purpose of each reserve within equity is as follows:

a. **Securities Premium:** Securities Premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting costs, etc.

b. **General Reserve:** It is a free reserve, which is created by appropriation from 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 the Statement of Profit and Loss on disposal of such instruments.

f. **Equity Instrument through OCI:** It represents the cumulative gains/(losses) arising on the fair valuation of Equity Shares (other than investments in Subsidiaries, Joint Ventures and Associates, which are carried at cost) measured at fair value through OCI, net of amounts reclassified to Retained Earnings on disposal of such instruments.

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

h. **Employee Stock Option Reserve:** 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.

i. **Treasury Shares:** The reserve for shares of the Company held by the Grasim Employees Welfare Trust (ESOP Trust).

   The Company has issued employees stock option scheme for its employees. The Equity Shares of the Company have been purchased and held by ESOP Trust.

   Trust to issue and allot to employees at the time of exercise of ESOP by Employees.

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2.18 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
(Carried at Amortised Cost, except otherwise stated)		
Secured		
Rupee Term Loans from Banks	**33.02**	68.78
Subsidised Government Loans (Note 4.7.2)	**153.92**	62.50
Secured		
Subsidised Government Loans (Note 4.7.2)	**24.53**	13.12
Non-Convertible Debentures	**705.86**	514.69
External Commercial Borrowing	**137.78**	194.07
	1,055.11	853.16

2.18.1 Nature of Security, Repayment Terms and Break-up of Current and Non-Current

	Current Year		Previous Year	
	Current*	Non-Current	Current*	Non-Current
I: Secured Long-Term Borrowings:				
(i) (a) Rupee Term Loans from Banks				
(a) Rupee Term Loan secured by first charge on the entire Plant and Machinery of the Company located at Vilayat (Grasim Cellulosic Division) Repayment Terms: 20 Quarterly instalments starting from 4th April 2014, 1st Tranche of 2 instalments ₹ 18 Crore, 2nd Tranche 4 instalments ₹ 22.50 Crore, 3rd Tranche of 4 instalments ₹ 33.75 Crore and 4th Tranche of 4 instalments ₹ 45 Crore 5th Tranche of 4 instalments ₹ 56.25 Crore and 6th Tranche of 2 instalments ₹ 117 Crore.	-	-	346.50	-
(b) 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) Repayment Terms: 20 Quarterly instalments starting from 31st August 2016, 1st Tranche of 4 instalments ₹ 0.82 Crore, 2nd Tranche 4 instalments ₹ 1.14 Crore, 3rd Tranche of 4 instalments ₹ 1.59 Crore and 4th Tranche of 4 instalments ₹ 2.05 Crore 5th Tranche of 4 instalments ₹ 3.50 Crore.	**7.72**	**16.06**	5.91	23.79

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

	Current Year		Previous Year	
	Current*	Non-Current	Current*	Non-Current
(c) 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. Repayment Terms: 21 quarterly installments from 19th December 2016. 1st Tranche of 4 instalments of ₹ 0.32 Crore each, 2nd Tranche of 4 instalments of ₹ 0.39 Crore each, 3rd Tranche of 4 instalments of ₹ 0.47 Crore each, 4th Tranche of 4 instalments of ₹ 0.63 Crore each and 5th Tranche of 5 instalments of ₹ 1.70 Crore each.	**2.21**	**9.78**	1.73	11.99
(d) 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. Repayment Terms : 10 half yearly instalments from 30th June 2015. 1st Tranche of 4 instalments of ₹ 0.50 Crore each, 2nd Tranche of 2 instalments of ₹ 1.00 Crore each, 3rd Tranche of 2 instalments of ₹ 9.00 Crore each, 4th Tranche of 1 installment of ₹ 10.00 Crore and last installment of ₹ 1.00 Crore.	**11.00**	**-**	18.00	11.00
(e) 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. Repayment Terms : 20 quarterly instalments from 3rd September 2016. 1st Tranche of 4 instalments of ₹ 0.56 Crore each, 2nd Tranche of 8 instalments of ₹ 1.12 Crore each, 3rd Tranche of 4 instalments of ₹ 1.35 Crore each, and 4th Tranche of 4 instalments of ₹ 1.46 Crore each.	**5.16**	**7.18**	4.49	12.34

Notes

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	Current Year		Previous Year	
	Current*	Non-Current	Current*	Non-Current
(f) Term loan secured by exclusive charge on the specific assets of the proposed expansion of the Company's Rayon Division Plant at Veraval and Textile Division Plant at Rishra. Repayment Terms : 10 half-yearly instalments from 29th July 2015. 1st Tranche of 3 instalments of ₹ 0.74 Crore each, 2nd Tranche of 3 instalments of ₹ 1.48 Crore each and 3rd Tranche of 4 instalments of ₹ 4.83 Crore each.	**9.66**	**-**	9.66	9.66
(b) Rupee Term Loans from Government				
(a) Term loan secured by way of first *pari passu* charge created by hypothecation of the entiremovable fixed assets of the Company's Excel Fibre Division Plant at Kharach. Repayment Terms : 9 half yearly instalments from 1st April 2020. 1st Tranche of instalment of ₹ 18.10 Crore, 2nd Tranche of 8 instalments of ₹ 18.05 Crore each.	**-**	**153.92**	-	62.50
(ii) Finance Lease Liability				
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 Effective cost for the above loan is 8.98% per annum.	**-**	**-**	0.23	-
Total Secured Borrowings (I)	**35.75**	**186.94**	386.52	131.28

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

	Current Year		Previous Year	
	Current*	Non-Current	Current*	Non-Current
II: Unsecured Long-Term Borrowings:				
(a) Foreign Currency Term Loans from Banks#				
Foreign Currency Loan from Bank 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.	68.89	137.78	-	194.07
(b) Non-Convertible Debentures				
(i) 9.00% 30th Series Non - Convertible Debentures Repayment Terms : Redeemable at par on 10th May 2023	-	207.73	-	209.34
(ii) 7.65% Series 18-19/I Non - Convertible Debentures Repayment Terms: Redeemable at par on 15th April 2022	-	498.12	-	-
(iii) 8.68% 31st Series Non - Convertible Debentures Repayment Terms: Redeemable at par on 2nd February 2020	302.53	-	-	305.35
- The Company has rights to keep this debentures alive for the 'purpose of reissue.				
(c) Industrial Investment Promotion Scheme - 2012				
From Uttar Pradesh State Government				
- Repayable on 27th March 2022	-	0.72	-	0.66
- Repayable on 7th August 2023	-	3.98	-	3.64
- Repayable on 25th December 2023	-	4.24	-	3.88
- Repayable on 29th October 2024	-	5.04	-	4.67
- Repayable on 30th November 2024	-	0.29	-	0.27
- Repayable on 18th May 2025	-	3.43	-	-
- Repayable on 4th November 2025	-	1.67	-	-
- Repayable on 4th November 2025	-	0.39	-	-
From Karnataka State Government				
- Repayable on 25th March 2028	-	4.78	-	-
Total Unsecured Borrowings (II)	371.42	868.17	-	721.88
Total Borrowings (I + II)	407.17	1,055.11	386.52	853.16

* Amount disclosed as Current Maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.25).

Foreign Currency Loans have been fully hedged for foreign exchange and interest rate fluctuation.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.18.2 Maturity Profile of Non-Current Borrowings (including Current Maturities) is as set out below:

		Maturity Profile@	
	Within 1 Year	2-4 Years	5 Years & Above
Secured:			
Rupee Term Loans from Banks	35.76	32.97	0.04
Subsidised Government Loan (Note 4.7.2)	-	108.33	54.17
Unsecured:			
Deferred Sales Tax Loans (includes amount recognised in Notes 2.22 and 2.26)	-	0.95	38.37
Non-Convertible Debentures	300.00	500.00	200.00
Foreign Currency loans	65.25	130.50	-
Total **Current Year**	**401.01**	**772.75**	**292.58**
Previous Year	386.52	627.02	221.28

@ The above figures are as per contractual cash flows.

2.19 NON-CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Security and Other Deposits	**1.94**	5.58
Other Liabilities Payable to Related Parties (Note 4.5.3)	**0.71**	0.68
Other Liabilities	**0.91**	1.59
	3.56	7.85

2.20 NON-CURRENT PROVISIONS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
For Employee Benefits (Pension)	**30.38**	30.97
For Warranty Provision {Note 2.27.1 (b)}	**0.35**	0.35
	30.73	31.32

Notes

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2.21 DEFERRED TAX LIABILITIES (NET)

(₹ in Crore)

	As at 31st March 2018	Minimum Alternate Tax Credit Utilised	Charge for the Current Year		As at 31st March 2019
			Profit or Loss	Other Comprehensive Income	
Deferred Tax Liabilities:					
Accumulated Depreciation	1,595.25	-	83.91	-	**1,679.16**
Fair Valuation of Equity Instruments and Bonds measured at FVTOCI	155.16	-	9.16	21.16	**185.48**
Fair Valuation of Mutual Funds measured at FVTPL	12.75	-	(5.63)	-	**7.12**
Fair Valuation of Land on Merger	190.34	-	-	-	**190.34**
Fair Valuation of Investments acquired on Merger	289.88	-	(280.90)	-	**8.98**
Others	2.99	-	(2.99)	-	-
	2,246.37	-	**(196.45)**	**21.16**	**2,071.08**
Deferred Tax Assets:					
Accrued Expenses Allowable on Payment Basis	38.48	-	(6.67)	-	**31.81**
Expenses Allowable in Instalments in Income Tax	77.06	-	(22.09)	-	**54.97**
Provision for Contingencies Allowable on Payment Basis	61.30	-	(0.08)	-	**61.22**
Income Tax Interest offered for tax, to be claimed in future	21.54	-	1.37	-	**22.91**
Minimum Alternate Tax Credit Entitlement	203.46	(203.46)	-	-	-
Fair Valuation of Borrowings acquired on Merger	5.44	-	-	-	**5.44**
Fair Valuation of Preference Shares measured at FVTPL	2.74	-	(1.12)	-	**1.62**
Others	1.39	-	12.84	-	**14.23**
	411.41	**(203.46)**	**(15.75)**	-	**192.20**
Deferred Tax Liabilities (Net)	**1,834.96**	**(203.46)**	**(180.70)**	**21.16**	**1,878.88**

2.21.1 The Company has not recognised deferred tax assets on the following long term capital losses as presently it is not probable of recovery.

Description	AY*	Amount	Tax Impact	Year of Expiry
Long-term Capital Loss	AY 2019-20	76.87	17.91	AY 2027-28
Total		**76.87**	**17.91**	-

* Assessment Year

Notes

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2.22 OTHER NON-CURRENT LIABILITIES

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Other Creditors	26.88	21.81
Deferred Income from Government Grants on Subsidised Loans (Note 4.7.2)	22.66	7.01
Deferred Government subsidies (Note 4.7.2)	10.65	6.15
Other Liabilities	2.49	1.44
	62.68	36.41

2.23 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Carried at Amortised Cost, except otherwise stated)

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Loans Repayable on Demand from Banks		
Secured:		
Working Capital Borrowings (Note 2.23.1 and 2.23.2)		
Rupee Loans	457.10	24.99
Documentary Demand Bills/Usance Bills under Letter of Credit Discounted	-	19.51
Unsecured:		
Working Capital Borrowings		
Foreign Currency Loans	451.38	715.41
Rupee Loans	-	469.41
Other Loans		
Unsecured:		
Commercial Papers*	940.00	500.00
	1,848.48	1,729.32
* Maximum balance outstanding during the year	1,550.00	1,150.00

2.23.1 Working Capital Borrowings are secured by hypothecation of stocks and book debts of the Company.

2.23.2 Loan of ₹ 345.82 Crore has been availed by the Company under the Special Banking Arrangement (SBA) of Department of Fertiliser, Government of India, and has been secured against subsidy recoverable from the Government of India. As per the arrangement, the loan will be repaid directly by the Government of India to the Bank and corresponding adjustment will be made in Subsidies recoverable. Rate of interest is 8.20% per annum, out of which interest @ 7.78% per annum will be borne by the Government of India.

2.23.3 The Company had available Undrawn Facility of ₹ 488.74 Crore as on 31st March 2019 and ₹ 403.93 Crore as on 31st March 2018.

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2.24 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(Carried at Amortised Cost, except otherwise stated)

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Due to Micro and Small Enterprises (Note 4.7.1)#	**14.78**	10.52
Due to Related Parties (Note 4.5.3)	**243.36**	234.24
Others	**2,115.69**	2,008.66
	2,373.83	2,253.42

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

2.25 CURRENT - OTHER FINANCIAL LIABILITIES

(Carried at Amortised Cost, except otherwise stated)

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Current Maturities of Long-term Debts (Note 2.18.1)	**407.17**	386.29
Current Maturities of Finance lease obligations (Note 2.18.1)	**-**	0.23
Interest Accrued but not Due on Borrowings	**22.50**	24.65
Unclaimed Dividends (Amount Transferable to Investor Education and Protection Fund, when due)	**17.60**	14.87
Security and Other Deposits (Trade Deposits)	**103.02**	87.38
Liabilities for Capital Goods	**166.63**	69.29
Accrued Expenses Related to Employees	**248.87**	232.91
Derivative Liabilities	**50.45**	24.96
Other Payables (including Retention Money, Liquidated Damages, etc.)	**132.08**	114.95
	1,148.32	955.53

2.26 OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Statutory Liabilities	**286.32**	229.11
Advance from Customers	**111.75**	86.41
Deferred Income from Government Grant on Subsidised Loans (Note 4.7.2)	**4.55**	1.15
Deferred Government Subsidies	**6.85**	6.66
Other Payables	**164.54**	167.46
	574.01	490.79

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

2.27 CURRENT PROVISIONS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
For Employee Benefits (Gratuity, Leave Encashment and Pension)	174.58	170.71
For Assets Transfer Cost {Note 2.27.1 (a)}	184.53	234.87
For Warranty Provision {Note 2.27.1 (b)}	1.42	1.42
For Provision against Contingent Liabilities {Note 2.27.1 (c)}	70.13	70.39
	430.66	477.39

2.27.1 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 31st March 2019	As at 31st March 2018
Opening Balance	234.87	71.68
Add: Provision during the year	-	213.59
Less: Utilisation during the year	-	25.62
Less: Unused Amount Reversed	50.34	24.78
Closing Balance	184.53	234.87

During previous 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 31st March 2019	As at 31st March 2018
Opening Balance (Acquired on Merger)	1.77	1.77
Add: Provision during the year	-	-
Less: Utilisation during the year	-	-
Less: Unused Amount Reversed	-	-
Closing Balance	1.77	1.77
Non-Current	0.35	0.35
Current	1.42	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 Liabilities

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Opening Balance	70.39	-
Add: Provision during the year	-	70.39
Less: Utilisation during the year	-	-
Less: Unused Amount Reversed	0.26	-
Closing Balance	70.13	70.39

During previous year, as per Ind-AS 103 (business combination) the Company had to recognise on the acquisition date the contingent liabilities assumed in a business combination if it was a present obligation that had arisen from past events and its fair value could be measured reliably, even if it was not probable that an outflow of resources would be required to settle the obligation.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

3.1 REVENUE FROM OPERATIONS

(A) Sale of Products and Services#

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Sale of Products	**20,330.25**	15,821.74
Sale of Services	**15.60**	26.60
	20,345.85	15,848.34

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 2019, is not comparable with figures of previous year.

(B) Other Operating Revenues

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Export Incentives	**70.66**	60.29
Power Sales	**9.32**	22.29
Rent Income	**3.12**	3.33
Scrap Sales (Net)	**65.95**	51.56
Other Miscellaneous Income (Insurance Claims, Sales Tax Incentives, Freight, Transportation Income, etc.)	**55.53**	46.24
	204.58	183.71
Revenue From Operations (A + B)	**20,550.43**	16,032.05

3.2 OTHER INCOME

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Interest Income on:		
Non-Current Investments - Debentures or Bonds (measured at FVTOCI)	**12.38**	12.37
Bank Accounts and Others	**91.10**	44.75
Deferred Sales Tax Loans (Carried at Amortised Cost) {Note 4.7.2}	**1.46**	0.88
Dividend Income from:		
Subsidiary and Joint Venture Companies (carried at cost)	**173.60**	168.36
Non-Current Investments - Others (measured at FVTOCI)	**25.50**	18.61
Investments - Mutual Funds' Units (measured at FVTPL)	**38.53**	39.82
Profit on Sale of:		
Investment (Net) - Mutual Funds' Units (measured at FVTPL)	**30.20**	14.82
Gain on Fair Valuation of:		
Preference Shares (measured at FVTPL)	**4.95**	8.93
Mutual Funds' Units (measured at FVTPL)	**137.75**	113.35
Mark to market gain on Derivative Instruments	**-**	8.30
Miscellaneous Income	**52.51**	33.83
	567.98	464.02

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forming part of the Standalone Financial Statements for the year ended 31st March, 2019

3.3 COST OF MATERIALS CONSUMED

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Opening Stock	1,623.47	1,165.62
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	9,709.93	7,329.08
Less : Sale of Raw Material	24.63	19.57
Less : Closing Stock	1,743.41	1,623.47
	9,565.36	7,088.15

3.4 PURCHASES OF STOCK-IN-TRADE

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Purchase of Stock-in-Trade	267.35	170.48
	267.35	170.48

3.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Opening Stock		
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
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
	679.96	761.07
Less : Closing Stock		
Finished Goods	593.76	489.60
Stock-in-Trade	31.74	23.03
Work-in-Progress	176.85	161.83
Waste/Scrap	7.21	5.50
	809.56	679.96
Less : Closing Stock	(129.60)	81.11
Less : (Increase)/Decrease in Excise duty on Stocks	-	29.24
Less: Stock of Trial Run Production	(3.36)	-
(Increase)/Decrease in Stocks	(126.24)	51.87

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forming part of the Standalone Financial Statements for the year ended 31st March, 2019

3.6 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Salaries, Wages and Bonus	**1,322.22**	997.47
Contribution to Provident and Other Funds (Note 4.6.1.3 and 4.6.2)	**89.24**	64.75
Contribution to Gratuity Fund (Note 4.6.1)	**27.70**	22.07
Staff Welfare Expenses	**78.94**	58.26
Expenses on Employee Stock Appreciation Rights Scheme (SAR) (Note 4.8.5)	**0.24**	(0.39)
Expenses on Employee Stock Options Scheme (Note 4.8.5)	**10.66**	0.56
	1,529.00	1,142.72

3.6.1 Expenses on Employee Stock Option Scheme and Employee SAR Scheme net of recovery from a Subsidiary Company against options granted to the employees of the Subsidiary.		
Expenses on Employee Stock Appreciation Rights Scheme	**0.14**	0.12
Expenses on Employee Stock Options Scheme	**0.61**	0.57

3.7 FINANCE COSTS

(Financial Liabilities measured at Amortised Cost)

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Interest Expenses#	**194.04**	118.87
Other Borrowing Costs	**0.57**	0.37
Interest on Subsidised Government Loans {Note 4.7.2}	**1.46**	0.88
Interest on Income Tax	**0.82**	1.33
Exchange (Gain)/Loss on Foreign Currency Borrowings (Net)	**7.15**	7.37
	204.04	128.82
Less: Capitalised	**4.99**	0.69
	199.05	128.13
# Net of Interest Subsidies from Government	**12.51**	28.60

3.8 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Depreciation	**657.64**	577.41
Amortisation	**102.75**	50.25
	760.39	627.66

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3.9 OTHER EXPENSES

3.9.1 Manufacturing Expenses

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Consumption of Stores, Spare Parts and Components and Incidental Expenses	434.39	361.96
Consumption of Packing Materials	238.34	190.41
Processing and Other Charges	67.90	199.41
Repairs to Buildings	79.63	55.18
Repairs to Machinery	226.19	173.46
Repairs to Other Assets	77.01	49.29

3.9.2 Administration, Selling and Distribution Expenses

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Advertisements	79.04	60.25
Sales Promotion and Other Selling Expenses	115.61	101.22
Freight and Handling Expenses	304.58	256.80
Allowance for Doubtful Debts	0.87	16.87
Insurance	25.87	23.87
Rent (including Lease Rent) (Note 4.7.3)	37.71	37.50
Rates and Taxes	17.64	20.87
Research Contribution and Expenses	23.60	23.44
Impairment/(Reversal) in Value of Investments*	(1.33)	5.95
Directors' Fees	0.30	0.36
Directors' Commission	16.50	14.88
Exchange Rate Difference (Net)	55.44	43.29
Loss on Sale of Property, Plant and Equipments (Net)	16.50	12.51
Miscellaneous Expenses	416.30	317.84
	2,232.09	1,965.36

* represents impairment in value of investment of Birla Laos Pulp and Plantations Company Limited.

3.9.3 Auditors' Remuneration (excluding Service Tax / GST) Charged to the Statement of Profit and Loss (included under Miscellaneous Expenses)

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Payments to Statutory Auditor):		
Audit Fee	2.60	2.60
Tax Audit Fee*	0.30	0.20
Fees for Other Services	0.16	0.11
Reimbursement of Expenses	0.06	0.07
Payments to Cost Auditors:		
Audit Fee	0.13	0.10

* Current year includes ₹ 0.10 Crore for tax audit fee of erstwhile Aditya Birla Nuvo Limited.

Notes

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3.10 Exceptional Items are:

(i) an amount of ₹ 2,368.01 Crore was reported as Exceptional Item. Details of the same are as follows:

(a) During the year, the Company's holding in Idea Cellular Limited (Idea), has reduced from 23.13% to 11.55% consequent to the merger of Vodafone India Limited and Vodafone Mobile Services Limited with Idea Cellular Limited effective from 31st August 2018. The merged entity has been named as Vodafone Idea Limited (VIL). Consequent to reduction of the shareholding of the Company in VIL, it has ceased to be an 'Associate' of the Company and is considered as a financial investment under Ind AS 109 w.e.f. 31st August 2018. As a result, the investment in VIL has been fair valued as per Ind AS 28 and the difference in the book value and fair value as on 30th August 2018 of the said investment amounting to ₹ 2,283.35 Crore has been charged to Statement of Profit and Loss and has been disclosed as an exceptional item. Subsequent change in fair value of investment in VIL has been accounted in Other Comprehensive Income, as per Ind AS 109 'Financial Instruments'.

(b) the implementation of Modified NPS-III for payment on account of additional fixed cost to Urea Units by Ministry of Chemicals and Fertilisers, Government of India, has been delayed inordinately, leading to uncertainty in some of aspects of this policy. Accordingly, the Company has provided for ₹ 135.00 Crore.

(c) an amount of ₹ 50.34 Crore towards write-back of provision of Stamp Duty related to merger of Aditya Birla Nuvo Limited and Aditya Birla Chemicals with the Company in earlier years.

(ii) in previous financial year, an amount of ₹ 272.61 Crore was reported as exceptional item. Details of the same are as follows:

(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.

3.11 RECONCILIATION OF EFFECTIVE TAX RATE

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Accounting Profit/(Loss) Before Income Tax	**1,311.69**	2,513.14
Add: Fair value adjustment subject to lower rate of tax	**2,283.35**	-
Accounting Profit/(Loss) - subject to normal rate of tax	**3,595.04**	2,513.14
Applicable Tax Rate	**34.94%**	34.61%
Computed Tax Expenses	**1,256.25**	869.75
Income not considered for tax purpose	**-3.88%**	-3.97%
Expenses not allowed for tax purpose (including Exceptional Items)	**0.31%**	0.39%
Additional Allowances for tax purpose	**-1.45%**	-0.67%
Effect of change in tax rate	-	0.86%
Tax paid at lower rate	-	-0.13%
Provision for Tax of earlier years written back	**-0.17%**	-2.50%
Others	**0.22%**	0.85%
Effective Tax Rate (including Fair Value adjustment)	**29.97%**	29.44%
Tax at lower rate on Fair Value adjustment	**-7.81%**	-
Effective Tax Rate	**22.16%**	29.44%

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forming part of the Standalone Financial Statements for the year ended 31st March, 2019

3.12 OTHER COMPREHENSIVE INCOME

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Items that will not be reclassified to Profit or Loss		
Equity Instruments through Other Comprehensive Income	**(2,742.41)**	(163.13)
Re-measurement of Defined Benefit Plan	**(8.44)**	(19.68)
Income Tax relating to items that will not be reclassified to profit or loss	**(28.05)**	(39.05)
Items that will be reclassified to Profit and Loss		
Debt Instruments through Other Comprehensive Income	**(2.80)**	(1.62)
Gain/(Loss) on cash flow hedge	**(26.21)**	2.40
Income Tax relating to items that will be reclassified to profit or loss	**9.84**	(0.61)
	(2,798.07)	(221.69)

3.13 Earnings Per Equity Share (EPS):

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Net Profit for the Year Attributable to Equity Shareholders (₹ in Crore)	**515.30**	1,768.66
Basic EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.) of Face Value of ₹ 2/- each	**657,574,931**	605,701,097
Less: Weighted-Average Number of Equity Shares held by ESOP Trust (Nos.) of Face Value of ₹ 2/- each	**351,181**	-
Weighted-Average Number of Equity Shares Outstanding (Nos.) for calculation of Basic EPS (Nos.)	**657,223,750**	605,701,097
Basic EPS (₹) {for Face Value of Shares of ₹ 2/- each}	**7.84**	29.20
Diluted EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.)	**657,223,750**	605,701,097
Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.)	**390,705**	683,340
Add: Weighted-Average Number of Equity Shares kept in Abeyance (Nos.)	**61,985**	61,985
Weighted-Average Number of Equity Shares Outstanding for calculation of Diluted EPS (Nos.)	**657,676,440**	606,446,422
Diluted EPS (₹) {for Face Value of Shares of ₹ 2/- each}	**7.84**	29.17

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4.1 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF CLAIMS/DISPUTED LIABILITIES NOT ACKNOWLEDGED AS DEBTS:

(₹ in Crore)

Sr. No.	Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March 2019	As at 31st March 2018
I	Customs Duty - The Customs Act, 1962	- Demand of duty on import of Steam Coal during April 2012 to Jan 2013 classifying it as Bituminous Coal	**9.86**	9.71
		- 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	**1.52**	2.95
		- Various cases - Duty demanded on technical know-how by including it in the value of imported goods and levy of additional duty / countervailing duty etc.	**2.06**	1.48
II	Excise Duty - The Central Excise Act, 1944, CENVAT Credit Rules, 2002	- Appeal before CESTAT against excise duty demand on freight recovery from customers	**31.22**	27.82
		- Department's appeal before CESTAT against order of Commissioner allowing exemption under notification 30/2004-CE dated 09.07.2004	**12.05**	11.16
		- Appeal before CESTAT against excise duty demand on supplies from job workers disputing valuation	**-**	9.04
		- SCN demanding duty alleging that mixing of dyes amounted to manufacture	**8.99**	8.70
		- Demand disputing classification of "Wipes"	**8.75**	-
		- Deemed credit taken on goods in stock on the date qualifying as a composite mill disputed by the Department	**6.25**	3.99
		- Duty demanded on clearance of waste and scrap of capital goods	**5.02**	5.50
		- Duty demanded by including subsidy received from State Government in the assessable value of goods cleared	**-**	3.88
		- SCN disputing CENVAT availed in respect of CVD paid under protest on imported coal pending classification issue	**3.56**	-
		- Demand of excise duty on clearance of fly ash from factory	**3.32**	
		- Demand of excise duty as original payment was made under incorrect registration number	**3.12**	

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(₹ in Crore)

Sr. No.	Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March 2019	As at 31st March 2018
	Excise Duty - The Central Excise Act, 1944, CENVAT Credit Rules, 2002	- Demand notice disputing availment of Cenvat credit on capital goods alleging that the capital goods were exclusively used for manufacture of exempted products	**2.76**	2.58
		- Demand disputing quantum of Cenvat Credit reversed on clearance of used capital goods	**2.25**	2.13
		- Appeal before CESTAT against denial of cenvat credit taken suo-moto after reversing in response to Departmental audit objection.	**1.89**	1.77
		- 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.	**1.73**	1.64
		- Demand of duty on bleached fabric captively consumed during May 1994 to August 1994.	**1.14**	1.10
		- Department appeal before High Court against order of CESTAT allowing Cenvat Credit on opening stock despite procedural lapses	**1.12**	1.11
		- Various cases - Demand of Excise Duty on removal of capital goods, removal of mercury, disallowance of cenvat credit on packaging material used for exempted goods, eligibility of CENVAT on different issues, etc.	**8.67**	13.16
III	Service Tax - The Finance Act, 1994	- Denial of Cenvat credit on input services alleging not used for providing output services	**39.12**	36.19
		- Demand of service tax under reverse charge mechanism alleging import of services	**8.50**	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.	**7.58**	7.18
		- SCN disputing transfer of cenvat credit by Aditya Birla Minacs IT Services Ltd. and Birla Technologies Limited to Aditya Birla Minacs Worldwide Limited on merger	**6.64**	6.28
		- Demand towards availment of ineligible cenvat credit although reversed subsequently	**2.69**	2.69

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forming part of the Standalone Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Sr. No.	Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March 2019	As at 31st March 2018
	Service Tax - The Finance Act, 1994	- Denial of cenvat credit on outward transportation charges	**2.27**	1.77
		- Appeal before CESTAT against denial of cenvat credit treating exports as exempt output services	**1.20**	1.20
		- Various cases demanding service tax on scientific and technology service, 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.	**5.58**	7.30
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	**9.45**	8.31
		- Demand of entry tax in the State of Uttar Pradesh pending before Allahabad High Court	**2.32**	3.75
		- Other entry tax disputes	**0.04**	0.21
V	Sales Tax Act/ Commercial Tax Act of various states	- Demand towards non submission of various forms, disallowance of input credit, short reversal of credit, valuation issues and other matters	**16.01**	12.61
VI	The Income-tax Act, 1961	- Demand of dividend distribution tax alleging that the demerger of the Financial Services Business is not qualifying demerger as per Income Tax Act and treating the value of shares allotted by the resulting Company to the shareholders of the Company in consideration of demerger as dividend distributed by the Company to its shareholders.	**5,872.13**	-
		- Demand u/s 201(1) and 201(1A) for non-deduction of tax at source on payment to non-resident for purchase of equity shares in Indian Company.	**-**	102.12
		- Various disallowances/additions being contested in appeals (disallowance u/s 14A, disallowance of additional depreciation allowance, transfer pricing adjustments, penalty etc.).	**77.87**	21.38
VII	Other Statutes/ Other Claims	- Demand of water drawl charges and water reservation charges by Irrigation Department.	**211.41**	182.10
		- Fuel surcharge demand raised by Bihar State Electricity Board.	**49.33**	49.33

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(₹ in Crore)

Sr. No.	Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March 2019	As at 31st March 2018
	Other Statutes/ Other Claims	- Demand of maintenance charges on land allotted by State Government.	28.10	21.32
		- Labour re-instatement, back wages, workmen compensation, minimum wages issue, increase in retirement age and salary structure cases	14.37	10.87
		- Demand towards contribution to Infrastructure Fund and charges for time limit extension for use of industrial plot	8.39	15.86
		- Demand of water reservation charges from irrigation department.	7.57	0.00
		- Claims by various suppliers and contractors on terms of contract, etc.	4.48	7.07
		- Lease rent demand at increased rate by Kandla Port Trust	3.14	2.71
		- Demand for supply of water at higher rate contested by the Company	2.58	2.03
		- Higher price demanded in respect of land acquired through State Government	2.42	3.67
		- Demand of liquidated damages by Bihar State Industrial Development Corporation	2.41	2.27
		- Demand by Competition Commission of India for supply of Poly Aluminum Chloride	2.30	2.30
		- Dispute on price for supply of bamboo by Government of Kerala	2.06	2.06
		- Land lease rent demand at higher rate demanded by Uttar Pradesh State Industrial Development Corporation	1.78	1.78
		- Dispute on ownership of land by Gram Sabha	1.72	1.72
		- 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 license fee demand, Textile Cess on readymade garments, etc.	4.01	4.37
		Total	**6513.93**	638.31

Cash outflows for the above are determinable only on receipt of judgements pending with various authorities/ Courts/Tribunals.

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4.2 OTHER MONEY FOR WHICH THE COMPANY IS CONTINGENTLY LIABLE:

(₹ in Crore)

		As at 31st March 2019	As at 31st March 2018
(a)	Custom Duty Liability (Net of Cenvat credit), which may arise if obligation for exports is not fulfilled against import of raw materials and machinery	51.75	12.81

(b) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal

The Company is awaiting the outcome of the review petition, and also directions from EPFO, if any, to assess any potential impact on the Company and consequently no adjustments have been made in the books of account

4.3 CAPITAL,FINANCIAL AND OTHER COMMITMENTS

(₹ in Crore)

		As at 31st March 2019	As at 31st March 2018
(i)	**Capital Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided {Net of Advances paid of ₹ 244.83 Crore (Previous Year ₹ 150.22 Crore)}	1,911.17	479.71
(ii)	**Financial and Other Commitments**		
(a)	Wholly owned Subsidiary#	-	0.08
(b)	Joint Ventures@	191.52	516.26
(c)	Associate*	-	-
(d)	Commitment to subscribe proposed Rights Issue of Vodafone Idea Limited	2,887.50	-
(e)	For Commitment under Lease (refer Note 4.7.3)		
(f)	For Commitment under Derivative Contract (refer Note 4.10)		

Previous year 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.

* 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.

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.

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4.5 RELATED PARTY DISCLOSURE

4.5.1 Parties where control exists

Parties	Relationship
ABNL Investment Limited	Wholly Owned Subsidiary
Aditya Birla Renewables Limited (w.e.f. 15th May 2018)	Wholly Owned Subsidiary
Aditya Birla Solar Limited (w.e.f. 15th May 2018)	Wholly Owned Subsidiary
Grasim Bhiwani Textiles Limited (up to 10th July 2017)	Wholly Owned Subsidiary
Samruddhi Swastik Trading and Investments Limited	Wholly Owned Subsidiary
Sun God Trading and Investments Limited	Wholly Owned Subsidiary
Soktas India Private Limited (w.e.f. 29th March 2019) (now known as Grasim Premium Fabrics Private Limited)	Wholly Owned Subsidiary
Shaktiman Mega Food Park Limited (up to 22nd February 2019)	Wholly Owned Subsidiary
Aditya Birla Renewables SPV 1 Limited (w.e.f. 15th May 2018)	Subsidiary's Subsidiary
Aditya Birla Renewables Subsidiary Limited (w.e.f. 15th May 2018)	Subsidiary's Subsidiary
Aditya Birla Chemicals (Belgium) BVBA (up to 21st January 2019)	Subsidiary
UltraTech Cement Limited	Subsidiary
UltraTech Cement Lanka Private Limited, Sri Lanka	Subsidiary's Subsidiary
Dakshin Cements Limited	Subsidiary's Subsidiary
Harish Cement Limited	Subsidiary's Subsidiary
UltraTech Cement Middle East Investments Limited, Dubai, UAE	Subsidiary's Subsidiary
Star Cement Co. LLC, Dubai, UAE	Subsidiary's Subsidiary
Star Cement Co. LLC, Ras-Al-Khaimah, UAE	Subsidiary's Subsidiary
Al Nakhla Crusher LLC, Fujairah, UAE	Subsidiary's Subsidiary
Arabian Cement Industry LLC, Abu Dhabi, UAE	Subsidiary's Subsidiary
Ultratech Cement Bahrain Company WLL, Bahrain (Formerly known as Arabian Gulf Cement Co. WLL)	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 (up to 06th July 2017)	Subsidiary's Subsidiary
PT UltraTech Mining Indonesia, Indonesia	Subsidiary's Subsidiary
UltraTech Cement Mozambique Limitada, Mozambique (up to 06th July 2017)	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 (up to 16th October 2017)	Subsidiary's Subsidiary
PT UltraTech Mining Sumatera	Subsidiary's Subsidiary
Bhagwati Lime Stone Company Private Limited	Subsidiary's Subsidiary
UltraTech Nathdwara Cement Limited (w.e.f. 20th November 2018) (formerly known as Binani Cement Limited)	Subsidiary's Subsidiary
Smooth Energy Private Limited (w.e.f. 20th November 2018) (Formerly known as Binani Energy Private Limited)	Subsidiary's Subsidiary
Bahar Ready Mix Concrete Limited (w.e.f. 20th November 2018) (formerly known as Binani Ready Mix Concrete Limited)	Subsidiary's Subsidiary

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Parties	Relationship
Merit Plaza Limited (w.e.f. 20th November 2018)	Subsidiary's Subsidiary
Swiss Merchandise Infrastructure Limited (w.e.f. 20th November 2018)	Subsidiary's Subsidiary
Krishna Holdings PTE Ltd, Singapore, (w.e.f. 20th November 2018)	Subsidiary's Subsidiary
Bhumi Resourches PTE Ltd, Singapore, (w.e.f. 20th November 2018)	Subsidiary's Subsidiary
Murari Holdings Ltd, Birtish Virgin Ireland (BVI) (w.e.f. 20th November 2018)	Subsidiary's Subsidiary
Mukundan Holdings Ltd., BVI, (w.e.f. 20th November 2018)	Subsidiary's Subsidiary
Binani Cement Factory LLC, UAE, (w.e.f. 20th November 2018)	Subsidiary's Subsidiary
Binani Cement Fujairah LLC, (w.e.f. 20th November 2018)	Subsidiary's Subsidiary
Binani Cement (Tanzania) Limited, Tanzania, (w.e.f. 20th November 2018)	Subsidiary's Subsidiary
BC Tradelink Limited, Tanzania, (w.e.f. 20th November 2018)	Subsidiary's Subsidiary
Shandong Binani Rongan Cement Company Limited, China, (w.e.f. 20th November 2018) (Joint Venture Company - 90% with UNCL through its WoS)	Subsidiary's Subsidiary
PT Anggana Energy Resources (Anggana), Indonesia (w.e.f. 20th November 2018)	Subsidiary's Subsidiary
Binani Cement (Uganda) Limited, Uganda (w.e.f. 20th November 2018)	Subsidiary's Subsidiary
Aditya Birla Capital Limited (ABCL) (formerly known as Aditya Birla Financial Services Limited)	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
Aditya Birla Stressed Asset AMC Private Limited (incorporated w.e.f. 22nd May 2018)	Subsidiary's Subsidiary
Aditya Birla Capital Investment Limited (incorporated w.e.f. 12th October 2018)	Subsidiary's Subsidiary

Notes

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4.5.2 Other Related Parties where transactions have taken place during the year:

Parties	Relationship
AV Group NB Inc., Canada	Joint Venture
AV Terrace Bay Inc., Canada	Joint Venture
Aditya Group AB, Sweden	Joint Venture
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey	Joint Venture
Birla Jingwei Fibres Company Limited, China	Joint Venture
Aditya Birla Renewables Limited (up to 14th May 2018)	Joint Venture
Aditya Birla Solar Limited (up to 14th May 2018)	Joint Venture
Aditya Birla Renewables SPV 1 Limited (up to 14th May 2018)	Joint Venture's Subsidiary
Aditya Birla Sun Life AMC Limited (formerly known as Birla Sun Life Asset Management Company Limited)	Joint Venture
Aditya Birla Science and Technology Company Private Limited	Associate
Aditya Birla Idea Payment Bank Limited	Associate
Vodafone Idea Limited (up to 30th August 2018) (formerly know as Idea Cellular Limited)	Associate
Waacox Energy Private Limited (w.e.f. 27th June 2018)	Associate
Shri Kumar Mangalam Birla - Non-Executive Director	Key Management Personnel (KMP)
Smt. Rajashree Birla - Non-Executive Director	Key Management Personnel (KMP)
Shri Himanshu Kapania - Non-Executive Director (w.e.f. 14th August 2018)	Key Management Personnel (KMP)
Shri Dilip Gaur - Managing Director	Key Management Personnel (KMP)
Shri B.V. Bhargava - Independent Director	Key Management Personnel (KMP)
Shri Sushil Agarwal, Whole-Time Director and CFO	Key Management Personnel (KMP)
Shri M.L. Apte - Independent Director	Key Management Personnel (KMP)
Smt. Usha Sangwan - Non-Executive Director (w.e.f. 23rd May 2018)	Key Management Personnel (KMP)
Smt. Anita Ramachandran - Independent Director (w.e.f. 14th August 2018)	Key Management Personnel (KMP)
Shri Cyril Shroff - Independent Director	Key Management Personnel (KMP)
Dr. Thomas Connelly, Jr. - Independent Director	Key Management Personnel (KMP)
Shri Shailendra K Jain - Non-Executive Director	Key Management Personnel (KMP)
Shri N. Mohan Raj - Non-Executive Director (up to 23rd May 2018)	Key Management Personnel (KMP)
Shri O.P. Rungta- Independent Director	Key Management Personnel (KMP)
Shri Arun Thiagrajan - Independent Director	Key Management Personnel (KMP)
Grasim Industries Limited Employees Provident Fund	Post-Employment Benefit Plan
Indo gulf Fertilisers Limited Employee Provident Fund Trust	Post-Employment Benefit Plan
Jayshree Provident Fund Institution	Post-Employment Benefit Plan
Grasim Industries Limited Employees Gratuity Fund	Post-Employment Benefit Plan
Provident Fund of Aditya Birla Nuvo Limited @	Post-Employment Benefit Plan
Century Rayon Provident Fund Trust	Post-Employment Benefit Plan
Shailendra Jain & Co.	Other Related Parties in which Directors are interested
Prafulla Brothers	Other Related Parties in which Directors are interested
Birla Carbon India Private Limited (Formerly known as SKI Carbon Black (India) Private Limited)	Other Related Parties in which Directors are interested

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Parties	Relationship
Birla Group Holdings Private Limited	Other Related Parties in which Directors are interested
Aditya Birla Management Corporation Private Limited* (w.e.f. 01st January 2019)	Other Related Parties in which Directors are interested
Shri Suvrat Jain	Other Related Parties in which Directors are interested
Shri Devarat Jain	Other Related Parties in which Directors are interested
Cyril Amarchand Mangaldas	Other Related Parties in which Directors are interested
Shardul Amarchand Mangaldas & Co.	Other Related Parties in which Directors are interested

@ Merged with Grasim Industries Limited Employees Provident Fund

* The Company is a member of Aditya Birla Management Corporation Private Limited (ABMCPL), a company limited by guarantee formed for the purpose of its members to mutually avail and share common facilities, expertise and other support on an arm's length basis.

4.5.3 Disclosure of Related Party Transactions:

Terms and Conditions of Transaction with Related Parties

The transaction with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. 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 Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(₹ in Crore)

Nature of Transactions	Current Year	Previous Year
Revenue from Operations :		
Grasim Bhiwani Textiles Limited	-	6.93
UltraTech Cement Limited	4.02	3.05
Birla Jingwei Fibres Company Limited	259.34	205.49
Aditya Birla Chemicals (Belgium) BVBA	-	1.63
Aditya Birla Renewables Limited	0.47	8.17
Aditya Birla Solar Limited	4.64	13.26
Aditya Birla Renewables SPV1 Limited	3.69	-
Aditya Birla Renewables Subsidiary Limited	6.08	-
Aditya Birla Sun Life AMC Limited	0.66	-
Aditya Birla Capital Limited	0.01	-
Vodafone Idea Limited	-	1.95
Waacox Energy Private Limited	0.51	-
Total	279.42	240.48
Interest and Other Income:		
Grasim Bhiwani Textiles Limited	-	0.53
UltraTech Cement Limited	0.19	0.10
Aditya Birla Finance Limited	-	0.01
Aditya Birla Sun Life AMC Limited	-	0.43

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Nature of Transactions	Current Year	Previous Year
Aditya Birla Capital Limited	0.01	-
AV Group NB Inc.	-	1.19
Aditya Birla Science and Technology Company Private Limited	1.58	1.32
Waacox Energy Private Limited	0.37	-
Aditya Birla Renewables SPV1 Limited	0.30	-
Aditya Birla Renewables Limited	-	0.57
Aditya Birla Solar Limited	0.42	0.01
Aditya Birla Idea Payment Bank Limited	-	0.09
Aditya Birla Management Corporation Private Limited	0.68	-
Aditya Birla Renewables Subsidiary Limited	0.11	-
Birla Carbon India Private Limited	0.95	0.88
Total	**4.61**	5.13
Dividend Received:		
UltraTech Cement Limited	173.60	165.34
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	-	3.02
Total	**173.60**	168.36
Dividend Paid:		
Birla Group Holding Private Limited	3.40	3.01
Total	**3.40**	3.01
Finance Cost :		
Aditya Birla Sun Life Insurance Company Limited	4.34	3.26
Total	**4.34**	3.26
Purchases of Goods/Payment of Other Services		
Grasim Bhiwani Textiles Limited	-	0.27
UltraTech Cement Limited	12.05	7.58
AV Group NB Inc.	717.12	727.04
Aditya Group AB	540.39	334.77
Aditya Birla Science and Technology Company Private Limited	24.87	24.62
Vodafone Idea Limited	1.03	5.91
Aditya Birla Sun Life Insurance Company Limited	1.21	1.19
Aditya Birla Health Insurance Co. Limited	0.99	1.78
Birla Jingwei Fibres Company Limited	-	0.61
Aditya Birla Renewables Limited	14.12	-
Aditya Birla Management Corporation Private Limited	40.60	-
ABNL Investments Limited	0.96	0.49
Samruddhi Swastik Trading and Investment Limited	0.23	0.16
Birla Group Holding Private Limited	0.22	0.04
Other Related Parties in which Directors are interested	1.47	0.57
Total	**1,355.26**	1,105.03
Payments to Key Management Personnel		
Managerial Remuneration Paid*	16.96	41.33
Commission to Non-Executive Directors (KMPs)	16.50	15.00
Sitting Fees to Directors	0.30	0.36
Dividend to KMPs	0.43	0.43

* Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Nature of Transactions	Current Year	Previous Year
Loans Provided:		
Sun God Trading and Investment Limited	-	0.20
Aditya Birla Renewables Limited	-	23.95
Aditya Birla Idea Payment Bank Limited	-	17.75
Aditya Birla Solar Limited	**10.35**	6.30
Aditya Birla Renewables SPV1 Limited	**18.70**	7.15
Waacox Energy Private Limited	**35.00**	-
Aditya Birla Renewables Subsidiary Limited	**9.00**	-
Samruddhi Swastik Trading and Investment Limited	**0.15**	-
Total	**73.20**	55.35
Repayments against Loans Provided:		
Grasim Bhiwani Textiles Limited	-	16.29
Aditya Birla Science and Technology Company Private Limited	-	2.20
Sun God Trading and Investment Limited	-	0.20
AV Group NB Inc.	-	32.80
Aditya Birla Renewables Limited	-	23.95
Aditya Birla Solar Limited	**14.65**	2.00
Aditya Birla Renewables SPV1 Limited	**18.70**	7.15
Aditya Birla Chemicals (Belgium) BVBA	-	0.09
Aditya Birla Idea Payment Bank Limited	-	17.75
Samruddhi Swastik Trading and Investment Limited	**0.15**	-
Waacox Energy Private Limited	**35.00**	-
Aditya Birla Renewables Subsidiary Limited	**9.00**	-
Total	**77.50**	102.43
Investments/(Sale) in Equity Shares:		
Shaktiman Mega Foods Park Private Limited	-	0.01
Aditya Birla Renewables Limited	**86.17**	26.71
Aditya Birla Idea Payment Bank Limited	**59.49**	103.20
ABNL Investments Limited	-	10.00
Equity Shares of Sun God Trading and Investments Limited to ABNL Investment Limited	**(0.05)**	-
Aditya Birla Solar Limited	**6.15**	-
Total	**151.76**	139.92
Purchases/(Sales) of Property, Plant and Equipment/ Intangible Assets:		
UltraTech Cement Limited	**6.61**	6.57
Aditya Birla Capital Limited	-	(0.09)
Total	**6.61**	6.48
Contribution to Post Retirement Funds:		
Grasim Industries Limited Employees' Provident Fund	**11.15**	7.78
Jayshree Provident Fund Institution	**3.24**	3.00
Provident Fund of Aditya Birla Nuvo Limited	-	3.40
Indo Gulf Fertiliser Ltd. Employee Provident Fund Trust	**3.36**	1.69
Century Rayon Provident Fund Trust	**7.02**	1.16
Grasim Industries Limited Employees Gratuity Fund	**56.00**	35.74
Total	**80.77**	52.77

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Nature of Transactions	Current Year	Previous Year
Receipts from Post-Retirement Fund:		
Grasim Industries Limited Employees Gratuity Fund	**1.03**	3.30
Compensation of Key Management Personnel of the Company*		
Short-term Employee benefits	**11.78**	10.38
Post-Retirement benefits	**2.44**	29.32
Share-Based Payments	**2.74**	1.63
Total	**16.96**	41.33

* Expenses towards gratuity and leave encashment provisions are determined by actuary on an overall Company basis at the end of each year and, accordingly have not been considered in the above information.

(₹ in Crore)

Outstanding Balances	31st March 2019	31st March 2018
Other Non-current Liabilities (Financial and non-financial):		
Aditya Birla Sun Life AMC Limited	**0.71**	0.62
UltraTech Cement Limited	-	0.06
Total	**0.71**	0.68
Trade Payables:		
Aditya Birla Chemicals (Belgium) BVBA	-	0.06
UltraTech Cement Limited	**1.01**	2.47
Aditya Birla Sun Life Insurance Company Limited	**0.24**	0.43
Aditya Birla Health Insurance Company Limited	**0.18**	0.08
AV Group NB Inc.	**210.81**	179.24
Vodafone Idea Limited	-	0.07
Aditya Group AB	**30.99**	51.89
Aditya Birla Solar Limited	**0.12**	-
Samruddhi Swastik Trading and Investment Limited	**0.01**	-
Total	**243.36**	234.24
Other Current Liabilities (Financial and Non-financial):		
Aditya Birla Capital Limited	-	7.56
Aditya Birla Science and Technology Company Private Limited	-	0.02
UltraTech Cement Limited	**0.06**	-
Soktas India Private Limited	**0.01**	-
Aditya Birla Renewables Limited	**1.51**	-
Aditya Birla Management Corporation Private Limited	**5.65**	-
Total	**7.23**	7.58
Trade Receivables:		
UltraTech Cement Limited	**0.27**	0.09
Aditya Birla Chemicals (Belgium) BVBA	-	1.59
Birla Jingwei Fibres Company Limited	**75.83**	23.33
AV Terrace Bay Inc. Canada	-	0.05
Aditya Birla Renewables Limited	-	6.77
Aditya Birla Solar Limited	-	32.25
Vodafone Idea Limited	-	0.20
Aditya Birla Health Insurance Company Limited	**0.19**	-
Aditya Birla Renewables SPV1 Limited	**3.06**	-
Waacox Energy Private Limited	**0.55**	-
Total	**79.90**	64.28

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Outstanding Balances	31st March 2019	31st March 2018
Investments in Equity Shares (Note 2.3 and 2.9)		
Subsidiaries	**20,149.54**	19,828.59
Joint Ventures	**735.70**	828.31
Associates	**301.52**	7,552.95
Total	**21,186.76**	28,209.85
Investments in Preference Shares (Note 2.4)		
Joint Ventures	**68.94**	69.06
Total	**68.94**	69.06
Non-Current Financial Assets - Loans and Deposits:		
Birla Group Holding Private Limited	**7.37**	7.37
Aditya Birla Management Corporation Private Limited	**5.37**	-
Total	**12.74**	7.37
Non Convertible Debentures :		
Aditya Birla Sun Life Insurance Company Limited	**50.42**	51.41
Total	**50.42**	51.41
Current Financial Assets- Loans:		
Aditya Birla Science and Technology Company Private Limited	**22.74**	22.74
Aditya Birla Solar Limited	-	4.30
Total	**22.74**	27.04
Other Current Assets (Financial and Non-financial):		
Aditya Birla Sun Life Insurance Company Limited	**1.02**	0.12
Aditya Birla Health Insurance Company Limited	**1.34**	0.89
Aditya Birla Sun Life AMC Limited	**0.01**	0.02
ABNL Investments Limited	-	0.43
Aditya Birla Capital Limited	**0.10**	-
UltraTech Cement Limited	**0.01**	-
Aditya Group AB	**5.18**	-
Aditya Birla Management Corporation Private Limited	**0.06**	-
Total	**7.72**	1.46

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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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 Company provides pension to few retired employees as approved by the Board of Directors of the Company.

(₹ in Crore)

		Gratuity (Funded)		Pension	
		Current Year	Previous Year	Current Year	Previous Year
(i)	**Reconciliation of Present Value of the Obligation:**				
	Opening Defined Benefit Obligation	**493.78**	239.02	**35.71**	8.46
	Adjustments of:				
	Current Service Cost	**28.57**	21.32	-	-
	Past Service Cost	-	0.89	-	22.98
	Interest Cost	**35.40**	23.46	**2.60**	0.91
	Actuarial Loss/(Gain)	**15.24**	17.78	**0.86**	1.47
	Liabilities assumed on Acquisition/ (Settled on Divestiture)*	-	222.30	-	6.54
	Benefits Paid	**(38.86)**	(30.99)	**(4.99)**	(4.65)
	Closing Defined Benefit Obligation	**534.13**	493.78	**34.18**	35.71
(ii)	**Reconciliation of Fair Value of the Plan Assets:**				
	Opening Fair Value of the Plan Assets	**476.43**	230.25	-	-
	Adjustments of:				
	Return on Plan Assets	**34.82**	23.60	-	-
	Actuarial Gain/(Loss)	**7.68**	(0.44)	-	-
	Contributions by the Employer	**56.00**	35.74	**4.99**	4.65
	Assets Acquired on Acquisition/ (Distributed on Divestiture)*	-	218.26		
	Benefits Paid	**(38.86)**	(30.99)	**(4.99)**	(4.65)
	Closing Fair Value of the Plan Assets	**536.07**	476.43	-	-
(iii)	**Net Liabilities/(Assets) recognised in the Balance Sheet:**				
	Present Value of the Defined Benefit Obligation at the end of the period	**534.13**	493.78	**34.18**	35.71
	Fair Value of the Plan Assets	**536.07**	476.42	-	-
	Net Liabilities/(Assets) recognised in the Balance Sheet	**(1.94)**	17.36	**34.18**	35.71

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

		Gratuity (Funded)		Pension	
		Current Year	Previous Year	**Current Year**	Previous Year
(iv)	**Amount recognised in Salary and Wages under Employee Benefits Expense in the Statement of Profit and Loss:**				
	Current Service Cost	**28.57**	21.32	-	-
	Past Service Cost	-	0.89	-	22.98
	Interest on Defined Benefit Obligations (Net)	**0.57**	(0.14)	**2.60**	0.91
	Net Cost	**29.14**	22.07	**2.60**	23.89
	Capitalised as Pre-Operative Expenses in respect of Projects and other Adjustments	**(1.44)**	-	-	-
	Net Charge to the Statement of Profit and Loss	**27.70**	22.07	**2.60**	23.89
(v)	**Amount recognised in Other Comprehensive Income (OCI) for the Year:**				
	Changes in Financial Assumptions	**8.11**	3.61	**0.33**	(1.32)
	Changes in Demographic Assumptions	**(0.09)**	(2.17)	**(1.28)**	-
	Experience Adjustments	**7.22**	16.34	**1.81**	2.79
	Actual return on Plan Assets less Interest on Plan Assets	**(7.68)**	0.44	-	-
	Recognised in OCI for the year	**7.56**	18.22	**0.86**	1.47
(vi)	**Maturity profile of Defined Benefit Obligation:**				
	Within next 12 months (next annual reporting period)	**85.45**	79.95	**5.57**	4.75
	Between 1 and 5 years	**184.08**	174.69	**18.84**	16.69
	Between 5 and 9 years	**204.06**	185.34	**14.57**	13.12
	10 years and above	**671.17**	629.00	**22.97**	25.08
(vii)	**Quantitative sensitivity analysis for significant assumptions:**				
	Increase/(Decrease) on Present Value of Defined Benefit Obligation at the end of the year				
	50 bps increase in discount rate	**(20.03)**	(18.22)	**(0.80)**	(0.91)
	50 bps decrease in discount rate	**21.47**	19.50	**0.85**	0.96
	50 bps increase in salary escalation rate	**21.37**	19.45	-	-
	50 bps decrease in salary escalation rate	**(20.08)**	(18.32)	-	-
	Increase in Life Expectancy by one year	-	-	**1.13**	0.94
	Decrease in Life Expectancy by one year	-	-	**(1.15)**	(0.96)

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

		Gratuity (Funded)		Pension	
		Current Year	Previous Year	Current Year	Previous Year
(viii)	**The major categories of Plan Assets as a % of total plan:**				
	Government of India Securities	**17.87%**	19.00%	**N.A.**	N.A.
	Corporate Bonds	**1.98%**	4.00%	**N.A.**	N.A.
	Insurer Managed Fund	**80.06%**	77.80%	**N.A.**	N.A.
	Others	**0.09%**	0.20%	**N.A.**	N.A.
	Total	**100.00%**	100.00%	**N.A.**	N.A.
(ix)	**Principal Actuarial Assumptions:**				
	Discount Rate	**7.60%**	7.80%	**7.60%**	7.80%
	Expected Return on Plan Assets	**7.60%**	7.80%	-	-
	Salary Escalation rate	**5.50%-8.00%**	5.50%-8.00%	-	-
	Mortality Tables	**Indian Assured Lives Mortality (2012-14) Ultimate**	Indian Assured Lives (2006-08) mortality tables	**PA (90) annuity rates adjusted suitably**	PA (90) annuity rates adjusted suitably
	Retirement Age:				
	Management	**60 years**	60 years		
	Non-Management	**58 years**	58 years		
(x)	**Weighted-Average Duration of Defined Benefit Obligation:**	**7.76 years**	7.63 years	**4.86 years**	5.23 years
(xi)	**Analysis of Defined Benefit Obligation (DBO):**				
	DBO in respect of non-vested Employees	**30.72**	24.31	-	-
	DBO in respect of vested Employees	**503.41**	469.48	**34.18**	35.71
	Total	**534.13**	493.79	**34.18**	35.71

* Previous year 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:

a) The Company's own financial instrument

b) 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.

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forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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 Obligations in isolation and assuming there are no other changes in market condition at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(xvii) The best estimate of the expected contribution for the next year amounts to ₹ 20 Crore (Previous Year ₹ 20 Crore).

4.6.1.2 Compensated Absences:

The obligation for compensated absences is recognised in the same manner as gratuity, amounting to charge of ₹ 33.61 Crore (Previous Year ₹ 11.40 Crore).

4.6.1.3 The details of the Company's Defined Benefit Plans in respect of the Company managed Provident Fund Trust:

Contribution to the recognised provident fund are substantially defined contribution plan. The Company is liable for any shortfall in the fund assets based on the Government specified rate of return. Such shortfall, if any, is recognised in the Statement of Profit and Loss as an expense in the year of incurring the same.

Amount recognised as expense and included in the Note 3.6 as "Contribution- Company owned Provident Fund" is ₹ 24.77 Crore (Previous Year ₹ 17.03 Crore) and Amount recognized as preoperative expense and included in Note 2.1.7 as "Contribution-Company owned Provident Fund" is ₹ 0.76 Crore.

The actuary has provided for a valuation and based on the below provided assumption there is no interest shortfall as at 31st March 2019 and 31st March 2018.

(₹ in Crore)

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Plan Assets at Fair Value	**1081.75**	1012.44
(b) Liabilities 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	**7.60%**	7.80%
- Discount Rate for the remaining term of maturity of Investment Portfolio	**7.08% - 7.54%**	7.61% - 7.76%
- Average Historic Yield on Investment Portfolio	**8.40% - 9.07%**	8.72% - 9.34%
- Guaranteed Interest Rate	**8.65%**	8.55%

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

4.6.2 Defined Contribution Plans:

(₹ in Crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Amount recognised as an expense and included in Note 3.6 as "Contribution to Provident and Other Funds"	64.47	47.72
Amount recognised as preoperative expense and included in note 2.1.7 as "Contribution to Provident and Other Funds"	0.41	-
Total Contribution to Provident and Other Funds	64.88	47.72

4.7 ADDITIONAL INFORMATION

4.7.1 Information relating to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in Crore)

Particulars	As at 31st March 2019	As at 31st March 2018
(a) the principal amount overdue and the interest thereon (₹ 0.01 Crore) remaining unpaid to any supplier at the end of each accounting year;	0.08	-
(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;	0.09	-
(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	0.01	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

4.7.2 Government Grants (Ind AS 20)

The Company has received interest-free loans of ₹ 18.03 Crore (Previous Year ₹ 8.13 Crore) from a State Government, repayable in full after seven years. Using prevailing market interest rate in range of 7.66%-8.70% p.a. (Previous Year 7.66% p.a.) for an equivalent loan, the fair value of loan at initial recognition is estimated at ₹ 9.95 Crore (Previous Year ₹ 4.76 Crore). The difference of ₹ 8.08 Crore (Previous Year ₹ 3.37 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.

The Company has also received a subsidised loan of ₹ 100 Crore (Previous Year ₹ 62.50 Crore) @ 5% p.a. and 0.50% royalty on net sale from a Central Government, repayable in nine equal half yearly installments starting from 01.04.2020. Using prevailing market interest rate of 7.94% p.a. for an equivalent loan, the fair value of loan at initial recognition is estimated at ₹ 92.99 Crore (Previous Year ₹ 56.19 Crore). The difference of ₹ 7.01 Crore (Previous Year ₹ 6.31 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.

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Cumulative loan interest-free and interest at subsidised rate received from the government is ₹ 118.03 Crore (Previous Year ₹ 86.28 Crore). Accordingly, an amount of ₹ 1.46 Crore (Previous Year ₹ 0.88 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.

4.7.3 Disclosure pursuant to Ind AS 17: Leases is as under

A. Company as a Lessee

(₹ in Crore)

Sr. No.	Particulars	Current Year	Previous Year
I)	Operating Lease Payments recognised in the Statement of Profit and Loss	**37.71**	37.50
II)	The total of future minimum lease payments under non cancellable operating leases are as follows:		
	For a period not later than one year	**12.91**	6.92
	For a period later than one year and not later than five years	**2.12**	5.99
	For a period later than five years	**0.02**	0.11

III) General Description of Leasing Agreements:

(i) Lease Assets: Godowns, Offices, Residential Flats, Showroom and Others.

(ii) Future Lease Rentals are determined on the basis of agreed terms.

(iii) At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing.

IV) The details of finance lease payable and their present value as at the Balance Sheet date

(₹ in Crore)

Particulars	Total Lease Charges Payable	Present Value	Interest
Current Year			
Not Later than one year	-	-	-
Later than one year and not later than five years	-	-	-
Previous Year			
Not Later than one year	0.25	**0.23**	0.02
Later than one year and not later than five years	-	-	-

The Company had entered into finance lease arrangements for computer servers from a vendor. The finance obligation is secured by a charge against the said assets.

B. Company as a Lessee

The Company has given certain assets on lease for which rental income earned during the current year is ₹ 3.12 Crore (Previous year ₹ 3.33 Crore). These lease arrangement are normally renewed on expiry, wherever required.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

4.7.4 Corporate Social Responsibility:

The Company has spent ₹ 47.14 Crore on Corporate Social Responsibility Projects/Initiatives during the year (Previous Year ₹ 29.84 Crore).

The amount required to be spent under Section 135 of the Companies Act, 2013, for the year ended 31st March 2019 is ₹ 33.97 Crore (Previous Year ₹ 29.01 Crore) i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

4.7.5 Assets Held for Disposal (Ind AS 105):

The Company has identified certain assets amounting to ₹ 1.23 Crore (Previous Year ₹ 2.54 Crore) to be disposed off like Turbo Generator, Field Breaker, Wound Stator, Mould Holding System, Fork Lift, Hydraulic Pallet Truck, Water Cooler, Electric Motor, Cement Mixer, Heat exchanger, etc. which are not in use by the Company. The Company is in the process of discussion with various potential buyers and expects the same to be disposed off within next twelve months.

4.7.6 Distribution Made and Proposed (Ind AS 1):

(₹ in Crore)

Particulars	Current Year	Previous Year
Cash dividends declared and paid 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)	**407.74**	361.53
Dividend Distribution Tax on final dividend	**48.09**	39.94
Total cash outflow on account of Dividend and tax thereon	**455.83**	401.47
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31st March 2019: ₹ 7 per share of face value of ₹ 2 each (31st March 2018: ₹ 6.20 per share of face value of ₹ 2 each)	**460.34**	407.57
Dividend Distribution Tax on proposed dividend	**55.54**	48.09
Total proposed Dividend and tax thereon	**515.88**	455.66

4.7.7 Revenue (Ind AS 115)

I) The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective from 1st April 2018, adhering to the full retrospective approach. The application of Ind AS 115 did not have any significant impact in these financial statements. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period, resulting in no significant financing component.

II) **Revenue recognised from Contract Liabilities (Advances from Customers):**

(₹ in Crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Closing Contract Liabilities	**111.75**	86.41

The contract liabilities outstanding at the beginning of the year have been recognised as revenue during the year ended March 31, 2019.

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III) Reconciliation of Revenue as per Contract Price and as recognised in the Statement of Profit and Loss:

(₹ in Crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Revenue as per Contract Price	**21,687.84**	16,819.62
Less: Discounts and Incentives	**(1,341.99)**	(971.28)
Revenue from Sale of Products and Services	**20,345.85**	15,848.34

(₹ in Crore)

		As at 31st March 2019	As at 31st March 2018
4.7.8	Revenue expenditure incurred by approved in-house R&D centres on Research and Development included in different heads of expenses in the Statement of Profit and Loss	**64.28**	55.13
4.7.9	Miscellaneous Expenses include contribution to AB General Electoral Trust. The Trust uses such funds for contribution for Political purposes.	**9.50**	8.00

4.8 SHARE BASED PAYMENTS (Ind AS 102)

4.8.1 21,72,121 Equity Shares of Face Value of ₹ 2 each (Previous Year 10,39,210 Equity Shares of Face Value of ₹ 2 each) are reserved for issue under Employee Stock Option Scheme-2006 (ESOS-2006), Employee Stock Option Scheme, 2013 (ESOS-2013) and Employee Stock Option Scheme, 2018 (ESOS-2018)

a. Under the ESOS-2006, the Company has granted 4,42,675 Options to its eligible employees, the details of which are given hereunder:

Particulars	Options		
	Tranche III	Tranche IV	Tranche V
No. of Options Granted	356,485	30,185	56,005
Grant Date	30th August 2010	2nd June 2011	18th October 2013
Grant Price (₹ Per Share)#	274	305	532
Market Price on the Date of Grant (₹)	404	466	543
Fair Value on the Date of Grant of Option (₹ Per Share)	226	252	197
Method of Settlement	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 III, IV and V had been revised in the Previous Year post-demerger of Financial Service business of Grasim to ABCL, resulted 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					RSUs					
	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 had been revised in the previous 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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c. **During the year, the Committee of the Board of Directors of the Company granted 1,398,864 Options and Restricted Stock Units (RSUs) to the eligible employees of the Company, under the Grasim Employee Stock Options Scheme 2018 ("the Scheme").**

The Scheme is being implemented through a trust, viz. Grasim Employee's Welfare Trust ("the Trust"). The Trust has purchased 1,357,375 equity shares of the Company from market as per the Scheme. The details of the Scheme are given hereunder:

Particulars	Options	RSUs	
	Tranche III	Tranche IV	Tranche V
No. of Options Granted	1,118,480	214,205	66,179
Grant Date	17th December 2018	17th December 2018	27th March 2019
Grant Price (₹ Per Share)#	847	2	2
Market Price on the Date of Grant (₹)	847	847	837
Fair Value on the Date of Grant of Option (₹ Per Share)	422.53	833	822
Method of Settlement	Equity	Equity	Equity
Method of Accounting	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	

4.8.2 (a) **Under the Employee Stock Options Scheme-2013 (ESOS-2013), the Company has granted 157,232 Options 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	1,054	1,727	992	1,240	1,054	1,727	992
Fair Value on the Date of Merger (1st July 2017)	806	875	693	716	1,200	1,199	1,198	1,195
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			

(b) **Under the Employee Stock Options Scheme-2013 (ESOS-2013), the Company has granted 258,637 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:**

	SAR's (Linked with the Company's Market Price)				SAR's (Linked with Aditya Birla Capital Limited's Market Price)			
	Tranche - I	Tranche - III	Tranche - IV A	Tranche - IV B	Tranche - I	Tranche - III	Tranche - IV A	Tranche - IV B
Number of SARs	14,988	4,032	79,382	8,920	20,986	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
Vesting Plan	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	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	7th December 2013	12th November 2014	24th May 2016	24th May 2016	7th December 2013	12th November 2014	24th May 2016	24th May 2016
Grant Price (₹ Per Share)	449	631	648	2	10	10	10	10
Market Price on the Date of Grant of SARs (₹ Per Share)	1,239.8	1,726.95	992.4	992.4	N.A.	N.A.	N.A.	N.A.

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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) and (c)

	Number of Options and RSUs			
	Current Year		Previous Year	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	**1,039,210**	**463**	1,152,595	472
Granted during the year	**1,398,864**	**678**	-	-
Exercised during the year	**210,280**	**389**	71,660	311
Lapsed/Cancelled during the year	**55,673**	**711**	41,725	616
Outstanding at the end of the year	**2,172,121**	**602**	1,039,210	463
Options: Unvested at the end of the year	**1,393,016**	**675**	104,535	565
Exercisable at the end of the year	**779,105**	**472**	934,675	452

The weighted-average share price at the date of exercise for options was ₹ 602.09 per share (31st March 2018 ₹ 1,086 per share) and weighted-average remaining contractual life for the share options outstanding as at 31st March 2019, was 2.35 years (31st March 2018: 2.97 years).

4.8.3.2 For Options referred to in 4.8.2(a) and (b)

	Number of Options and RSUs				Number of SAR's			
	Current Year		Previous Year		Current Year		Previous Year	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	**122,167**	**364**	-	-	**167,876**	**239**	-	-
Granted during the year	-	-	157,232	377	-	-	278,915	235
Exercised during the year	**16,648**	**235**	-	-	**22,204**	**106**	5,141	164
Lapsed during the year	**4,872**	**643**	35,065	420	**10,231**	**274**	105,897	233
Outstanding at the end of the year	**100,647**	**372**	122,167	364	**135,441**	**258**	167,877	239
Options: Unvested at the end of the year	**39,042**	**355**	54,316	437	**83,679**	**240**	57,938	579
Exercisable at the end of the year	**61,605**	**383**	67,851	306	**51,762**	**287**	109,939	59

The weighted-average share price at the date of exercise for options was ₹ 1,035.75 per share and weighted average remaining contractual life for the share options outstanding as at 31st March 2019 was 2.76 years (31st March 2018: 3.41 years).

The weighted average share price at the date of exercise for SARs was ₹ 354.64 per share (31st March 2018 ₹ 1083.5 per share) and weighted-average remaining contractual life for the SAR's outstanding as at 31st March 2019, was 2.2 years (31st March 2018: 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 and Binomial Model.

The Key Assumptions in Black-Scholes Model and Binomial 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) and (c)

ESOS-2006	Options		
	Tranche III	Tranche IV	Tranche V
Method Used	Black - Scholes Model	Black - Scholes Model	Black - Scholes Model
Risk-Free Rate	7.78%	8.09%	8.58%
Option Life (Years)	Vesting Period (1 Year) + Average of Exercise Period		
Expected Volatility*	45.64%	31.73%	24.01%
Dividend Yield	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.

ESOS-2013	Options					RSUs					
	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI
Method Used	Black - Scholes Model	Black - Scholes Model	Black - Scholes Model	Black - Scholes Model	Black - Scholes Model	Black - Scholes Model	Black - Scholes Model	Black - Scholes Model	Black - Scholes Model	Black - Scholes Model	Black - Scholes Model
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.

ESOS-2018	Options	RSUs	
	Tranche I	Tranche I	Tranche II
Method Used	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	7.60%	7.65%	7.48%
Option Life (Years)	Vesting Period (1 year) + Average of Exercise Period	Vesting Period (3 years) + Average of Exercise Period	
Expected Volatility*	32.06%	32.06%	31.48%
Dividend Yield	0.52%	0.52%	0.52%

The weighted-average fair value of the option and RSU (Tranche I and Tranche II), as on the date of grant, works out to ₹ 422.53 per stock option, ₹ 832.64 per RSU and ₹ 822.29 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)&(b)

ESOS-2013	Options				RSUs			
	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 RSU			

	SARs (Linked with the Company's Market Price)				SARs (Linked with Aditya Birla Capital Limited's Market Price)			
	Tranche I	Tranche III	Tranche IVA	Tranche IVB	Tranche I	Tranche III	Tranche IVA	Tranche IVB
Method Used	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	6.91%	6.78%	7.04%	7.04%	6.91%	6.78%	7.07%	7.04%
Option Life (Years)	0.84 years	1.22 years	2.48 years	3.65 years	0.84 years	1.22 years	2.48 years	3.65 years
Expected Volatility*	27.68%	30.19%	32.06%	31.48%	30.08%	33.17%	30.08%	30.08%
Dividend Yield	0.52%	0.52%	0.52%	0.52%	-	-	-	-
Weighted average fair value of SARs on 31st March 2019	₹ 257.98 per SAR				₹ 69.24 per SAR			

* 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 Options expenses and Employee Stock Appreciation Rights expenses recognised in the Statement of Profit and Loss ₹ 10.90 Crore (Previous Year ₹ 0.17 Crore) (Note 3.6).

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4.9 FINANCIAL INSTRUMENTS - DISCLOSURE, ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (Ind AS 107)

A. Disclosure of Financial Instruments:

i. Investments in 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 investment and are not intended for sale.

ii. Investment in 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 an when need arises. Hence, the same have been measured at FVTOCI.

iii. Investment in 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.

B. Classification of Financial Assets and Liabilities:

(₹ in Crore)

Particulars	31st March 2019		31st March 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets at Amortised Cost				
Trade Receivables	**3,484.07**	**3,484.07**	2,609.32	2,609.32
Loans	**259.21**	**259.21**	223.22	223.22
Cash and Bank Balances	**42.47**	**42.47**	41.88	41.88
Other Financial Assets	**210.29**	**210.29**	254.61	254.61
Financial Assets at fair value through Other Comprehensive Income				
Investments (Current and Non-Current)	**6,841.46**	**6,841.46**	4,559.07	4,559.07
Financial Assets at fair value through Profit and Loss				
Investments (Current and Non-Current)	**3,099.35**	**3,099.35**	2,777.67	2,777.67
Total	**13,936.85**	**13,936.85**	10,465.77	10,465.77
Financial Liabilities at Amortised Cost				
Rupee Term Loans from Banks	**68.77**	**62.52**	455.07	447.68
Subsidised Government Loan	**153.92**	**153.85**	62.50	52.41
Deferred Sales Tax Loans	**24.53**	**24.53**	13.12	13.12
Non-Convertible Debentures	**1,008.38**	**1028.15**	514.69	557.34
External Commercial Borrowing	**206.67**	**206.67**	194.07	194.07
Rupee Loans (Current)	**457.10**	**457.10**	494.40	494.40
Foreign Currency Loans (Current)	**451.38**	**451.38**	715.41	715.41
Documentary Demand Bills/Usance Bills under Letter of Credit discounted	-	-	19.51	19.51
Commercial Papers (Current)	**940.00**	**940.00**	500.00	500.00
Finance Lease Obligation (Current)	-	-	0.23	0.23

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(₹ in Crore)

Particulars	31st March 2019		31st March 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Trade Payables	**2,373.83**	**2,373.83**	2,253.42	2,253.42
Other Financial Liabilities	**694.26**	**694.26**	551.90	551.90
Hedging Instruments measured at fair value				
Derivative Liabilities	**50.45**	**50.45**	24.96	24.96
Total	**6,429.29**	**6,442.74**	5,799.28	5,824.45

C. Fair Value Measurements (Ind AS 113):

The fair values of the Financial Assets and Liabilities are included at the amount, at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

Level 1 - This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares which are traded on the stock exchanges, is valued using the closing price at the reporting date.

Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. Investments in Debentures or Bonds are valued on the basis of dealer's quotation based on fixed income and money market association (FIMMDA).

If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(₹ in Crore)

Particulars	Fair Values	
	As at 31st March 2019	As at 31st March 2018
Financial Assets at Fair Value through Other Comprehensive Income		
Investments in Debentures or Bonds (Level 2)	**165.05**	167.85
Investment in Equity Instruments (other than Subsidiaries, Joint Ventures and Associates)		
- Level 1	**6,242.76**	3,879.33
- Level 3	**433.64**	511.89
Financial Assets at fair value through Profit and Loss		
Investments in Mutual Funds (Level 2)	**3,024.55**	2,667.85
Investments in Preference Shares (Level 3)	**74.80**	109.82
Total	**9,940.80**	7,336.74

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(₹ in Crore)

Particulars	Fair Values	
	As at 31st March 2019	As at 31st March 2018
Long Term Borrowings		
Rupee Term Loans from Banks (Level 3)	**62.52**	447.68
Subsidised Government Loans (Level 3)	**153.85**	52.41
Deferred Sales Tax Loans (Level 3)	**24.53**	13.12
Non-Convertible debentures (Level 2)	**1,028.15**	557.34
External Commercial Borrowings (Level 3)	**206.67**	194.07
Total	**1,475.72**	1,264.62
Hedging Instruments measured at fair value		
Derivative Liabilities (Level 2)	**50.45**	24.96
Total	**50.45**	24.96

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 2019 and 31st March 2018, there was no transfer between level 1 and level 2 fair value measurement.

4.9.1 Key Inputs for Level 1 and 2 Fair valuation Technique :

1. Mutual Funds : Based on Net Asset Value of the Scheme (Level 2)
2. Debentures or Bonds: Based on 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.

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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)

Balances as at 1st April 2017	**440.91**
Add: Preference shares received on merger of ABNL	14.51
Less: Sale of Investments	(0.15)
Add: Fair Value Loss recognised in the Statement of Profit and Loss	8.93
Add: Fair Value Gain recognised in OCI	157.51
Balances as at 31st March 2018	**621.71**
Add: Fair value Loss recognised in the Statement of Profit and Loss	4.95
Less: Sale/Redemption of Investments	(39.97)
Add: Purchase of Investment	0.04
Add/(Less): Fair value loss recognised in OCI	(78.29)
Balances as at 31st March 2019	**508.44**

4.9.4 Relationship of Unobservable Inputs to Level 3 fair values (Recurring):

A. Equity Investments - Unquoted (for Equity Shares where Discounted Cash Flow Method is used):

A 100 bps increase/decrease in the Weighted Average Cost of Capital (WACC) or discount rate used while all other variables were held constant, the carrying value of the shares would decrease by ₹ 16.49 Crore or increase by ₹ 21.75 Crore (as at 31st March 2018: decrease by ₹ 12.35 Crore or increase by ₹ 16.21 Crore).

B. Preference Shares:

A 100 bps increase/decrease in the discount rate used while all the other variables were held constant, the carrying value of the shares would decrease by ₹ 4.25 Crore or increase by ₹ 4.57 Crore (as at 31st March 2018: decrease by ₹ 5.36 Crore or increase by ₹ 5.74 Crore).

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4.10 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107)

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, other than derivatives, include trade and other receivables, investments and cash and cash equivalents that arise directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, foreign currency receivables, payables and borrowings.

The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, to hedge foreign currency risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The sources of risks which the Company is exposed to and their management are given below:

Risks	Exposure Arising From	Measurement	Management
• **Market Risk:**			
- Foreign Exchange Risk	Committed commercial transactions, Financial Assets and Liabilities not denominated in INR	Cash Flow Forecasting, Sensitivity Analysis	Forward foreign exchange contracts
- Interest Rate Risk	Long-Term Borrowings at variable rates, Investments in Debt Schemes of Mutual Funds and Other Debt Securities	Sensitivity Analysis, Interest rate Movements	Interest Rate swaps Portfolio Diversification
- Equity Price Risk	Investments (other than Subsidiaries, Joint Ventures and Associates, which are carried at cost)	Financial Performance of the Investee Company and its price in equity market	Investments are long-term in nature and in Companies with sound management with leadership positions in their respective businesses
• **Credit Risk**	Trade Receivables, Investments, Derivative Financial Instruments, Loans	Ageing analysis, Credit Rating	Diversification of mutual fund investments and portfolio credit monitoring, credit limit and credit worthiness monitoring, criteria based approval process
• **Liquidity Risk**	Borrowings and Other Liabilities and Liquid investments	Rolling Cash Flow Forecasts, Broker Quotes	Adequate unused credit lines and borrowing facilities Portfolio Diversification

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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 forward covers to hedge exposure to foreign currency risk.

When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the foreign currency exposure.

(i) Foreign Currency Sensitivity:

The sensitivities are based on financial assets and liabilities held at 31st March 2019 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.

(₹ in Crore)

Currency	31st March 2019			
	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	23.63	(24.33)	(23.63)	24.33
EUR	(3.99)	-	3.99	-
GBP	0.08	-	(0.08)	-
JPY	(0.01)	-	0.01	-
CAD	-	(1.74)	-	1.74
PESO	-	(0.12)	-	0.12
CNY	4.69	-	(4.69)	-
THB	-	(6.02)	-	6.02
AUD	0.01	-	(0.01)	-
SGD	0.09	-	(0.09)	-
CHF	6.87	-	(6.87)	-
Increase/(Decrease) in Profit/Equity	**31.37**	**(32.21)**	**(31.37)**	**32.21**

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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	69.27	(25.46)	(69.27)	25.46
EUR	(0.37)	-	0.37	-
GBP	0.30	-	(0.30)	-
JPY	0.01	-	(0.01)	-
CAD	-	(1.64)	-	1.64
PESO	-	(0.14)	-	0.14
CNY	(1.19)	-	1.19	-
THB	-	(7.73)	-	7.73
Increase / (Decrease) in Profit/ Equity	**68.02**	**(34.97)**	**(68.02)**	**34.97**

(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 currency interest rate swap (CIRS). Under the terms of the CIRS, 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

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.

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(a) **Cash Flow Hedge**

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		
	Foreign Exchange Risk										
1)	Foreign exchange forward contracts Outstanding as on 31st March 2019										
a	USD	1.57	7.34	70.97	71.53	111.69	525.21	0.83	(10.08)	05-04-2019 to 31-01-2020	(10.88)
b	EUR	0.80	0.68	79.26	85.94	63.11	58.16	1.93	(2.55)	31-05-2019 to 31-12-2019	(3.54)
c	CNH	0.66	39.95	10.67	10.84	7.09	433.08	0.21	(17.00)	30-04-2019 to 31-10-2019	(17.00)
d	JPY	-	53.94	-	0.67	-	36.17	-	(1.28)	30-04-2019 to 29-11-2019	(1.28)
e	SEK	-	0.80	-	7.98	-	6.38	-	(0.04)	30-09-2019 to 31-01-2020	(0.04)
f	AUD	0.29	-	50.47	-	14.49	-	-	0.20	10-04-2019 to 09-07-2019	0.20
g	GBP	-	0.23	-	95.64	-	22.00	0.57	-	28-05-2019 to 20-02-2020	0.01
2)	Cross Currency Interest Rate Swaps Outstanding as on 31st March 2019										
a	USD	-	3.00	-	65.25	-	195.75	-	10.04	20-08-2019 to 20-08-2021	6.31

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		
1)	Foreign exchange forward contracts Outstanding as on 31st March 2018										
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)
2)	Cross Currency Interest Rate Swaps Outstanding as on 31st March 2018										
a	USD	-	3.00	-	65.25	-	195.75	-	1.81	20-08-2019 to 20-08-2021	2.19

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(b) Fair Value Hedge

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	
	Foreign Exchange Risk									
1)	Foreign exchange forward contracts outstanding as on 31st March 2019									
a	USD	0.84	8.21	71.29	72.98	59.93	599.39	1.25	(26.93)	02-04-2019 to 09-09-2019
b	EUR	1.54	0.44	84.31	82.05	129.52	35.74	1.40	(6.39)	02-04-2019 to 14-02-2020
c	GBP	-	0.13	-	92.82	-	11.81	0.08	-	10-06-2019 to 30-09-2019

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	
	Foreign exchange forward contracts outstanding as on 31st March 2018									
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	05-04-218 to 12-02-2019
c	GBP	-	0.06	-	88.31	0.00	5.53	0.00	0.30	23-04-2018 to 27-07-2018
d	JPY	-	1.50	-	0.58	0.00	0.88	0.00	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 will fluctuate because of changes in prevailing market interest rates. The Company's exposure to the risk due to changes in interest rates relates primarily to the Company's short-term borrowings (excluding commercial paper) with floating interest rates. For all long-term borrowings in foreign currency with floating interest rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Company constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.

Interest Rate Exposure:

(₹ in Crore)

Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Non-Interest Bearing Borrowings
Rupee Borrowings	2,652.71	82.15	2,546.03	24.53
USD Borrowings	658.05	451.38	206.67	-
Total as at 31st March 2019	**3,310.76**	**533.53**	**2,752.70**	**24.53**
Rupee Borrowings	2,059.52	480.05	1,566.35	13.12
USD Borrowings	909.48	715.41	194.07	-
Total as at 31st March 2018	**2,969.00**	**1,195.46**	**1,760.42**	**13.12**

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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)

Effect on Profit Before Tax	Basis Point	31st March 2019	31st March 2018
INR - Increase	100	**(0.82)**	(4.80)
INR - Decrease	100	**0.82**	4.80
USD - Increase	100	**(4.51)**	(7.15)
USD - Decrease	100	**4.51**	7.15

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 borrowing (excluding commercial paper) 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 2019 would increase/decrease by ₹ 306.12 Crore (for the year ended 31st March 2018 by ₹ 186.61 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.

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Total Trade receivables as on 31st March 2019 is ₹ 3,484.07 Crore (31st March 2018: ₹ 2,609.32 Crore)

The Company does not have higher concentration of credit risks to a single customer. Single largest customers of all businesses have exposure of 3.26% of total sales (31st March 2018: 4.20%) and in receivables 2.29% (31st March 2018: 2.72%).

The ageing analysis of the receivables (net of provision) has been considered from the date the invoice falls due.

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
As at 31st March 2019						
Trade Receivables	3,134.50	250.65	60.35	12.10	26.47	3,484.07
Other Financial Assets-Freight Subsidy and Gas Pooling	89.23	9.30	19.74	17.86	2.39	138.52
As at 31st March 2018						
Trade Receivables	2,300.72	189.10	62.90	24.40	32.20	2,609.32
Other Financial Assets-Freight Subsidy and Gas Pooling	92.50	28.53	17.30	0.81	2.51	141.65

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 ₹ 3.65 Crore of the outstanding receivables for the current year (previous year Nil).

Movement of Allowance for Doubtful Debts:

(₹ in Crore)

Particulars	Current Year	Previous Year
Opening provision	**69.98**	9.55
Transferred on amalgamation of erstwhile ABNL	-	43.56
Add: Provided during the year	**135.87**	16.87
Less: Utilised during the year	**0.91**	-
Less: Written back during the year	**8.18**	-
Closing Provision	**196.76**	69.98

(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 and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

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Investments of surplus funds are made only with approved Financial Institutions/Counterparty. Investments primarily include investment in units of quoted Mutual Funds, quoted Bonds, Non-Convertible Debentures issued by Government/Semi-Government Agencies/PSU Bonds/High Investment grade Corporates etc. These Mutual Funds and Counterparties have low credit risk.

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt and arbitrage categories and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis.

Total Non-current and current investments as on 31st March 2019 is ₹ 31,127.57 Crore (31st March 2018 ₹ 35,546.59 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 credit facilities to meet obligations when due. The Company's treasury team is responsible for managing liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

(₹ in Crore)

As at 31st March 2019	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Liabilities:				
Borrowings (including Current Maturities of Long-Term Debts)*	2,249.49	1,021.09	44.24	3,314.82
Trade Payables	2,373.83	-	-	2,373.83
Interest Accrued but not Due on Borrowings	22.50	-	-	22.50
Other Financial Liabilities (excluding Derivative Liability)	668.20	-	3.56	671.76
Derivative Liability	50.45	-	-	50.45
Liquid Financial Assets:				
Surplus Investments in Mutual Funds, Bonds, Fixed Deposit with Corporates etc.	2,997.83	706.52	64.02	3,768.37

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(₹ in Crore)

As at 31st March 2018	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Liabilities:				
Borrowings (including Current Maturities of Long-Term Debts)*	2,115.84	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)	519.63	-	7.85	527.48
Derivative Liability	24.96	-	-	24.96
Liquid Financial Assets:				
Surplus Investments in Mutual Funds, Bonds, etc.	1,929.34	1,363.27	64.91	3,357.52

* Contractual amount

F. Capital Management:

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

(₹ in Crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Total Debt (Bank and other borrowings)	**3,310.76**	2,969.00
Less: Liquid Investments (Bonds, Mutual Funds, Fixed Deposits with Corporates and Investment in Larsen & Toubro)	**3,768.37**	3,357.52
Net Debt/(Surplus)	**(457.61)**	(388.52)
Equity	**41,959.19**	44,789.83
Net Debt to Equity	-	-

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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4.11 BUSINESS COMBINATION (IND AS 103)

A) Scheme of Arrangement for Merger of Aditya Birla Nuvo Ltd. (ABNL) with the Company and demerger of Financial Services business into Aditya Birla Capital Ltd.(ABCL) (earlier known as Aditya Birla Financial Services Ltd.)

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 it's financial services business into ABCL and consequent listing of equity shares of ABCL.

The Major Rationale for merger of ABNL:

a. 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.

b. 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.

c. 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 previous year, the merger had become effective from 1st July 2017, hence ABNL ceased to exist effective from 1st July 2017 and demerger of financial services business into ABCL had also become effective from 4th July 2017 in terms of scheme.

Further, the Company had issued 19,04,62,665 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 ₹ 93.37 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 it's 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 had contributed revenue of ₹ 4,062.51 Crore and profit before tax of ₹ 318.68 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 31st March 2018 would have been ₹ 5,416.68 Crore and ₹ 424.91 Crore respectively based on the amounts extrapolated by the management. In determining these amounts, management had 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.

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(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 1st July 2017	Net assets transferred on Demerger	Dilution of stake in ABCL on Demerger	As on 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 (Including other Bank Balances)	61.83	-	-	61.83
Other Current Assets	223.20	-	-	223.20
Total Assets (A)	**44,238.94**	**(1,876.38)**	**(10,616.51)**	**31,746.05**
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 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
Total Liabilities (B)	**4,450.68**	**(154.77)**	-	**4,295.91**
Total Identifiable Net Assets acquired (before adjustment of cancellation of Cross Holding) (A-B)	**39,788.26**	**(1,721.61)**	**(10,616.51)**	**27,450.14**
Less:				
Cancellation of Cross Holding by Company in erstwhile ABNL	621.55	-	-	621.55
Total Identifiable Net Assets acquired	**39,166.71**	**(1,721.61)**	**(10,616.51)**	**26,828.59**
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
Capital Reserve	**15,380.54**	**(1,721.61)**	**(10,616.51)**	**3,042.42**

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

The gross contractual amounts and fair value of Trade and Other receivable acquired ₹ 1,287.21 Crore. However, ₹ 43.56 Crore of the Trade and Other Receivables are credit impaired and the balance ₹ 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
Trade Investments			
Investments in Equity Instruments			
Joint Ventures/Associates			
Quoted:			
Associate			
IDEA Cellular Limited	₹ 10	837,526,221	7,139.91
Unquoted:			
Subsidiaries			
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)
Joint Ventures			
Aditya Birla Renewables Limited	₹ 10	1,224,000	1.22
Aditya Birla Solar Limited	₹ 10	30,326,602	30.33
Associate			
Aditya Birla Idea Payment Bank Limited	₹ 10	123,131,860	127.49
Total Investment in Equity Instruments of Subsidiaries/ Joint Ventures/ Associates (A)			**36,809.82**
Other Non-Current Investments			
Investments in Equity Instruments			
Quoted:			
Hindalco Industries Limited	₹ 1	33,506,337	639.80
Aditya Birla Fashion and Retail Limited	₹ 10	69,982,370	1,213.50
Unquoted:			
Carried at Fair Value through Other Comprehensive Income			
Aditya Birla Science and Technology Company Private Limited	₹ 10	2,100,000	3.55
Investments in Preference Shares - Unquoted			
Subsidiaries -			
8.00% Cumulative and Redeemable Preference Shares of Aditya Birla Finance Limited	₹ 10	10,000,000	10.20
Others			-
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	ß
Total Other Non-Current Investments (B)			**1,881.55**
Total Non-Current Investment (A + B)			**38,691.37**

ß represents amount of ₹ 2,000

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

(iii) Note on Capital reserve arising:-

Capital reserve had arised 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 date on which control was transferred i.e. 1st July 2017.

(iv) Details of Acquisition related cost had been charged to Statement of Profit and Loss

(₹ in Crore)

Provision for stamp duty for title transfer in the name of Company	213.00
Legal, advisory, valuation, professional or consulting fees, cost of issuing equity securities, etc.	12.90
Total	**225.90**

(v) The figures given above are based on fair valuation completed during the year for one of associate which was under progress in previous year.

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 had 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 had 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:

a. Grasim with its new SSY technology & CTIL's presence in Rayon tyre yarn would offer significant growth prospects.

b. Synergy potential in plant and sales operations would provide additional benefits

c. Potential to leverage brand strength in value chain

d. Capex light capacity expansion compared to a Greenfield expansion

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 deposit ₹ 161.40 Crore.

(iii) Net working capital at closing is ₹ 103.31 Crore.

For the two months period ended 31st March 2018, the said VFY business unit had 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 31st March 2018 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 had assumed that the fair value adjustments, that arose on the date of arrangement had been same as if the arrangement occurred on 1st April 2017.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

Identifiable Assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition

(₹ in Crore)

Particulars	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 Receivable	61.17
Other Current Assets (Financial and Non-Financial)	16.68
Total Assets (A)	**982.58**
Deferred Tax Liability	4.96
Derivative Liability	18.30
Trade payables	71.39
Other Liabilities and Provision	22.70
Total Liabilities (B)	**117.35**
Total Identifiable Net Assets acquired (A-B)	**865.23**
Less: Purchase Consideration	864.71
(Goodwill) / Capital reserve	**0.52**

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 based on the fair valuation of assets and liabilities completed during the year which was under progress in previous year.

Acquisition Related Costs

Acquisition related costs of ₹ 1.77 Crore (including stamp duty) had been recognised under Miscellaneous Expenses and Rates and Taxes in the previous year's Statement of Profit and loss.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

4.12 Acquisition of Asset from KPR Industries India Limited (KIIL)

The Company has acquired the Chlor Alkali business of KPR Industries India Limited by way of slump sale, for a cash consideration of ₹ 253 Crore. The business consist of an under-construction ChlorAlkali plant of 200 TPD capacity at Balabhadrapuram, Andhra Pradesh. The Company has taken over the identified assets and identified liabilities associated with the business.

The following table summarises the apportionment of amounts of assets and identified liabilities acquired based on fair valuation on the date of acquisition.

(₹ in Crore)

Particulars	As on 19st February 2019
Property Plant and Equipment	
Freehold Land	48.83
Plant and Equipment	0.12
Furniture and Fixtures	0.06
Capital Work-in-Progress	201.61
Other Current Assets (Financial and Non-Financial)	35.51
Less:	
Trade Payable	0.33
Other Non-Current Liabilities (Financial and Non-Financial)	0.18
Other Current Liabilities (Financial and Non-Financial)	32.62
Total Purchase Consideration	**253.00**

(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 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") has notified following amendments to Ind AS on 30th March 2019 which is effective for the annual period beginning on or after 1st April 2019.

(a) Ind AS 116 "Leases":

On 30th March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 "Leases", which replaces Ind AS 17 "Leases". The new standard (Ind AS 116) introduces a single on-balance sheet lease accounting model for lessee. This will result in the company recognising right of use assets & lease liability in the books.

The Company is in the process of analysing the impact of Ind AS 116 on its financials.

(b) Ind AS 12 - Appendix C, Uncertainty over Income Tax Adjustments

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company has used in tax computation or plan to use in their income tax filings.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

(c) **Amendment to Ind AS 12 – Income taxes**

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

(d) **Ind AS 19 - Plan amendment, curtailment or settlement**

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Based on preliminary assessment, the Company does not expect any significant impact on its financial statements on account of above (b), (c) and (d) amendments.

4.14 Other income for previous 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 Supreme Court Judgment dated 13th October 2017.

4.15 Previous year's figures have been regrouped/ reclassified to conform to current year's presentation and not comparable due to the merger of ABNL with the Company in previous year w.e.f. 1st July 2017 and for arrangement for rights and responsibility to manage, operate, use and control were acquired by the Company with CTIL in previous year w.e.f. 1st February 2018.

4.16 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.

Signature to the 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

Akeel Master
Partner
Membership No.: 46768

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

Vijay Maniar
Partner
Membership No: 36738

Dilip Gaur
Managing Director
DIN: 02071393

Arun Thiagarajan
Independent Director
DIN: 00292757

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN: 00060017

M. L. Apte
Independent Director
DIN: 00003656

Hutokshi Wadia
Company Secretary
Membership No.: 5761

B. V. Bhargava
Independent Director
DIN: 00001823

Mumbai
Dated: 24th May 2019

Mumbai
Dated: 24th May 2019

Independent Auditor's Report

To the Members of
Grasim Industries Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

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 joint ventures comprising of the consolidated Balance sheet as at March 31, 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matters

The statutory auditors of UltraTech Cement Limited ("UltraTech"), a subsidiary company, without qualifying their opinion on the audited consolidated Ind AS financial statements of UltraTech have drawn attention to note 4.5.3 to the consolidated Ind AS financial statements which states that:

a. In terms of order dated August 31, 2016, the Competition Commission of India ("CCI") had imposed penalty of ₹ 1,175.49 Crore for alleged contravention of the provisions of the Competition Act, 2002 by UltraTech. UltraTech had filed an appeal against the CCI Order before the Competition Appellate Tribunal ("COMPAT"). Consequent to reconstitution of Tribunal by the Government, this matter was transferred to the National Company Law Appellate Tribunals ("NCLAT"). NCLAT completed its hearing on the matter and disallowed the appeal filled by UltraTech against the CCI Order. Aggrieved by the order of the NCLAT, UltraTech has filed an appeal before the Honorable Supreme Court of India, which has granted a stay against the NCLAT order on the condition that UltraTech deposits 10% of the penalty of ₹ 117.55 Crore which has been deposited. Based on legal opinion, UltraTech believes that it has a good case in this matter. Considering the uncertainty relating to the outcome of this matter, no provision has been considered by UltraTech in the books of account.

b. In terms of order dated January 19, 2017, the CCI had imposed penalty of ₹ 68.30 Crore 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 UltraTech. UltraTech had filed an appeal before COMPAT and received the stay order dated April 10, 2017. Consequent to reconstitution of Tribunals by the Government, this matter was transferred to the NCLAT for which hearing is pending. Based on legal opinion, UltraTech believes that it has a good case in this matter. Considering the uncertainty relating to the outcome of this matter, no provision has been considered by UltraTech in the books of accounts.

c. The statutory auditors of UltraTech Nathdwara Cement Limited ("UNCL"), a wholly owned subsidiary of UltraTech, without modifying their opinion on the audited consolidated Ind AS financial statements as at and for the year ended March 31, 2019 have reported that UNCL had filed an appeal before the Competition Appellate Tribunal ("COMPAT") against the Order of the Competition Commission of India ("CCI") dated August 31, 2016. Consequent to reconstitution of Tribunal by the Government, this matter was transferred to the National Company Law Appellate Tribunals ("NCLAT"). NCLAT completed its hearing on the matter and disallowed the appeal filed by UNCL against the CCI order. Aggrieved by the order of NCLAT, UNCL has filed an appeal before the Honourable Supreme Court of India, which has granted a stay vide its order dated January 18, 2019 against NCLAT order. Consequently, UNCL has deposited an amount of ₹16.73 Crore equivalent to 10% of the penalty amount. Based on the legal opinion, UNCL believes that it has a good case in this matter. Considering the uncertainty relating to the outcome of this matter, no provision has been considered by UNCL in the books of accounts.

Our opinion is not qualified in respect of the above matters.

Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessment of impairment of Goodwill and Other Intangibles	
• As disclosed in note 2.2 and 2.3, the Group has goodwill of ₹ 17,970.15 Crore and other intangible assets of ₹ 8,980.45 Crore respectively as at March 31, 2019 which represents goodwill/intangible assets acquired through various business combinations and allocated to cash generating units of the Company. • A cash generating unit to which goodwill has been allocated and to which intangible assets belong to is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. As disclosed in note 2.2.1, impairment of goodwill and intangibl e assets is determined by assessing the recoverable amount of each cash generating unit to which these assets relates. • The recoverable amount of the cash generating unit as at March 31, 2019 has been determined based on various valuation techniques such as projected future cash inflows, benchmarking of price, market multiple etc. The management of the Company has used an external specialist in assessing the recoverable amount of the cash generating unit based on value in use computation. • We focused this area because of the judgmental factors involved in impairment assessment and the significant carrying value of these assets	Our audit procedures included the following: • Obtained an understanding of the process followed by the management to determine the recoverable amounts of cash generating units to which the goodwill and intangible assets pertain to; • Evaluated the objectivity and independence of the specialist engaged by the Company and reviewed the valuation reports issued by such specialist; • Evaluated the model used in determining the value in use of the cash generating units; • Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units; • Involved valuation expert to assist in evaluating the assumptions around the key drivers of the valuations and; • We also assessed the disclosures provided by the Company in relation to its annual impairment test in note 2.2.1 to the financial statements.

KAM reported in the standalone Ind AS financial statements of the Holding Company

Key audit matters	How our audit addressed the key audit matter
Litigation pertaining to direct tax matters	
• As disclosed in note 4.1 of the standalone Ind AS financials statements, the Company has pending litigations on account of direct tax matters amounting to ₹ 5,950 Crore. • The Management applies significant judgment in estimating the likelihood of the future outcome in each case based on its own past assessments, judicial precedents and opinions of experts/legal counsels when considering whether and how much to provide or in determining the required disclosure for the potential exposure. • Due to inherent complexity and magnitude of potential exposures, we regard this as key audit matter.	Our audit procedures included the following: • Obtained and read the list of direct tax assessment/ litigations for movements from previous periods; • Read the orders passed during the year; • For appeals filed during the year, read and assessed correspondence/grounds of appeal filed by the Company; • Assessed opinions obtained by the management, from independent tax experts/counsels; • We have also involved our direct tax experts to evaluate management's assessment of possible outcome of disputes and; • Considered the disclosures in note 4.1 made in relation to these direct tax matter for compliance with disclosure requirements.

KAM as reported by the auditors of UltraTech

Key audit matters	How our audit addressed the key audit matter
Business combination - Acquisition of Ultratech Nathdwara Cement Limited (formerly Binani Cement Limited)	
• UltraTech completed the acquisition of 100% of the shares of Binani Cement Limited (BIL) through the Insolvency process vide the NCLAT order dated November 14, 2018 and accounted for this acquisition as a business combination as per Ind AS 103 with effect from November 20, 2018 by recognizing identifiable assets (including intangible assets) and liabilities (including contingent liabilities) acquired at fair value (refer note 4.12D to the consolidated Ind AS financial statements). • The measurement of the identifiable assets and liabilities acquired at fair value is inherently judgmental. • Fair value was determined by the UltraTech with the assistance of an external valuation expert using various valuation models, which were applied according to the assets and liabilities being measured. • Refer note 4.12D to the consolidated Ind AS financial statements for the details of the basis used and judgements and estimates involved in measuring the acquired assets and liabilities • Given the complexity and judgement involved in fair value measurements and magnitude of the acquisition made by the UltraTech, this is a key audit matter.	The procedures performed by the auditors, as reported by them, included the following: • Reading the documents pertaining to the acquisition to understand the key terms and conditions of the acquisition; • Assessing the competence, capabilities and objectivity of the experts engaged by the UltraTech and gaining an understanding of the work of the experts by reviewing the valuation reports; • Reviewed and challenged the reasonableness of key assumptions, purchase price allocation adjustments and the identification and valuation of acquired intangible assets based on our knowledge of the Company and the industry and; • Assessing the adequacy of the UltraTech's disclosures in respect of the acquisition in accordance with the accounting standards.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition – Discounts, incentives, rebates etc	
• Revenue is measured net of discounts, incentives, rebates etc. earned by customers on the UltraTech's sales. • Due to the UltraTech's presence across different marketing regions within the country and the competitive business environment, the estimation of the various types of discounts, incentives and rebate schemes to be recognised based on sales made during the year is material and considered to be complex and judgmental. • Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates. • Given the judgement required to estimate the amount of provisions, this is a key audit matter.	The procedures performed by the auditors, as reported by them, included the following: • Assessing the appropriateness of the UltraTech's accounting policies relating to discounts, incentives, rebates, etc by comparing with applicable accounting standards; • Assessing the design and testing the implementation and operating effectiveness of UltraTech's internal controls over the approvals, calculation, provision and disbursement of discounts, incentives and rebates; • Obtaining management's calculations for discounts, incentives and rebates accruals under applicable schemes on a sample basis and comparing the accruals made with the approved schemes; • Obtaining and inspecting, on a sample basis, supporting documentation for discounts, incentives and rebates recorded and disbursed during the year as well as credit notes issued after the year end date to determine whether these were recorded appropriately; • Comparing the historical trend of payments and reversal of discounts, incentives and rebates to provisions made to determine the appropriateness of current year provisions and; • Examining manual journals posted to discounts, rebates and incentives to identify unusual or irregular items.
Regulations - Litigations and claims	
• UltraTech operates in various States within India, exposing it to a variety of different Central and State/Local laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigations and claims. • Consequently, provisions and contingent liability disclosures may arise from direct and indirect tax proceedings, legal proceedings, including regulatory and other government/department proceedings, as well as investigations by authorities and commercial claims. • At March 31, 2019, the UltraTech's contingent liabilities was ₹ 4,646.73 Crore.	The procedures performed by the auditors, as reported by them, included the following: • Review the outstanding litigations against UltraTech for consistency with the previous years. Enquire and obtain explanations for movement during the year; • Reading the latest correspondence between UltraTech and the various tax/legal authorities and review of correspondence with legal opinions obtained by the management, from external legal advisors, where applicable, for significant matters; • Discussing the status of significant litigation with UltraTech's in-house Legal Counsel and other senior management personnel and assessing their responses;

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Regulations - Litigations and claims</td><td></td></tr>
<tr><td>Management applies significant judgement in estimating the likelihood of the future outcome in each case when considering whether, and how much, to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the highly complex nature and magnitude of the legal matters involved along with the fact that resolution of tax and legal proceedings may span over multiple years, and may involve protracted negotiation or litigation.
These estimates could change substantially over time as new facts emerge and each legal case progresses.
Given the inherent complexity and magnitude of potential exposures across UltraTech and the judgement necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.</td><td>On sample basis, examine the UltraTech's legal expenses and read the minutes of the board meetings, in order to ensure all cases have been identified;
With respect to tax matters, involving our tax specialists, and discussing with the UltraTech's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws;
Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures and;
For those matters where management concluded that no provisions should be recorded, considering the adequacy and completeness of the UltraTech's disclosures.</td></tr>
<tr><td>Subsidiaries classified as Held for Sale (KAM of Ultratech Nathdwara Cement Limited ("UNCL"), a subsidiary of UltraTech)</td><td></td></tr>
<tr><td>UNCL is in the process of entering into a sale agreement which results into loss of control of subsidiaries located in China and UAE. The assets and liabilities of these subsidiaries are classified as 'held for sale'. The same is considered as key audit matter as it involves evaluation of conditions that is required to be satisfied for classification of assets held for sale, fair valuation of assets less cost of disposal and liabilities on such classification and consequential impairment, if any, and disclosure and presentation in the financial statements.</td><td>The procedures performed by the auditors, as reported by them, included the following:
Obtained management note from UNCL management for evaluation of discontinued operations. For this purpose:
Read minutes of meetings of Board of Directors of UNCL.
Verified the Non-Disclosure Agreement entered in to by UNCL with the banker to identify prospective buyer.
Read communications between bankers and prospective buyers.
Verified that impairment loss that is recognised on initial recognition and on subsequent measurement when carrying amount exceeds its fair value less costs of disposal. For this purpose:
Obtained and relied on the audited financial statements of these subsidiaries audited by another auditor.
Obtained the valuation report of disposal group. For this purpose, we have involved our internal valuation experts to review the reasonableness of the valuer's assumptions.
Verified the disclosure and presentation of financial statement in accordance with Ind AS- 105 'Non-current Assets held for sale and discontinued operations'</td></tr>
</table>

KAM as reported by the auditors of Aditya Birla Capital Limited ("ABCL")

Key audit matters	How our audit addressed the key audit matter
Impairment of carrying value of loans and advances	
• ABCL exercises significant judgement using subjective assumptions over both when and how much to record as loan impairment, and estimation of the amount of the impairment provision for loans and advances. Because loans and advances form a major portion of the loan assets, and due to the significance of the judgments used in classifying loans and advances into various stages stipulated in Ind-AS 109 and determining related provision requirements, this audit area is considered a key audit risk.	The procedures performed by the auditors, as reported by them, included the following: • Gained understanding of the key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over these processes; • For exposures determined to be individually impaired, tested a sample of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations; and • For provision against exposures classified as Stage 1 and Stage 2, obtained an understanding of the provisioning methodology, assessed the reasonableness of the underlying assumptions and the sufficiency of the data used by the management. With respect to impairment methodology; ➢ read the Company's Ind-AS 109 based impairment provisioning policy and compared it with the requirements of Ind-AS 109; For a sample of exposures, we checked the appropriateness of the Company's staging; ➢ checked and understood the key data sources and assumptions for data used in the Expected Credit Loss (ECL) models (the Models) used by the Company to determine impairment provisions; ➢ appropriateness of determining Exposure at Default, including the consideration of prepayments and repayments in the cash flows and the resultant arithmetical calculations; ➢ checked the completeness of loans and advances included in the ECL calculations as at the period end; ➢ understood the theoretical soundness and tested the mathematical integrity of the Models; ➢ where relevant, used Information System specialists to gain comfort on data integrity; and ➢ checked consistency of various inputs and assumptions used by the management to determine impairment provisions.

Key audit matters	How our audit addressed the key audit matter
Valuation of Policy in Force	
• Provisions against life insurance contracts mainly comprise the provision for future policy benefits and the provision for outstanding claims. • Valuation of the provision for future policy benefits is necessarily dependent on a number of assumptions. Refer in particular to discount rates, mortality and morbidity assumptions, acquisition and administration expenses, and calculated lapse rates. In accordance with applicable accounting regulations, these assumptions are determined at the start of a contract and are only adjusted if there is a significant deterioration or due to experience adjustments.	The procedures performed by the auditors, as reported by them, included the following: • Reconciled the underlying data used by the Company's Appointed Actuary (the "Appointed Actuary") with the trial balance and the data obtained by us from the policy administration system to ensure completeness. • Understood from the Appointed Actuary the assumptions used and the basis for the same to evaluate these assumptions with the available peer details. • Assessed the Company's methodology for calculating the policy liabilities against recognized actuarial practices. • Obtained and reconciled the provision amount with the Appointed Actuary's certificate in this regard. • Apart from the above, determination of the following as at and for the year ended March 31, 2019 is the responsibility of the Group's Appointed Actuary/ Actuary chosen from the panel of Actuaries: • The Actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2019 in respect of subsidiary engaged in Life Insurance segment and the actuarial valuation of Claims Incurred But Not Reported (IBNR), Claims Incurred But Not Enough Reported (IBNER) and Premium Deficiency Reserve (PDR) as at March 31, 2019 in respect of subsidiary engaged in Health Insurance segment is the responsibility of the subsidiaries' Appointed Actuary/Actuary chosen from the panel of Actuaries. In their respective opinions, the assumptions for such valuation 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 charge of "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 March 31, 2019 and "Benefits Paid – Insurance Business" includes the estimate of IBNR and IBNER. These charges have been actuarially determined, based on the liabilities duly certified by the subsidiaries' Appointed Actuary/Actuary chosen from the panel of Actuary; and

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Valuation of Policy in Force</td><td></td></tr>
<tr><td></td><td>

Other adjustments for the purpose of preparation of the Statement, as confirmed by the Appointed Actuary/Actuary chosen from the panel of Actuaries by subsidiaries in the Life Insurance and Health Insurance segments are in accordance with Indian Accounting Standard 104 on Insurance Contracts:
Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts;
Valuation and Classification of Deferred Acquisition Cost and Deferred Origination Fees on Investment Contracts;
Grossing up and classification of the Reinsurance Assets; and
Liability adequacy test as at the reporting dates.
The respective auditors of these subsidiaries have relied on the certificates of the Appointed Actuary/ Actuary chosen from the panel of Actuaries in respect of above matters in forming their conclusion on the interim financial results of the said subsidiaries.

</td></tr>
<tr><td>Information Technology and General Controls</td><td></td></tr>
<tr><td>

ABCL is highly dependent on technology due to the significant number of transactions that are processed daily across multiple and discrete Information Technology ("IT") systems. The audit approach relies extensively on automated controls and therefore on the effectiveness of controls over IT systems.
IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data.
Management is in the process of implementing several remediation activities that are expected to contribute to reducing the risk over IT applications in the financial reporting process. These included implementations of Company-wide preventive and detective controls across critical applications and infrastructure. Due to the pervasive nature, in our risk assessment we have assessed the risk of a material misstatement arising from technology as significant for the audit.

</td><td>
The procedures performed by the auditors, as reported by them, included the following:

Access rights were tested over applications, operating systems and databases relied upon for financial reporting. Specifically, the tests were designed to cover the following:

New access requests for joiners were properly reviewed and authorised;
User access rights were removed/changed on a timely basis when an individual left or moved role;
Access rights to applications, operating systems and databases were periodically monitored for appropriateness; and
Highly privileged access is restricted to appropriate personnel.

Other areas that were independently assessed included password policies, security configurations, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.
We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit.

</td></tr>
</table>

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not jointly audit the financial statements and other financial information, in respect of 9 subsidiaries, whose Ind AS financial statements include total assets of ₹ 198,849.67 Crore as at March 31, 2019, and total revenues of ₹ 52,489.06 Crore and net cash inflows of ₹ 234.82 Crore for the year ended on that date. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 191.69 Crore for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of 4 associates and 4 joint ventures. These financial statement 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 Ind AS 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 report(s) of such other auditors.

(b) 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 joint venture and a subsidiary 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 joint ventures and a subsidiary 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.

(c) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 14 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 174.66 Crore as at March 31, 2019, and total revenues of ₹ 1.07 Crore and net cash outflows of ₹ 0.02 Crore 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 profit of ₹ 0.16 Crore for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of an associate and 2 joint ventures, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint 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 joint operations and associates, is based solely on such unaudited financial statement 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 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 matter' paragraph we report, to the extent applicable, that:

(a) We have relied upon 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 consolidation of the 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 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, none of the directors of the Group's companies, its associates and joint ventures incorporated in India is disqualified as on March 31, 2019 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) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid/provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us 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 jointly controlled entities, as noted in the ‘Other matter’ 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 in its consolidated Ind AS financial statements – Refer note 4.5 to the consolidated Ind AS financial statements;

   ii. The Group, its associates and joint ventures and joint operations did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

   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 and joint operations incorporated in India during the year ended March 31, 2019.

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

Akeel Master
Partner
Membership No: 46768

Mumbai
24th May 2019

For **S R B C & CO LLP**
Chartered Accountants
Firm’s Registration No: 324982E/E300003

Vijay Maniar
Partner
Membership No: 36738

Mumbai
24th May 2019

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 March 31, 2019, 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 March 31, 2019, 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, in so far as it relates to these 10 subsidiary companies, 3 associate companies and a joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint venture incorporated in India.

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

Akeel Master
Partner
Membership No: 46768

Mumbai
24th May 2019

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

Vijay Maniar
Partner
Membership No: 36738

Mumbai
24th May 2019

Consolidated Balance Sheet

as at 31st March 2019

(₹ in Crore)

	Note No.	As at 31st March 2019		As at 31st March 2018
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	2.1	49,653.70		45,434.21
Capital Work-in-Progress	2.1	2,697.86		2,256.90
Investment Property	2.1	16.11		-
Goodwill	2.2	17,970.15		16,191.81
Other Intangible Assets	2.3	8,980.45		7,631.18
Intangible Assets Under Development	2.3	36.88		33.12
Equity Accounted Investees	2.4	6,284.29		13,868.91
Financial Assets				
Investments				
- Investments of Insurance Business	2.5	15,601.37		11,951.36
- Other Investments	2.6	8,751.22		7,212.66
Assets held to cover linked liabilities of Life Insurance Business	2.7	20,234.85		21,691.73
Loans	2.8	46,351.70		37,594.05
Other Financial Assets	2.9	84.85		66.12
Deferred Tax Assets (Net)	2.10	46.95		21.42
Non-Current Tax Assets (Net)		246.17		245.78
Other Non-Current Assets	2.11	3,534.31		3,411.67
			180,490.86	167,610.92
Current Assets				
Inventories	2.12	6,545.28		5,860.36
Equity Accounted Investees	2.13	-		63.77
Financial Assets				
Investments				
- Investments of Insurance Business	2.14	931.12		1,067.81
- Other Investments	2.15	6,012.98		7,121.62
Assets held to cover linked liabilities of Life Insurance Business	2.16	4,931.49		3,017.15
Trade Receivables	2.17	6,427.03		5,202.63
Cash and Cash Equivalents	2.18	1,223.94		949.32
Bank Balances other than Cash and Cash Equivalents	2.19	651.78		366.78
Loans	2.20	17,178.17		13,512.85
Other Financial Assets	2.21	1,443.72		1,086.64
Current Tax Assets (Net)		38.71		117.95
Other Current Assets	2.22	2,232.86		1,896.34
Assets/Disposal Group held for Sale	4.4.4	1,094.73		45.94
			48,711.81	40,309.16
TOTAL			229,202.67	207,920.08

Consolidated Balance Sheet (Cont.)

as at 31st March 2019

(₹ in Crore)

	Note No.	As at 31st March 2019		As at 31st March 2018
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	2.23	131.53		131.48
Other Equity	2.24	55,641.70		57,230.37
Equity Attributable to Owners of the Company			55,773.23	57,361.85
Non-Controlling Interest			27,387.17	26,336.88
Total Equity			83,160.40	83,698.73
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	2.25	55,586.88		40,793.44
Other Financial Liabilities	2.26	348.74		196.85
			55,935.62	40,990.29
Provisions	2.27		246.16	233.26
Deferred Tax Liabilities (Net)	2.28		5,985.25	5,617.74
Policyholder's Liabilities	2.29		37,669.48	34,795.16
Other Non-Current Liabilities	2.30		86.90	62.94
Current Liabilities				
Financial Liabilities				
Borrowings	2.31	17,434.44		20,519.95
Trade Payables	2.32			
-Total Outstanding Dues of Micro Enterprises and Small Enterprises		35.84		20.25
-Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		5,740.70		5,009.43
Other Financial Liabilities	2.33	13,621.34		9,874.48
			36,832.32	35,424.11
Other Current Liabilities	2.34		4,308.50	3,612.88
Provisions	2.35		1,088.16	1,156.10
Policyholder's Liabilities	2.36		2,480.54	1,578.19
Current Tax Liabilities (Net)			920.34	750.68
Liabilities included in Disposal Group held for sale	4.4.4		489.00	-
TOTAL EQUITY AND LIABILITIES			229,202.67	207,920.08
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 **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Akeel Master
Partner
Membership No.: 46768

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

Vijay Maniar
Partner
Membership No: 36738

Mumbai
Dated: 24th May 2019

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Dilip Gaur
Managing Director
DIN: 02071393

Arun Thiagarajan
Independent Director
DIN: 00292757

Sushil Agarwal
Whole-time Director & Chief Financial Officer
DIN: 00060017

M. L. Apte
Independent Director
DIN: 00003656

Hutokshi Wadia
Company Secretary
Membership No.: 5761

B. V. Bhargava
Independent Director
DIN: 00001823

Mumbai
Dated: 24th May 2019

Consolidated Statement of Profit and Loss

for the year ended 31st March 2019

(₹ in Crore)

	Note No.	Year Ended 31st March 2019 (Current Year)		Year Ended 31st March 2018 (Previous Year)
INCOME				
Continuing Operations				
Revenue from Operations (Note 4.4.7)	3.1		72,970.64	57,033.67
Other Income	3.2		801.40	860.66
Total Income (I)			73,772.04	57,894.33
EXPENSES				
Cost of Materials Consumed	3.3	14,971.93		11,635.37
Purchases of Stock-in-Trade	3.4	1,507.01		1,060.23
Changes in Inventories of Finished Goods,				
Work-in-Progress and Stock-in-Trade	3.5	(246.69)		(84.95)
Employee Benefits Expenses	3.6	5,193.42		3,992.47
Power and Fuel		11,415.21		8,631.29
Freight and Handling Expenses		9,151.39		7,569.59
Excise Duty (Note 4.4.7)		-		1,140.17
Change in Valuation of Liability in respect of Insurance Policies		1,408.88		359.09
Benefits Paid - Insurance Business		4,553.57		3,430.28
Finance Cost relating to NBFC/HFC's Business	3.7	4,050.18		2,299.19
Other Finance Costs	3.8	1,780.56		1,363.98
Depreciation and Amortisation Expenses	2.1.2	3,260.45		2,724.36
Other Expenses	3.9	8,978.05		7,023.12
			66,023.96	51,144.19
Less: Captive Consumption of Cement			30.76	44.89
Total Expenses (II)			65,993.20	51,099.30
Profit from Continuing Operations Before Share in Profit/(Loss) of			7,778.84	6,795.03
Equity Accounted Investees, Exceptional Items and Tax				
Share in Profit/(Loss) of Equity Accounted Investees			29.06	(727.44)
Profit from Continuing Operations Before Tax and Exceptional Items			7,807.90	6,067.59
Exceptional Items	3.10		(2,574.52)	(432.85)
Profit from Continuing Operations Before Tax			5,233.38	5,634.74
Tax Expense of Continuing Operations	3.11			
Current Tax		2,357.97		1,831.69
Provision for Tax of Earlier Years Written Back		(15.51)		(97.86)
Deferred Tax		114.97		213.29
Total Tax Expense			2,457.43	1,947.12
Profit for the Year from Continuing Operations (III)			2,775.95	3,687.62
Discontinued Operations				
Profit before tax from discontinued operations			54.94	-
Tax expenses of discontinued operations			(15.31)	-
Less: Impairment of assets classified as held for sale			(39.63)	-
Profit for the Year from discontinued Operations (IV)			-	-
Profit for the Year (V = III + IV)			2,775.95	3,687.62
Other Comprehensive Income	3.12			
A (i) Items that will not be reclassified to Profit or Loss		(2,697.45)		(147.44)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(28.26)		(55.97)
B (i) Items that will be reclassified to Profit or Loss		(77.38)		(62.51)
(ii) Income tax relating to items that will be reclassified to Profit or Loss		16.63		(10.73)
Other Comprehensive Income for the Year (VI)			(2,786.46)	(276.65)
Total Comprehensive Income for the Year (V + VI)			(10.51)	3,410.97

Consolidated Statement of Profit and Loss (Cont.)

for the year ended 31st March 2019

(₹ in Crore)

	Note No.	Year Ended 31st March 2019 (Current Year)	Year Ended 31st March 2018 (Previous Year)
Profit from Continuing Operations Attributable to:			
Owners of the Company		**1,771.92**	2,678.58
Non-Controlling interest		**1,004.03**	1,009.04
		2,775.95	3,687.62
Profit Attributable to:			
Owners of the Company		**1,771.92**	2,678.58
Non-Controlling interest		**1,004.03**	1,009.04
		2,775.95	3,687.62
Other Comprehensive Income Attributable to:			
Owners of the Company		**(2,826.72)**	(166.05)
Non-Controlling interest		**40.26**	(110.60)
		(2,786.46)	(276.65)
Total Comprehensive Income Attributable to:			
Owners of the Company		**(1,054.80)**	2,512.53
Non-Controlling interest		**1,044.29**	898.44
		(10.51)	3,410.97
Earnings Per Equity Share (Face Value ₹ 2 each)- Continuing Operations	3.15		
Basic (₹)		**26.96**	44.22
Diluted (₹)		**26.94**	44.17
Earnings Per Equity Share (Face Value ₹ 2 each)- Discontinued Operations			
Basic (₹)		-	-
Diluted (₹)		-	-
Earnings Per Equity Share (Face Value ₹ 2 each)- Continuing & Discontinued Operations	3.15		
Basic (₹)		**26.96**	44.22
Diluted (₹)		**26.94**	44.17
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

Akeel Master
Partner
Membership No.: 46768

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

Vijay Maniar
Partner
Membership No: 36738

Dilip Gaur
Managing Director
DIN: 02071393

Arun Thiagarajan
Independent Director
DIN: 00292757

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN: 00060017

M. L. Apte
Independent Director
DIN: 00003656

Hutokshi Wadia
Company Secretary
Membership No.: 5761

B. V. Bhargava
Independent Director
DIN: 00001823

Mumbai
Dated: 24th May 2019

Mumbai
Dated: 24th May 2019

Consolidated Statement of Changes in Equity

for the year ended 31st March 2019

A. EQUITY SHARE CAPITAL

For the year ended 31st March 2019 (₹ in Crore)

Balance as at 1st April 2018	Changes in Equity Share Capital during the year (Note 2.23.4)	Balance as at 31st March 2019
131.48	0.05	131.53

For the year ended 31st March 2018 (₹ in Crore)

Balance as at 1st April 2017	Changes in Equity Share Capital during the year (Note 2.23.4)	Balance as 31st March 2018
93.37	38.11	131.48

B. OTHER EQUITY

(₹in Crore)

	Attributable to Owners of the Company																
	Equity Component of Other Financial Instruments	Reserves and Surplus									Other Comprehensive Income (OCI)				Total	Non-Controlling Interest	Total Equity
		Capital Reserve	Legal Reserve	Securities Premium Reserve	General Reserve	Debenture Redemption Reserve	Special Reserve Fund	Treasury Shares held by ESOP Trust	Retained Earnings	Employee Share Options Outstanding	Debt Instruments through OCI	Equity Instruments through OCI	Hedging Reserve	Foreign Currency Translation Reserve			
Current Year																	
Opening Balance as at 1st April 2018	3.00	127.33	1.10	24,347.27	26,649.19	273.51	80.85	-	3,453.58	124.59	(36.00)	1,980.19	52.73	173.03	57,230.37	26,336.88	83,567.25
Profit for the Year	-	-	-	-	-	-	-		1,771.92	-	-	-	-	-	1,771.92	1,004.03	2,775.95
Other Comprehensive Income for the Year (Refer Note 3.12)	-	# 24.03	-	-	-	-	-		@ (7.37)		7.53	(2,761.73)	(73.73)	(15.45)	(2,826.72)	40.26	(2,786.46)
Total Comprehensive Income for the Year	-	**24.03**	-	-	-	-	-		**1,764.55**	-	**7.53**	**(2,761.73)**	**(73.73)**	**(15.45)**	**(1,054.80)**	**1,044.29**	**(10.51)**
Acquisition of Minority stake in Aditya Birla Solar Limited		0.17							0.04						0.21	(0.27)	(0.06)
Gain on sale of non-current investment transferred to Retained Earnings from Equity instrument through OCI	-	-	-	-	-	-	-		21.39	-		(21.39)	-	-	-	-	-
Treasury Shares held by ESOP Trust	-	-	-		-	-	-	(160.63)	-	-	-	-	-	-	(160.63)	(32.32)	(192.95)
Transaction cost on cancellation of shares in UltraTech Nathdwara Cement Limited (UNCL)	-	-	-		-	-	-		(0.90)	-	-	-	-	-	(0.90)	(0.60)	(1.50)
Subvention money received in Subsidiary books	-		-	-	-	-	-		4.44	-	-	-	-	-	4.44	11.11	15.55
Transfer from Retained Earnings to General Reserve	-	-	-	-	1,084.98	-	-		(1,084.98)	-	-	-	-	-	-	-	-
Transfer from Retained Earnings to Special Reserve Fund	-	-	-	-	-	-	107.47		(107.47)	-	-	-	-	-	-	-	-
Transfer from Debenture Redemption reserve to Retained Earnings	-	-	-	-		(60.20)	-		60.20	-	-	-	-	-	-	-	-

Consolidated Statement of Changes in Equity (Cont.)

for the year ended 31st March 2019

(₹in Crore)

	Attributable to Owners of the Company																
		Reserves and Surplus									Other Comprehensive Income (OCI)						
	Equity Component of Other Financial Instruments	Capital Reserve	Legal Reserve	Securities Premium Reserve	General Reserve	Debenture Redemption Reserve	Special Reserve Fund	Treasury Shares held by ESOP Trust	Retained Earnings	Employee Share Options Outstanding	Debt Instruments through OCI	Equity Instruments through OCI	Hedging Reserve	Foreign Currency Translation Reserve	Total	Non-Controlling Interest	Total Equity
Transfer from Retained Earnings to Debenture Redemption Reserve	-	-	-	-	-	108.91	-		(108.91)	-	-	-	-	-	-	-	-
Idea Cellular Limited not consolidated as an Associate w.e.f. 31st August 2018 post merger with Vodafone India Limited and Vodafone Mobile Services Limited				(632.17)	1.75	(6.25)			636.67						-	-	-
Employee Stock Options excercised	-	-	-	18.74	-	-	-		0.05	(9.17)	-	-	-	-	9.62	4.72	14.34
Employee Stock Options granted (net of lapses)	-	-	-		-	-	-			112.55	-	-	-	-	112.55	-	112.55
Dividend (including Dividend Distribution Tax of ₹107.36 Crore) pertaining to FY 2017-18	-	-	-	-	-	-	-		(491.50)	-	-	-	-	-	(491.50)	(138.36)	(629.86)
Dividend paid to Non-Controlling Interest by a Subsidiary Company																(9.21)	(9.21)
Issue of equity shares to Non-Controlling Interest	-	-	-	-	-	-	-		-	-	-	-	-	-	-	159.00	159.00
Non-Controlling Interest arising on acquisition of controlling stake in Joint Venture Companies	-	-	-	-	-	-	-		-	-	-	-	-	-	-	5.86	5.86
Stake dilution in Subsidiary Companies		(0.01)	-	(0.01)	(5.35)	(0.03)	(0.01)		(0.57)		0.01	-	(0.01)	(0.01)	(5.99)	5.99	-
Other Movement during the year in Joint Venture and Associate Companies	-	-	(0.34)	-	(1.33)	-	-	-	-	-	-	-	-	-	(1.67)	0.08	(1.59)
Closing Balance as at 31st March 2019	**3.00**	**151.52**	**0.76**	**23,733.83**	**27,729.24**	**315.94**	**188.31**	**(160.63)**	**4,146.59**	**227.97**	**(28.46)**	**(802.93)**	**(21.01)**	**157.57**	**55,641.70**	**27,387.17**	**83,028.87**

Refer note 4.12 F

@ Represents remeasurement of defined benefit plan.

Consolidated Statement of Changes in Equity (Cont.)

for the year ended 31st March 2019

(₹in Crore)

	Attributable to Owners of the Company															Non-Controlling Interest	Total Equity
		Reserves and Surplus									Other Comprehensive Income (OCI)						
	Equity Component of Other Financial Instruments	Capital Reserve	Legal Reserve	Securities Premium Reserve	General Reserve	Debenture Redemption Reserve	Special Reserve Fund	Treasury Shares held by ESOP Trust	Retained Earnings	Employee Share Options Outstanding	Debt Instruments through OCI	Equity Instruments through OCI	Hedging Reserve	Foreign Currency Translation Reserve	Total		
Previous 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	41.73	8.49	2,195.18	39.01	121.60	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	-		-	13.77	-	-	(4.33)	-	132.77	5,152.18	5,284.95
Adjustment on Demerger of financial Service 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 acquistion 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 (Refer Note 3.12)	-	-	-	-	-	-	-		@ 15.78	-	(44.49)	(206.82)	18.05	51.43	(166.05)	(110.60)	(276.65)
Total Comprehensive income for the year	-	-	-	-	-	-	-		2,694.36	-	(44.49)	(206.82)	18.05	51.43	2,512.53	898.44	3,410.97
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 Debenture Redemption reserve to General Reserve/Retained Earnings	-	-	-	-	75.00	(112.63)	-		37.63	-	-	-	-	-	0.00	-	0.00
Transfer from Retained Earnings to Debenture Redemption Reserve	-	-	-	-	-	111.31	-		(111.31)	-	-	-	-	-	-	-	-
Transfer from Retained Earnings to Legal Reserve	-	-	0.32	-	-	-	-		(0.32)	-	-	-	-	-	-	-	-

Consolidated Statement of Changes in Equity (Cont.)

for the year ended 31st March 2019

(₹in Crore)

	Attributable to Owners of the Company																
		Reserves and Surplus									Other Comprehensive Income (OCI)						
	Equity Component of Other Financial Instruments	Capital Reserve	Legal Reserve	Securities Premium Reserve	General Reserve	Debenture Redemption Reserve	Special Reserve Fund	Treasury Shares held by ESOP Trust	Retained Earnings	Employee Share Options Outstanding	Debt Instruments through OCI	Equity Instruments through OCI	Hedging Reserve	Foreign Currency Translation Reserve	Total	Non-Controlling Interest	Total Equity
Transfer to General Reserve on account of lapse of vested options	-	-	-	-	0.73	-	-		-	(0.89)	-	-	-	-	(0.16)	0.16	-
Employee Stock Options excercised	-	-	-	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 inJoint Venture Companies)	-	-	-	-	1.80	(0.06)	-		(1.90)	-	-	-	-	-	(0.16)	6.47	6.31
Closing Balance as at 31st March 2018	3.00	127.33	1.10	24,347.27	26,649.19	273.51	80.85	-	3,453.58	124.59	(36.00)	1,980.19	52.73	173.03	57,230.37	26,336.88	83,567.25

@ 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

Akeel Master
Partner
Membership No.: 46768

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

Vijay Maniar
Partner
Membership No: 36738

Mumbai
Dated: 24th May 2019

For and on behalf of the Board of Directors of
GRASIM INDUSTRIES LIMITED
CIN-L17124MP1947PLC000410

Dilip Gaur
Managing Director
DIN: 02071393

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN: 00060017

Hutokshi Wadia
Company Secretary
Membership No.: 5761

Arun Thiagarajan
Independent Director
DIN: 00292757

M. L. Apte
Independent Director
DIN: 00003656

B. V. Bhargava
Independent Director
DIN: 00001823

Mumbai
Dated: 24th May 2019

Consolidated Cash Flow Statement

for the year ended 31st March 2019

(₹ in Crore)

		Current Year		Previous Year
A.	**Cash Flow from Operating Activities**			
(a)	**Profit Before Tax after Exceptional Items and before Share in Profit/(Loss) of Equity Accounted Investees**	**5,204.32**		6,362.18
	Adjustments for:			
	Exceptional Items (Note 3.10)	**2,574.52**		432.85
	Depreciation and Amortisation	**3,260.45**		2,724.36
	Finance Costs	**1,780.56**		1,363.98
	Interest Income	**(174.88)**		(122.21)
	Dividend Income	**(86.48)**		(58.43)
	Employee Stock Option and Stock Appreciation Right Expenses	**117.50**		78.71
	Loss Allowance (Net)	**12.97**		40.76
	Provision for Mines Restoration	**(6.69)**		30.53
	Change in valuation of liabilities in respect of Insurance Policies in force	**1,408.88**		359.09
	Impairment on financial instruments including loss on derecognition of financial assets at amortised cost (Expected Credit Loss)	**322.62**		116.51
	Excess Provision written back (Net)	**(50.91)**		(136.88)
	(Profit)/Loss on Sale of Property, Plant & Equipment (Net)	**12.95**		17.79
	Profit on Sale of Investments (Net)	**(159.49)**		(130.05)
	Profit on Sale of Investments routed through OCI	-		5.24
	Unrealised Gain and fair value adjustments on Investments measured at Fair Value through Profit and Loss (Net)	**(403.93)**		(563.82)
	Fair Value Movement in Derivative Instruments	**(30.07)**		(3.07)
	Fair value adjustments to Borrowings	**(52.50)**		(59.40)
	Other Non-Cash Items	**24.17**		(1.87)
(b)	**Operating profit Before Working Capital Changes**	**13,753.99**		10,456.27
	Adjustments for:			
	Trade Receivables	**(1,305.74)**		(757.86)
	Loans of Financing Business	**(11,643.53)**		(11,295.47)
	Financial and Other Assets	**(1,387.83)**		(655.62)
	Inventories	**(580.17)**		(751.26)
	Trade Payables and Other Liabilities	**1,765.64**		856.25
	Investment of Life Insurance Policy holders	**(1,183.65)**		(292.64)
(c)	**Cash (Used in)/Generated from Operations**	**(581.29)**		(2,440.33)
	Direct Taxes Paid (Net of Refund)	**(1,873.53)**		(1,699.57)
	Net Cash used in Operating Activities		**(2,454.82)**	(4,139.90)
B.	**Cash Flow from Investing Activities**			
	Purchase of Property, Plant and Equipment (Note v below)	**(4,083.44)**		(3,288.71)
	Acquisition of Rights to manage and operate Century Rayon business	-		(903.31)
	Proceeds from Disposal of Property, Plant and Equipment	**166.67**		242.97
	Acquisition of Equity Shares in Subsidiaries	**(35.07)**		
	Investments in Grasim Premium Fabrics Private Limited (earlier known as Soktas (India) Private Limited) (wholly owned Subsidiary)	**(123.98)**		-
	Investments in Joint Ventures and Associates	**(95.22)**		(138.48)

Consolidated Cash Flow Statement (Cont.)

for the year ended 31st March 2019

(₹ in Crore)

	Current Year		Previous Year
Sale of Mutual Fund Units and Bonds (Non- Current)	4,458.56		5,721.12
Purchase of Mutual Fund Units and Bonds (Non-Current)	(2,007.42)		(3,983.83)
Proceeds from (Purchase)/Sale of Investments and Shareholders' Investment of Life Insurance Business(Current) {Net}	(404.48)		645.09
Proceeds from Sale of Non-Current Equity Investments (Subsidiary)	0.07		6.26
Proceeds from sale of Non-Current Equity Investment (Joint Venture)	35.67		-
Purchase of other Non-Current Investment	(60.66)		-
Proceeds from Sale of other Non-Current Investment	81.34		-
Investment in Treasury Shares held by ESOP Trust	(187.99)		-
Investment in Other Bank Deposits	(266.57)		2,018.34
Expenditure for Cost of Assets Transferred	(52.32)		(143.13)
Loans and Advances given to Joint Ventures and Associates	(35.00)		(55.15)
Receipt against Loans and Advances given to Joint Ventures and Associates	35.00		85.85
Inter-Corporate Deposits	(31.88)		16.29
Interest Received	202.69		123.11
Dividend Received [includes dividend from Associate and Joint Venture ₹ 153 Crore (previous year ₹104.92 Crore)]	217.03		163.34
Net Cash (used in)/from Investing Activities		**(2,187.00)**	509.76
C. Cashflow from Financing Activities			
Proceeds from Issue of Share Capital (including shares issued by Subsidiary Company to Non-controlling Interest)	180.19		85.98
Transaction cost on cancellation of equity shares of a Subsidiary Company and share Issue Expenses	(1.92)		(3.29)
Proceeds from Non-Current Borrowings	31,195.21		23,270.67
Repayments of Non-Current Borrowings	(21,016.02)		(9,981.32)
Proceeds/(Repayments) of Current Borrowings (Net)	(3,137.44)		2,688.20
Repayment of Borrowings transferred from Jaiprakash Associates Limited (JAL) and Jaypee Cement Corporation Limited (JCCL), pursuant to pursuant to scheme of Arrangement	-		(10,686.55)
Interest paid	(1,715.01)		(1,349.94)
Dividend paid to Non-Controlling Interest	(9.21)		-
Dividends Paid (including Corporate Dividend Tax)	(625.60)		(574.68)
Net Cash from Financing Activities		**4,870.20**	3,449.07
D. Net Increase/(Decrease) in Cash and Cash Equivalents		**228.38**	(181.07)
Cash and Cash Equivalents at the Beginning of the Year (Note 2.18)		**949.32**	93.82
Add:			
Effect of Exchange Rate on Consolidation of Foreign Subsidiaries		**0.41**	4.19
Cash and Cash Equivalents Received on merger of erstwhile ABNL {Note 4.12(A)}		**-**	1,032.61
Cash and Cash Equivalents Received on acquisition of UNCL {Note 4.12 (D)}		**38.52**	-
Cash and Cash Equivalents Received on acquisition of controlling Stake in ABREL and ABSL {Note 4.12 (F)}		**7.31**	-
Cash and Cash Equivalents transferred on divestment of GBTL		**-**	(0.23)
Cash and Cash Equivalents at the End of the Year (Note 2.18)		**1,223.94**	949.32

Consolidated Cash Flow Statement (Cont.)

for the year ended 31st March 2019

Notes:

(i) Cash Flow Statement has been prepared as per the indirect method set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013

(ii) Change in liabilities arising from financing activities :

Particulars	As at 31st March 2018	Cashflows	Non-Cash Changes		As at 31st March 2019
			Fair value adjustments (including foreign exchange rate movements)	Others on account of acquisition and Divestment of Subsidiaries	
Non-Current Borrowing (including current maturities of Non-Current Borrowing)	46,549.86	10,179.19	124.28	7,681.05	**64,534.38**
Current Borrowing	20,519.95	(3,137.44)	(6.30)	58.23	**17,434.44**
	67,069.81	7,041.75	117.98	7,739.28	**81,968.82**

(iii) 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 outlflow as the Company issued equity shares of the Company to the Shareholders of erstwhile ABNL in terms of the Scheme.

(iv) The scheme of Arrangement between JAL, JCCL and the Company does not involve any cash outflow and the consideration has been discharged through issue of debentures and preference shares.

(v) Purchase of Property, Plant and Equipment includes movements of Capital work-in-progress (Including Capital Advances) and Capital Expenditure Creditors during the year.

In terms of our report on even date attached

For 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

Akeel Master
Partner
Membership No.: 46768

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

Vijay Maniar
Partner
Membership No: 36738

Dilip Gaur
Managing Director
DIN: 02071393

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN: 00060017

Hutokshi Wadia
Company Secretary
Membership No.: 5761

Arun Thiagarajan
Independent Director
DIN: 00292757

M. L. Apte
Independent Director
DIN: 00003656

B. V. Bhargava
Independent Director
DIN: 00001823

Mumbai
Dated: 24th May 2019

Mumbai
Dated: 24th May 2019

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

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, Epoxy and allied Chemicals), Cement, Financial Services and Others (Insulators, Textiles, Fertilisers and Solar Power).

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 24th May 2019.

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:

i. Derivative Financial Instruments measured at fair value (covered under para 1.25);

ii. Certain financial assets and liabilities at fair value (refer accounting policy regarding financial instruments (covered under para 1.27);

iii. Assets held for disposal - measured at the lower of its carrying amount and fair value less costs to sell;

iv. Employee's Defined Benefit Plan as per actuarial valuation; and

v. Assets and liabilities acquired under Business Combination measured at fair value

vi. Employee share based payments measured at fair value

On account of the regulatory restrictions on transfer of surplus/funds from the life insurance fund to shareholders, no proportion of the surplus relating to life insurance fund (including in respect of contracts without discretionary participating features) arising out of the adjustments due to application of Ind AS principles can be attributed to shareholders. Therefore, the differences arising from the application of the Ind AS principles to the assets and liabilities of the life insurance fund be retained within the "Life Insurance Policyholders' Fund".

Further all income and expenses pertaining to the life insurance fund have been clubbed with respective income and expenses. Assets and Liabilities of Life Insurance fund have been clubbed with respective Assets and Liabilities.

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)

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

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

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 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 Other 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

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value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in other equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in other 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 other 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

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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.

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.

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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 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
7.	Computer and other Hardwares	3 years
8.	General Laboratory Equipment	10 years
9.	Railway Sidings	15 years
10.	Carpeted Roads-Reinforced Cement	10 years
	Concrete (RCC)	
	Carpeted Roads-other than RCC	5 years
	Non-Carpeted Roads	3 Years
11.	Fences, Wells, Tube Wells	5 Years

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 Assets	Useful Life as Prescribed by Schedule II of 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 Building	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 Assets	Estimated Useful Life of the Assets
1.	Computer Software	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 (proportion of material extracted per annum to total mining reserve)

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S. No.	Nature of 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	3 Years

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:

a) The technical feasibility of completing the asset so that it can be made available for use or sell.

b) The Group has intention to complete the asset and use or sell it.

c) In case of intention to sale, the Group has the ability to sell the asset.

d) The future economic benefits are probable.

e) 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 (or disposal groups) Classified as Held for sale:

To classify any Asset or disposal groups (comprising assets and liabilities) as "Asset/Disposal groups held for sale" they must be available for immediate sale and its sale must be highly probable. Such assets or group of assets/liabilities are presented separately in the Balance Sheet, in the line "Assets/ Disposal groups held for sale" and "Liabilities included in disposal group held for sale" respectively. Once classified as held for sale, intangible assets and PPE are no longer amortised or depreciated.

Such assets or disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

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,

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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.

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.

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Cost of finished goods and work-in-progress includes cost of raw material, cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in-progress 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.

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 in the statement of profit and loss except with respect to life insurance business which relates to restricted life insurance fund relating to Revenue Account of Life Insurance Policyholders, the same has been transferred under "Life insurance contract liabilities and other financial liabilities of the life insurance fund" in the Balance Sheet and the same will not be reclassified to revenue account of insurance business. 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 employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured using the projected unit credit method by a qualified independent actuary at the end of each annual reporting period, at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. Remeasurement gains/losses are recognised in the Statement of Profit and Loss in the period in which they arise.

1.21 Employee Share based Payments:

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 and Binomial 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 a systematic 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 other equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

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 other 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.

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1.22 Treasury Shares:

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the Employee stock option scheme. The EBT purchase shares of the Company from the market, for giving shares to employees. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued or sold, is recognised in capital reserve. Share options exercised during the reporting period are settled with treasury shares.

1.23 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
- 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.

1.24 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 other 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.

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1.25 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.

Amounts previously recognised in other comprehensive income and accumulated in other 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 other equity at that time remains in other 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 other equity is recognised immediately in Statement of Profit and Loss.

1.26 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.

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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, 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 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.

1.27 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.

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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.

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 on the principal 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 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.

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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, except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Life insurance contract liabilities and other financial liabilities of the life insurance fund" in the Balance Sheet.

Equity Investments

Investment in Associates and Joint ventures are out of scope of Ind AS 109 and it is accounted as per Ind AS 28.

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 of profit or loss 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, except for changes with respect to Policyholders' investments under the life insurance business (except for assets held to cover linked liabilities) relating to Revenue Account of Life Insurance Policyholders, wherein the fair value movements are included under "Life insurance contract liabilities and other financial liabilities of the life insurance fund" in the Balance Sheet.

Impairment of Financial Assets:

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently for credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group's policy is always to measure loss allowances for lease receivables as lifetime ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down; and
- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in Statement of Profit and Loss. A favorable change for such assets creates an impairment gain.

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Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Low Tribunal (NCLT), which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

Significant increase in credit risk

The Group monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets, issued irrevocable loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the probability of default (PD) will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI
- change in currency or change of counterparty
- the extent of change in interest rates, maturity, covenants
- If these do not clearly indicate a substantial modification, then;

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

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Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. 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 a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in the Statement of Profit and Loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the Statement of Profit and Loss.

Write off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Presentation of allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the Balance Sheet as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the Balance Sheet as the carrying amount is at fair value.

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Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component.

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 as 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 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.

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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 though 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.

1.28 Revenue Recognition:

(a) Revenue from Contracts with Customers

- Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.
- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, incentives, volume rebates, outgoing taxes on sales. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods.

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- Variable consideration - This includes incentives, volume rebates, discounts etc. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.
- Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

(b) Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of Service Tax or Goods and Service Tax (GST).

(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 customer. 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 in 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) 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.

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.

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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.

Income from items other than to which Ind AS 109 Financial Instruments and Ind AS 104 Insurance contracts are applicable

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

1.29 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.

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1.30 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.

1.31 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.

1.32 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.

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.

1.33 Re-insurance Assets:

Reinsurance Asset, being net contractual rights receivable under re-insurance contract, has been recognised on the basis of Actuarial valuation.

1.34 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.

1.35 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.

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1.36 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 in the Statement of Profit and Loss 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.

1.37 Exceptional Items:

Exceptional items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of Financial Statements to understand the impact in a more meaningful manner Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

1.38 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 of statement of profit and loss, is recognised outside profit or loss (either in Other Comprehensive Income or in other equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in other 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.

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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.

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

1.39 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.

1.40 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 as an expense in the statement of profit and loss 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.

1.41 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.

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1.42 Discontinued Operations:

A discontinued operation is a component of the group's business, the operations and cashflows of which can be clearly distinguished from those of the rest of the group and which represent a separate major line of business or geographical area of operations and

- Is a part of single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative Statement of Profit and Loss is represented as if the operation had been discontinued from the start of the comparative period.

1.43 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.

1.44 Earnings Per Share (EPS):

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders 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.

1.45 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 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.

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(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 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, these entities have been consolidated 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.

Non - Classification of Awam Minerals LLC, Oman (AWAM) as an Associate:

During the previous 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.

i. Useful Lives of Property, Plant and Equipment & Intangible Assets:

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

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periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

ii. **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.

iii. **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.

iv. **Recognition of Deferred Tax Assets:**

Availability of future taxable profit against which the tax losses carried forward can be used.

v. **Recognition and Measurement of Provisions and Contingencies:**

Key assumptions about the likelihood and magnitude of an outflow of resources.

vi. **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.

vii. **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-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 4.5.

viii. **Disposal Groups:**

The Company has used comparable market multiple approach of to assess the fair value of the disposal group of assets/liability.

Under the market multiple approach value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifested through stock market valuations of listed companies for which the Company has considered Enterprise Value/Revenue and Enterprise value/EBITDA multiples based on their market price and latest published financials.

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ix. Litigation and Contingencies:

The Company has ongoing litigations with various regulatory authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

x. Assessment of Impairment of investments in Equity Accounted Investees:

The Company reviews its carrying value of investments in Equity Accounted Investees annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. Determining whether the investments in equity accounted investees is impaired requires an estimate in the value in use of investments. The Management carries out impairment assessment for each investment by comparing the carrying value of each investment with the net worth of each company based on audited financials and comparing the performance of the investee companies with projections used for valuations, in particular those relating to the cash flows, sales growth rate, pre-tax discount rate and growth rates used and approved business plans.

xi. Impairment of Non-Current Assets (non-financial):

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash- generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. 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 risk specific to the assets for which the estimates of future cash flows have not been adjusted. 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 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, so that the increased carrying amount does not exceed the carrying amount that would have been determined has no impairment loss been recognised for the asset (or cash-generating unit) earlier.

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 that the asset may be impaired.

xii. Impairment of Financial Assets:

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a. The Company's internal credit grading model, which assigns PDs to the individual grades

b. The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment

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c. The segmentation of financial assets when their ECL is assessed on a collective basis

d. Development of ECL models, including the various formulas and the choice of inputs

e. Determination of associations between macroeconomic scenarios and, economic inputs, such as

f. unemployment levels and collateral values, and the effect on PDs, EADs and LGDs

g. Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

xiii. Business Combination:

For the purpose of accounting of
business combination, following key judgements are made:

(a) 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 post tax cashflows 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.

(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 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 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.

(d) Fair Valuation of Current Assets and Liabilities:

The Current Assets and Liabilities are taken at fair value on the date of acquisition.

1.46 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 other equity.

Notes

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2.1 (A) PROPERTY, PLANT AND EQUIPMENT (PPE)

(₹ in Crore)

	Gross Block									Depreciation/Amortisation							Net Block
	As at 1st April 2018	Additions on acquisition of UNCL (refer Note 4.12D)	Addition on Acquisition of Solar Business (refer Note 4.12F)	Addition on Acquisition of Soktas (refer Note 4.12G)	Additions	Translation Difference Add/(Less)	Divestment of AB, Belgium [Note 3.2.1]	Deductions/ Adjustments/ held for disposal	As at 31st March 2019	As at 1st April 2018	For the Year	Translation Difference Add/(Less)	Divestment of AB, Belgium [Note 3.2.1]	Impairment	Deductions/ Adjustments/ held for disposal	As at 31st March 2019	As at 31st March 2019
Current Year ended 31st March 2019																	
Tangible Assets *																	
Freehold Land	6,244.85	297.60	44.62	-	204.63	0.51	-	0.14	**6,792.07**	-	-	-	-	-	-	-	**6,792.07**
Leasehold Land #	1,341.15	135.43	-	3.21	80.28	(0.09)	-	127.63	**1,432.35**	58.38	53.19	(0.07)	-	-	7.12	**104.38**	**1,327.97**
Leasehold Improvements	22.51	-	-	-	8.70	-	-	2.45	**28.76**	5.28	7.41	-	-	-	2.34	**10.35**	**18.41**
Buildings-own	5,842.02	96.40	13.16	-	338.09	8.11	-	59.30	**6,238.48**	613.31	243.02	0.61	-	-	3.74	**853.20**	**5,385.28**
Leasehold Buildings	34.42	-		51.03	-	-	-	** 16.87	**68.58**	0.59	0.34	-	-	-	** 0.33	**0.60**	**67.98**
Plant and Equipment	-									-							
Own	36,590.52	2,263.72	416.37	22.85	2,835.25	79.71	(3.47)	77.27	**42,127.68**	5,003.73	2,228.18	8.63	(2.37)	-	70.79	**7,167.38**	**34,960.30**
Given on Lease	142.38	-	-	-	-	-	-	0.64	**141.74**	37.39	10.06	-	-	-	-	**47.45**	**94.29**
Furniture and Fixtures	143.90	1.19	-	0.10	37.86	0.57	-	3.10	**180.52**	66.76	28.12	0.28	-	-	2.73	**92.43**	**88.09**
Vehicles	232.53	0.29	-	0.25	60.15	0.18	-	23.13	**270.27**	90.13	43.27	0.09	-	-	13.65	**119.84**	**150.43**
Office Equipment	272.02	3.04	-	0.05	80.02	(0.07)	-	19.58	**335.48**	121.05	57.89	(0.06)	-	-	17.70	**161.18**	**174.30**
Salt Pans, Reservoir and Condensers	7.41	-	-	-	-	-	-	-	**7.41**	7.04	-	-	-	-	-	**7.04**	**0.37**
Railway Sidings	672.55	36.11	-	-	39.80	-	-	0.02	**748.44**	108.39	45.84	-	-	-	-	**154.23**	**594.21**
Total Tangible Assets	**51,546.26**	**2,833.78**	**474.15**	**77.49**	**3,684.78**	**88.92**	**(3.47)**	**330.13**	**58,371.78**	**6,112.05**	**2,717.32**	**9.48**	**(2.37)**	**-**	**118.40**	**8,718.08**	**49,653.70**
Capital Work-in-Progress (including Pre-Operative Expenses)																	**2,697.86**
																Total PPE	**52,351.56**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

	Gross Block									Depreciation/Amortisation							Net Block
	As at 1st April 2017	Addition on Acquisition of JAL and JCCL(refer Note 4.12C)	Additions on Merger of ABNL (refer Note 4.12A)	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 3.10(v)]	Deductions/ Adjustments/ held for disposal	As at 31st March 2018	As at 1st April 2017	For the Year	Translation Difference Add/(Less)	Divestment of AB, Belgium [Note 3.2.1]	Impairment	Deductions/ Adjustments/ held for disposal	As at 31st March 2018	As at 31st March 2018
Previous Year ended 31st March 2018																	
Tangible Assets *																	
Freehold Land	3,734.44	1,795.74	628.01	-	141.30	(0.15)	(0.16)	54.33	**6,244.85**	-	-	-	-	-	-	-	**6,244.85**
Leasehold Land #	387.93	656.08	251.50	-	51.80	(0.03)	-	6.13	**1,341.15**	28.84	32.54	(0.02)	-	-	2.98	**58.38**	**1,282.77**
Leasehold Improvements	1.89	-	12.13	-	8.88	-	-	0.39	**22.51**	0.72	4.95	-	-	-	0.39	**5.28**	**17.23**
Buildings-own	3,792.04	1,388.03	392.61	-	306.55	0.01	(13.78)	23.44	**5,842.02**	397.99	221.04	-	(1.24)	-	4.48	**613.31**	**5,228.71**
Leasehold Buildings	-	-	34.42	-	-	-	-	-	**34.42**	-	0.59	-	-	-	-	**0.59**	**33.83**
Plant and Equipment																-	
Own	26,212.61	7,747.57	1,402.58	-	1,503.86	2.43	(84.05)	@194.48	**36,590.52**	3,087.49	1,940.00	0.50	(22.44)	30.43	32.25	**5,003.73**	**31,586.8**
Given on Lease	143.43	-	-	-	-	-	-	1.05	**142.38**	28.83	8.56	-	-	-	-	**37.39**	**104.99**
Furniture and Fixtures	102.74	2.19	12.77	-	28.72	-	(1.08)	1.44	**143.90**	43.54	25.17	0.01	(0.53)	-	1.43	**66.76**	**77.14**
Vehicles	159.39	13.19	21.20	-	50.56	(0.06)	(0.62)	11.13	**232.53**	52.45	43.16	(0.02)	(0.31)	-	5.15	**90.13**	**142.40**
Office Equipment	169.57	6.25	33.47	-	68.04	(0.03)	(0.99)	4.29	**272.02**	80.57	44.53	(0.02)	(0.64)	-	3.39	**121.05**	**150.97**
Salt Pans, Reservoir and Condensers	7.41	-	-	-	-	-	-	-	**7.41**	7.04	-	-	-	-	-	**7.04**	**0.37**
Railway Sidings	459.82	80.64	0.29	-	131.80	-	-	-	**672.55**	68.12	40.27	-	-	-	-	**108.39**	**564.16**
Total Tangible Assets	**35,171.27**	**11,689.69**	**2,788.98**	**-**	**2,291.51**	**2.17**	**(100.68)**	**296.68**	**51,546.26**	**3,795.59**	**2,360.81**	**0.45**	**(25.16)**	**30.43**	**50.07**	**6,112.05**	**45,434.21**
Capital Work-in-Progress (including Pre-Operative Expenses)																	**2,256.90**
Total PPE																	**47,691.11**

@ includes impairment provision for ₹ 74.86 Crore disclosed as exceptional item.

* Net Block of tangible assets amounting to ₹ 20,086.27 Crore (Previous Year ₹ 17,261.24 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.

** Reclassified as Investment Property

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

Notes:

(₹ in Crore)

		As at 31st March 2019	As at 31st March 2018
2.1.1	The title of immovable assets are in the process of being transferred in the name of the Company/Subsidiaires (Net Block)	**4074.17**	3940.24
2.1.2	Depreciation and Amortisation for the year:		
	Depreciation on Property, Plant & Equipment {Note 2.1 (A)}	**2,717.32**	2,360.81
	Depreciation on Investment Property {Note 2.1 (B)}	**0.43**	-
	Amortisation on Intangible Assets (Note 2.3)	**503.74**	322.70
	Add: Obsolescence (including impairment of ₹ 18.63 Crore (Previous Year ₹ 27.39 Crore) towards Assets classified as Held for Disposal {Note 4.4.4 (a)}	**39.21**	42.93
	Less: Depreciation Transferred to Pre-Operative Expenses	**0.25**	2.08
	Depreciation and Amortisation as per the Statement of Profit and Loss	**3,260.45**	2,724.36
2.1.3	Property, Plant and Equipment includes assets not owned by Subsidiary Companies (Gross Block)	**412.26**	447.86
2.1.4	Property, Plant and Equipment includes assets held on Co-ownership with other Companies (Gross Block)		
	Leasehold Land	**138.66**	138.66
	Building	**78.48**	78.48
	Plant & Equipment	**0.40**	0.40
	Furniture & Fixtures	**4.21**	4.21
	Vehicles	**0.07**	0.07
	Office Equipment	**7.89**	7.89
		229.71	229.71
2.1.5	Buildings include:		
	- Cost of Debentures and Shares in a Company entitling the right of exclusive occupancy and use of certain premises	**34.43**	34.43
	- Workers' quarters mortgaged with state governments against subsidies received	**0.18**	0.26
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		
	Property, Plant and Equipment includes Net Block ₹ 1.78 Crore (Previous Year ₹ 2.92 Crore) acquired under finance lease		
2.1.7	Pre-Operative Expenses Pending Allocation included in Capital Work-in-Progress:		
	Expenditure incurred during the year:		
	Raw Materials Consumed	**13.82**	2.35
	Power and Fuel Consumed	**8.56**	7.32
	Salaries, Wages, Bonus, Ex-Gratia, Gratuity and Provisions (includes in current year contribution to Provident and other Funds ₹ 1.17 Crore, contribution to Gratuity Funds ₹ 1.44 Crore and ESOP Expenses ₹ 0.27 Crore, Previous year ₹ Nil Crore)	**38.31**	32.19

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

		As at 31st March 2019	As at 31st March 2018
	Rent and Hire Charges	**0.39**	0.22
	Power and Fuel	**10.13**	0.20
	Insurance	**1.19**	1.76
	Depreciation	**0.25**	2.08
	Finance Cost	**11.44**	3.13
	Consumption of Stores, Spare Parts and Components, Packing Materials, etc.	**2.65**	0.07
	Repairs and Maintenance	**4.77**	5.61
	Other Expenses	**60.10**	27.12
		151.61	82.05
	Add: Pre-Operative Expenditure incurred upto Previous Year	**131.47**	104.10
	Add: Transferred from ABNL pursuant to Scheme of merger	**-**	4.16
	Less: Interest and other miscellaneous Receipt	**1.39**	-
	Less: Trial- Run Production Transferred to Inventory	**11.82**	6.60
	Less: Sale of Trial Run Production	**11.06**	0.98
	Less: Capitalised/Charged during the Year	**98.21**	51.26
	Total Pre-Operative Expenses Pending Allocation	**160.60**	131.47

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

2.1 (B) INVESTMENT PROPERTY

The Group has reclassified its property under Investment Property as per Ind AS 40 during the current year. There is no change in method of calculation of depreciation, rate and useful life as specified earlier.

(₹ in Crore)

	Gross Block				Depreciation/Amortisation					Net Block
	As at 1st April 2018	Reclassify from PPE	Deductions	As at 31st March 2019	As at 1st April 2018	Reclassify from PPE	For the Year	Deductions	As at 31st March 2019	As at 31st March 2019
Current Year ended 31st March 2019										
Investment Property	-	16.87	-	16.87	-	0.33	0.43	-	0.76	16.11

(₹ in Crore)

	Gross Block				Depreciation/Amortisation					Net Block
	As at 1st April 2017	Reclassify from PPE	Deductions	As at 31st March 2018	As at 1st April 2017	Reclassify from PPE	For the Year	Deductions	As at 31st March 2018	As at 31st March 2018
Previous Year ended 31st March 2018										
Investment Property	-	-	-	-	-	-	-	-	-	-

Information regarding Income & Expenditure of Investment property

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Rental income derived from investment property	0.13	-
Direct operating expenses (including repairs and maintenance) associated with rental income	(0.07)	-
Profit arising from investment property before depreciation and indirect expenses	0.06	-
Depreciation for the year	0.43	-
Profit/(Loss) arising from investment property before indirect expenses	(0.37)	-

The Company has carried out the valuation through the Independent valuer to assess fair vaue of its Investment Property. As per report provided by independent valuer the fair value is ₹ 16.03 Crore as on 31st March 2019. The fair value of Investment Property have been derived using the Direct Comparison Method based on recent market prices without any significant adjustments being made observable data. Accordingly, fair value estimates for Investment Property is classified as level 3. The Company has no restrictions on the realisability of its Investment Property and has no contractual obligations to purchase, construct or develop Investment Property.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

2.2 GOODWILL ON CONSOLIDATION

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Balance at the beginning of the year	**16,191.81**	2,994.39
Goodwill arising on Consolidation (net of ₹ 588.29 Crore on cancellation of cross holding in erstwhile ABNL in previous year) {Note 4.12(A,D,G)}	**1,819.24**	13,246.23
Impairment of Goodwill related to ABCL Subsidiaries (Note 2.2.1)	**(94.01)**	-
Goodwill derecognised on Loss of Control in UltraTech Subsidiary	-	(55.07)
Effects of Foreign Currency Exchange Differences	**53.11**	6.26
Balance at the end of the year	**17,970.15**	16,191.81

2.2.1 Impairment Testing of Goodwill

Goodwill acquired in business combinations has been allocated to the following Segments/Cash Generating Units (CGUs):

(₹ in Crore)

Segment	As at	
	31st March 2019	31st March 2018
Cement Business	**4,756.38**	2,945.58
Financial Services Business	**13,141.90**	13,235.91
Other Businesses (Textiles and Investment Subsidiaries)	**71.87**	10.32
	17,970.15	16,191.81

Goodwill is not amortised, instead it is tested for impairment annually or more frequently if indicators of impairment exist. The recoverable amount is determined based on value-in-use calculation which require the use of certain assumptions.The calculation use cash flow projections based on financial budgets approved by the management covering three to five years period depending upon segments/CGUs's financial budgeting process. Cash flow beyond these financial budget period is extrapolated using the estimated growth rates.

During the current year, the company has carried out the impairment testing of Goodwill allocated to its business segments.

A. Cement Business and other business (Textiles and Investment Subsidiaries)

The goodwill allocated to Cement Business and others segments (Textiles and investment Subsidiaries) are evaluated based on their actual performance against budget approved by the management covering three to five years period. Based on evaluation their recoverable amount exceeds their carrying amounts, hence no goodwill impairment was identified.

B. Financial Services Business

The key assumption used in the estimation of the recoverable amount of various CGU's are set out below. The values assigned to the key assumptions represents the management 's assessment of future trends in the relevant sector and have been based on historical and external data from both external and internal sources.

Notes

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(₹ in Crore)

Financial Services Business	Key Assumptions	As at 31st March 2019
Aditya Birla Money Limited (ABML), Aditya Birla Insurance Brokers Limited (ABIB) and Aditya Birla My Universe Limited (ABMU) (i)	Discount Rate Terminal Growth Rate	13.50% - 25% 5% - 6%
Aditya Birla Housing Finance Limited (ABHFL) and Aditya Birla Finance Limited (ABFL) (ii)	Market price to Adjusted book value	2.07 - 2.94 times (Based on average of comparable Companies multiple)
Aditya Birla Asset Management Company Limited (ABAMC) (iii)	Market Capitalisation/ Asset Under Management	6.21% (Based on average of comparable Companies multiple)
Aditya Birla Sunlife Insurance limited (ABSLI) (iv)	Market Capitalisation/ Embedded Value	2.271 times (Based on average of comparable Companies multiple)

(i) For ABML, ABIB and ABMU, the recoverable amount is determined based on fair value less cost to sell and the projected cash flows are discounted to the present value using a post tax weighted-average cost of capital (discount rate). The discount rate commensurate to with the risk inherent in the projected cash flows and reflect the rate of return required by an investor in the current economic conditions. The Group uses specific growth assumptions for each CGU based on history and economic condition (terminal growth rate).

As a result of impairment test for the year ended 31st March 2019, goodwill impairment was identified as the recoverable amount of the CGUs to whom goodwill was allocated was lower than their carrying amount. Hence, Goodwill of ₹ 94.01 Crore has been impaired during the current year and has been disclosed as an exceptional item.

(ii), (iii) & (iv) For ABHFL, ABFL, ABAMC and ABSLI, based on our result of value analysis on the basis of key assumptions as stated above, the fair value of CGU exceeds the carrying amount of assets of the CGU and therefore value- in- use is not computed in line with exemption available as per paragraph 19 of Ind AS 36.

As a result of impairment test for the year ended 31st March 2019, no goodwill impairment was identified as the fair value of the CGUs to whom goodwill was allocated exceeded their respective carrying amount.

An analysis of the sensitivity of the changes in key parameters (Operating Margins, Discount rate and Long term average growth rate), based on reasonable probable assumptions, did not result in any probable scenario in which the recoverable amount of the CGU's would decrease below the carrying amount.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

2.3 OTHER INTANGIBLE ASSETS

(₹ in Crore)

	Gross Block									Depreciation/Amortisation						Net Block
	As at 1st April 2018	Additions on acquisition of UNCL (refer Note 4.12D)	Addition on Acquisition of Solar Business (refer note 4.12F)	Addition on Acquisition of Soktas (refer Note 4.12G)	Additions	Translation Difference Add/(Less)	Divestment of Grasim Bhiwani Textiles Limited (GBTL) [Note 3.10(v)]	Deductions/ Adjustments/ held for disposal	As at 31st March 2019	As at 1st April 2018	For the Year	Translation Difference Add/(Less)	Divestment of GBTL [Note 3.10(v)]	Deductions/ Adjustments/ held for disposal	As at 31st March 2019	As at 31st March 2019
Current Year ended 31st March 2019																
Intangible Assets (other than internally generated)																
Computer Softwares	226.32	-	-	0.15	108.98	-	-	2.88	332.57	91.99	63.39	-	-	2.33	153.05	179.52
Value of Licence/Right to use Infrastructure	62.99	-	-	-	-	-	-	-	62.99	19.45	6.02	-	-	-	25.47	37.52
Power Line Rights	61.06	-	-	-	-	3.82	-	-	64.88	12.37	4.43	0.74	-	-	17.54	47.34
Rights to Manage and Operate manufacturing Facilities	661.50	-	-	-	-	-	-	-	661.50	7.35	44.10	-	-	-	51.45	610.05
Group Management Rights	197.70	-	-	-	-	-	-	-	197.70	-	-	-	-	-	-	197.70
Customer Relationship	369.90	-	-	-	-	-	-	-	369.90	9.64	16.85	-	-	-	26.49	343.41
Production Formula	19.00	-	-	-	-	-	-	-	19.00	1.43	1.90	-	-	-	3.33	15.67
Distribution Network	1,562.90	-	-	-	-	-	-	-	1,562.90	85.40	137.41	-	-	-	222.81	1,340.09
Value in Force	1,649.00	-	-	-	-	-	-	-	1,649.00	82.45	109.92	-	-	-	192.37	1,456.63
Order Back Log	16.70	-	-	-	-	-	-	-	16.70	9.03	7.67	-	-	-	16.70	-
Technical Know-how	2.88	-	-	7.96	-	-	-	-	10.84	1.77	0.30	-	-	-	2.07	8.77
Trade Mark and Brand	130.23	-	-	0.69	-	-	-	-	130.92	10.54	14.13	-	-	-	24.67	106.25
Mining Rights	161.82	-	-	-	14.96	-	-	0.11	176.67	12.59	10.28	-	-	0.04	22.83	153.84
Non-Compete	21.50	-	-	-	-	-	-	-	21.50	1.19	7.18	-	-	-	8.37	13.13
Mining Reserves	2,715.87	1,712.50	-	-	-	-	-	-	4,428.37	39.07	72.30	-	-	-	111.37	4,317.00
Jetty Rights	182.85	-	-	-	-	-	-	-	182.85	26.77	7.86	-	-	5.31	29.32	153.53
Total Intangible Assets	8,042.22	1,712.50	-	8.80	123.94	3.82	-	2.99	9,888.29	411.04	503.74	0.74	-	7.68	907.84	8,980.45
													Intangible Assets under Development			36.88
													Total other Intangible Assets			9,017.33

Notes

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(₹ in Crore)

	Gross Block									Depreciation/Amortisation						Net Block
	As at 1st April 2017	Addition on Acquisition of JAL and JCCL(refer Note 4.12C)	Additions on Merger of ABNL (refer Note 4.12A)	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 3.10(v)]	Deductions/ Adjustments/ held for disposal	As at 31st March 2018	As at 1st April 2017	For the Year	Translation Difference Add/(Less)	Divestment of GBTL [Note 3.10(v)]	Deductions/ Adjustments/ held for disposal	As at 31st March 2018	As at 31st March 2018
Previous Year ended 31st March 2018																
Intangible Assets (other than internally generated)																
Computer Softwares	59.94	0.01	83.50	-	83.75	-	0.33	0.55	**226.32**	39.13	53.48	-	0.09	0.53	**91.99**	**134.33**
Value of Licence/Right to use Infrastructure	36.11	-	-	-	26.88	-	-	-	**62.99**	13.44	6.01	-	-	-	**19.45**	**43.54**
Power Line Rights	60.85	-	-	-	0.03	0.19	-	0.01	**61.06**	8.29	4.08	0.01	-	0.01	**12.37**	**48.69**
Rights to Manage and Operate manufacturing Facilities	-	-	-	661.50	-	-	-	-	**661.50**		7.35	-	-	-	**7.35**	**654.15**
Group Management Rights	-	-	197.70	-	-	-	-	-	**197.70**		-	-	-	-	**-**	**197.70**
Customer Relationship	-	-	293.60	76.30	-	-	-	-	**369.90**		9.64	-	-	-	**9.64**	**360.26**
Production Formula	-	-	19.00	-	-	-	-	-	**19.00**		1.43	-	-	-	**1.43**	**17.57**
Distribution 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 Know-how	2.88	-	-	-	-	-	-	-	**2.88**	1.35	0.42	-	-	-	**1.77**	**1.11**
Trade Mark and Brand	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	-	-	1.76	**12.59**	**149.23**
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**
Total Intangible Assets	**506.88**	**2,715.88**	**3,943.30**	**768.50**	**118.94**	**0.19**	**0.33**	**11.14**	**8,042.22**	**90.72**	**322.70**	**0.01**	**0.09**	**2.30**	**411.04**	**7,631.18**
													Intangible Assets under Development			33.12
													Total other Intangible Assets			**7,664.30**

2.3.1 Based on written down value, the balance amortisation period of Material Intangible Assets:

(₹ in Crore)

Intangible Assets	As at 31st March 2019	As at 31st March 2018
Distribution Network	4.25- 23.25 Years	5.25- 24.25Years
Value in Force	13.25 Years	14.25 years

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

2.4 NON-CURRENT ASSETS - EQUITY ACCOUNTED INVESTEES

(₹ in Crore)

	As at 31st March 2019		As at 31st March 2018
Investments in Equity Accounted Investees			
Joint Ventures (Note 4.13)			
Share in Net Assets	3,725.31		3,744.27
Goodwill/(Capital Reserve)	1,932.27		1,948.33
Equity Investments in Joint Ventures - At Cost	5,657.58		5,692.60
Impairment in value of Investments	(1.65)		(1.65)
Share in Profit/Reserves of Joint Ventures	458.95		360.50
		6,114.88	6,051.45
Associates {Note 4.13 and 3.10 (i)}			
Share in Net Assets	333.21		6,299.81
Goodwill/(Capital Reserve)	-		1,254.29
Equity Investments in Associates - At Cost	333.21		7,554.10
Impairment in value of Investments	(0.22)		(0.22)
Share in Profit/Reserves of Associates	(163.58)		263.58
		169.41	7,817.46
		6,284.29	13,868.91

2.4.1 During the year, the Company has acquired the controlling stake in Aditya Birla Solar Limited (ABSL) and Aditya Birla Renewables Limited (ABREL) from its other Co-Venturer. As a result, ABSL & ABREL have become Subsidiaries of the Company w.e.f. 15th May 2018 and hence, been consolidated as Joint venture upto 14th May 2018.

2.4.2 The investments in Company's Joint Ventures namely AV Group NB Inc., AV Terrace Bay Inc., Birla Jingwei Fibres Company Limited and Aditya Group AB are subject to maintenance of specified holding by the Company until the credit facility provided by certain lenders to respective companies are outstanding. Without guaranteeing the repayments to the lenders, the Company has also agreed that the affairs of the Joint Ventures will be managed through its nominee directors on the boards of respective borrowing companies, in a manner that they are able to meet their respective financial obligations.

2.5 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS OF INSURANCE BUSINESS

(₹ in Crore)

	As at 31st March 2019		As at 31st March 2018
Investments in various Mutual Funds			
Carried at Fair Value through Profit or Loss (FVTPL) #	-		1.11
		-	1.11
Investments in Equity Instruments			
Carried at FVTPL#	895.30		1,039.50
Carried at FVTPL	104.95		-
Carried at Fair Value through Other Comprehensive Income (FVTOCI) #	51.05		86.41
Carried at Fair Value through Other Comprehensive Income (FVTOCI)	0.60		-
		1,051.90	1,125.91
Investments in Government or Trust Securities			
Carried at Amortised cost #	5,218.70		3,991.13
Carried at FVTOCI #	2,768.99		2,403.17
		7,987.69	6,394.30

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

	As at 31st March 2019		As at 31st March 2018
Investments in Debentures			
Carried at Amortised cost#	2,902.20		1,966.93
Carried at FVTOCI#	3,612.12		2,288.34
Carried at FVTPL#	25.75		24.88
Less: Impairment Provision made during the year	(1.00)		-
		6,539.07	4,280.15
Other Non-Current Investments			
Carried at Amortised cost	-		65.23
Carried at FVTOCI	22.71		84.66
		22.71	149.89
		15,601.37	11,951.36

Quoted Investments

2.5.1 Aggregate Book Value of:

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Quoted Investments	15,473.11	11,801.47
Unquoted Investments	128.26	149.89
	15,601.37	11,951.36
Aggregate Market Value of Quoted Investments	15,216.95	11,801.47
Aggregate impairment in value of Investments	1.00	-

2.6 NON-CURRENT FINANCIAL ASSETS - OTHER INVESTMENTS

(Long-Term, Fully Paid- up)

(₹ in Crore)

	Face Value	Total Nos.	As at 31st March 2019	As at 31st March 2018
Investments in Equity Instruments				
Carried at FVTOCI {Note 4.9 (A)}				
Thai Rayon Public Company Limited, Thailand#	Thai Baht 1	13,988,570	120.46	154.58
P.T. Indo Bharat Rayon Co. Limited, Indonesia	US$ 100	5,000	427.02	505.01
Larsen & Toubro Limited# (Previous Year: 3,947,803 Shares)	₹ 2	-	-	517.52
Vodafone Idea Limited#	₹ 10	1,008,540,115	1,840.59	-
Hindalco Industries Limited# (Previous Year: 88,048,812 Shares)	₹ 1	88,048,812	1,809.40	1,889.09
Indophil Textile Mills Inc., Philippines	Peso 10	422,496	2.39	2.87
Birla International Limited - Isle of Man	CHF 100	2,500	4.19	4.01

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

	Face Value	Total Nos.	As at 31st March 2019	As at 31st March 2018
Aditya Birla Fashion and Retail Limited # (Previous Year:87,449,940 Shares)	₹ 10	87,449,940	1,926.96	1,319.19
Birla Management Centre Services Limited	₹ 10	9,000	8.54	5.72
Bhadreshwar Vidyut Private Limited	₹ 10	1,996,000	0.04	-
			6,139.59	4,397.99
Carried at FVTPL {Note 4.9 (A)}				
AWAM Minerals LLC	Omani Riyal 1	168,035	7.51	7.11
MOIL Limited#	10	24,490	0.39	0.48
Raj Mahal Coal Mining Limited	₹ 10	1,000,000	1.00	1.00
Green Infra Wind Power (Previoud year: 144,000 Shares)	₹ 10	120,000	0.12	0.14
NU Power Wind Farm	₹ 10	39,548	0.04	0.04
Watsun Infrabuild Private Limited	₹ 10	203,115	0.24	-
			9.30	8.77
Investments in Preference Shares				
Carried at FVTPL {Note 4.9 (A)}				
Joint Ventures				
6% Cumulative Redeemable Retractable, Non-Voting Preferred Shares of AV Group NB Inc., Canada, of aggregate value of Canadian Dollar 6.75 Million	WPV	6,750,000	24.53	22.74
1% Redeemable Preference Shares of Aditya Group AB, Sweden, of aggregate value of USD 8 Million	WPV	160,000	44.41	46.32
Others				
5.25% Cumulative Redeemable Preference Shares of Aditya Birla Health Services Limited@ (Previous Year:4,000,000 Shares)	₹ 100	-	-	39.09
4.50% Cumulative Non-Convertible Redeemable Preference Shares of Aditya Birla Health Services Limited (Previous year:2,000,000 Shares)	₹ 100	-	-	15.30

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

	Face Value	Total Nos.	As at 31st March 2019	As at 31st March 2018
7% Non-Cumulative Non-Convertible Redeemable Preference Shares of Aditya Birla Health Services Limited	₹ 100	5,600,000	56.00	-
11% Redeemable, Cumulative Non-Convertible Preference Shares of TANFAC Industries Limited	₹ 100	500,000	5.00	0.85
8% Redeemable and Cumulative Preference Shares of Aditya Birla Fashion and Retail Limited	₹ 10	500,000	0.86	0.82
Vedanta Limited (7.50% Non-Cumulative Non- Convertible Redeemable Preference Shares)# (Previous Year: 21,332,924 Shares)	₹ 10	-	-	21.29
Tata Motors Finance Limited (formerly known as Sheba Properties Limited) (8.20% Compulsory Convertible Cumulative Preference Shares)	₹ 100	10,000,000	214.07	206.07
8% Preference Shares of Birla Management Centre xServices Limited! Represents amount of ₹ 2000	₹ 10	200	!	!
			344.87	352.48
Investments in Debentures or Bonds and other Investments {Note 4.9 (A)} #				
Carried at FVTOCI				
Tax Free Bonds			63.91	155.70
Taxable Corporate Bonds			11.69	12.15
			75.60	167.85
Carried at FVTPL				
Tax Free Bonds			356.40	362.74
Taxable Corporate Bonds			114.50	211.39
			470.90	574.13
Other Investments				
Carried at FVTPL				
Aditya Birla Private Equity- Fund I			0.33	10.14
Aditya Birla Private Equity- Sunrise Fund			-	14.78

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

	Face Value	Total Nos.	As at 31st March 2019	As at 31st March 2018
Investment in alternate funds			153.39	78.60
PMS Investment			16.81	15.52
			170.53	119.04
Carried at FVTPL				
Investments in various Mutual Funds {Note 4.9 (A)}#			650.08	703.15
Investments in various Mutual Funds (Unquoted) {Note 4.9 (A)}			890.35	889.25
			8,751.22	7,212.66

WPV - Without Par Value

Quoted Investments

@ Preference shares has been redeemed in current year

2.6.1 Aggregate Book Value of:

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Quoted Investments	6,894.38	5,347.28
Unquoted Investments	1,856.84	1,865.38
	8,751.22	7,212.66
Aggregate Market Value of Quoted Investments	6,894.38	5,347.28

2.6.2 Category wise Non- Current Investments:

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Quoted		
Financial Investments measured at FVTOCI		
Equity Shares	5,697.41	3,880.38
Debentures or Bonds	75.60	167.85
Sub-Total (a)	5,773.01	4,048.23
Financial Investments measured at FVTPL		
Mutual Fund	650.08	703.15
Debentures or Bonds	470.90	574.13
Equity Shares	0.39	0.48
Preference Shares	-	21.29
Sub-Total (b)	1,121.37	1,299.05
Sub-Total (a+b)	6,894.38	5,347.28
Unquoted		
Financial Investments measured at FVTOCI		
Equity Shares	442.18	517.61
Sub-Total (a)	442.18	517.61

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Financial Investments measured at FVTPL		
Equity Shares	**8.91**	8.29
Mutual Funds	**890.35**	889.25
Preference Shares	**344.87**	331.19
Private Equity Investment Funds	**170.53**	119.04
Sub-Total (b)	**1,414.66**	1,347.77
Sub-Total (a + b)	**1,856.84**	1,865.38

2.7 NON-CURRENT FINANCIAL ASSETS - ASSETS HELD TO COVER LINKED LIABILITIES

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Carried at Fair Value through Profit or Loss		
Quoted Investments		
Mutual Funds	-	96.02
Equity Instruments	**9,531.77**	9,477.61
Government or Trust Securities	**4,784.38**	4,789.83
Debentures	**5,892.44**	6,976.61
Other Non-Current Investments	**26.26**	351.66
	20,234.85	21,691.73
2.7.1 Aggregate Book Value of Quoted Investments	**20,234.85**	21,691.73
2.7.2 Aggregate Market Value of Quoted Investments	**20,234.85**	21,691.73

2.8 NON-CURRENT FINANCIAL ASSETS - LOANS

(Unsecured, Considered Good, except otherwise stated)
(Carried at Amortised Cost)

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Loans against House Property (Secured by way of Title Deeds)	**0.01**	0.01
Loans to Others (secured by way of shares lien with the Company)	**953.89**	63.97
Security Deposits	**311.23**	219.55
Security Deposit to Related Parties (Note 4.7.2)	**12.85**	7.37
Loans and Advances of Financing Activities		
Secured, considered good	**40,504.88**	33,112.53
Unsecured, considered good	**4,220.18**	3,924.40
Others- Secured	**448.25**	396.91
Others-unsecured	**238.82**	32.11
Less: Expected Credit Loss Allowance	**(505.86)**	(312.22)
Loans to Related Parties (Note 4.7.2)	**32.84**	32.84
Loans against Insurance Policies	**113.93**	74.22
Loans to Employees	**17.52**	25.83
Others	**3.16**	16.53
	46,351.70	37,594.05

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

2.9 NON- CURRENT FINANCIAL ASSETS - OTHERS

(Carried at Amortised Cost, except otherwise stated)

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Derivative Assets - Carried at Fair Value	**19.99**	1.00
Fixed Deposits with Banks with maturity more than 12 months*#@	**23.21**	21.55
Receivable towards Divested Business (Note 2.9.1)	**35.12**	35.12
Other Receivables	**6.53**	8.45
	84.85	66.12
* Includes interest accrued		
# Lodged as security with Government Departments	**20.09**	18.73
@ Lien Marked in favour of Insurance Regulatory Development Authority of India (IRDA)	**1.32**	1.23

2.9.1 The Company has to receive from purchaser ₹ 35.12 Crore towards tax refund.

2.10 DEFERRED TAX ASSETS (NET)

(₹ in Crore)

	As at 31st March 2019	Charge for the year		Acquisition of ABREL and ABSL	As at 31st March 2018
		Profit and Loss	OCI		
Deferred Tax Assets:					
Provision for Contingencies Allowable on Payment Basis	**90.28**	90.03	0.16	-	0.09
Unabsorbed Losses	**90.48**	11.65	-	50.17	28.66
Unrealised profits arising on Intragroup Stock Transfers	**9.23**	(1.95)	-	-	11.18
MAT Credit Entitlement	**4.72**	2.72	-	1.81	0.19
Expected Credit Loss Allowance	**105.73**	105.73	-	-	-
Others	**74.76**	73.66	0.24	0.12	0.74
	375.20	281.84	0.40	52.10	40.86
Deferred Tax Liabilities:					
Accumulated Depreciation	**257.73**	189.37	-	49.04	19.32
Others (Fair value of Borrowings and Contingent Liability)	**70.52**	70.24	-	0.16	0.12
	328.25	259.61	-	49.20	19.44
Deferred Tax Assets (Net)	**46.95**	22.23	0.40	2.90	21.42

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

2.11 OTHER NON-CURRENT ASSETS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Capital Advances		
Unsecured, Considered Good	**2,086.21**	2,258.64
Unsecured, Considered Doubtful	**30.58**	29.18
Less: Allowance for Doubtful	**(30.58)**	(29.18)
Balances with Government Authorities		
Unsecured, Considered Good	**986.51**	624.97
Unsecured, Considered Doubtful	**2.78**	-
Less: Allowance for doubtful	**(2.78)**	-
Leasehold Land Prepayments	**22.68**	23.45
Security Deposits	**1.05**	2.94
Reinsurance Assets	**408.38**	475.10
Deferred Acquisition Cost	**6.43**	9.28
Other Advances	**23.05**	17.29
	3,534.31	3,411.67

2.12 INVENTORIES

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

(₹ in Crore)

	As at 31st March 2019			As at 31st March 2018		
	In Hand	In Transit	Total	In Hand	In Transit	Total
Raw Materials	**1,447.65**	**688.05**	**2,135.70**	1,402.67	538.67	1,941.34
Work-in-Progress	**870.20**	**-**	**870.20**	775.09	-	775.09
Finished Goods	**878.49**	**89.72**	**968.21**	708.63	85.13	793.76
Stock-in-trade	**62.09**	**-**	**62.09**	35.25	-	35.25
Stores and Spare Parts	**2,040.50**	**460.99**	**2,501.49**	1,890.26	410.56	2,300.82
Waste/Scrap (valued at Net Realisable Value)	**7.59**	**-**	**7.59**	14.10	-	14.10
	5,306.52	**1,238.76**	**6,545.28**	4,826.00	1,034.36	5,860.36

The cost of inventories recognised during the year is disclosed in Note 3.3 (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.

Write down of inventories (net of reversals) for the year is ₹ 26.59 Crore (Previous Year ₹ 3.99 Crore). Inventory values shown above are net of write down.

2.12.1 Working Capital Borrowings are secured by hypothecation of inventories of the Group.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

2.13 CURRENT ASSETS - EQUITY ACCOUNTED INVESTEES

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Investments in Equity Instruments		
Joint Venture (Note 4.13)		
Share in Net Assets	-	95.71
Goodwill/Capital Reserve	-	-
Equity Investments in Joint Venture	-	95.71
Impairment in Value of investment at cost	-	(41.32)
Share in Profit/Reserves of Joint Ventures	-	9.38
	-	63.77

2.13.1 During the current year, the Company has disposed of its investment in Birla Laos pulp and Plantation Company Limited for a cash consideration of ₹ 35.67 Crore and has recognised a gain of ₹ 3.22 Crore in the statement of profit and loss and a loss of ₹ 38.77 Crore in OCI on the sale of said investment.

2.14 CURRENT FINANCIAL ASSETS - INVESTMENT OF INSURANCE BUSINESS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Investments in various Mutual Funds		
Carried at Fair Value through Profit or Loss (FVTPL) #	**490.84**	435.22
Investments in Government or Trust Securities		
Carried at Amortised cost #	**8.33**	4.03
Carried at FVTOCI #	**0.84**	50.10
Investments in Debentures/Bonds		
Carried at Amortised cost #	**24.44**	42.07
Carried at FVTOCI #	**167.25**	244.78
Other Current Investments		
Carried at Amortised cost	**127.14**	122.73
Carried at FVTOCI	**112.28**	168.88
	931.12	1,067.81

Quoted Investments

2.14.1 Aggregate Book Value of:

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Quoted Investments	**691.70**	776.20
Unquoted Investments	**239.42**	291.61
	931.12	1,067.81
Aggregate Market Value of Quoted Investments	**679.97**	776.20

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

2.15 CURRENT FINANCIAL ASSETS - OTHER INVESTMENTS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Investments in Equity Shares: Carried at FVTOCI		
Larsen & Toubro Limited (3,947,803 Shares of face value ₹ 2 each)	**546.89**	-
Investments in various Mutual Funds:		
Carried at FVTPL#	**353.83**	103.28
Carried at FVTPL	**3,493.15**	5,893.30
Investments in Government Securities		
Carried at FVTPL#	**1.64**	25.17
Investments in Bonds		
Carried at FVTPL#	**338.12**	90.85
Carried at FVTOCI#	**89.45**	-
Investments in Debentures		
Carried at FVTPL	**1,189.90**	1,009.02
	6,012.98	7,121.62

Quoted Investments

2.15.1 Aggregate Book Value of:

(₹ in Crore)

		As at 31st March 2019	As at 31st March 2018
	Quoted Investments	**1,329.93**	219.30
	Unquoted Investments	**4,683.05**	6,902.32
		6,012.98	7,121.62
2.15.2	Aggregate Market Value of Quoted Investments	**1,329.93**	219.30
	Aggregate Impairment in Value of Investments	-	-

2.16 CURRENT FINANCIAL ASSETS - ASSETS HELD TO COVER LINKED LIABILITIES

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Carried at Fair Value through Profit or Loss		
Quoted Investments		
Mutual Funds	**973.06**	1,022.20
Government or Trust Securities	**996.68**	554.09
Debentures	**1,803.47**	946.69
Other Current Investments	**985.56**	416.13
Other Current Assets	**172.72**	78.04
	4,931.49	3,017.15
2.16.1 Aggregate Book Value of Quoted Investments	**4,931.49**	3,017.15
2.16.1 Aggregate Book Value of Quoted Investments	**4,931.49**	3,017.15

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

2.17 TRADE RECEIVABLES

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Secured, Considered Good	923.72	804.80
Unsecured, Considered Good*#@	5,504.11	4,398.65
Significant increase in Credit Risk #	267.49	129.68
	6,695.32	5,333.13
Less: Allowance for Doubtful	268.29	130.50
	6,427.03	5,202.63
* Includes amount in respect of which the Company holds Letters of Credit/Guarantees from Banks.	559.25	452.11
@ Includes amount due from related parties. (Note 4.7.2)	81.75	66.76
# includes subsidy receivable from Government of India.	1,551.08	760.42

2.17.1 Working Capital Borrowings are secured by hypothecation of book debts of the Company.

2.17.2 Trade Receivable includes pass through amounts representing dues from client and exchange forward transactions not fully settled as at the reporting date of stock & security broking business.

2.17.3 Trade Receivable includes amount receivable from customers pertaining to amount funded to them for settlement of trade as part of normal business activity.

2.18 CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Balances with Banks		
In Current Account	1,009.49	172.20
In Deposit Account - Original Maturity of 3 Months or Less	24.90	575.08
In EEFC Account	7.33	7.29
Cheques in hand	157.13	176.77
Cash on Hand	25.09	17.98
	1,223.94	949.32

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.

2.19 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Other Balances		
Earmarked Balance with Banks		
In Government Treasury Savings Account	0.03	0.03
Unclaimed Dividend	27.87	23.67
Other Bank Balances ^	1.95	0.23
Bank Deposits (with maturity more than 3 months but less than 12 months) $*@!&	621.93	342.85
	651.78	366.78

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Bank deposits includes:		
$ ₹ 192.55 Crore (Previous Year ₹126.10 Crore) earmarked for specific purpose		
* Lodged as Security with Government Departments	**2.60**	1.31
@ Unclaimed Fractional Warrants	**0.88**	0.83
! Margin money with exchange	**182.75**	171.17
& Towards issue of bank guarantee	**33.70**	27.38
^ Bank accounts freezed by Govt. Authorities, the balance of which is not available to the Company	**1.69**	-

2.19.1 There are no amounts due and outstanding to be credited to the Investors Education and Protection Fund as at 31st March 2019 and 31st March 2018.

2.20 CURRENT FINANCIAL ASSETS - LOANS

(Unsecured, Considered Good, except otherwise stated)
(Carried at Amortised Cost)

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Loans against House Property (Secured by way of Title Deeds)	**-**	0.01
Security Deposits	**175.19**	150.41
Loans and Advances of Financing Activities		
Secured	**12,191.73**	9,260.05
Unsecured	**4,662.07**	4,033.45
Less: Expected Credit Loss Allowance	**(68.97)**	(54.79)
Loans against Insurance Policies	**0.13**	0.08
Deposits with Body Corporates	**51.88**	30.00
Loans to Related Parties (Note 4.7.2)	**25.23**	29.53
Others (include Loans to Employees,others, etc.)	**140.91**	64.11
	17,178.17	13,512.85

2.21 CURRENT FINANCIAL ASSETS - OTHERS

(Carried at Amortised cost, except otherwise stated)

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Derivative Assets - Carried at Fair Value	**87.85**	120.52
Reimbursement of Expenses Receivable	**138.52**	141.65
Interest Accrued on Investments	**13.27**	23.31
Unclaimed Amount of Policyholders*	**282.79**	258.42
Government Grant Receivable	**713.33**	430.30
Others (Insurance Claims, Railways claim and other Receivables)	**207.96**	112.44
	1,443.72	1,086.64

* As per the IRDAI circular, a separate fund is to be formed for unclaimed amount of policyholders

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

2.22 OTHER CURRENT ASSETS

(Unsecured, Considered Good, except otherwise stated)

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Balances with Government Authorities	**934.53**	798.56
Less: Loss Allowance	**(35.90)**	-
Advances to Suppliers	**817.08**	686.59
Less: Loss Allowance	**(14.71)**	(11.37)
Deferred Acquisition Costs	**1.38**	1.65
Reinsurance Assets	**137.89**	82.77
Others (include Prepayments, etc.)	**392.59**	338.21
Less: Loss Allowance	**-**	(0.07)
	2,232.86	1,896.34

2.23 EQUITY SHARE CAPITAL

2.23.1 Authorised

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
1,47,25,00,000 Equity Shares of ₹ 2/- each (Previous Year 1,47,25,00,000 Shares of ₹ 2/- each)	**294.50**	294.50
Redeemable Cumulative Preference Shares of ₹ 100 each		
11,00,000 Redeemable Cumulative Preference Shares of ₹ 100 each	**11.00**	11.00
	305.50	305.50

2.23.2 Issued, Subscribed and Fully Paid-up

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
65,75,98,363 Equity Shares of ₹ 2/- each (Previous Year 65,73,71,435 Shares of ₹ 2/- each) fully paid-up	**131.52**	131.47
Share Capital Suspense		
28,295 Equity Shares of ₹ 2/- each (Previous Year 28,295 of ₹ 2/- each) to be issued as fully paid-up pursuant to acquisition of Cement Business of Aditya Birla Nuvo Limited under the Scheme of Arrangement without payment being received in cash	**0.01**	0.01
	131.53	131.48

2.23.3 Shares kept in Abeyance

Pursuant to provisions of section 126 of the Companies Act 2013, the issue of 61,985 equity shares (previous year 61,985 equity shares) are kept in abeyance.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

2.23.4 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense)

	Number of Shares		₹ in Crore	
	Current Year	Previous Year	**Current Year**	Previous Year
Outstanding as at the beginning of the year	**6573,99,730**	466,865,405	**131.48**	93.37
Issued during the year to the Shareholders of ABNL pursuant to the Scheme of Merger [Note 4.12 (A)]	-	190,462,665	-	38.09
Issued during the year under Employee Stock Option Scheme	**226,928**	71,660	**0.05**	0.02
Outstanding as at the end of the year	**657,626,658**	657,399,730	**131.53**	131.48

2.23.5 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.

2.23.6 The Company does not have any Holding Company.

2.23.7 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
Life Insurance Corporation of India	**60,824,295**	**9.25%**	38,176,351	5.81%
Turquoise Investments and Finance Private Limited	**42,119,836**	**6.40%**	42,119,836	6.41%
Trapti Trading and Investments Private Limited	**41,525,217**	**6.31%**	41,525,217	6.32%
TGS Investment and Trade Private Limited	**35,882,075**	**5.46%**	35,882,075	5.46%
IGH Holdings Private Limited	**33,491,293**	**5.09%**	33,491,293	5.09%

2.23.8

	Current Year		Previous Year	
	No. of Shares	**% Holding**	No. of Shares	% Holding
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)	**42,368,187**	**6.44%**	45,396,998	6.91%

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

2.23.9

	Current Year No. of Shares	Previous Year No. of Shares
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 4.5).	**2,272,768**	1,174,651

2.23.10

	Current Year No. of Shares	Previous Year No. of Shares
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**	197,770,950

2.24 OTHER EQUITY - Attributable to Owners of the Company

(₹ in Crore)

			As at 31st March 2019	As at 31st March 2018
a)	**Equity Component of Other Financial Instruments**			
	Opening balance as per last audited Financial Statements		**3.00**	3.00
			3.00	3.00
b)	**Capital Reserve**			
	Opening balance as per last audited Financial Statements		**127.33**	109.79
	Add :	Capital Reserve arising on acquistion of Rights to Manage and Operate Century Rayon (Note 4.12 B)	**-**	0.52
		Capital Reserve arising on Business combination in Subsidiary Books (Note 4.12 C)	**-**	17.02
		Capital Reserve arising on acquisition of controlling stake in Aditya Birla Solar Limited and Aditya Birla Renewables Limited (Note 4.12 F)	**24.03**	-
		Acquisition of Minority stake in Aditya Birla Solar Limited	**0.17**	-
	Less :	Stake dilution in Subsidiary Companies	**(0.01)**	-
			151.52	127.33
c)	**Legal Reserve**			
	Opening balance as per last audited Financial Statements		**1.10**	0.78
	Add :	Transfer from Retained Earnings to Legal Reserve	**-**	0.32
	Less :	Currency Fluctuation in Joint Venture Companies	**(0.34)**	-
			0.76	1.10

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

			As at 31st March 2019	As at 31st March 2018
d)	**Securities Premium Reserve**			
	Opening balance as per last audited Financial Statements		**24,347.27**	708.06
	Add :	Issue of equity shares to erstwhile ABNL shareholders, pursuant to the Scheme of arrangement (Note 4.12 A)	-	23,619.28
		Employee Stock Options excercised	**18.74**	20.07
		Stamp Duty payment on issue of equity shares to erstwhile ABNL shareholders, pursuant to the Scheme of Arrangement	-	(0.14)
	Less :	Idea Cellular Limited not consolidated as an Associate w.e.f. 31st August 2018 post merger with Vodafone India Limited and Vodafone Mobile Services Limited	**(632.17)**	-
		Stake dilution in Subsidiary Companies	**(0.01)**	-
			23,733.83	24,347.27
e)	**General Reserve**			
	Opening balance as per last audited Financial Statements		**26,649.19**	24,608.30
	Add :	Transfer from Retained Earnings to General Reserve	**1,084.98**	1,963.36
		Transfer from Debenture Redemption Reserve to General Reserve	-	75.00
		Transfer to General Reserve on account of lapse of vested options	-	0.73
		Idea Cellular Limited not consolidated as an Associate w.e.f. 31st August 2018 post merger with Vodafone India Limited and Vodafone Mobile Services Limited	**1.75**	-
	Less :	Stake dilution in Subsidiary Companies	**(5.35)**	-
		Other Movement during the year in Joint Venture and Associate Companies	**(1.33)**	1.80
			27,729.24	26,649.19
f)	**Debenture Redemption Reserve**			
	Opening balance as per last audited Financial Statement		**273.51**	151.56
	Add :	Reserves on Merger of erstwhile ABNL as on 1st July 2017 (Note 4.12 A)	-	123.33
		Transfer from Retained Earnings to Debenture Redemption Reserve	**108.91**	111.31
	Less :	Transfer from Debenture Redemption reserve to Retained Earnings	**(60.20)**	(37.63)
		Transfer from Debenture Redemption reserve to General Reserve	-	(75.00)
		Idea Cellular Limited not consolidated as an Associate w.e.f. 31st August 2018 post merger with Vodafone India Limited and Vodafone Mobile Services Limited	**(6.25)**	-
		Stake dilution in Subsidiary Companies	**(0.03)**	-
		Other Movement during the year in Joint Venture and Associate Companies	-	(0.06)
			315.94	273.51

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

			As at 31st March 2019	As at 31st March 2018
g)	**Special Reserve Fund**			
	Opening balance as per last audited Financial Statement		**80.85**	6.46
	Add :	Transfer from Retained Earnings to Special Reserve Fund	**107.47**	74.39
	Less:	Stake dilution in Subsidiary Companies	**(0.01)**	-
			188.31	80.85
h)	**Surplus as per Statement of Profit and Loss**			
	Opening balance as per last audited Financial Statement		**3,453.58**	3,299.75
	Add :	Profit for the Year	**1,771.92**	2,678.58
		Other Comprehensive Income for the Year (Refer Note 3.12)	**(7.37)**	15.78
		Gain on sale of non-current investment transferred to Retained Earnings from Equity instrument through OCI	**21.39**	8.19
		Transfer from Debenture Redemption reserve to Retained Earnings	**60.20**	37.63
		Acquisition of Minority stake in Aditya Birla Solar Limited	**0.04**	-
		Subvention money received in Subsidiary books	**4.44**	-
		Idea Cellular Limited not consolidated as an Associate w.e.f. 31st August 2018 post merger with Vodafone India Limited and Vodafone Mobile Services Limited	**636.67**	-
	Less:	Dividend paid	**(491.50)**	(435.07)
		Transfer from Retained Earnings to General Reserve	**(1,084.98)**	(1,963.36)
		Transfer from Retained Earnings to Special Reserve Fund	**(107.47)**	(74.39)
		Transfer from Retained Earnings to Debenture Redemption Reserve	**(108.91)**	(111.31)
		Transfer from Retained Earnings to Legal Reserve	**-**	(0.32)
		Transaction cost on cancellation of shares in UltraTech Nathdwara Cement Limited (UNCL)	**(0.90)**	-
		Employee Stock Options excercised	**0.05**	-
		Stake dilution in Subsidiary Companies	**(0.57)**	(1.90)
			4,146.59	3,453.58
i)	**Debt Instruments through OCI**			
	Opening balance as per last audited Financial Statement		**(36.00)**	8.49
	Add :	Other Comprehensive Income for the Year (Refer Note 3.12)	**7.53**	(44.49)
		Stake dilution in Subsidiary Companies	**0.01**	-
			(28.46)	(36.00)
j)	**Equity Instruments through OCI**			
	Opening balance as per last audited Financial Statement		**1,980.19**	2,195.18
	Add :	Other Comprehensive Income for the Year (Refer Note 3.12)	**(2,761.73)**	(206.82)
	Less:	Gain on sale of non-current investment transferred to Retained Earnings from Equity instrument through OCI	**(21.39)**	(8.17)
			(802.93)	1,980.19

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

		As at 31st March 2019	As at 31st March 2018
k)	**Hedging Reserve**		
	Opening balance as per last audited Financial Statement	**52.73**	39.01
	Add : Reserves on Merger of erstwhile ABNL as on 1st July 2017 (Note 4.12 A)	**-**	(4.33)
	Other Comprehensive Income for the Year (Refer Note 3.12)	**(73.73)**	18.05
	Less: Stake dilution in Subsidiary Companies	**(0.01)**	-
		(21.01)	52.73
l)	**Foreign Currency Translation Reserve**		
	Opening balance as per last audited Financial Statement	**173.03**	121.60
	Add : Other Comprehensive Income for the Year (Refer Note 3.12)	**(15.45)**	51.43
	Less: Stake dilution in Subsidiary Companies	**(0.01)**	-
		157.57	173.03
m)	**Employee Share Options Outstanding**		
	Opening balance as per last audited Financial Statement	**124.59**	41.73
	Add : Reserves on Merger of erstwhile ABNL as on 1st July 2017 (Note 4.12 A)	**-**	13.77
	Employee Stock Options granted (net of lapses)	**112.55**	84.00
	Less: Employee Stock Options excercised	**(9.17)**	(14.02)
	Transfer to General Reserve on account of lapse of vested options	**-**	(0.89)
		227.97	124.59
n)	**Treasury Shares held by ESOP Trust**		
	Opening balance as per last audited Financial Statement	**-**	-
	Add : Own shares purchase from open market	**(160.63)**	-
		(160.63)	-
		55,641.70	57,230.37

The Description of the nature and purpose of each reserve within equity is as follows:

a. **Capital Reserve :** Capital Reserves are mainly the reserves created during business combination for the gain on bargain purchase. The Company's capital reserve is mainly on account of business combination of erstwhile Aditya Birla Chemcials (India) Limited/Aditya Birla Nuvo limited, Larsen & Toubro cement business and Gujarat units of Jaypee Cement Corporation Limited (JCCL) and Jaiprakash Associates Limited (JAL).

b. **Legal Reserve:** Legal Reserve represents, profit transferred as per the legal requirements in a Joint Venture of the Company.

c. **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, write-off equity related expenses like underwriting costs, etc.

d. **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.

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e. **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.

f. **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.

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 fair valuation 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 employees including key managerial personnel. 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.

l. **Treasury Shares held by ESOP Trust:** The group has formed an Employee Welfare trust for purchasing Group's shares to be allotted to eligible employees under Employees Stock option Scheme, 2018 (ESOS 2018). As per Ind AS 32- Financial Instruments: Presentation, reacquired equity shares of the Group are called Treasury shares and deducted from equity.

2.25 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Carried at Amortised Cost, except otherwise stated)

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Secured		
Non-Convertible Debentures {Note (a)}	**12,655.20**	11,380.73
Term Loan from Banks		
Rupee Term Loans from Banks {Note (b1)}	**35,648.29**	22,806.33
Foreign Currency Loans{Note (b2)}	**346.62**	325.88
Subsidised Government Loans {Note (b3)}	**296.32**	62.50
Term Loan from Others {Note (b4)}	**18.08**	12.79
Long-Term Finance Lease Obligation {Note (c)}	**0.03**	2.13

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(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Unsecured		
Non-Convertible Debentures {Note (d)}	**3,544.34**	3,055.01
Term Loan from Banks		
Foreign Currency Loans {Note (e)}	**2,723.63**	2,807.65
Term Loan from Others {Note (f)}	**19.81**	11.07
Subsidised Government Loans {Note (g)}	**265.40**	273.13
Preference Shares classified as Liability {Note (h)}	**69.16**	56.22
	55,586.88	40,793.44

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

(₹ in Crore)

		Repayment Terms	As at 31st March 2019	As at 31st March 2018
Secured Long-Term Borrowings:				
(a)	**Non - Convertible Debentures (NCDs)**			
(a1i)	NCDs of NBFCs and HFCs			
	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.	**2,928.51**	2,827.60
		Repayment Terms : Maturing between 1 to 3 years, Rate of Interest 7.28 % to 9.49 % p.a.	**8,676.69**	7,128.13
		Repayment Terms : Maturing within 1 year, Rate of Interest 7.45 % to 9.63 % p.a.	**4,978.25**	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
	7.84% NCDs (Redeemable at par on 9th April 2018)		-	200.00
			18,108.45	13,814.80
	Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.33)		**5,453.25**	2,434.07
			12,655.20	11,380.73

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(₹ in Crore)

		Repayment Terms	As at 31st March 2019	As at 31st March 2018
	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.			
(b)	**Term Loans from Banks**			
(b1)	Rupee Term Loans			
(b1i)	Borrowings of NBFCs and HFCs			
	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.	**9,731.45**	7,108.86
		Repayment Terms: Maturing between 1 to 3 years, Rate of Interest 7.35 % to 8.45 % p.a.	**11,183.95**	5,203.02
		Repayment Terms : Maturing within 1 year, Rate of Interest 7.40 % to 8.35 % p.a.	**2,665.15**	2,407.10
(b1ii)	Other Borrowings			
	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
	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	**23.79**	29.70
	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		
	State Bank of India	60 quarterly instalments beginning September 2022	**5,000.00**	-
	State Bank of India	4 semi- annual instalments beginning from May 2022	**300.00**	300.00
	HDFC Bank Limited	76 quarterly instalments beginning February 2020	**4,199.63**	-
	Axis Bank Ltd.	80 quarterly instalments beginning December 2022^	**757.08**	2,664.71
	ICICI Bank Ltd	80 quarterly instalments beginning December 2022^	**614.00**	2,000.00
	HDFC Bank Ltd.	80 quarterly instalments beginning September 2022^	**3,317.92**	3,317.92

Notes

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(₹ in Crore)

		Repayment Terms	As at 31st March 2019	As at 31st March 2018
	Axis Bank Ltd.	80 quarterly instalments beginning September 2022^	-	592.37
	ICICI Bank Ltd.	80 quarterly instalments beginning September 2022^	-	1,614.00
	Yes Bank Ltd.	67 quarterly instalments beginning June 2018	**271.63**	-
	ICICI Bank Ltd	76 quarterly instalments beginning March 2019	**186.23**	-
	Bank of Baroda	Equal Fixed Monthly Instalments	**13.17**	-
	Citibank N.A.	74 quarterly instalments beginning February 2019	**26.60**	-
	ICICI Bank Ltd.	77 quarterly instalments beginning Dec 2019	**15.16**	-
	RBL Bank Ltd.	76 quarterly instalments beginning March 2019	**44.23**	-
	Term Loan secured by exclusive charge on the specific assets of the Company's Rayon Divison Plant at Veraval and Textile Division Plant at Rishra	10 half- yearly instalments from 29th July 2015. 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.	**9.66**	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 Divison Plant at Veraval and Textile Division plant at Rishra.	10 half yearly instalments from 30th June 2015. 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.	**11.00**	29.00
	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.	20 quarterly instalments from 3rd September 2016. 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.	**12.34**	16.83

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(₹ in Crore)

		Repayment Terms	As at 31st March 2019	As at 31st March 2018
	Term loan secured by way of first pari passu charge created by hypothecation of the entire movable properties of the Company's Rayon Divison Plant at Veraval and Textile Division Plant at Rishra.	21 quarterly instalments from 19th December 2016. 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.	**11.99**	13.72
			38,394.98	25,663.05
	Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.33)		**2,746.69**	2,856.72
			35,648.29	22,806.33
(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
	J P Morgan Chase Bank N.A., Singapore* (US Dollar: 1.00 Crore; Previous Year: 1.00 Crore)	March 2023	**69.16**	65.18
	J P Morgan Chase Bank N.A., Singapore* (US Dollar: 2.00 Crore; Previous Year: 1.00 Crore)	February 2023	**138.31**	130.35
	J P Morgan Chase Bank N.A., Singapore* (US Dollar: 2.00 Crore; Previous Year: 1.00 Crore)	February 2023	**138.31**	130.35
	Others		**0.84**	-
			346.62	586.59
	Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.33)		**-**	260.71
			346.62	325.88
	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.			

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(₹ in Crore)

		Repayment Terms	As at 31st March 2019	As at 31st March 2018
(b3)	Subsidised Government Loans			
	Term Loan secured by way of of first pari passu charge 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 Tranche of instalment of ₹ 18.10 Crore, 2nd Tranche of 8 instalments of ₹ 18.05 Crore each.	**153.92**	62.50
	Uttar Pradesh Financial Corporation	Varied annual Payments from August 2019 to December 2024	**174.27**	-
	Less: Amount disclosed as current maturities of long-term debts under the head Other Current Financial Liabilities' (Note 2.33)		**31.87**	-
			296.32	62.50
(b4)	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.	**27.35**	17.81
	Less: Amount disclosed as current maturities of long-term debts under the head Other Current Financial Liabilities' (Note 2.33)		**9.27**	5.02
			18.08	12.79
	^The Group is in the process of creating security against these loans			
(c)	**Long-Term Finance Lease Obligation**			
		Repayable after 5 years from 1st August 2015 Repayable in 1-20 quarterly instalments	**-**	1.66
		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	**1.16**	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)		**1.13**	2.99
			0.03	2.13
		Total Secured Borrowings (I)	**48,964.54**	34,590.36

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(₹ in Crore)

		Repayment Terms	As at 31st March 2019	As at 31st March 2018
	Unsecured Long-Term Borrowings:			
(d)	**Debentures**			
(d1)	Non- Convertible Debentures (NCDs)			
	9.00% 30th Series NCDs (Redeemable at par on 10th May 2023)		**207.73**	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
	8.36% NCDs (Redeemable at par on 7th June 2021)		**360.00**	-
	8.68% 31st Series NCDs (Redeemable at par on 2nd February 2020)		**302.53**	305.35
	7.65% Series 18-19/I NCDs (Redeemable at par on 15th April 2022)		**498.12**	-
(d2)	Sub Ordinate Debentures			
	Subordinate Debts - Debentures 8.25% to 10.60% p.a. (Redeemable from May 2019 to May 2027)		**1,930.16**	1,890.32
	Perpetual Debts 8.31% p.a. (Maturing in July 2027)		**199.22**	-
	Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.33)		**603.42**	-
			3,544.34	3,055.01
(e)	**Term Loans from Banks in Foreign Currency**			
	Mizuho Bank Ltd, Japan* (US Dollar: 3.00 Crore)	₹ 65.25 Crore each from 20th August 2019	**206.67**	194.07
	Export Development, Canada (US Dollar: 4.64 Crore; Previous Year 4.64 Crore)	June 2021	**321.08**	302.60
	Export Development, Canada (US Dollar: 5.00 Crore; Previous Year 5.00 Crore)	May 2021	**345.77**	325.87
	Mizuho Bank Limited, Singapore* (US Dollar Nil; Previous Year 5.00 Crore)	Repaid in October 2018	-	162.94
	Standard Chartered Bank (US Dollar: 19.50 Crore; Previous Year 21.50 Crore)	July 2020	**1,296.62**	1,269.17

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(₹ in Crore)

		Repayment Terms	As at 31st March 2019	As at 31st March 2018
	Export Development, Canada (US Dollars: 11.00 Crore; Previous Year 12.00 Crore)	Starting June 2020	**622.38**	715.94
			2,792.52	2,970.59
	Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.33)		**68.89**	162.94
			2,723.63	2,807.65
	* Mizuho Bank Limited was formerly known as Mizuho Corporate Bank Limited			
(f)	**Term Loan from Others**			
	Loan taken from Hewlett Packard Financial Sales India Private Limited against IT Hardware of the Subsidiary	Between 1-16 Quarterly Instalments from 1st April 2018 till 1st January 2022 with interest ranging from 10.50% to 13.06% p.a.	**29.15**	15.37
	Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.33)		**9.34**	4.30
			19.81	11.07
(g)	**Subsidised Government Loans**			
	Commercial Tax Department	Varied annual payments from October 2012 to October 2026	**196.68**	221.29
		Payable in FY2020	**4.13**	4.13
	Industrial Investment Promotion Scheme - 2012 (At Amortised cost)			
	From Uttar Pradesh State Government	Repayable on 27th March 2022	**0.72**	0.66
		Repayable on 7th August 2023	**3.98**	3.64
		Repayable on 25th December 2023	**4.24**	3.88
		Repayable on 29th October 2024	**5.04**	4.67
		Repayable on 30th November 2024	**0.29**	0.27
		Repayable on 18th May 2025	**3.43**	-
		Repayable on 4th November 2025	**1.67**	-
		Repayable on 4th November 2025	**0.39**	-
	From Karnataka State Government	Repayable on 25th March 2028	**4.78**	-

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(₹ in Crore)

		Repayment Terms	As at 31st March 2019	As at 31st March 2018
	Department of Industries and Commerce, Haryana	Varied annual payments from January 2017 to March 2022	**63.69**	64.26
			289.04	302.80
	Less: Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 2.33)		**23.64**	29.67
			265.40	273.13
(h)	**Preference Shares issued by Subsidaries**			
	CCPS carry cumulative dividend @0.001% p.a.		**69.16**	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.			
	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.			
			69.16	56.22
		Total Unsecured Borrowings (II)	**6,622.34**	6,203.08
		Total Borrowings (I + II)	**55,586.88**	40,793.44

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).

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

2.26 NON-CURRENT OTHER FINANCIAL LIABILITIES

(Carried at Amortised Cost, except otherwise stated)

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Security and Other Deposits	2.81	8.04
Derivative Liability at Fair Value	-	28.27
Other Liabilities (Interest accrued but not due)	345.93	160.54
	348.74	196.85

2.27 NON-CURRENT PROVISIONS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
For Employee Benefits (unfunded Gratuity, Pension and Long term Incentive plan)	111.34	103.18
For Mine Restoration Expenditure {Note 2.35.1 (a)}	134.47	129.59
For Warranty Provision# {Note 2.35.1 (b)}	0.35	0.49
	246.16	233.26

includes Service Liability of ₹ Nil Crore (Previous year ₹ 0.14 Crore)

2.28 DEFERRED TAX LIABILITIES (NET)

(₹ in Crore)

	As at 31st March 2018	Acquisition of ABREL, ABSL and UNCL	MAT Credit created/ Utilised	Charge for the year		As at 31st March 2019
				Profit or Loss/Other Equity	Other Comprehensive Income	
Deferred Tax Liabilities:						
Accumulated Depreciation	6,083.12	11.22	-	750.83	-	6,845.17
Fair Valuation of Investments	286.23	-	-	(82.75)	21.68	225.16
Fair valuation of Land, Inventory and Investments acquired on Merger	1,271.09	-		(542.85)	(1.48)	726.76
Others	96.02	1.24	-	74.82	(0.92)	171.16
	7,736.46	12.46	-	200.05	19.28	7,968.25
Deferred Tax Assets:						
Accrued Expenses Allowable on Payment Basis	123.07	-	-	(56.37)	0.11	66.81
Expected Credit Loss Allowance	72.36	-	-	(72.36)	-	-
Expenses Allowable in Instalments in Income Tax	77.06	-	-	(22.09)	-	54.97
Provision for Contingencies Allowable on Payment Basis	228.30	-	-	(4.34)	-	223.96
Unabsorbed Depreciation	2.13	-	-	-	-	2.13

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

	As at 31st March 2018	Acquisition of ABREL, ABSL and UNCL	MAT Credit created/ Utilised	Charge for the year		As at 31st March 2019
				Profit or Loss/Other Equity	Other Comprehensive Income	
Income Tax Interest offered for tax, to be claimed in future	21.54	-	-	1.37	-	**22.91**
MAT Credit Entitlement	1,371.90	-	(202.49)	198.11	-	**1,367.52**
Fair Valuation of Preference Shares measured at FVTPL	54.64	-	-	(53.02)	-	**1.62**
Fair Valuation of Borrowings acquired on Merger	5.44	-	-	-	-	**5.44**
Others	162.28	9.96	-	71.91	(6.51)	**237.64**
	2,118.72	**9.96**	**(202.49)**	**63.21**	**(6.40)**	**1,983.00**
Deferred Tax Liabilities (Net)	**5,617.74**	**2.50**	**202.49**	**136.84**	**25.68**	**5,985.25**

In respect of deferred taxes, all items are attributable to origination and reversal of temporary differences.

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 and management is satisfied that they are not expecting to distribute profit in the foreseeable future.

2.28.2 The Group has not recognized Deferred Tax Assets on the unabsorbed depreciation, business losses, long term capital loss and other temporary differences amounting to ₹ 746.91 Crore, since it is not probable that future taxable income will be available wherein such deferred tax assets can be realized in normal course of business.

2.29 NON-CURRENT POLICYHOLDERS LIABILITY

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Insurance Contract Liabilities	**27,045.74**	25,406.59
Investment Contract Liabilities	**10,623.74**	9,388.57
	37,669.48	34,795.16

2.30 OTHER NON-CURRENT LIABILITIES

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Other Creditors	**28.90**	23.88
Deferred Income from Government Grant	**26.99**	11.51
Deferred Goverment Subsidy	**10.65**	6.15
Deferred Fees and Commission Income	**17.46**	19.96
Other Liabilities	**2.90**	1.44
	86.90	62.94

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

2.31 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Carried at Amortised cost, except otherwise stated)

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Secured		
Loans repayable on demand - Cash credits/Working capital Borrowings (Note 2.31.1)		
From Banks (secured by hypothecation of stocks and book debts of the Company)	**4,425.24**	5,339.02
Documentary Demand Bills/Usance Bills under Letter of Credit discounted	**7.01**	19.51
Unsecured		
Loans repayable on demand - Cash credits/Working Capital Borrowings		
From Banks (includes Commercial Papers)	**1,455.57**	2,473.65
From Others (Commercial Papers)	**10,546.52**	11,687.67
Redeemable Preference Shares issued on Business Combination (Note 4.12 C)	**1,000.10**	1,000.10
	17,434.44	20,519.95

2.31.1 Loan of ₹ 345.82 Crore has been availed by the Company under the Special Banking Arrangement (SBA) of Department of fertiliser, Government of India, and has been secured against subsidy recoverable from Government of India. As per the arrangement, the loan will be repaid directly by Government of India to the bank and corresponding adjustment will be made in subsidies recoverable. Rate of interest is 8.20% per annum, out of which @ 7.78% per annum will be borne by Government of India.

2.32 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Due to Related Parties (Note 4.7.2)	**242.15**	241.11
Due to Micro and Small Enterprises#	**35.84**	20.25
Others	**5,498.55**	4,768.32
	5,776.54	5,029.68

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 31st March 2019	As at 31st March 2018
Current Maturities of Long-Term Debts (Note 2.25.1)	**8,946.37**	5,753.43
Current Maturities of Finance Lease Obligation (Note 2.25.1)	**1.13**	2.99
Interest Accrued but not Due on Borrowings	**1,009.88**	944.85
Unclaimed Dividends (Amount Transferable to Investor Education and Protection Fund, when due)	**27.88**	23.68
Security and Other Deposits (Trade Deposits)	**1,548.07**	1,386.77
Liability for Capital Goods	**358.89**	321.92
Accrued Expenses related to Employees	**635.97**	411.85
Derivative Liability - Carried at Fair Value	**54.96**	24.96
Book Over Draft	**173.63**	133.70
Due to Life Insurance Policyholders	**580.77**	465.63
Other Payables (including Retention Money, Liquidated Damages, etc.)	**283.79**	404.70
	13,621.34	9,874.48

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2.34 OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Advance from Customers	**585.13**	587.54
Deferred Income from Government Grant	**4.55**	1.32
Other Payables (including Statutory Liabilities, etc.)	**3,718.82**	3,024.02
	4,308.50	3,612.88

2.35 CURRENT PROVISIONS

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
For Employee Benefits (Leave Encashment and Pension)	**598.47**	553.65
For Assets Transfer Cost {Note 2.35.1 (c)}	**402.10**	505.68
For Warranty Provision# {Note 2.35.1 (b)}	**1.42**	1.43
For Provision against Contingent Liability {Note 2.35.1 (d)}	**86.17**	95.34
	1,088.16	1,156.10

includes Service Liability of ₹ Nil Crore (Previous Year ₹ 0.01 Crore)

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 31st March 2019	As at 31st March 2018
Opening Balance	**129.59**	91.76
Add: Balance transferred from UNCL	**4.13**	-
Add: Provision during the year	**(6.69)**	30.53
Add: Unwinding of discount on Mine Restoration Provision	**7.44**	7.30
Closing Balance (consider as Non-Current)	**134.47**	129.59

* Provision is recognised for an obligation for restoration and rehabilitation on closure of the mines.

b. Warranty (including Service Liability#)*

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Opening Balance (Acquired on merger of erstwhile ABNL)	**1.92**	1.92
Add: Provision during the year	-	-
Less: Utilisation during the year	**0.15**	-
Closing Balance	**1.77**	1.92
Current	**1.42**	1.43
Non Current	**0.35**	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.

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c. Provision for Assets Transfer Cost

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Opening Balance	505.68	205.65
Add: Provision during the year *	-	439.87
Less: Utilisation during the year	53.23	115.06
Less: Unused amount reversed	50.34	24.78
Closing Balance (consider as Current)	402.11	505.68

* During previous 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 31st March 2019	As at 31st March 2018
Opening Balance	95.34	-
Add: Provision during the year (on merger of erstwhile ABNL)	-	95.34
Less: Utilisation during the year	-	-
Less: Unused Amount Reversed	9.17	-
Closing Balance (consider as current)	86.17	95.34

* During previous year, as per Ind AS 103 (Business Combination) the Group had to recognise, on the acquisition date, the contingent liability assumed in a business combination if it was 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 31st March 2019	As at 31st March 2018
Insurance Contract Liabilities	2,089.16	1,394.94
Investment Contract Liabilities	206.90	183.25
Fair value Changes of Policyholders Investments	184.48	-
	2,480.54	1,578.19

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 31st March 2019	As at 31st March 2018
Proportion of interest held by non-controlling entities as at	39.80%	39.79%
Accumulated balances of material non-controlling interest	11,289.39	10,490.18
Summarised Financial Information for the Balance Sheet		
Current Assets	11,755.16	11,461.31
Non-current Assets	52,780.50	45,689.21
Current Liabilities	12,857.71	11,515.44
Non-current Liabilities	23,277.50	19,237.90
Dividend paid to Non-controlling Interest (including Corporate Dividend Tax)	138.36	131.47

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(₹ in Crore)

	Year ended 31st March 2019	Year ended 31st March 2018
Profit/(loss) allocated to material non-controlling interest:	**969.02**	884.20
Summarised Financial information for the Statement of Profit and Loss		
Revenue from Operations	**37,379.20**	31,872.45
Profit for the year	**2,431.59**	2,224.46
Other Comprehensive Income	**(12.03)**	45.68
Total Comprehensive Income	**2,419.56**	2,270.14
Summarised Financial information for Cash Flows		
Net Cash inflows from Operating Activities	**5,159.87**	3,887.72
Net Cash inflows from Investing Activities	**1,206.25**	1,861.57
Net Cash inflows/(outflows) Financing Activities	**(6,045.03)**	(5,735.05)
Net Cash inflow/(outflow)	**321.09**	14.24

(B) Aditya Birla Capital Limited

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
Proportion of interest held by Non-controlling entities as at	**44.02%**	44.01%
Accumulated balances of material non-controlling interest	**13,838.13**	13,567.36
Summarised Financial information for the Balance Sheet		
Current Assets	**26,428.99**	20,654.69
Non-Current Assets	**106,860.85**	97,159.02
Current Liabilities	**26,328.49**	24,848.88
Non-Current Liabilities	**73,109.24**	59,789.09

(₹ in Crore)

	Year ended 31st March 2019	Year ended 31st March 2018
Profit/(loss) allocated to material non-controlling interest:	**248.98**	182.19
Summarised Financial information for the Statement of Profit and Loss		
Revenue from Operations	**15,031.95**	9,082.87
Profit for the year	**354.54**	354.34
Other Comprehensive Income	**62.90**	(178.14)
Total Comprehensive Income	**417.44**	176.20
Summarised Financial information for Cash Flows		
Net Cash inflows/(outflows) from Operating activities	**(10,204.24)**	(10,467.69)
Net Cash inflows/(outflows) from Investing Activities	**(699.46)**	856.32
Net Cash inflows Financing Activities	**10,800.87**	9,436.68
Net Cash inflow/(outflow)	**(102.83)**	(174.69)

The information above is the amount before inter-company eliminations.

Notes

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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)

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest		Quoted Fair Value	
		As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
IDEA Cellular Limited {Refer Note 3.10(i)}	India	11.55%	23.13%	1,840.59	7,654.82

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

(₹ in Crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Cash and Cash Equivalents	-	19.32
Other Assets	-	10,215.24
Total Current Assets	-	10,234.56
Total Non- Current Assets	-	88,342.61
Current Liabilities	-	
Financial Liabilities (Excluding Trade Payables)	-	4,403.70
Other Liabilities	-	6,427.23
Total Current Liabilities	-	10,830.93
Non-Current Liabilities	-	
Financial Liabilities (Excluding Trade Payables)	-	59,546.97
Other Liabilities	-	936.80
Total Non- Current Liabilities	-	60,483.77
Net Assets (excluding ESOP Reserve)	-	27,182.26
Group Share in %	-	3.92%
Group Share in INR	-	1,065.37
Goodwill	-	-
Carrying Amount	-	1,065.37

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

a1) Summarised Balance Sheet as per fair value

(₹ in Crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Cash and Cash Equivalents	-	19.32
Other Assets	-	10,295.73
Total Current Assets	-	10,315.05
Total Non- Current Assets	-	98,168.52
Current Liabilities		
Financial Liabilities (Excluding Trade Payables)	-	4,436.40
Other Liabilities	-	12,789.13
Total Current Liabilities	-	17,225.53
Non-Current Liabilities		
Financial Liabilities (Excluding Trade Payables)	-	62,673.91
Other Liabilities	-	1,071.13
Total Non- Current Liabilities	-	63,745.04
Net Assets (excluding ESOP Reserve)	-	27,432.80
Group Share in %	-	19.21%
Group Share in INR	-	5,341.36
Goodwill	-	1,254.29
Carrying Amount	-	6,595.65

b) Summerised Statement of Profit and Loss as per books

(₹ in Crore)

Particulars	1st April2018 to 30th Aug, 2018	Year ended 31st March 2018
Summarised Financial information for the Statement of Profit and Loss		
Revenue from Operations	9,518.40	28,278.94
Depreciation and Amortisation	3,490.40	8,409.10
Interest Expense	2,609.90	4,812.97
Income Tax Expense	(186.70)	(2,331.07)
Profit/(Loss) for the Year	(729.90)	(4,168.16)
Other Comprehensive Income	11.70	28.27
Total Comprehensive Income	(718.20)	(4,139.89)
Group Share	(28.61)	(100.70)
Dividend Received	-	-

b1) Summerised Statement of Profit and Loss as per fair value

(₹ in Crore)

Particulars	1st April2018 to 30th Aug, 2018	Year ended 31st March 2018
Summarised Financial information for the Statement of Profit and Loss		
Revenue from Operations	9,518.40	20,112.46
Depreciation and Amortisation	3,290.48	6,571.51
Interest Expense	2,564.47	3,160.79
Income Tax Expense	(377.91)	(1,779.59)
Profit/(Loss) for the Year	(1,088.70)	(3,168.50)
Other Comprehensive Income	11.70	29.26
Total Comprehensive Income	(1,077.00)	(3,139.24)
Group Share	(209.14)	(544.26)

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(B) Aditya Birla Sun Life AMC Limited
(Formerly know as Birla Sun Life Asset Management Company Limited)

(₹ in Crore)

(1)

Name of the Entity	Principal Place of Business	Proportion of Ownership Interest	Quoted Fair Value	Proportion of Ownership Interest	Quoted Fair Value
		As at 31st March 2019	As at 31st March 2019	As at 31st March 2018	As at 31st March 2018
Aditya Birla Sun Life AMC Limited (formerly know as Birla Sun Life Asset Management Company Limited)	India	51.00%	-*	51.00%	-*

* Unlisted equity - No quoted price available

Aditya Birla Sun Life AMC Limited (the ""Company" formerly known as Birla Sun Life Asset Managament 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.).

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 Catregory 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)

Aditya Birla Sun Life AMC Limited (Formerly know as Birla Sun Life Asset Management Company Limited)	As at 31st March 2019	As at 31st March 2018
Current Assets		
Cash and Cash Equivalents	38.22	44.03
Other Assets	1,017.10	1,012.60
Total Current Assets	1,055.32	1,056.63
Total Non-Current Assets	7,441.68	7,524.02
Current Liabilities		
Financial Liabilities (Excluding Trade Payables)	53.07	59.97
Other Liabilities	124.51	250.50
Total Current Liabilities	177.57	310.47
Total Non- Current Liabilities	2,489.93	2,491.87

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Aditya Birla Sun Life AMC Limited (Formerly know as Birla Sun Life Asset Management Company Limited)	As at 31st March 2019	As at 31st March 2018
Net Assets	**5,829.50**	5,778.31
Less: ESOP Issued by Aditya Birla Capital	-	(4.30)
Net Assets (including ESOP Liability)	**5,829.50**	5,774.01
Group Share in %	**51.00%**	51.00%
Group Share in INR	**2,973.05**	2,944.74
ESOPs Issued by Aditya Birla Capital Limited	-	4.30
Goodwill	**1,929.18**	1,929.18
Carrying Amount	**4,902.23**	4,878.22

b) Summerised Statement of Profit and Loss as per books

(₹ in Crore)

Aditya Birla Sun Life AMC Limited (formerly know as Birla Sun Life Asset Management Company Limited)	Period ended 31st March 2019	Period ended 31st March 2018
Revenue from Operation	**1,407.25**	1,029.41
Depreciation and Amortisation	**46.06**	32.71
Income tax expense	**199.22**	124.95
Profit for the Period	**414.64**	254.42
Group Share	**211.46**	129.75
Other Comprehensive Income	**1.43**	0.25
Group Share	**0.73**	0.13
Total Comprehensive Income	**416.07**	254.67
Group Share	**212.19**	129.88
Dividend Received	**153.00**	101.90

(C) Commitments and Contingent liabilities in respect of Joint Ventures and Associates

(₹ in Crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Group share in Commitments in respect of Joint Ventures and Associates not being included in Note 4.3.6	**2.69**	738.19
Group share in Contingent Liability in respect of Joint Ventures and Associates not being included in Note 4.3.1	**3.25**	2,535.85

(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 31st March 2019	As at 31st March 2018
Aggregate Carrying Amount of individually immaterial Associates	**169.41**	159.92
Aggregate Carrying Amount of individually immaterial Joint ventures	**1,212.65**	1,233.52

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Aggregate amount of Group share of:		
Joint Ventures:		
Profit/(loss) from Continuing Operations	**133.06**	129.81
Other Comprehensive Income	**(29.41)**	57.72
Total Comprehensive Income	**103.65**	187.53
Associates:		
Profit/(loss) from Continuing Operations	**(77.71)**	(90.24)
Other Comprehensive Income	**0.75**	0.69
Total Comprehensive Income	**(76.96)**	(89.55)

(2) Unrecognised share of Profit/(losses) of a Joint Venture as per Ind AS 112

(₹ in Crore)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Unrecognised Share of Profit/(loss) for the Year	**1.36**	5.45
Unrecognised Share Other Comprehensive Income for the Year	**(1.51)**	(1.79)
Cumulative Share of Loss	**(25.14)**	(26.50)
Cumulative Share of Other Comprehensive Income	**(5.09)**	(3.58)

(E) As per the Share holders' agreements, Aditya Birla Sun Life AMC Limited, (BSAMC), Birla Sun Life Trustee and Aditya Birla Wellness Limited cannot distribute its profits until its obtains consent from other venture partners.

(F) 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 Wellness Limited

d) Aditya Birla Idea Payment Bank Limited

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

3.1 SALE OF PRODUCTS AND SERVICES (GROSS)

(₹ in Crore)

	Current Year		Previous Year
(A) Sale of Products and Services			
Manufactured	54,929.28		46,284.63
Traded	2,188.95		1,004.48
Services	16.97		42.88
		57,135.20	47,331.99
Sale of Financial Services			
Income from Life Insurance Premium (Gross)	6,920.36		4,372.93
Less: Reinsurance Ceded	(253.58)		(154.65)
Income from Life Insurance Premium (Net)		6,666.78	4,218.28
Income from Other Financial Services		939.80	568.81
Interest and Dividend Income of Financial Services			
a. Interest Income of Financial Services			
Interest on Loans			
On financial Assets measured at amortised Cost	6,223.77		3,518.69
On Financial Assets classified at fair value through profit or loss	2.74		-
Interest Income from Investments			
On Financial Assets measured at fair value through OCI	374.46		268.91
On financial Assets measured at amortised Cost	495.87		266.63
On Financial Assets classified at fair value through profit or loss	73.67		33.26
Interest on deposits with Banks			
On Financial Assets measured at fair value through OCI	10.21		8.51
On financial Assets measured at amortised Cost	29.26		20.56
On Financial Assets classified at fair value through profit or loss	2.62		-
Interest on deposits with Others			
On financial Assets Measured at amortised Cost	7.36		4.13
b. Dividend Income			
On Financial Assets measured at fair value through OCI	35.16		14.08
		7,255.12	4,134.77
Net Gain on fair value changes of financial instruments of financial services business			
Net gain/(loss) on financial instruments at fair value through profit or loss			
On trading portfolio			
Equity investment at FVTPL	109.72		121.72
Debt instrument at FVTPL	18.32		(37.97)
Net gain/(loss) on financial instruments at fair value through OCI			
Debt instrument at FVOCI	48.43		26.94

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

	Current Year	Previous Year
Net gain/(loss) on financial instruments at Amortised cost		
Equity instrument at amortised Cost	2.66	2.78
Debt instrument at amortised Cost	(4.93)	(0.19)
Others		
Gain/(loss) on sale of debt instrument at FVOCI	(3.95)	47.74
	170.25	161.02
	72,167.15	56,414.87
(B) OTHER OPERATING REVENUES		
Export Incentives	70.66	63.54
Insurance Claims	19.11	29.21
Sundry Balances Written Back (Net)	62.14	40.68
Government Grant {4.4.1 (a)}	443.92	304.58
Scrap Sales (Net)	134.36	109.10
Other Miscellaneous Income (Sales Tax Incentive, etc.)	73.30	71.69
	803.49	618.80
Revenue From Operations (A + B)	72,970.64	57,033.67

3.2 OTHER INCOME

(₹ in Crore)

	Current Year	Previous Year
Interest Income on:		
Investments (measured at FVTOCI)	37.42	49.24
Bank Accounts and Others (measured at Amortised Cost)	137.46	72.97
Dividend Income from:		
Non-Current Investments (measured at FVTOCI)	25.50	18.61
Investments - Mutual Funds (measured at FVTPL)	60.98	39.82
Profit on Sale of:		
Investments (Net) - Mutual Funds (measured at FVTPL)	154.03	130.05
Long Term Equity Investments (Note 3.2.1)	5.46	-
Gain on Fair valuation of:		
Investments measured at FVTPL	264.26	386.96
Exchange Rate Difference (Net)	18.00	-
Miscellaneous Income (Note 4.4.8)	98.29	163.01
	801.40	860.66

3.2.1 During the year, Aditya Birla Chemicals (Belgium) BVBA and Birla Laos pulp and plantation Company Limited has ceased to be subsidiary and joint venture of the company respectively. Accordingly, a gain of ₹ 6.79 Crore (including ₹ 1.33 Crore of reversal of impairment provision disclosed in other expenses) has been recognised in the statement of profit and loss.

3.3 COST OF MATERIALS CONSUMED

(₹ in Crore)

	Current Year	Previous Year
Opening Stock	1,941.34	1,457.78
Add: Purchases and Incidental Expenses	15,190.92	12,138.50
Less: Sales of raw material	24.63	19.57
Less: Closing Stock	2,135.70	1,941.34
	14,971.93	11,635.37

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

3.4 PURCHASES OF STOCK-IN-TRADE

(₹ in Crore)

	Current Year	Previous Year
Grey Cement	**804.46**	434.16
Other Finished Goods (Fibre, Yarn, Building Solution etc.)	**702.55**	626.07
	1,507.01	1,060.23

3.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Crore)

	Current Year		Previous Year	
Opening Stock				
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	
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	
Add : Stock Transfer from Century Rayon pursuant to the Scheme of Arrangement	-		61.00	
Add : Stock Transfer on acquisition of Grasim Premium Fabrics Private Limited [earlier known as Soktas (India) Private Limited]	**20.48**		-	
Add : Stock Transfer from JAL, JCCL and UNCL pursuant to the Scheme of Arrangement	**28.74**		66.79	
		1,648.87		1,696.52
Less : Closing Stock				
Finished Goods	**968.01**		783.81	
Stock-in-Trade	**62.09**		35.25	
Work-in-Progress	**870.20**		775.09	
Waste/Scrap	**7.61**		5.50	
		1,907.91		1,599.65
(Increase)/Decrease in Stocks		**(259.04)**		96.87
Less : (Increase)/Decrease in Excise Duty on Stocks		-		(82.94)
Less : Effect of Divestment in a Subsidiary		**(1.11)**		(105.57)
Add : Stock of Trial-Run Production		**11.82**		6.60
Add : Exchange Translation Difference		**1.64**		0.09
		(246.69)		(84.95)

3.6 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Current Year	Previous Year
Salaries and Wages	**4,604.01**	3,497.97
Contribution to Provident and Other Funds (Note 4.8)	**219.23**	200.39
Contribution to Gratuity Fund (Note 4.8)	**74.10**	66.16
Staff Welfare Expenses	**203.13**	155.37
Expenses on Stock Appreciation Rights Scheme	**0.37**	(0.39)
Expenses on Employee Stock Option Scheme*	**92.58**	72.97
	5,193.42	3,992.47

* ESOP charges are net of recovery of ESOP expense of ₹ 19.50 Crore (Previous year ₹ 10.44 Crore)from Aditya Birla Sun Life AMC Limited (Joint Venture of ABCL)

Notes

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3.7 FINANCE COSTS RELATING TO NBFC's/HFC's BUSINESS

(measured at Amortised cost)

(₹ in Crore)

	Current Year	Previous Year
Interest Expenses	**4,036.64**	2,289.42
Other Borrowing Cost	**13.54**	9.77
	4,050.18	2,299.19

3.8 OTHER FINANCE COSTS

(measured at Amortised Cost)

(₹ in Crore)

	Current Year	Previous Year
Interest Expense #	**1,769.19**	1,345.17
Other Borrowing Costs @	**8.21**	7.24
Unwinding of Discount on Mine Restoration Provision	**7.44**	7.30
Exchange (Gain)/Loss on Foreign Currency Borrowings (Net)	**7.15**	7.37
	1,791.99	1,367.08
Less: Capitalised	**11.44**	3.10
	1,780.56	1,363.98
Borrowing Costs are capitalised based on specific borrowings ranging between 7.50% to 9.15% p.a.		
# Net of Interest Subsidy from Government	**12.51**	34.41
@ Includes Interest on income tax	**1.05**	6.18

3.9 OTHER EXPENSES

(₹ in Crore)

	Current Year	Previous Year
Consumption of Stores, Spare Parts and Components, and Incidental Expenses	**1,198.03**	1,090.43
Consumption of Packing Materials	**1,412.52**	1,155.88
Processing Charges	**68.21**	206.06
Repairs to Buildings	**79.14**	55.76
Repairs to Machinery	**949.05**	813.43
Repairs to Other Assets	**144.34**	94.38
Advertisement	**395.82**	474.69
Sales Promotion and Other Selling Expenses	**1,761.49**	891.05
Insurance	**105.70**	99.51
Rent (including Lease Rent) (Note 4.4.3)	**325.21**	264.92
Rates and Taxes	**236.55**	217.55
Exchange Rate Difference (Net)	**-**	14.96
Reversal of Impairment provision in Equity Accounted Investees (3.2.1)	**(1.33)**	-
Loss on Sale of Property, Plant and Equipment (Net)	**12.91**	17.79
Miscellaneous Expenses (Note 3.13)	**2,290.41**	1,626.71
	8,978.05	7,023.12

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

3.10 EXCEPTIONAL ITEMS INCLUDE

(₹ in Crore)

		Current Year	Previous Year
(i)	During the year, the Company's holding in Idea Cellular Limited ("Idea"), has reduced from 23.13% to 11.55% consequent to the merger of Vodafone India Limited and Vodafone Mobile Services Limited with Idea effective from 31st August 2018. The merged entity has been named as Vodafone Idea Limited (VIL). Consequent to reduction of the holding of the Company in VIL, it has ceased to be an associate and is considered as a financial investment under Ind AS 109 w.e.f. 31st August 2018. Accordingly, the share of the Company in the Profit/Loss of VIL for the period from 31st August 2018 to 31st March 2019 has not been considered in the Consoldiated Financial Statements of the Company. As a result, the investment in VIL has been fair valued as per Ind AS 28 and the difference in the carrying value and fair value of the said investment as on 30th August 2018 amounting to ₹ 2395.85 Crore has been charged to Statement of Profit and Loss for year ended 31st March 2019 and has been disclosed as an exceptional item. Subsequent change in fair value of investment in VIL has been accounted in Other Comprehensive Income as per Ind AS 109 'Financial Instruments'.	**(2,395.85)**	-
(ii)	Impairment of Goodwill in Subsidiary compaines of Aditya Birla Capital Limited (Note 2.2.1)	**(94.01)**	-
(iii)	The Implementation of Modified NPS-III for payment on account of additional fixed cost to Urea units by Ministry of Chemicals and Fertilisers, Government of India, has been delayed inordinately, leading to uncertainty in some of aspects of this policy. Accordingly, the Company has provided for ₹ 135.00 Crore in the current year and has been disclosed as an exceptional Item.	**(135.00)**	-
(iv)	Provision for Stamp Duty on acquisition of assets and business (Note 4.12 A & C)	-	(464.28)
(v)	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)
(vi)	Profit on deemed disposal of stakes in Associate Companies	-	245.08
(vii)	Write back of provision relating to earlier years for Stamp Duty on merger of Aditya Birla Chemicals (India) Ltd. And Aditya Birla Nuvo Limited with the Company	**50.34**	24.78
(viii)	Impairment in value of Property, Plant and Equipment	-	(105.29)
(ix)	Impairment on loss of control in a Subsidiary by UltraTech (Note 4.4.6)	-	(45.46)
		(2,574.52)	(432.85)

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

3.11 RECONCILIATION OF EFFECTIVE TAX RATE

(₹ in Crore)

	Current Year	Previous Year
Reconciliation:		
Accounting profit/(loss) before income tax and share in profit/(loss) of equity accounted investees	**5,204.32**	6,362.18
Add: Fair value adjustments subject to lower rate of tax	**2,395.85**	-
Accounting profit/(loss)- subject to normal rate of tax	**7,600.17**	6,362.18
Applicable Tax Rate	**34.94%**	34.61%
	2,655.80	2,201.82
Income Not Considered for Tax Purpose	**-1.71%**	-1.30%
Expenses Not Allowed for Tax Purpose	**1.13%**	1.33%
Additional Allowances for Tax Purpose	**-2.18%**	-1.94%
Taxes on Subsidiary Losses	**1.48%**	1.11%
Effect of Change in Tax rate	**-**	0.99%
Tax paid at Lower Rate	**-0.64%**	-0.56%
Provision for Tax of earlier years Written Back	**-0.20%**	-1.65%
Lower Jurisdiction Tax Rate	**0.25%**	-0.20%
Others (including Dividend Distribution Tax on undistributed earnings and tax impact of dividend from Joint Venture Company)	**1.96%**	-1.79%
Effective Tax Rate (including Fair value adjustments)	**35.03%**	30.60%
Tax at lower rate on fair value adjustments	**-2.70%**	-
Effective Tax Rate	**32.33%**	30.60%

3.12 OTHER COMPREHENSIVE INCOME

(₹ in Crore)

	Current Year	Previous Year
Items that will not be reclassified to Profit and Loss		
Equity Instrument at fair value through Other Comprehensive Income	**(2,703.49)**	(181.31)
Re-measurement of Defined Benefit Plans	**(24.11)**	23.31
Capital Reserve arising on acquistion of controlling stake in ABREL and ABSL	**24.26**	-
Share of Other Comprehensive income of Associate and Joint Venture Companies accounted for using equity method of accounting	**5.89**	10.56
Income Tax relating to items that will not be reclassified to Profit or Loss	**(28.26)**	(55.97)
Items that will be reclassified to Profit and Loss		
Debt Instrument at fair value through Other Comprehensive Income	**38.33**	(142.70)
Exchange difference in translating the financial statement of foreign operations	**(89.55)**	7.83
Effective portion of derivative instruments designated as Cash Flow Hedge	**10.92**	10.24
Share of Other Comprehensive income of Associate and Joint Venture Companies accounted for using equity method of accounting	**(37.08)**	62.12
Income Tax relating to items that will be reclassified to Profit or Loss	**16.63**	(10.73)
	(2,786.46)	(276.65)

Notes

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(₹ in Crore)

3.13

	Current Year	Previous Year
Miscellaneous expenses include contribution to AB General Electoral Trust. The Trust uses such funds for contribution for Political purposes	**32.50**	11.00

(₹ 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.	**81.59**	69.17

3.15 EARNINGS PER EQUITY SHARE (EPS)

(₹ in Crore)

	Current Year	Previous Year
Net Profit for the Year Attributable to Equity Shareholders (₹ in Crore)	**1,771.92**	2,678.58
Basic EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.) of Face Value of ₹ 2/- each	**657,574,931**	605,701,097
Less: Weighted average number of equity shares held by the Company under ESOP Trust (Nos.) of face value of ₹ 2/- each	**351,181**	-
Weighted-Average Number of Equity Shares Outstanding (Nos.) for calculation of Basic EPS (Nos.)	**657,223,750**	605,701,097
Basic EPS (₹) {for Face Value of Shares of ₹ 2/- each}	**26.96**	44.22
Diluted EPS:		
Weighted-Average Number of Equity Shares Outstanding (Nos.)	**657,223,750**	605,701,097
Add: Weighted-Average Number of Potential Equity Shares on exercise of Options (Nos.)	**390,705**	683,430
Add: Weighted-Average Number of Equity Shares kept in Abeyance (Nos.)	**61,985**	61,985
Weighted-Average Number of Equity Shares Outstanding for calculation of Diluted EPS (Nos.)	**657,676,440**	606,446,512
Diluted EPS (₹) {for Face Value of Shares of ₹ 2/- each}	**26.94**	44.17

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

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.

(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.

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.

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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 2019.

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.

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 2019, which are as under:

Name of the Company	Abbreviation	Country of Incorporation	Grasim's Ownership Interest %	
			31st March 2019	31st March 2018
Subsidiaries:				
Sun God Trading And Investments Limited	SGTIL	India	**100.00**	100.00
Samruddhi Swastik Trading And Investments Limited	SSTIL	India	**100.00**	100.00
Aditya Birla Chemicals (Belgium) BVBA (upto 22nd January 2019)@	ABCB	Belgium	-	99.97
Grasim Bhiwani Textiles Limited (upto 10th July 2017)	GBTL	India	-	-
ABNL Investments Limited w.e.f. 1st July 2017	ABIL	India	**100.00**	100.00

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Name of the Company	Abbreviation	Country of Incorporation	Grasim's Ownership Interest %	
			31st March 2019	31st March 2018
Aditya Birla Renewables Limited w.e.f. 15th May 2018	ABREL	India	**100.00**	-
Aditya Birla Solar Limited w.e.f. 15th May 2018	ABSL	India	**100.00**	-
Aditya Birla Renewables SPV1 Limited w.e.f. 15th May 2018) 74% of ABREL and 26% of UTCL	ABRSPV1	India	**89.65**	-
Grasim Premium Fabrics Private Limited [earlier known as Soktas (India) Private Limited] (w.e.f. 29th March 2019)@	GPFPL	India	**100.00**	-
Aditya Birla Renewables Subsidiary Limited w.e.f. 15th May 2018 (74% of ABREL)	ABRSL	India	**74.00**	-
Aditya Birla Capital Limited (ABCL) w.e.f. 1st July 2017	ABCL	India	**55.98**	55.99
Aditya Birla PE Advisors Private Limited (100% of ABCL)	ABPEAPL	India	**55.98**	55.99
Aditya Birla My Universe Limited (94% of ABCL)	ABMU	India	**52.45**	52.46
Aditya Birla Trustee Company Private Limited (100% of ABCL)	ABTCPL	India	**55.98**	55.99
ABCAP Trustee Company Private Limited (100% of ABCL)	ABCTPL	India	**55.98**	55.99
Aditya Birla Money Limited (74.03% of ABCL)	ABML	India	**41.44**	41.45
Aditya Birla Commodities Broking Limited (100% Subsidiary of ABML)	ABCBL	India	**41.44**	41.45
Aditya Birla Financial Shared Services Limited(100% of ABCL)	ABFSSL	India	**55.98**	55.99
Aditya Birla Finance Limited (100% of ABCL)	ABFL	India	**55.98**	55.99
Aditya Birla Insurance Brokers Limited (50.002% of ABCL)	ABIBL	India	**27.99**	28.00
Aditya Birla Housing Finance Limited (100% of ABCL)	ABHFL	India	**55.98**	55.99
Aditya Birla Money Mart Limited (100% of ABCL)	ABMML	India	**55.98**	55.99
Aditya Birla Money Insurance Advisory Services Limited (100% of ABCL)	ABMIASL	India	**55.98**	55.99
Aditya Birla Sun Life Insurance Company Limited (51% of ABCL)	ABSLI	India	**28.55**	28.55
Aditya Birla Sun Life Pension Management Limited (100% of ABSLI)	ABSPML	India	**28.55**	28.55
Aditya Birla Health Insurance Company Limited (51% of ABCL)	ABHICL	India	**28.55**	28.55

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Name of the Company	Abbreviation	Country of Incorporation	Grasim's Ownership Interest %	
			31st March 2019	31st March 2018
Aditya Birla ARC Limited(100% of ABCL)	ABARC	India	**55.98**	55.99
ABCSL – Employee Welfare Trust (100% of ABCL)	ABCSL	India	**55.98**	-
Aditya Birla Stressed Asset AMC Private Limited(100% of ABCL) (w.e.f. 22nd May 2018)	ABSA	India	**55.98**	-
ABARC-AST-001-Trust(100% of ABCL)	ABARC	India	**55.98**	-
UltraTech Cement Limited (UTCL)	UltraTech	India	**60.20**	60.21
Dakshin Cements Limited (100% of UTCL)	DCL	India	**60.21**	60.21
UltraTech Cement Lanka Private Limited (80% of UTCL)	UTCLPL	Sri Lanka	**48.17**	48.17
Harish Cement Limited(100% of UTCL)	HCL	India	**60.21**	60.21
UltraTech Cement Middle East Investments Limited (100% of UTCL)	UCMEIL	UAE	**60.21**	60.21
PT UltraTech Mining Indonesia (80% of UTCL)	PUMI	Indonesia	**48.16**	48.17
UltraTech Cement SA (PTY) (100% of UTCL)	UCSA	South Africa	**60.20**	60.21
PT UltraTech Investments Indonesia (100% of UTCL)	PTUII	Indonesia	**60.20**	60.21
Star Cement Co. LLC (100% of UCMEIL)	SCCLD	UAE	**60.20**	60.21
Star Cement Co. LLC, Ras-Al-Khaimah (100% of UCMEIL)	SCCLRAK	UAE	**60.20**	60.21
Al Nakhla Crusher LLC, Fujairah (100% of UCMEIL)	ANCL	UAE	**60.20**	60.21
Arabian Cement Industry LLC, Abu Dhabi (100% of UCMEIL)	ACIL	UAE	**60.20**	60.21
Arabian Gulf Cement Co WLL, Bahrain (100% of UCMEIL)	AGCCW	Bahrain	**60.20**	60.21
Emirates Power Company Limited (100% of UCMEIL)	EPCL	Bangladesh	**60.20**	60.21
Emirates Cement Bangladesh Ltd. (100% of UCMEIL)	ECBL	Bangladesh	**60.20**	60.21
UltraTech Cement Mozambique Limitada (upto 6th July 2017)	UTCMEIL	Mozambique	**-**	-
Gotan Limestone Khanij Udyog Private Ltd. (100% of UTCL)	GKU	India	**60.20**	60.21
PT UltraTech Cement Indonesia (100% of PTUII)	PTUCI	Indonesia	**59.60**	59.61
Bhagwati Lime Stone Company Private Limited (100% of UTCL)	BLCPL	India	**60.20**	60.21
Awam Mineral LLC, Oman(100% of UCMEIL) (upto 24th April 2017)	AML	Oman	**-**	-
PT UltraTech Mining Sumatera (100% of PTUII)	PTUMS	Indonesia	**60.20**	60.21

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Name of the Company	Abbreviation	Country of Incorporation	Grasim's Ownership Interest %	
			31st March 2019	31st March 2018
UltraTech Nathdwara Cement Limited (formerly known as Binani Cement Limited) w.e.f. 20th November 2018	UNCL	India	**60.20**	-
Smooth Energy Private Limited (formerly known as Binani Energy Private Limited) (100% of UNCL)	SEPL	India	**60.20**	-
Bahar Ready Mix Concrete Limited (formerly known as Binani Ready Mix Concrete Limited) (100% of UNCL)	BRMCL	India	**60.20**	-
Merit Plaza Limited (100% of UNCL)	MPL	India	**60.20**	-
Swiss Mercandise Infrastructure Limited (55.54% of UNCL and 44.46% of MHL)	SMIL	India	**60.20**	-
Krishna Holdings PTE Limited (100% of UNC)	KHPL	Singapore	**60.20**	-
Bhumi Resources PTE Limited (100% of UNCL)	BHUMI	Singapore	**60.20**	-
Murari Holdings Limited (100% of UNCL)	MUHL	British Virgin Islands	**60.20**	-
Mukundan Holdings Limited (100% of UNCL)	MHL	British Virgin Islands	**60.20**	-
Binani Cement Factory LLC (51% by MUHL and 49% by MHL)	BCFLLC	United Arab Emirates	**60.20**	-
Binani Cement (Tanzania) Limited (100% of BCFLLC)	BCTL	Tanzania	**60.20**	-
BC Tradelink Limited., Tanzania (100% of BCFLLC)	BCTL	Tanzania	**60.20**	-
Shandong Binani Rongan Cement Company Limited, China (92.5% of KHPL)	SBRCC	Republic of China	**55.69**	-
PT Anggana Energy Resources (Anggana), Indonesia (100% of NHUMI)	PTAER	Indonesia	**60.20**	-
Binani Cement (Uganda) Limited (100% of BCFLLC)	BCUL	Uganda	**60.20**	-
Joint Venture Companies (JVs):				
AV Group NB Inc.	AVNB	Canada	**45.00**	45.00
Birla Jingwei Fibres Company Limited	BJFC	China	**26.63**	26.63
Birla Lao Pulp & Plantations Company Limited (upto 18th September 2018)	BLPP	Laos	**-**	40.00
Bhubaneswari Coal Mining Limited	BCML	India	**26.00**	26.00
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	ABEST	Turkey	**33.33**	33.33
Bhaskarpara Coal Company Limited	BCCL	India	**28.52**	28.52
Aditya Group AB	AGAB	Sweden	**33.33**	33.33
AV Terrace Bay Inc.	AVTB	Canada	**40.00**	40.00

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Name of the Company	Abbreviation	Country of Incorporation	Grasim's Ownership Interest %	
			31st March 2019	31st March 2018
Aditya Birla Renewables Limited (upto 14th May 2018)	ABREL	India	-	85.59
Aditya Birla Solar Limited (upto 14th May 2018)	ABSL	India	-	50.10
Aditya Birla Sun Life Trustee Company Private Limited	ABSTPL	India	**28.47**	28.47
Aditya Birla Renewables SPV1 Limited (upto 14th May 2018) 74% of ABREL and 26% of UTCL	ABRSPV1	India	-	78.99
Aditya Birla Wellness Private Limited	ABWPL	India	**28.55**	28.55
Aditya Birla Sun Life AMC Company Limited	ABSAMC	India	**28.55**	28.55
Aditya Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of ABSAMC)	ABSAMCM	India	**28.55**	28.55
Aditya Birla Sun Life AMC Limited, Dubai (100% Subsidiary of ABSAMC)	ABSAMCD	India	**28.55**	28.55
Aditya Birla Sun Life AMC Pte. Ltd., Singapore (100% Subsidiary of ABSAMC)	ABSAMCS	India	**28.55**	28.55
Associates:				
Aditya Birla Science & Technology Company Private Ltd.	ABSTCL	India	**49.50**	49.50
Idea Cellular Limited (upto 30th August 2018)	Idea	India	-	23.13
Aditya Birla Idea Payment Bank Limited	ABIPB	India	**51.00**	51.00
Madanpur (North) Coal Company Private Limited	MCCPL	India	**6.73**	6.73
Waacox Energy Private Limited w.e.f. 27th August 2018	WEPL	India	**49.00**	-

@ Unaudited

Notes

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4.3 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

4.3.1 Claims/Disputed Liabilities not acknowledged as Debts

(₹ in Crore)

Particulars	Brief Description of Matter	As at 31st March 2019	As at 31st March 2018
Customs Duty	Related to classification dispute, demand of duty on import of steam coal, caustic soda flakes and others	204.80	194.69
Sales Tax/Purchase Tax/VAT	Related to stock transfer treated as interstate sales, Demand on freight component and levy of purchase tax on exempted supply, Demand for non-submission of various forms, disallowance of input credit and others	452.77	445.06
Excise Duty/Cenvat Credit/ Service Tax/GST/Entry Tax	Related to valuation matter (Rule 8 vs.Rule 4), Denial of Cenvat credit on ISD/GTA and others	1,767.37	1,410.60
Income Tax#	Demand of Dividend Distribution tax alleging that demerger of Financial services is not qualifying demerger, non-deduction of tax at source on payment to non resident, various disallowances and others	5,990.81	164.64
Land Related Matters	Demand of higher compensation	239.80	-
Royalty on Limestone/ Marl/Shale	Based on fixed conversion factor on limestone, royalty rate differences on Mari and additional royalty on mines transfer	352.92	184.00
Electricity Duty/Energy Development Cess	Related to electricity duty, minimum power consumption, Energy development cess and denial of electricity duty exemption	202.92	179.40
State Industrial Incentive Matters	Related to matter on quantum	181.86	174.45
Others Statues	Related to stamp duty, claim raised by vendor/supplier, road tax matters, demand for fuel surcharge, water drawal charges by irrigation department and others	743.71	681.23

During the year,the Company has received a demand of ₹ 5,872.13 Crore of dividend distribution tax alleging that the demerger of the Financial Services business is not qualifying as per Income Tax Act and treating the value of shares allotted by the resulting Company to the shareholders of the Company in consideration of demerger as dividend distributed by the Company to its shareholders.

Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.

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4.3.2 Other Money for which the Group is Contingently Liable:

(₹ in Crore)

	As at 31st March 2019	As at 31st March 2018
a. Customs Duty Liability (Net of Cenvat Credit) which may arise if obligation for exports is not fulfilled against import of raw materials and machinery	**51.75**	12.81

b. The Hon'ble Supreme Court of India ("SC") by their order dated 28th February 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

The Company is awaiting the outcome of the review petition, and also directions from EPFO, if any, to assess any potential impact on the Company and consequently no adjustments have been made in the books of account.

4.3.3 UltraTech had filed appeals against the orders of the CCI dated 31st August 2016 and 19th January 2017. Upon National Company Law Appellate Tribunal ("NCLAT") disallowing its appeal against the CCI order dated 31st August 2016, the Hon'ble Supreme Court has, by its order dated 5th October 2018, granted a stay against the NCLAT order. UNCL has also filed an appeal in the Supreme Court against a similar CCI order dated 31st August 2016. Consequently, UltraTech has deposited an amount of ₹ 117.55 Crore equivalent to 10% of the penalty amount.

UltraTech, backed by legal opinion, believes that it has a good case in both the matters and accordingly, no provision has been made in the accounts.

4.3.4 Corporate Guarantees issued by Subsidiaries as under:	As at 31st March 2019	As at 31st March 2018
a. To Financial Institutions/Government Authorities/Others for finance provided to Joint Ventures	**17.23**	29.35
b. To Government Authorities towards exemption for payment of Excise Duty	-	3.00
c. Letter of Comfort issued by the Subsidiary on behalf of clients	**72.97**	182.76

4.3.5 Aditya Birla My Universe (ABMU), a subsidiary of the ABCL has issued 0.001% Compulsorily Convertible Preference Shares (CCPS) agreegating 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.

4.3.6 Capital, Financial And Other Commitments

4.3.6.1 Capital Commitments	As at 31st March 2019	As at 31st March 2018
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances paid)	**3,044.67**	1,500.03
b. Partly Paid Investments	**564.85**	157.98
c. For commitment to subscribe proposed rights issue of Vodafone Idea Limited	**2,887.50**	-
d. Other Commitments	**2.00**	-

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(₹ in Crore)

		As at 31st March 2019	As at 31st March 2018
4.3.6.2	**Financial and Other Commitments**		
	a. Financial Commitments		
	Joint Ventures @	**191.52**	516.26
	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 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.

(b) Other Commitments

1. For commitment under lease contract (Note 4.4.3)
2. For commitment under derivative contract (Note 4.10 D)
3. Pursuant to the Shareholders' Agreement entered into with Sun Life of Canada by the Company, in respect of Aditya Birla Sun Life Insurance Company Limited (Formerly Known as Birla Sun Life Insurance Company Limited), the Company has agreed to infuse shares/capital from time to meet the solvency requirement prescribed by the regulatory authority.

   Transfer of investment in Aditya Birla Sun Life Insurance Company Ltd (Formerly Known as Birla Sun Life Insurance Company Limited, is restricted by the terms contained in Shareholder Agreements entered into by the Company.

4.4 ADDITIONAL INFORMATION DETAILS

4.4.1 Government Grants (Ind AS 20)

(a) Other Operating Revenue (Note 3.1) includes incentives against capital investments received by UltraTech Cement Limited amounting to ₹ 398.43 Crore (Previous Year ₹ 300.72 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 ₹ Nil Crore (Previous Year ₹ 5.81 Crore) and ₹ 1.46 Crore (Previous Year ₹ 0.98 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 ₹ 47.05 Crore (Previous Year: ₹ 4.74 Crore) has been recognised as an income. Unwinding of interest is accounted as charge to the Statement of Profit and Loss.

(d) The Company has also received a subsided loan of ₹ 100 Crore (Previous year ₹ 62.50 Crore) @ 5% p.a. and 0.50% royalty on net sale from a Central Government, repayable in nine equal half yearly instalments starting from 01.04.2020. Using prevailing market interest rate of 7.94% p.a. for an equivalent loan, the fair value of loan at initial recognition is estimated at ₹ 92.99 Crore (Previous year ₹ 56.19 Crore). The difference of ₹ 7.01 Crore (Previous year ₹ 6.31 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.

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4.4.2 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.

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	**325.21**	264.92
2	The total of future minimum lease payments under non-cancellable operating leases are as follows:		
	For a period not later than one year	**96.82**	89.33
	For a period later than one year and not later than five years	**187.43**	205.91
	For a period later than five years	**108.04**	118.88

3 General Description of Leasing Agreements:

(i) Lease Assets: Land, Godowns, Offices, Residential Flats, Showrooms and Others.

(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 2019	Total Lease Charges Payable	Present Value	Interest
Not Later than one year	**1.19**	**1.13**	**0.06**
Later than one year and not later than five years	**0.03**	**0.03**	-
Total	**1.22**	**1.16**	**0.06**

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

b. Group as a lessor

The Group has given certain assets on lease for which the rental income earned during the year is ₹ 4.11 Crore (Previous Year ₹ 3.15 Crore). These lease arrangements are normally renewed on expiry, wherever required.

4.4.4 Assets held for Disposal (Ind AS 105):

a. The Group has identified certain assets amounting to ₹ 57.53 Crore (Previous Year ₹ 45.94 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. Refer Note 2.1.2 for impairment relating to these assets.

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b. Consequent to the acquisition of UNCL (refer Note 4.12 D), the Group has identified disposal groups (foreign subsidiaries of UNCL) that meet the criteria to be classified as held for sale on acquisition, as these are not considered core to the groups ongoing business activities and management is committed to sell these disposal groups, active efforts have been initiated to locate a buyer. The Group expects to sell the disposal group within twelve months from its classification. The disposal group comprises assets held for sale amounting to ₹ 1,037.20 Crore (March 31, 2018: Nil) and liabilities amounting to ₹ 489.00 Crore (March 31, 2018: Nil), which have been stated at fair value less cost to sell (being lower of their carrying amount). The disposal group have also been considered as discontinued operations.

The non-recurring fair value measurement for the disposal group has been categorised as a level 2 fair value based on the inputs to the valuation technique used. Refer note 1.45 (b) (viii) in respect of the valuation basis used in measuring the fair value of the disposal group.

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 2018: ₹ 6.20 per share of face value of ₹ 2 each (31st March 2017: ₹ 5.50 per share of face value of ₹ 2 each)	**407.74**	361.53
Dividend Distribution Tax on Final Dividend#	**48.09**	39.94
Total Cash outflow on account of Dividend and Tax thereon	**455.83**	401.47
Proposed Dividends on Equity Shares:		
Final Dividend for the year ended on 31st March 2019: ₹ 7 per share of face value of ₹ 2 each (31st March 2018: ₹ 6.20 per share of face value of ₹ 2 each)	**460.34**	407.57
Dividend Distribution Tax (DDT) on Proposed Dividend	55.54	48.09
Total Proposed Dividend and Tax thereon	515.88	455.66

Tax on Dividend is net of ₹ 35.68 Crore (Previous Year ₹ 33.60 Crore) being credit utilised on DDT paid by Subsidiary Company.

4.4.6 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 previous year, the UltraTech has made 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.

4.4.7 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 for the year ended 31st March 2019 are not comparable with the previous year corresponding figures.

4.4.8 Other income for the previous 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.

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4.4.9 Revenue (Ind AS 115)

The Group is primarily in the Business of manufacture and sale of Viscose Staple Fibre, Viscose Fibre Yarn, Chemical and allied products, Fertiliser, Textiles, Insulators and cement & cement related products. The product shelf life being short all sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established. The Group does not give significant credit period resulting in no significant financing component. The Group, however, has a policy for replacement of the damaged goods.

In compliance with Ind AS 115, certain sales promotion schemes are now treated as variable components of consideration and have been recognised as revenue deductions instead of other expenses. Consequently, all comparative period numbers have been restated, adhering to the full retrospective approach under Ind AS 115.

The Revenue and Other expenses for the year ended 31st March 2018 have both been reduced by ₹ 432.18 Crore due to the aforesaid regrouping and there is no impact on the Profits, financial position and Cashflow of the Company.

For revenue recognition of Financial Services business, refer accounting policy 1.28.

Reconciliation of revenue recognised from Contract liability:

(₹ in Crore)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Closing Contract liability-Advances from Customers	**585.13**	587.54

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st March 2019.

Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(₹ in Crore)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Revenue as per Contract price	**76,655.44**	60,024.03
Less: Discounts and incentives	**(4,488.29)**	(3,609.16)
Revenue as per Statement of Profit and Loss	**72,167.15**	56,414.87

4.4.10 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") has notified following amendments to Ind AS on 30th March 2019 which is effective for the annual period beginning on or after 1st April 2019.

(a) Ind AS 116 "Leases":

On 30th March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 "Leases", which replaces Ind AS 17 "Leases". The new standard (Ind AS 116) introduces a single on-balance sheet lease accounting model for lessee. This will result in the company recognising right of use assets & lease liability in the books.

The Company is in the process of analysing the impact of Ind AS 116 on its financials.

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(b) Ind AS 12 - Appendix C, Uncertainty over Income Tax Adjustments

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Companies have used in tax computation or plan to use in their income tax filings.

(c) Amendment to Ind AS 12 – Income taxes

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

(d) Ind AS 19 - Plan amendment, curtailment or settlement

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Based on preliminary assessment, the Company does not expect any significant impact on its financial statements on account of above (b), (c) and (d) amendments.

4.5 Share Based Payments (Ind AS 102)

A. Holding Company

4.5.1 21,72,121 Equity Shares of Face Value of ₹ 2 each (Previous Year 10,39,210 Equity Shares of Face Value of ₹ 2 each) are reserved for issue under Employee Stock Option Scheme-2006 (ESOS-2006), Employee Stock Option Scheme, 2013 (ESOS-2013) and Employee Stock Option Scheme, 2018 (ESOS-2018).

a. Under the ESOS-2006, the Company has granted 4,42,675 Options to its eligible employees, the details of which are given hereunder:

	Options		
	Tranche III	**Tranche IV**	**Tranche V**
No. of Options Granted	356,485	30,185	56,005
Grant Date	30th August 2010	2nd June 2011	18th October 2013
Grant Price (₹ Per Share)#	274	305	532
Market Price on the Date of Grant (₹)	404	466	543
Fair Value on the Date of Grant of Option (₹ Per Share)	226	252	197
Method of Settlement	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 III, IV and V had been revised in the Previous Year post-demerger of Financial Service business of Grasim to ABCL, resulted 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/RSUs 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 Oct, 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 had been revised in the previous 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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c. **During the year, the Committee of the Board of Directors of the Company granted 1,398,864 Options and Restricted Stock Units (RSUs) to eligible employees of the Company, under the Grasim Employee Stock Option Scheme 2018 ("the Scheme").The Scheme is being implemented through a trust, viz. Grasim Employee Welfare Trust ("the Trust"). The Trust has purchased 13,57,375 equity shares of the Company from market as per the Scheme. the details of the Scheme which are given hereunder:**

	Options	RSUs	
	Tranche I	Tranche I	Tranche II
No. of Options/RSU Granted	1,118,480	214,205	66,179
Grant Date	17th December 2018	17th December 2018	27th March 2019
Grant Price (₹ Per Share)#	847	2	2
Market Price on the Date of Grant (₹)	847	847	837
Fair Value on the Date of Grant of Option (₹ Per Share)	422.53	833	822
Method of Settlement	Equity	Equity	Equity
Method of Accounting	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	

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4.5.2 a. Under the Employee Stock Options Scheme - 2013 (ESOS-2013), the Company has granted 1,57,232 Options 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			

(b) Under the Employee Stock Options Scheme - 2013 (ESOS-2013), the Company has granted 2,58,637 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:

	SAR's (Linked with the Company's market price)				SAR's (Linked with Aditya Birla Capital Limited's market price)			
	Tranche - I	Tranche - III	Tranche - IV A	Tranche - IV B	Tranche - I	Tranche - III	Tranche - IV A	Tranche - IV B
Number of SAR's	14,988	4,032	79,382	8,920	20,986	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
Vesting Plan	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	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	7th Dec, 2013	12th Nov, 2014	24th May 2016	24th May 2016	7th Dec, 2013	12th Nov, 2014	24th May 2016	24th May 2016
Grant Price (₹ Per Share)	449	631	648	2	10	10	10	10
Market Price on the date of Grant of SAR's (₹ Per Share)	1239.8	1726.95	992.4	992.4	NA	NA	NA	NA

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4.5.3 Movement of Options and RSUs Granted along with Weighted Average Exercise Price (WAEP)

A. For options referred to in 4.5.1(a),(b) & (c)

	Number of Options and RSUs			
	Current Year		Previous Year	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	**1,039,210**	**463**	1,152,595	472
Granted during the year	**1,398,864**	**678**	-	-
Exercised during the year	**210,280**	**389**	71,660	311
Lapsed/Cancelled during the year	**55,673**	**711**	41,725	616
Outstanding at the end of the year	**2,172,121**	**602**	1,039,210	463
Options: Unvested at the end of the year	**1,393,016**	**675**	104,535	565
Exercisable at the end of the year	**779,105**	**472**	934,675	452

The weighted average share price at the date of exercise for options was ₹ 602.09 per share (31st March 2018 ₹ 1086 per share) and weighted average remaining contractual life for the share options outstanding as at 31st March 2019 was 2.35 years (31st March 2018: 2.97 years).

B. For options referred to in 4.5.2(a)&(b)

	Number of Options and RSUs				Number of SAR's			
	Current Year		Previous Year		Current Year		Previous Year	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	**122,167**	**364**	-	-	**167,876**	**239**	-	-
Granted during the year	-	-	157,232	377	-	-	278,915	235
Exercised during the year	**16,648**	**235**	-	-	**22,204**	**106**	5,141	164
Lapsed during the year	**4,872**	**643**	35,065	420	**10,231**	**274**	105,897	233
Outstanding at the end of the year	**100,647**	**372**	122,167	364	**135,441**	**258**	167,877	239
Options: Unvested at the end of the year	**39,042**	**355**	54,316	437	**83,679**	**240**	57,938	579
Exercisable at the end of the year	**61,605**	**383**	67,851	306	**51,762**	**287**	109,939	59

The weighted average share price at the date of exercise for options was ₹ 1035.75 per share and weighted average remaining contractual life for the share options outstanding as at 31st March 2019 was 2.76 years (31st March2018: 3.41 years).

The weighted average share price at the date of exercise for SARs was ₹ 354.64 per share (31st March 2018 ₹ 1083.5 per share) and weighted average remaining contractual life for the SAR's outstanding as at 31st March 2019 was 2.2 years (31st March 2018 3.4 years).

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4.5.4 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 and Binomial Model.

The Key Assumptions in Black-Scholes Model and Binomial Model for calculating fair value as on the date of grant are:

A. For options referred to in 4.5.1(a), (b) & (c)

	Options		
ESOS-2006	**Tranche III**	**Tranche IV**	**Tranche V**
Method used	Black - Scholes Model		
Risk-Free Rate	7.78%	8.09%	8.58%
Option Life (Years)	Vesting Period (1 Year) + Average of Exercise Period		
Expected Volatility*	45.64%	31.73%	24.01%
Dividend Yield	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.

	Options					RSUs					
ESOS-2013	**Tranche I**	**Tranche II**	**Tranche III**	**Tranche IV**	**Tranche V**	**Tranche I**	**Tranche II**	**Tranche III**	**Tranche IV**	**Tranche V**	**Tranche VI**
Method used	Black - Scholes Model										
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.

	Options	RSUs	
ESOS-2018	**Tranche I**	**Tranche I**	**Tranche II**
Method used	Binomial Model	Binomial Model	Binomial Model
Risk-Free Rate	7.60%	7.65%	7.48%
Option Life (Years)	Vesting Period (1 year) + Average of Exercise Period	Vesting Period (3 years) + Average of Exercise Period	
Expected Volatility*	32.06%	32.06%	31.48%
Dividend Yield	0.52%	0.52%	0.52%

The weighted-average fair value of the option and RSU (Tranche I and Tranche II), as on the date of grant, works out to ₹ 422.53 per stock option, ₹ 832.64 per RSU and ₹ 822.29 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 4.5.2(a)&(b)

ESOS-2013	Options				RSUs			
	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.			

	SARs (Linked with the Company's Market Price)				SARs (Linked with Aditya Birla Capital Limited's Market Price)			
	Tranche I	Tranche III	Tranche IVA	Tranche IVB	Tranche I	Tranche III	Tranche IVA	Tranche IVB
Method used	Binomial Model				Binomial Model			
Risk-Free Rate	6.91%	6.78%	7.04%	7.04%	6.91%	6.78%	7.07%	7.04%
Option Life (Years)	0.84 years	1.22 years	2.48 years	3.65 years	0.84 years	1.22 years	2.48 years	3.65 years
Expected Volatility*	27.68%	30.19%	32.06%	31.48%	30.08%	33.17%	30.08%	30.08%
Dividend Yield	0.52%	0.52%	0.52%	0.52%	-	-	-	-
Weighted average fair value of SARs on 31st Mar 2019	₹ 257.98 per SAR				₹ 69.24 per SAR			

* 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.

4.5.5 Employee Stock Option expenses and employee stock appreciation right expenses recognised in the statement of Profit and Loss ₹ 10.90 Crore (Previous Year ₹ 0.17 Crore).

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Disclosure under Employee Stock Option Scheme of Subsidiary Companies:

(I) UltraTech Cement Limited:

The Group has granted 207,030 options (including Restricted Stock units and Stock Appreciation Rights) 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 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	
	RSU	Stock Options	RSU	Stock Options	RSU	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 date of grant, subject to achieving performance targets	100% on 18.10.2017	Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets	100% on 28.01.2018	Graded Vesting - 25% every year after 1 year from 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	
	RSU	Stock Options	RSU	Stock Options	RSU	Stock Options
No. 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 date of grant, subject to achieving performance targets	100% on 13.04.2019	Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets	100% on 27.01.2020	Graded Vesting - 25% every year after 1 year from 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) Employee Stock Option Scheme (ESOS 2018) including Stock options, Restricted Stock Units (RSU) and Stock Appreciation Rights Scheme – 2018 (SAR 2018) including Stock options and RSU

Particulars	Tranche I (ESOS, 2018)		Tranche I (SAR, 2018)	
	RSU	Stock Options	RSU	Stock Options
No. of Options	43,718	1,58,304	1,084	3,924
Vesting Plan	100% on 18.12.2021	Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets	100% on 18.12.2021	Graded Vesting - 25% every year after 1 year from date of grant, subject to achieving performance targets
Exercise Period	5 Years from the date of Vesting	5 Years from the date of Vesting	3 Years from the date of Vesting	3 Years from the date of Vesting
Grant Date	18.12.2018	18.12.2018	18.12.2018	18.12.2018
Exercise Price (₹ Per Share)	10	4,009.30	10	4,009.30
Fair Value on the date of Grant of Option (₹ Per Share)	3,942	1,476	3,946	1,539
Method of Settlement	Equity	Equity	Cash	Cash

(D) Movement of Options Granted including RSU along with Weighted Average Exercise Price (WAEP):

Particulars	As at 31st March 2019		As at 31st March 2018	
	Nos.	WAEP (₹)	Nos.	WAEP (₹)
Outstanding at the beginning of the year	**144,499**	**2,171.13**	251,577	1,880.59
Granted during the year	**202,022**	**3,143.84**	-	-
Exercised during the year	**(28,735)**	**1,585.05**	(106,079)	1,482.43
Forfeited during the year	**(812)**	**568.53**	(999)	2,134.23
Outstanding at the end of the year	**316,974**	**2,848.32**	144,499	2,171.13
Options exercisable at the end of the year	**73,273**	**2,394.44**	74,262	2,090.76

The weighted average share price at the date of exercise for options was ₹ 3,844.48 per share (31st March 2018 ₹ 4,123.18 per share) and weighted average remaining contractual life for the share options outstanding as at 31st March 2019 was 4.6 years (31st March2018: 3.9 years).

The Company has granted 5,008 SAR to its employees during the year with a weighted average exercise price of ₹ 3,143.64 per share and weighted average fair value of ₹ 2,060 per share. The weighted average remaining contractual life for SAR is 5.3 years.

The exercise price for outstanding options and SAR is ₹ 10 per share for RSU's and ranges from ₹ 655 per share to ₹ 4,099 per share for options.

Notes

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(E) Fair Valuation:

202,022 options were granted during the year. Weighted Average Fair value of the options granted during the year is ₹ 2,009.83 per share (31st March 2018 - ₹ Nil per share).

The fair value of options 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%

(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 (b) For RSU– 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%

(c) For ESOS- 2018:

1.	Risk Free Rate	- 7.47% (Tranche I)
2.	Option Life	- (a) For Options-Vesting period (1 year)+Average of exercise period (b) For RSU-Vesting period (3 years)+Average of exercise period
3.	Expected Volatility*	- Tranche-I: 0.24
4.	Expected Growth in Dividend	- Tranche -I: 0.46%

* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSU's up to the date of grant.

The fair value of SAR has been done by an independent firm of Chartered Accountants on the date of grant using the Binomial Tree model.

The Key assumptions in the Binomial Tree Model for calculating fair value as on the date of grant:

(d) For ESOS – SAR - 2018:

1.	Risk Free Rate	- 7.47% (Tranche I)
2.	Option Life	- (a) For Options-Vesting period (1 year)+Average of exercise period (b) For RSU-Vesting period (3 years)+ Average of exercise period
3.	Expected Volatility*	- Tranche-I: 0.25
4.	Expected Growth in Dividend	- Tranche -I: 0.46%

* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options/RSU's up to the date of grant.

(d) Employee Stock option expenses and Stock Appreciation Right expenses recognised in the statement of profit and loss ₹ 9.60 Crore (Previous year ₹ 7.85 Crore).

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(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 the Grant of Stock options to employees of the Company (whether in India or abroad) that meet the eligibility criteria. Each option comprises one underlying Equity Share.

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	43,43,750	1,15,57,872	13,98,886	1,25,04,992
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Period	100% (2 years)	25% p.a. (4 years)	100% (2 years)	20% p.a. (5 years)
Vesting Condition(s)	Continued employment	75% of the consolidated Profit Before Tax achievement against annual performance target	Continued employment	75% of the consolidated Profit Before Tax achievement against annual performance 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
Value of Equity Shares as on the date of Grant of Original Option (₹ Per Share)	139.00	139.00	139.00	139.00

Details of Activity in the Plan - 2019

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSU's Outstanding at beginning of the year	4,004,750	11,445,739	1,398,886	12,504,992
Granted during the year on 1st April 2018	-	-	300,000	1,623,834
Exercised during the year	-	29,200	-	-
Lapsed during the year	555,250	892,454	-	-
Options/RSU's Outstanding at the end of the year	3,449,500	10,524,085	1,698,886	14,128,826
Options/RSU's unvested at the end of year	3,449,500	7,841,942	1,698,886	11,627,828
Options/RSU's exercisable at the end of the year	-	2,682,143	-	2,500,998

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Details of Activity in the Plan - 2018

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Options/RSU's Outstanding at beginning of the year	-	-	-	-
Granted during the year on 1st April 2018	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:

Features	LTIP 1	LTIP 2	LTIP 3	
Instrument	RSU	ESOP	RSU	ESOP
Risk Free Interest Rate (%)	6.50%	6.5% to 6.8%	6.50%	6.5% to 7.0%
Option Life (Years)	4.5	3.5 to 6.5	4.5	3.5 to 7.5
Historical Volatility	38.50%	37.0% to 38.5%	38.50%	37.0% to 38.5%
Expected Volatility	-	-	-	-
Expected Dividend Yield (%)	0.00%	0.00%	0.00%	0.00%
Weighted Average Fair Value per Option (₹)	131.60	70.40	131.60	73.10

SUBSIDIARY COMPANIES of ABCL

Aditya Birla Money Limited

Stock options granted under ABML – Employee Stock Option Scheme – 2014

The objective of the Employee Stock Option Scheme is to attract and retain talent and align the interest of employees with the ABML as well as to motivate them to contribute to its growth and profitability.

In accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as 'SEBI ESOP Regulations') and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense to be recognized for equity-settled transactions at each reporting date until the vesting date will reflect the extent to which the vesting period has expired and the ABML's best estimate of the number of equity instruments that will ultimately vest. The expense or credit to be recognized in the statement of profit and loss for a period to represent the movement in cumulative expense recognized as at the beginning and end of that period and is to be recognized in employee benefits expense. However, there is no expense that is incurred during the year by the ABML for this purpose since the exercise price at which the options have been granted by the ABML to eligible employees are at the market price of the ABML and further, the vesting of options is due only in the upcoming years.

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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 ₹ 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.

Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under	As at 31st March 2019
Options granted on 2nd December 2014	2,509,341
Options outstanding as on 1st April 2018	699,531
No. of options granted during the Year	Nil
Method of Accounting	Intrinsic 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	0
Options exercised during the period	179,219
Options outstanding as on 31st March 2019	520,312

Summary of Stock Options granted under ABML ESOP Scheme – 2014 is as under	As at 31st March 2018
Options granted on 02nd December 2014	25,09,341
Options outstanding as on 1st July 2017	1,445,845
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

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ABML has granted options to the eligible employees at an exercise price of ₹ 34.25 per share being the latest market price as per SEBI ESOP Regulations. In view of this, there being no intrinsic value (being the excess of the market price of share under ESOP over the exercise price of the option), on the date of grant, the ABML is not required to account the accounting value of option as per SEBI ESOP Regulations.

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 (%)	-
Weighted Average Fair Value per Option (₹)Fair Value	34.25/-

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 ESOPs and 2,52,310 Restricted Stock Units (RSUs) (Collectively called as "Stock Options") to the eligible grantees pursuant to the Composite Scheme of Arrangement between erstwhile Aditya Birla Nuvo Limited (now merged with Grasim Industries 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 1,95,040 ESOPs and 45,060 RSUs under this Scheme to a Director of the Company. The Stock 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.

Particulars	ABCL Incentive Scheme	
	Options	RSU's
Plan Period	As per Grasim Employee Benefit Scheme 2006 and 2013	
Quantum of Grant	14,65,927	2,52,310
Method of Accounting	Fair Value	Fair Value
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)	Achievement of threshold level of budgeted annual performance target.	
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	10

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Details of Activity in the Plan

Particulars	ABCL Incentive Scheme			
	31-Mar-19		31-Mar-18	
	Options	RSU's	Options	RSU's
Options/RSU's Outstanding at beginning of the year	**1,354,590**	**218,389**	1,465,927	252,310
Granted during the year	-	-	-	-
Exercised during the year	**313,381**	**22,434**	98,476	33,921
Lapsed during the year	**6,820**	-	12,861	-
Options/RSU's Outstanding at the end of the year	**1,034,389**	**195,955**	1,354,590	218,389
Options/RSU's unvested at the end of year	**93,787**	**33,472**	168,433	59,770
Options/RSU's exercisable at the end of the year	**940,602**	**162,483**	1,186,157	158,619

4.6 OPERATING SEGMENTS

4.6.1 Details of products included in each of the Segments are as under:-

Viscose - Viscose Staple Fibre, Wood Pulp and Viscose Filament Yarn

Chemicals - Caustic Soda, Allied Chemicals and Epoxy

Cement - Grey Cement, White Cement and Allied Products

Financial Services - Non- Bank Financial Services, Life insurance services, Asset Management (AMC), Housing Finance, Equity and broking, Wealth Management, General Insurance Advisory and Health Insurance

Others - Mainly Textiles, Insulators, Agri-business and Solar Power

Information about Operating Segments for Current Year:

(₹ in Crore)

	Viscose	Chemicals	Cement	Financial Services	Others	Eliminations	Total
REVENUE							
Sales (As reported)	10,220.26	5,414.60	36,758.00	15,020.67	4,753.62	-	72,167.15
Sales (Inter-Segment)	11.39	957.86	16.69	11.28	23.66	(1,020.88)	-
Total Sales (Note 3.1)	**10,231.65**	**6,372.46**	**36,774.69**	**15,031.95**	**4,777.28**	**(1,020.88)**	**72,167.15**
Other Income (including Other Operating Revenues)	120.09	83.05	1,039.25	18.64	57.44	(23.08)	1,295.39
Unallocated Corporate Other Income							309.50
Total Other Income	**120.09**	**83.05**	**1,039.25**	**18.64**	**57.44**	**(23.08)**	**1,604.89**
Total Revenue	**10,351.74**	**6,455.51**	**37,813.94**	**15,050.59**	**4,834.72**	**(1,043.96)**	**73,772.04**
RESULTS							
Segment Results (PBIT)	**1,667.60**	**1,588.46**	**5,086.40**	**718.31**	**335.66**	**0.44**	**9,396.87**
Unallocated Corporate Income/(Expenses)							162.53
Finance Costs*							(1,780.56)
Profit before Exceptional Items and Tax							**7,778.84**
Exceptional Items (Note 3.10)							(2,574.52)
Profit Before Tax and Share in Profit/(Loss) of Equity Accounted Investees							**5,204.32**

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(₹ in Crore)

	Viscose	Chemicals	Cement	Financial Services	Others	Eliminations	Total
Share in Profit of Joint Ventures and Associates (Allocable to Operating Segments)	**118.86**	-	**0.19**	**209.06**	**1.57**	-	**329.68**
Share in Profit of Joint Ventures and Associates (Unallocable)							(300.62)
Profit Before Tax							**5,233.38**
Current Tax							2,357.97
Provision for Tax of Earlier Years Written Back							(15.51)
Deferred Tax							114.97
Profit for the period before Non-controlling Interest							**2,775.95**
Less: Non-controlling Interest							(1,004.03)
Profit for the year							**1,771.92**
OTHER INFORMATION							
Segment Assets	**9,534.20**	**5,903.11**	**66,432.88**	**129,637.33**	**6,006.26**	**(7.24)**	**217,506.54**
Investment in Associates/ Joint Ventures (Allocable to Operating Segments)	1,091.64	-	7.36	4,913.71	30.19	-	6,042.90
Investment in Associates/Joint Ventures (Unallocable)							241.39
Unallocated Corporate Assets							5,411.84
Total Assets							**229,202.67**
Segment Liabilities	**2,030.40**	**926.55**	**9,762.32**	**98,911.89**	**862.43**	**(62.91)**	**112,430.68**
Unallocated Corporate Liabilities							33,611.59
Total Liabilities							**146,042.27**
Additions to Non-Current Assets@	**1,270.34**	**752.14**	**6,110.06**	**155.98**	**874.53**	-	**9,163.05**
Unallocated Corporate Capital Expenditure							22.92
Total Additions to Non-Current Assets							**9,185.97**
Depreciation and Amortisation	**384.42**	**238.87**	**2,139.80**	**341.62**	**142.43**	-	**3,247.14**
Unallocated Corporate Depreciation and Amortisation							13.31
Total Depreciation and Amortisation							**3,260.45**
Significant Non-Cash Expenses other than Depreciation and Amortisation (Allocable)	-	-	-	**94.01**	**135.00**	-	**229.01**
Significant Non-Cash Expenses other than Depreciation and Amortisation (Unallocable)							**2,345.51**

* Finance cost excludes finance cost of ₹ 4,050.18 Crore on financial services business, since it is considered as an expense for deriving segment result.

@ also includes addition on account of acquisition of UNCL, controlling stake in ABREL & ABSL and Grasim Premium Fabrics Private Limited.

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

Notes

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Information about Operating Segments for Previous Year:

Viscose	-	Viscose Staple Fibre, Wood Pulp and Viscose Filament Yarn
Chemicals	-	Caustic Soda, Allied Chemicals and Epoxy
Cement	-	Grey Cement, White Cement and Allied Products
Financial Services	-	Non- Bank Financial Services, Life insurance services, Housing Finance, Asset Management, 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)

(₹ in Crore)

	Viscose	Chemicals	Cement	Financial Services	Others	Eliminations	Total
REVENUE							
Sales (As reported)	8,442.57	4,156.86	31,423.11	9,074.77	3,317.56	-	56,414.87
Sales (Inter-Segment)	16.56	879.40	11.90	8.11	0.30	(916.27)	-
Total Sales (Note 3.1)	**8,459.13**	**5,036.26**	**31,435.01**	**9,082.88**	**3,317.86**	**(916.27)**	**56,414.87**
Other Income (including Other Operating Revenues)	120.29	82.76	995.76	3.41	70.47	(21.66)	1,251.03
Unallocated Corporate Other Income							228.44
Total Other Income	**120.29**	**82.76**	**995.76**	**3.41**	**70.47**	**(21.66)**	**1,479.47**
Total Revenue	**8,579.42**	**5,119.02**	**32,430.77**	**9,086.29**	**3,388.33**	**(937.93)**	**57,894.34**
RESULTS							
Segment Results (PBIT)	**1,383.75**	**1,088.20**	**4,885.80**	**512.43**	**197.72**	**9.18**	**8,077.08**
Unallocated Corporate Income/(Expenses)							81.93
Finance Costs*							(1,363.98)
Profit before Exceptional Items and Tax							**6,795.03**
Exceptional Items (Note 3.10)							(432.85)
Profit Before Tax and Share in Profit/(Loss) of Equity Accounted Investees							**6,362.18**
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)
Profit Before Tax							**5,634.74**
Current Tax							1,831.69
Provision for Tax of Earlier Years Written Back							(97.86)
Deferred Tax							213.29
Profit for the period before Non-controlling Interest							**3,687.62**
Less: Non-controlling Interest							(1,009.04)
Profit for the year							**2,678.58**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

	Viscose	Chemicals	Cement	Financial Services	Others	Eliminations	Total
OTHER INFORMATION							
Segment Assets	**8,419.36**	**5,240.37**	**58,876.88**	**114,174.83**	**4,122.04**	**(57.26)**	**190,776.22**
Investment in Associates/ Joint Ventures (Allocable to Operating Segments)	1,073.41		10.81	4,886.97	-		5,971.19
Investment in Associates/Joint Ventures (Unallocable)							7,961.49
Unallocated Corporate Assets							3,211.18
Total Assets							**207,920.08**
Segment Liabilities	**1,521.53**	**1,008.17**	**8,090.42**	**83,994.55**	**953.66**	**(66.16)**	**95,502.17**
Unallocated Corporate Liabilities							28,719.18
Total Liabilities							**124,221.35**
Additions to Non-Current Assets@	**1,247.18**	**553.61**	**18,287.64**	**138.38**	**56.88**	**-**	**20,283.69**
Unallocated Corporate Capital Expenditure							14.00
Total Additions to Non-Current Assets							**20,297.69**
Depreciation and Amortisation	**296.24**	**211.77**	**1,847.93**	**243.45**	**111.45**	**-**	**2,710.84**
Unallocated Corporate Depreciation and Amortisation							13.52
Total Depreciation and Amortisation							**2,724.36**
Significant Non-Cash Expenses other than Depreciation and Amortisation (Allocable)	**-**	**30.43**	**346.60**	**25.00**	**87.68**	**-**	**489.71**
Significant Non-Cash Expenses other than Depreciation and Amortisation (Unallocable)							**(56.86)**

* Finance cost excludes finance cost of ₹ 2,299.19 Crore on financial services business, since it is considered as an expense for deriving segment result.

@ also includes addition on account of acquisition of JAL& JCCL, merger of ABNL and acquisition of rights to manage and operate VFY business of CTIL.

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

4.6.2 Geographical Segments

The Company's Operating Facilities are located in India.

(₹ in Crore)

	Current Year	Previous Year
Segment Revenues:		
India	**70,207.31**	54,492.61
Rest of the World	**1,959.84**	1,922.26
Total	**72,167.15**	56,414.87
Addition to Non-Current Assets $		
India	**9,101.52**	20,139.96
Rest of the World	**61.53**	143.73
Total	**9,163.05**	20,283.69

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

4.6.3 The Carrying Amount of Non-Current Operating Assets by location of Assets:

(₹ in Crore)

	As at 31st March 2019	Ast at 31st March 2018
Non-Current Assets$		
India	**80,575.65**	72,706.61
Rest of the World	**2,313.81**	2,252.28
Total	**82,889.46**	74,958.89

$ Non-current assets excludes Financial Assets, Equity Accounted Investees, Deferred tax assets and Non-current tax assets)

4.6.4 Information about Major Customers

No Single customer represents 10% or more of the Group total Revenue for the year ended 31st March 2019 and year ended 31st March 2018.

4.7 RELATED PARTY DISCLOSURE

4.7.1 Related Parties with whom transactions have taken place during the year:

Joint Ventures:

AV Group NB Inc., Canada
Birla Jingwei Fibres Company Limited, China
Birla Lao Pulp & Plantations Company Limited, Laos (upto 18th September 2018)
Aditya Group AB, Sweden
AV Terrace Bay Inc., Canada
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi
Bhaskarpara Coal Company Limited
Aditya Birla Solar Limited (upto 14th May 2018)
Aditya Birla Renewables Limited (upto 14th May 2018)
Aditya Birla Renewable SPV 1 Limited (upto 14th May 2018)
Aditya Birla Wellness Private Limited (w.e.f.1st July 2017)
Aditya Birla Sun Life AMC Limited (w.e.f.1st July 2017)
Aditya Birla Sunlife Trustee Limited (w.e.f.1st July 2017)

Associates:

Aditya Birla Science & Technology Company Private Limited
Vodafone Idea Limited (upto 30th August 2018)
(formerly known as Idea Cellular Limited)
Madanpur (North) Coal Company Private Limited
Aditya Birla IDEA Payments Bank Limited (w.e.f.1st July 2017)
Waacox Energy Private Limited (w.e.f. 27th June 2018)

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

Key Management Personnel (KMP):

Shri Kumar Mangalam Birla, Non-Executive Director
Smt. Rajashree Birla, Non-Executive Director
Shri Himanshu Kapania- Non-Executive Director (w.e.f. 14th August 2018)
Shri Dilip Gaur, Managing Director
Shri B.V. Bhargava, Independent Director
Shri M.L. Apte, Independent Director
Shri Cyril Shroff, Independent Director
Shri Thomas Connelly Jr., Independent Director
Shri Shailendra K Jain, Non-Executive Director
Shri N. Mohan Raj, Non-Executive Director (upto 23rd May 2018)
Shri O.P. Rungta, Independent Director
Shri Arun Thiagrajan, Independent Director
Shri Sushil Agarwal, Whole-time Director and CFO
Mrs. Usha Sangwan-Non Executive Director
Mrs. Anita Ramachandran- Independent Director (w.e.f. 14th August 2018)

Post-Employment Benefits Plan:

Grasim Industries Limited Employees Provident Fund (GILEPF)
Provident Fund of Aditya Birla Nuvo Limited (merged with GILEPF)
IndoGulf Fertilisers Employee Provident Fund Trust
Jayshree Provident Fund Institution
Century Rayon Provident Fund Trust
Grasim Industries Limited Employees' Gratuity Fund
UltraTech Provident Fund

Other Related Parties in which Directors are interested:

Shailendra Jain & Company
Prafulla Brothers
Birla Group Holding Private Limited
Birla Carbon Private Limited (formerly known as SKI Carbon (India) Private Limited
Aditya Birla Management Corporation Private Limited (w.e.f. 1st January 2019)
Shri Suvrat Jain
Shri Devarat Jain
Shardul Amarchand Mangaldas & Company
Cyril Amarchand Mangaldas

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

4.7.2 Disclosure of Related Party Transactions:

(₹ in Crore)

	Current Year	Previous Year
a) Revenue from Operations :		
Birla Jingwei Fibres Company Limited	**259.34**	205.49
Aditya Birla Renewables Limited	-	8.17
Aditya Birla Solar Limited	-	13.26
Aditya Birla Sunlife AMC Limited (includes dividend received of ₹ 153 Crore (Previous year ₹ 101.90 Crore)	**155.43**	109.03
Waacox Energy Private Limited	**0.51**	-
Vodafone Idea Limited	**1.71**	1.95
Aditya Birla Idea Payments Bank Limited	-	0.87
Total	**416.99**	338.77
b) Interest and Other Income:		
Aditya Birla Sun Life AMC Limited	-	0.43
AV Group NB Inc.	-	1.19
Aditya Birla Wellness Private Limited	-	1.05
Aditya Birla Science & Technology Company Private Limited	**1.58**	1.32
Waacox Energy Private Limited	**0.37**	-
Aditya Birla Idea Payments Bank Limited	-	0.09
Aditya Birla Renewables Limited	-	0.57
Aditya Birla Solar Limited	-	0.01
Aditya Birla Management Corporation Private Limited	**0.68**	-
Birla Carbon Private Limited	**0.95**	0.88
Total	**3.58**	5.54
c) Dividend Received:		
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	-	3.02
Total	-	3.02
d) Dividend Paid:		
Birla Group Holding Private Limited	**3.40**	3.01
Total	**3.40**	3.01
e) Purchases of Goods/Payment of Other Services		
AV Group NB Inc.	**717.12**	727.04
Aditya Group AB	**540.39**	334.77
Birla Jingwei Fibres Company Limited	-	0.61
Aditya Birla Wellness Private Limited	**4.86**	-
Aditya Birla Renewables SPV1 Limited	-	0.20
Aditya Birla Science & Technology Company Private Limited	**24.87**	24.62
Vodafone Idea Limited	**1.03**	6.14
Birla Group Holding Private Limited	**0.22**	0.04
KMPs (inclusive of Sitting Fees, Directors' Commission and Dividend)	**34.19**	57.12
Aditya Birla Management Corporation Private Limited	**101.33**	-
Other related parties in which Directors are interested	**1.47**	0.57
Total	**1,425.48**	1,151.11

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(₹ in Crore)

	Current Year	Previous Year
f) Loans given		
Aditya Birla Idea Payments Bank Limited	-	17.75
Waacox Energy Private Limited	**35.00**	-
Aditya Birla Renewables Limited	-	23.95
Aditya Birla Renewable SPV 1 Limited	-	7.15
Aditya Birla Solar Limited	-	6.30
	35.00	55.15
g) Repayment against Loans given		
Aditya Birla Science & Technology Company Private Limited	-	2.20
Aditya Birla Idea Payments Bank Limited	-	17.75
Waacox Energy Private Limited	**35.00**	-
AV Group NB Inc.	-	32.80
Aditya Birla Renewable SPV 1 Limited	-	7.15
Aditya Birla Renewables Limited	-	23.95
Aditya Birla Solar Limited	**4.30**	2.00
	39.30	85.85
h) Investment in Equity Shares		
Aditya Birla Renewables Limited	-	26.71
Aditya Birla Wellness Private Limited	**5.10**	8.57
Aditya Birla Idea Payments Bank Limited	**59.49**	103.20
Waacox Energy Private Limited	**30.63**	-
	95.22	138.48
i) Contribution to Post-Employment Benefit Plans		
Grasim Industries Limited Employees' Provident Fund	**13.04**	8.42
Jayshree Provident Fund Institution	**3.24**	3.00
Provident Fund of Aditya Birla Nuvo Limited	-	6.90
Indo Gulf Fertilizer Employee Provident Fund Trust	**3.36**	1.69
Century Rayon Provident Fund Trust	**7.02**	1.16
Grasim Industries Limited Employees' Gratuity Fund	**56.00**	35.74
Ultratech Provident Fund	**129.79**	102.43
	212.45	159.34
j) Receipts from Post- Employment Benefit Plans		
Grasim Industries Limited Employees' Provident Fund	**1.03**	3.30
k) Loan/Deposit Taken		
Aditya Birla Sun Life AMC Limited	**0.25**	-
l) Reimbursement of costs received (net)		
Aditya Birla Sun Life AMC Limited	**72.75**	46.07
Aditya Birla Wellness Private Limited	**1.49**	1.02
Vodafone Idea Limited	**0.79**	0.39
	75.03	47.48
m) Compensation of Key Management Personnel of the Company		
Short-Term Employee benefits	**11.78**	10.38
Post-Retirement benefits	**2.44**	29.32
Share based Payments	**2.74**	1.63
	16.96	41.33

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with 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.

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(₹ in Crore)

Outstanding Balances as at the year end	Current Year	Previous Year
a) Trade Payables:		
AV Group NB Inc.	**210.81**	179.24
Aditya Group AB	**30.99**	51.89
Aditya Birla Sun Life AMC Limited	**0.34**	3.92
Aditya Birla Wellness Private Limited	-	5.80
Aditya Birla Renewable SPV 1 Limited	-	0.19
Vodafone Idea Limited	-	0.07
Aditya Birla Idea Payment Bank Limited	**0.01**	-
Total	**242.15**	241.11
b) Other Current and Non-Current Liabilities (Financial and Non-Financial)		
Aditya Birla Science & Technology Company Private Limited	-	0.02
Aditya Birla Sun Life AMC Limited	**0.71**	0.62
Aditya Birla Management Corporation Private Limited	**9.97**	-
Total	**10.68**	0.64
c) Trade Receivables:		
Birla Jingwei Fibres Company Limited	**75.83**	23.33
AV Terrace Bay Inc.	-	0.05
Aditya Birla Renewables Limited	-	6.77
Aditya Birla Solar Limited	-	32.25
Aditya Birla Sun Life AMC Limited	**3.65**	0.39
Aditya Birla Wellness Private Limited	**1.72**	3.77
Vodafone Idea Limited	-	0.20
Waacox Energy Private Limited	**0.55**	-
Total	**81.75**	66.76
d) Loans and Advances (Current and Non-Current)		
Aditya Birla Science & Technology Company Private Limited	**55.58**	55.58
Aditya Birla Solar Limited	-	4.30
Bhaskarpara Coal Company Limited	**2.49**	2.49
Birla Group Holding Private Limited	**7.37**	7.37
Aditya Birla Management Corporation Private Limited	**5.48**	-
Total	**70.92**	69.74
e) Equity Accounted Investments (Current and Non-Current)		
Bhubaneswari Coal Mining Limited	**103.01**	88.37
Aditya Birla Solar Limited	-	32.72
Aditya Birla Renewables Limited	-	23.77
Aditya Birla sunlife AMC Limited	**4,902.23**	4,878.22
Aditya Birla Wellness Private Limited	**11.01**	8.38
Aditya Birla Sunlife Trustee Company Private Limited	**0.48**	0.37
Bhaskarpara Coal Company Limited	**6.51**	6.50
AV Group NB Inc.	**635.25**	521.70
Birla Jingwei Fibres Co. Limited	**89.11**	82.60
Birla Lao Pulp & Plantations Company Limited	-	63.77
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	**1.19**	1.38
Aditya Group AB	**366.09**	403.96

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(₹ in Crore)

Outstanding Balances as at the year end	Current Year	Previous Year
Aditya Birla Renewable SPV1 Limited	-	3.48
Aditya Birla Science & Technology Company Private Limited	**16.25**	15.77
Vodafone Idea Limited	-	7,661.02
Madanpur (North) Coal Company Limited	**0.84**	0.83
Aditya Birla Idea Payment Bank Limited	**122.13**	139.84
Waacox Energy Private Limited	**30.19**	-
Total	**6,284.29**	13,932.68
f) Preference Shares		
AV Group NB Inc.	**24.53**	22.74
Aditya Group AB	**44.41**	46.32
Total	**68.94**	69.06
g) Other Current Assets (Financial)		
Aditya Birla Sun Life AMC Limited	**0.01**	0.02
Aditya Group AB	**5.18**	-
Aditya Birla Management Corporation Private Limited	**0.17**	-
Total	**5.36**	0.02
h) Corporate Guarantees		
Bhaskarpara Coal Company Limited	**4.00**	4.00
Total	**4.00**	4.00

The Company is a member of Aditya Birla Management Corporation Private Limited (ABMCPL), a company limited by guarantee formed for the purpose of its members to mutually avail and share common facilities, expertise and other support on an arm's length basis.

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.

4.8. RETIREMENT BENEFITS:

4.8.1 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.

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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.

4.8.1.1 Gratuity and Pension:

(₹ in Crore)

		Gratuity (Funded)				Pension and post retirement medical Benefits			
		Current Year		Previous Year		Current Year		Previous Year	
		Funded	Others	Funded	Others	Pension	Post-Retirement Medical Benefits	Pension	Post-Retirement Medical Benefits
(i)	**Reconciliation of Present Value of the Obligation:**								
	Opening Defined Benefit Obligation	**1,019.05**	**23.65**	663.95	20.49	**43.28**	**0.58**	16.34	0.61
	Effect of Loss of Control in a Subsidiary	-	-	-	(0.19)	-	-	-	-
	Adjustments of:								
	Current Service Cost	**78.91**	**3.39**	64.77	3.05	-	-	-	-
	Past Service Cost	-	**0.67**	3.01	-	-	-	22.98	-
	Interest Cost	**74.46**	**1.09**	55.76	0.95	**3.15**	**0.04**	1.39	0.04
	Actuarial Loss/(Gain)	**37.51**	**(1.30)**	(17.44)	(0.46)	**0.74**	**0.01**	1.59	(0.01)
	Liabilities assumed on Acquisition/(Settled on Divestiture)*	**8.75**	-	304.47	0.91	-	-	6.54	-
	Benefits Paid	**(72.61)**	**(0.24)**	(55.47)	(1.10)	**(5.90)**	**(0.06)**	(5.56)	(0.06)
	Closing Defined Benefit Obligation	**1,146.07**	**27.26**	1,019.05	23.65	**41.27**	**0.57**	43.28	0.58

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

		Gratuity (Funded)				Pension and post retirement medical Benefits			
		Current Year		Previous Year		Current Year		Previous Year	
		Funded	Others	Funded	Others	Pension	Post-Retirement Medical Benefits	Pension	Post-Retirement Medical Benefits
(ii)	**Reconciliation of Fair Value of the Plan Assets:**								
	Opening Fair Value of the Plan Assets	1,046.52	-	680.38	-	-	-	-	-
	Adjustments of:				-				
	Return on Plan Assets	77.69	-	57.22	-	-	-	-	-
	Actuarial Gain/(Loss)	12.79	-	6.99	-	-	-	-	-
	Contributions by the Employer	100.02	-	74.03	-	5.90	0.06	5.56	0.06
	Assets Acquired on Acquisition/(Distributed on Divestiture)	3.85	-	283.37	-	-	-	-	-
	Benefits Paid	(72.61)	-	(55.47)	-	(5.90)	(0.06)	(5.56)	(0.06)
	Closing Fair Value of the Plan Assets	1,168.26	-	1,046.52	-	-	-	-	-
(iii)	**Net Liabilities/(Assets) recognised in the Balance Sheet:**								
	Present Value of the Defined Benefit Obligation at the end of the period	1,146.07	27.26	1,019.05	23.65	41.27	0.57	43.28	0.58
	Fair Value of the Plan Assets	1,168.26	-	1046.52	-	-	-	-	-
	Net Liabilities/(Assets) recognised in the Balance Sheet	(22.19)	27.26	(27.47)	23.65	41.27	0.57	43.28	0.58
(iv)	**Amount recognised in Salary and Wages under Employee Benefits Expenses in the Statement of Profit and Loss:**								
	Current Service Cost	78.91	3.39	64.77	3.05	-	-	-	-
	Past Service Cost	-	0.67	3.01	-	-	-	22.98	-
	Interest on Defined Benefit Obligations (Net)	34.13	1.09	29.49	0.95	3.15	0.04	1.39	0.04
	Expected Return on Plan Assets	(37.37)	-	(30.96)	-	-	-	-	-
	Net Cost	75.67	5.15	66.31	4.00	3.15	0.04	24.37	0.04
	Capitalised as Pre-Operative Expenses in respect of Projects and other Adjustments	(1.44)	-	(0.15)	-	-	-	-	-
	Amount recovered from Joint Venture Companies	(0.13)		-	-	-	-	-	-
	Net Charge to the Statement of Profit and Loss	74.10	5.15	66.16	4.00	3.15	0.04	24.37	0.04

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(₹ in Crore)

		Gratuity (Funded)				Pension and post retirement medical Benefits			
		Current Year		Previous Year		Current Year		Previous Year	
		Funded	Others	Funded	Others	Pension	Post-Retirement Medical Benefits	Pension	Post-Retirement Medical Benefits
(v)	**Amount recognised in Other Comprehensive Income (OCI) for the Year**								
	Changes in Financial Assumptions	**21.06**	**(1.89)**	(18.15)	0.02	**0.40**	**0.01**	(1.59)	(0.02)
	Changes in Demographic Assumptions	**0.03**	**-**	(10.78)	-	**(1.52)**	**(0.01)**	-	-
	Experience Adjustments	**16.42**	**0.59**	11.49	(0.48)	**1.86**	**0.01**	3.18	0.01
	Actual Return on Plan Assets less Interest on Plan Assets	**(12.79)**	**-**	(6.99)	-	**-**	**-**	-	-
	Less: Amount recovered from Joint Venture Companies	**(0.55)**	**-**	1.00	-	**-**	**-**	-	-
	Less: Amount transferred to policyholder Liability	**0.49**	**-**	-	-	**-**	**-**	-	-
	Recognised in OCI for the Year	**24.66**	**(1.30)**	(24.43)	(0.46)	**0.74**	**0.01**	1.59	(0.01)
(vi)	**Maturity Profile of Defined Benefit Obligation**								
	Within next 12 months (next annual reporting period)	**156.65**	**3.45**	138.70	2.99	**6.54**	**0.06**	4.82	0.06
	Between 1 and 5 years	**393.80**	**6.72**	350.70	7.00	**22.17**	**0.24**	16.97	0.24
	Between 5 and 10 years	**415.67**	**9.61**	378.22	6.49	**17.20**	**0.23**	13.39	0.23
	10 years and above	**1,600.12**	**36.56**	1,455.27	22.08	**27.41**	**0.52**	25.92	0.61
(vii)	**Quantitative Sensitivity Analysis for significant assumption**								
	Increase/(Decrease) on present value of Defined Benefit Obligation at the end of the year								
	100bps increase in Discount rate	**(90.60)**	**(2.23)**	(79.04)	(2.16)	**(1.94)**	**(0.03)**	(2.31)	(0.04)
	100bps decrease in Discount rate	**101.34**	**2.60**	88.48	2.50	**2.07**	**0.04**	2.47	0.04
	100bps increase in Salary Escalation rate	**100.40**	**2.58**	87.76	2.44	**-**	**-**	-	-
	100bps decrease in Salary Escalation rate	**(90.92)**	**(2.24)**	(79.47)	(2.15)	**-**	**-**	-	-
	Increase in Life Expectancy by 1 year	**-**	**-**	-	-	**2.26**	**-**	1.88	-
	Decrease in Life Expectancy by 1 year	**-**	**-**	-	-	**(2.30)**	**-**	(1.92)	-

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(₹ in Crore)

		Gratuity (Funded)				Pension and post retirement medical Benefits			
		Current Year		Previous Year		Current Year		Previous Year	
		Funded	Others	Funded	Others	Pension	Post-Retirement Medical Benefits	Pension	Post-Retirement Medical Benefits
(viii)	**The major categories of the Plan Assets as a % of total plan**								
	Government of India Securities	**8%**	**N.A.**	9%	N.A.	**N.A.**	**N.A.**	N.A.	N.A.
	Corporate Bonds	**1%**	**N.A.**	2%	N.A.	**N.A.**	**N.A.**	N.A.	N.A.
	Insurer Managed Funds	**90%**	**N.A.**	89%	N.A.	**N.A.**	**N.A.**	N.A.	N.A.
	Others	**1%**	**N.A.**	1%	N.A.	**N.A.**	**N.A.**	N.A.	N.A.
	Total	**100%**	**N.A.**	100%	N.A.	**N.A.**	**N.A.**	N.A.	N.A.
(ix)	**Principal Actuarial Assumptions:**								
	Discount Rate	**6.60%-8.00%**	**5.00%-11.28%**	6.8%-8.00%	3.2%-10.5%	**7.60%-7.65%**	**7.65%**	7.80%-7.90%	7.50%
	Expected Return on Plan Assets	**6.60%-8.00%**	**N.A.**	6.80%-8.00%	N.A.	**N.A.**	**N.A.**	N.A.	N.A.
	Salary Escalation rate	**5.50%-10%**	**5%-10.00%**	5.50%-10%	5%-10.00%	**-**	**-**	-	-
	Mortality Tables	**Indian Assured Lives (2012-14) mortality tables**	**GA 1983 Mortality Table/UK Mortality Table AM92[UK] & Indian assured lives Mortality (2006-08) Ult Table**	Indian Assured (2006-08) mortality tables	GA 1983 Mortality Table/UK Mortality Table AM92[UK] & Indian assured lives Mortality (2006-08) Ult Table	**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 Non-Management	**60 Yrs. 58 Yrs.**	**55-60 Yrs**	60 Yrs. 58 Yrs.	55-60 Yrs.	**-**	**-**	-	-
(x)	**Weighted Average Duration of Defined Benefit obligation:**	**4 to 17 Yrs.**	**2-17 Yrs.**	4 to 17 Yrs.	2-17 Yrs.	**4.86 Yrs. to 6.5 Yrs.**	**6.1 Yrs.**	4.99 Yrs. to 7.4 Yrs.	8Yrs.

(xi) Amounts included in the Fair Value of the Plan Assets for the Company's own financial instrument ₹ 344.35 Crore (Previous year ₹ 282.04 Crore)

(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 ₹ 42.86 Crore (Previous Year ₹ 33.13 Crore).

(xvii) Compensated Absences:

The obligation for compensated absences is recognised in the same manner as gratuity, amounting to charge of ₹ 59.50 Crore (Previous Year ₹ 47.50 Crore).

(xviii) Other Long- term Employee Benefits:

Amount recognised as expense for other long- term employee benefits is ₹ 0.96 Crore (Previous Year ₹ 0.87 Crore).

(xix) The details of the Company's Defined Benefit Plans in respect of the Company managed Provident Fund Trust

Amount recognised as an expense and included in the Note 3.6 as "Contribution- Company owned Provident Fund" is ₹ 44.76 Crore (Previous Year ₹ 46.67 Crore) and amount recognised as pre-operative expenses and included in note 2.1.7 as "Contribution- Company owned Provident Fund" is ₹ 0.76 Crore (Previous Year ₹ Nil Crore)

The actuary has provided for a valuation and based on the below provided assumption there is no interest shortfall as at 31st March 2019 and 31st March 2018.

(₹ in Crore)

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Plan Assets at Fair Value	**2,277.78**	1969.66
(b) Liability recognised in 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	**7.60%-7.65%**	7.80%-7.90%
- Discount rate for the remaining term of maturity of Investment Portfolio	**7.08% - 8.56%**	7.61%-8.63%
- Average Historic Yield on Investment Portfolio	**8.40% – 9.07%**	8.72%-9.34%
- Guaranteed Interest Rate	**8.65%**	8.55%

(xx) Defined Contribution Plans:

(₹ in Crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Amount recognized as an expense and included in note 3.6 as "Contribution to Provident and Other Funds"	**174.47**	153.72
Amount recognised as pre-operative expense and included in note 2.1.7 as "Contribution to Provident and Other Funds"	**0.41**	-
Total Contribution to Provident and Other Funds	**174.88**	153.72

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4.9 FINANCIAL INSTRUMENTS - DISCLOSURE, ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (Ind AS 107)

A. Disclosure of Financial Instruments:

a. Equity Instruments (Other than Joint Venture and Associates)

These investments have to be fair valued either through OCI or Profit and Loss. Investments in the 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 an 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.

B. Classification of Financial Assets and Liabilities:

(₹ in Crore)

Particulars	31st March 2019		31st March 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets at Amortised Cost				
Trade Receivables	**6,427.03**	**6,427.03**	5,202.63	5,202.63
Loans (incl. loans related to NBFC/ HFC business)	**63,529.87**	**63,143.64**	51,106.90	50,689.76
Investments of Insurance Business	**8,280.81**	**8,217.11**	6,192.12	5,733.17
Cash and Bank Balances	**1,875.72**	**1,875.72**	1,316.10	1,316.10
Other Financial Assets	**1,420.73**	**1,420.73**	1,031.24	1,031.24
Financial Assets at Fair Value through Other Comprehensive Income				
Investments of Insurance Business	**6,734.84**	**6,734.84**	5,326.34	5,326.34
Other Investments (Current and Non-Current)	**6,851.53**	**6,851.53**	4,565.84	4,565.84
Financial Assets at fair value through Profit and Loss				
Investments of Insurance Business (including investments of Assets held to cover linked liabilities)	**26,683.18**	**26,683.18**	26,209.59	26,209.59
Other Investments (Current and Non-Current)	**7,912.67**	**7,912.67**	9,768.44	9,768.44
Hedging Instruments				
Derivative Assets	**107.84**	**107.84**	**121.52**	121.52
Total	**129,824.22**	**129,374.29**	110,840.72	109,964.63

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(₹ in Crore)

Particulars	31st March 2019		31st March 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities at Amortised Cost				
Non-Current Borrowings	**64,534.38**	**64,768.45**	46,549.86	46,737.71
Current Borrowings	**17,434.44**	**17,434.44**	20,519.95	20,519.95
Trade Payables	**5,776.54**	**5,776.54**	5,029.68	5,029.68
Other Financial Liabilities	**4,967.62**	**4,967.62**	4,261.68	4,261.68
Hedging Instruments				
Derivative Liabilities	**54.96**	**54.96**	53.23	53.23
Total	**92,767.94**	**93,002.01**	76,414.40	76,602.25

C. **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 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.

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(₹ in Crore)

Particulars	Fair Values	
	As at 31st March 2019	As at 31st March 2018
Financial Assets at Amortised Cost		
Investments of Insurance Business (Level 2)	**8,217.11**	5,733.17
Loans (incl. loans related to NBFC/HFC business) (Level 2)	**7,730.03**	7,267.95
Loans (incl. loans related to NBFC/HFC business) (Level 3)	**55,413.61**	43,421.81
Financial Assets at Fair Value through Other Comprehensive Income		
Investments of Insurance Business (Level 1)	**288.18**	80.86
Investments of Insurance Business (Level 2)	**6,446.06**	5,244.88
Investments of Insurance Business (Level 3)	**0.60**	0.60
Other Investments in Debentures or Bonds (Level 2)	**165.05**	167.85
Other Investments in Equity Instruments (other than Joint Ventures and Associates)		
- Level 1	**6,244.29**	3,880.38
- Level 3	**442.19**	517.61
Hedging Instruments		
Derivative Assets (Level 2)	**107.84**	121.52
Financial Assets at Fair Value through Profit and Loss		
Investments of Insurance Business [including Investments of Assets held to cover linked liabilities] (Level 1)	**11,870.38**	12,096.45
Investments of Insurance Business [including Investments of Assets held to cover linked liabilities] (Level 2)	**14,812.80**	14,113.14
Other Investments in Mutual Funds, Bonds and Private Equity Investment Funds		
- Level 1	**1,204.39**	1,039.85
- Level 2	**6,354.14**	8,367.34
Other Investment in Equity Instruments (other than Joint Ventures and Associates) (Level 3)	**9.28**	8.77
Other Investments in Preference Shares		
- Level 1	**-**	21.29
- Level 2	**214.06**	206.07
- Level 3	**130.80**	125.12
Total	**119,650.81**	102,414.66
Financial Liabilitiess at Amortised Cost		
Non-Current Borrowings (Level 1)	**16,175.88**	11,505.51
Non-Current Borrowings (Level 2)	**32,187.25**	28,408.36
Non-Current Borrowings (Level 3)	**16,405.32**	6,823.84
Hedging Instruments		
Derivative Liabilities (Level 2)	**54.96**	53.23
Total	**64,823.41**	46,790.94

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.

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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 2019 and 31st March 2018, there was no transfer between Level 1 and Level 2 fair value measurement.

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 Investment (other than 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 freign 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.

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 Joint Ventures and Associates)	Discounted cash flow method using risk adjusted discount rate
Private Equity Investment funds	Price to Book value method
Long-Term Borrowings	Discounted cash flow method using risk adjusted discount rate
Other Financial Instruments	Discounted cash flow method using risk adjusted discount rate

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4.9.2.1 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 ₹ 16.49 Crore or increase by ₹ 21.75 Crore (as at 31st March 2018: decrease by ₹ 12.35 Crore or increase by ₹ 16.21 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 ₹ 6.53 Crore or increase by ₹ 6.85 Crore (as at 31st March 2018: decrease by ₹ 6.06 Crore or increase by ₹ 6.44 Crore).

C. Others

Particulars	Valuation Technique	Significant Unobservable Inputs	Range	Sensitivity of the input to the Fair Value (₹Crore)
As on 31st March 2019 Private Equity Investment funds	Price to Book value method	(Valuation at 10% discount compare to peer group)	0.45-0.55	5.85
As on 31st March 2018 Private Equity Investment funds	Price to Book value method	(Valuation at 10% discount compare to peer group)	0.45-0.55	5.67

4.9.3 The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

(₹ in Crore)

Balances as at 31st March 2017	**456.22**
Add: Preference shares received on merger of ABNL	21.03
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
Balances as at 31st March 2018	**652.10**
Add: Purchase of investment during the year	60.28
Add: Fair value gain recognised in other income in Profit or Loss	5.95
Less: Sale of Investments	(59.99)
Less: Fair value loss recognised in OCI	(75.47)
Balances as at 31st March 2019	**582.87**

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4.10 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).

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.

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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.

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

The principal risk the company 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 company 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 reinsurance arrangements.

1. 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:

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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 contract 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 company charges for death and disability risks on a quarterly basis. Under these contracts the company has the right to alter these charges to take account of death and disability experience, thereby mitigating the risks to the company.

The main risks that the company 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

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) **Reinsurance risk** – The company 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 company 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 company'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 company also have an investment guarantee. The company 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 reinsurance agreements with multiple reinsurers. The company 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 company's experience, and so there are advantages to diversifying across all relevant population segments, at least until data is available to confirm which segments can be expected to have relatively favorable experience. At the present stage in the company'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.

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The Company has a Board approved risk management policy covering underwriting, claims and reserving for policy liabilities. The company has a detailed claims processing manual in place. Complicated and large claims are referred to the Company's Claims Review Committee.

Insurance contracts liabilities **Change in liabilities**

(₹ in Crore)

Particulars	31st March 2019				31st March 2018			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Gross Liability at the beginning of the year	1,592.39	19,725.11	5,353.11	26,670.61	1,043.01	20,347.05	4,772.98	26,163.04
Add/(Less)					-	-	-	
Premium	1,189.42	2,015.61	2,231.69	5,436.72	746.00	1,519.77	1,409.10	3,674.87
Unwinding of the discount/ Interest credited	156.08	1,688.03	537.08	2,381.19	76.11	1,180.29	315.27	1,571.67
Changes in valuation for expected future benefits	-	-	-	-	-	-	-	-
Insurance liabilities released	(199.84)	(3,330.76)	(867.64)	(4,398.24)	(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)	(498.88)	(601.71)	(114.88)	(1,215.47)	(129.66)	(581.36)	(395.32)	(1,106.34)
Gross Liability at the end of the year	2,239.17	19,496.28	7,139.36	28,874.81	1,592.39	19,725.12	5,353.11	26,670.62
Recoverable from Reinsurance	3.33	56.28	486.67	546.28	4.03	79.48	474.37	557.88
Net Liability	2,235.84	19,440.00	6,652.69	28,328.53	1,588.36	19,645.64	4,878.74	26,112.74

Investment Contracts Liabilities

(₹ in Crore)

Particulars	31st March 2019				31st March 2018			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
At the beginning of the year	3,869.00	5,409.28	293.54	9,571.82	3,346.47	5,049.87	218.97	8,615.31
Additions								
Premium	1,099.05	904.94	70.56	2,074.55	607.90	578.39	19.09	1,205.38
Interest and Bonus credited to policyholders	204.27	511.67	54.78	770.72	94.37	240.36	81.51	416.24
Others	-	-	-		-	-	-	
Deductions	-	-	-		-	-	-	
Withdrawals/Claims	712.45	867.46	9.28	1,589.19	201.06	621.42	(197.55)	624.93
Fee Income and Other Expenses	6.18	15.87	5.67	27.72	7.47	12.97	3.38	23.82
Others Profit and loss	(126.46)	(129.62)	226.66	(29.42)	-	-	-	-
Others (includes DAC, DOF and Profit/Loss)	-	(1.05)	-	(1.05)	(28.79)	(175.06)	220.20	16.35
At the end of the year	4,580.15	6,073.23	177.27	10,830.65	3,869.00	5,409.29	293.54	9,571.83

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Reinsurance Assets

(₹ in Crore)

Particulars	Current Year 31st March 2019	Previous Year 31st March 2018
At the beginning of the year (March)	**557.88**	940.89
Add/(Less)	-	-
Premium	**225.64**	144.00
Unwinding of the discount/Interest credited	**30.24**	18.17
Change in valuation for expected future benefits	-	-
Insurance liabilities released	**(178.46)**	(116.95)
Others (experience variations)	**(89.02)**	(428.23)
At the end of the year	**546.28**	**557.88**

Deferred acquisition cost

(₹ in Crore)

Particulars	Amount
As at 1st July 2017	**12.52**
Expenses deferred	-
Amortisation	(1.59)
As at 31st March 2018	**10.93**
Expenses deferred	-
Amortisation	(3.13)
As at 31st March 2019	**7.80**

Insurance contracts liabilities : Change in liabilities of Health Insurance Business

(₹ in Crore)

Particulars	Current Year 31st March 2019	Previous Year 31st March 2018
Gross Liability at the beginning of the year	**125.39**	81.23
Add/(Less)	-	-
Incurred but not reported Provision	**14.06**	3.50
Premium Deficiency Reserve	-	(4.14)
Reserve for Unexpired Risk	**126.82**	47.47
Freelook Reserve	**0.69**	0.24
Gross Liability	-	-
Recoverable from Re-insurance	**(6.87)**	(2.91)
Net Liability	**260.09**	125.39

Key assumptions

The assumptions play vital role in calculating Insurance liabilities for the Company. 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 best estimate value.

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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/reinsurers 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

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.

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.

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 company , current industry risk rates, adjusted for the company'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.

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

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

using statistical measures based on the company'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-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Insurance						
With DPF	**60% - 200% of IALM2006-08**	100% of IALM2006-08	**7.30% p.a.**	7.15% p.a.	**PY1 : 30% - 40% PY2 : 10% - 15% PY3 + : 2% -5% (varying by product)**	PY1 : 40% PY2 : 15% PY3 + : 2% -5% (varying by product)
Linked Business	**55% of IALM2006-08**	55% of IALM2006-08	**a) 9.5% pa for assets backing linked liabilities b) 7.05% pa for asset backing non-unit liabilities**	a) 9.5% pa for assets backing linked liabilities b) 6.7% pa for asset backing non-unit liabilities	**PY1 : 10%-23% PY2 : 5% - 8% PY3+: 3% -15% (varying by product and duration)**	PY1 : 10%-23% PY2 : 5% - 8% PY3+: 3% -15% (varying by product and duration)
Others	**18%-385% of IALM2006-08**	30%-385% of IALM2006-08	**6.6%-8.25% p.a.**	6.6%-8.3% p.a.	**PY1 : 1%-5% PY2 : 3% - 25% PY3+: 1% -25% (varying by product and duration)**	PY1 : 1%-5% PY2 : 3% - 15% PY3+: 5% -15% (varying by product and duration)

Portfolio assumptions by type of business impacting net liabilities	Partial Withdrawal		Renewal Per Policy Expense Assumptions		Inflation	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Insurance						
With DPF	**N/A**	N/A	**383-585 Per policy**	364-557 Per policy	**0.05**	0.05
Linked Business	**0%- 3% p.a.**	0%- 3% p.a.	**585 Per policy**	557 Per policy	**0.05**	0.05
Others	**N/A**	N/A	**Max 585 Per policy (varies by product)**	Max 557 Per policy (varies by product)	**0.05**	0.05

*Commission scales have been allowed in accordance with the product filing with IRDA.

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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.

(₹ in Crore)

Sensitivity Parameters	Current Year				Previous Year			
	Insurance with DPF	Insurance without DPF	Investment with DPF	Investment without DPF	Insurance with DPF	Insurance without DPF	Investment with DPF	Investment without DPF
Lapses Increased by 10%	2,138.54	26,399.13	4,580.16	6,264.75	1,535.25	24,840.57	3,869.00	5,715.84
Lapses Decreased by 10%	2,356.77	26,625.33	4,580.16	6,265.38	1,691.92	25,053.42	3,869.00	5,716.41
Mortality Increased by 10%	2,285.09	26,680.42	4,580.16	6,265.08	1,640.46	25,105.26	3,869.00	5,716.15
Mortality Decreased by 10%	2,193.49	26,333.59	4,580.16	6,265.00	1,574.70	24,778.90	3,869.00	5,716.08
Expenses Increased by 10%	2,309.78	26,582.01	4,580.16	6,265.37	1,658.18	25,012.66	3,869.00	5,716.41
Expenses Decreased by 10%	2,170.35	26,433.71	4,580.16	6,264.75	1,558.09	24,873.11	3,869.00	5,715.84
Interest Rate Increased by 100 bps	1,724.25	25,657.78	4,580.16	6,255.49	1,237.83	24,143.00	3,869.00	5,707.39
Interest Rate Decreased by 100 bps	2,568.85	27,787.46	4,580.16	6,276.40	1,844.17	26,146.94	3,869.00	5,726.47
Inflation Rate Increased by 100 bps	2,349.39	26,617.71	4,580.16	6,265.47	1,686.62	25,046.25	3,869.00	5,716.50
Inflation Rate Decreased by 100 bps	2,155.96	26,419.09	4,580.16	6,264.71	1,547.75	24,859.35	3,869.00	5,715.81

Financial Risks of Insurance Business

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. The Company is subject to credit risk in connection with issuers of securities held in our investment portfolio, reinsurers. 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.

Governance structure, in form of the Investment Committee, and well defined investment policies & 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.

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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 & debt securities issued by reputed corporate having appropriate rating as per Investment Committee.

Derivative financial instrument : The settlement risk the company is exposed to is mitigated by an adequate amount of margin money.

Industry Analysis

As on 31st March 2019

(₹ in Crore)

	Particulars	Infrastructure	Financial and Insurance	Government	IT Services	Manufacturing	Others	Total
1.	**FVTOCI financial assets**							
	Policyholders							
	Debt	180.77	2,052.08	-	31.77	183.61	178.67	**2,626.90**
	Equity	-	-	-	-	-	-	-
	Government Securities	-	-	1,927.27	-	-	47.29	**1,974.56**
	Others	-	1.30	86.27	-	-	-	**87.57**
	Shareholders	-	-	-	-	-	-	-
	Debt	129.47	759.87	-	16.19	168.74	77.17	**1,151.44**
	Equity	-	51.65	-	-	-	-	**51.65**
	Government Securities	-	-	769.33	-	-	25.95	**795.28**
	Others	-	47.42	-	-	-	-	**47.42**
2.	**Financial Assets At FVTPL**							
	Policyholders	-	-	-	-	-	-	-
	Debt	1,632.73	4,483.14	-	270.36	1,182.80	126.88	**7,695.91**
	Equity	1,355.36	3,589.87	-	1,179.36	4,010.64	196.55	**10,331.78**
	Government Securities	-	9.84	5,753.31	-	-	17.91	**5,781.06**
	Mutual Fund Units	-	1,429.12	-	-	-	28.94	**1,458.06**
	Others	24.64	588.82	373.70	-	24.66	172.72	**1,184.54**
	Shareholders	-	-	-	-	-	-	-
	Debt	-	25.75	-	-	-	-	**25.75**
	Equity	-	200.24	-	-	-	-	**200.24**
	Government Securities	-	-	-	-	-	-	-
	Mutual Fund Units	-	5.87	-	-	-	-	**5.87**
	Others	-	-	-	-	-	-	-
3.	**Amortised Cost Financial Assets**							
	Policyholders	-	-	-	-	-	-	-
	Debt	475.48	2,210.23	-	44.59	194.26	2.08	**2,926.64**
	Government Securities	-	-	5,227.03	-	-	-	**5,227.03**
	Others	-	-	123.06	-	-	4.08	**127.14**
	Shareholders	-	-	-	-	-	-	-
	Debt	-	-	-	-	-	-	-
	Government Securities	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-
	Total credit risk exposure	**3,798.46**	**15,455.18**	**14,259.96**	**1,542.26**	**5,764.71**	**878.25**	**41,698.84**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

As on 31st March 2018

(₹ in Crore)

	Particulars	Infrastructure	Financial and Insurance	Government	IT Services	Manufacturing	Others	Total
1.	**FVTOCI financial assets**							
	Policyholders							
	Debt	204.05	1,196.63	-	29.37	68.10	159.40	**1,657.55**
	Equity	-	-	-	-	-	-	-
	Government Securities	-	-	1,653.65	-	-	-	**1,653.65**
	Others	-	60.48	104.32	-	-	-	**164.80**
	Shareholders	-	-	-	-	-	-	-
	Debt	111.58	523.86	-	15.61	133.84	90.66	**875.55**
	Equity	-	53.58	-	-	-	-	**53.58**
	Government Securities	-	-	799.64	-	-	-	**799.64**
	Others	-	87.79	0.94	-	-	-	**88.73**
2.	**Financial Assets At FVTPL**							
	Policyholders	-	-	-	-	-	-	-
	Debt	1,692.89	5,106.90	-	193.02	895.46	35.03	**7,923.30**
	Equity	1,687.23	3,055.37	-	1,459.43	3,994.49	215.28	**10,411.80**
	Government Securities	-	9.93	5,317.93	-	-	16.05	**5,343.91**
	Mutual Fund Units	-	1,548.64	-	-	-	1.76	**1,550.40**
	Others	-	478.14	241.59	-	48.06	78.04	**845.83**
	Shareholders	-	-	-	-	-	-	-
	Debt	-	24.88	-	-	-	-	**24.88**
	Equity	-	138.14	-	-	-	-	**138.14**
	Government Securities	-	-	-	-	-	-	-
	Mutual Fund Units	-	4.14	-	-	-	-	**4.14**
	Others	-	-	-	-	-	-	-
3.	**Amortised Cost Financial Assets**							
	Policyholders	-	-	-	-	-	-	-
	Debt	426.21	1,411.10	-	42.57	127.08	2.03	**2,008.99**
	Government Securities	-	-	3,995.16	-	-	-	**3,995.16**
	Others	-	65.23	116.63	-	-	6.10	**187.96**
	Shareholders	-	-	-	-	-	-	-
	Debt	-	-	-	-	-	-	-
	Government Securities	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-
	Total credit risk exposure	**4,121.96**	**13,764.81**	**12,229.86**	**1,740.00**	**5,267.03**	**604.35**	**37,728.01**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

Credit exposure by Credit Rating

As on 31st March 2019

(₹ in Crore)

	Particulars	UNR	SOVEREIGN	AAA	AA+	AA-	AA	Others	Total
1.	**FVTOCI financial assets**								
	Policyholders								
	Debt	-	-	2,388.95	15.71	-	189.31	32.93	**2,626.90**
	Equity	-	-	-	-	-	-	-	-
	Government Securities	-	1,927.28	47.28	-	-	-	-	**1,974.56**
	Others	1.30	86.27	-	-	-	-	-	**87.57**
	Shareholders	-	-	-	-	-	-	-	-
	Debt	-	-	787.90	42.43	68.26	215.36	37.49	**1,151.44**
	Equity	51.65	-	-	-	-	-	-	**51.65**
	Government Securities	-	769.33	25.95	-	-	-	-	**795.28**
	Others	47.42	-	-	-	-	-	-	**47.42**
2.	**Financial Assets At FVTPL**								
	Policyholders	-	-	-	-	-	-	-	-
	Debt	-	-	6,307.42	387.07	251.69	731.47	18.26	**7,695.91**
	Equity	10,084.74	-	25.51	121.11	21.00	79.42	-	**10,331.78**
	Government Securities	-	5,753.31	27.75	-	-	-	-	**5,781.06**
	Mutual Fund Units	1,429.12	-	-	-	-	-	28.94	**1,458.06**
	Others	375.76	373.70	435.08	-	-	-	-	**1,184.54**
	Shareholders	-	-	-	-	-	-	-	-
	Debt	-	-	25.75	-	-	-	-	**25.75**
	Equity	-	-	-	101.77	5.25	93.22	-	**200.24**
	Government Securities	-	-	-	-	-	-	-	-
	Mutual Fund Units	5.52	-	-	-	-	0.35	-	**5.87**
	Others	-	-	-	-	-	-	-	-
3.	**Amortised Cost Financial Assets**								
	Policyholders	-	-	-	-	-	-	-	-
	Debt	-	-	2,578.53	74.21	38.32	196.05	39.53	**2,926.64**
	Government Securities	-	5,227.03	-	-	-	-	-	**5,227.03**
	Others	-	123.06	-	-	-	-	4.08	**127.14**
	Shareholders	-	-	-	-	-	-	-	-
	Debt	-	-	-	-	-	-	-	-
	Government Securities	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	Total credit risk exposure	**11,995.50**	**14,259.98**	**12,650.12**	**742.30**	**384.53**	**1,505.18**	**161.24**	**41,698.84**

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

As on 31st March 2018

(₹ in Crore)

	Particulars	UNR	SOVEREIGN	AAA	AA+	AA-	AA	Others	Total
1.	**FVTOCI financial assets**								
	Policyholders								
	Debt	-	-	1,510.92	14.17	-	117.11	15.35	**1,657.55**
	Equity	-	-	-	-	-	-	-	-
	Government Securities	-	1,653.65	-	-	-	-	-	**1,653.65**
	Others	26.69	104.32	33.79	-	-	-	-	**164.80**
	Shareholders	-	-	-	-	-	-	-	-
	Debt	-	-	596.53	45.15	25.00	172.58	36.29	**875.55**
	Equity	53.58	-	-	-	-	-	-	**53.58**
	Government Securities	-	799.64	-	-	-	-	-	**799.64**
	Others	87.79	0.94	-	-	-	-	-	**88.73**
2.	**Financial Assets At FVTPL**								
	Policyholders	-	-	-	-	-	-	-	-
	Debt	-	-	6,562.88	265.08	127.89	949.81	17.64	**7,923.30**
	Equity	10,156.07	-	-	177.69	-	78.04	-	**10,411.80**
	Government Securities	-	5,317.92	25.99	-	-	-	-	**5,343.91**
	Mutual Fund Units	1,548.64	-	-	-	-	-	1.76	**1,550.40**
	Others	307.42	241.59	296.82	-	-	-	-	**845.83**
	Shareholders	-	-	-	-	-	-	-	-
	Debt	-	-	24.88	-	-	-	-	**24.88**
	Equity	-	-	-	52.56	-	85.58	-	**138.14**
	Government Securities	-	-	-	-	-	-	-	-
	Mutual Fund Units	4.04	-	-	-	-	0.09	-	**4.14**
	Others	-	-	-	-	-	-	-	-
3.	**Amortised Cost Financial Assets**								
	Policyholders	-	-	-	-	-	-	-	-
	Debt	-	-	1,767.28	36.67	45.82	133.87	25.33	**2,008.97**
	Government Securities	-	3,995.16	-	-	-	-	-	**3,995.16**
	Others	65.23	116.63	-	-	-	-	6.10	**187.97**
	Shareholders	-	-	-	-	-	-	-	-
	Debt	-	-	-	-	-	-	-	-
	Government Securities	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	Total credit risk exposure	**12,249.46**	**12,229.86**	**10,819.10**	**591.32**	**198.71**	**1,537.09**	**102.47**	**37,728.00**

It is the company's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables 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 the various categories and are derived in accordance with the company's rating policy. The attributable risk ratings are assessed and updated regularly.

The company manages its product mix to ensure that there is no significant concentration of credit risk.

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

Expected Credit Loss

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are measured at amortised cost and

b) Financial assets (debt) that are measured as at FVTOCI

ECL has been calculated on Non-ULIP portfolio as ULIP portfolio is marked-to-market. For recognition of impairment loss on financial assets and risk exposure, the Company 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. Loss Given Default (LGD) of 75% has been assumed across all securities (maximum as per RBI directives). The credit rating provided by the external rating agencies has been considered while assigning PD for each individual company, the PD for each rating category is as under:

Credit rating	Default Rate
Gsec	0
State	0
AAA	0.03
AAA (so)	0.03
AA	0.5
AA (so)	0.5
AA+	0.5
A+	0.74
AA-	0.74

ECL allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss (P&L).

ECL allowance computed, basis above, during the period under consideration is as follows:

(₹ in Crore)

Movement of Allowances	Financial Asset
As at 1-04-2017	**4.34**
Provided during the year	-
Amounts written off	-
Reversals of provision	(1.89)
Unwinding of discount	-
Transferred on account of demerger	-
As at 31-03-2018	**2.45**
Provided during the year	2.53
Amounts written off	-
Reversals of provision	-
Unwinding of discount	-
Transferred on account of demerger	-
As at 31-03-2019	**4.98**

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

Liquidity Risk

Liquidity risk is the possibility that the Company will not be able to fund all cash outflow commitments as they fall due. 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 an 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. BSLI's Asset Liability Management Techniques aims to manage the volume, mix, maturity, rate sensitivity, quality and liquidity 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 payable and receivable.

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 manages its product mix to ensure that there is no significant concentration of credit risk.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

The table below summarises the expected utilisation or settlement of assets and liabilities.

Maturity analysis on expected maturity bases

As at 31st March 2019

(₹ in Crore)

Particulars	Less Than 3 Months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	> 5 years	Total
Financial assets							
Investments							
Shareholders							
Amortised Cost							
FVOCI	39.20	67.34	22.74	100.06	190.14	1,642.04	**2,061.52**
FVTPL	5.87	-	-	113.47	106.91	-	**226.25**
Policyholders							
Amortised Cost	4.10	14.53	-	177.05	409.14	7,135.84	**7,740.66**
FVOCI	119.14	32.35	10.00	340.91	437.58	3,302.67	**4,242.65**
FVTPL	2,643.77	2,804.87	370.80	3,137.30	1,780.99	15,721.62	**26,459.35**
Trade and other receivables	206.52	-	-	-	-	-	**206.52**
Cash and cash equivalents	666.40	-	-	-	-	-	**666.40**
Other financial assets	-	-	-	-	-	-	
Security deposits	33.82	7.03	8.53	2.69	6.34	6.78	**65.19**
Loan against policies (Secured)	0.04	0.09	1.61	2.97	4.46	104.89	**114.06**
Others	329.27	-	0.16	-	-	-	**329.43**
							-
Financial Liabilites							
Other financial liabilities	676.32	0.55	0.81	-	-	-	**677.68**
Derivative financial instruments	(0.27)	(0.34)	0.65	1.07	2.44	0.81	**4.36**
Trade and other payables	355.65	-	-	-	-	-	**355.65**

As at 31st March 2018

(₹ in Crore)

Particulars	Less Than 3 Months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	> 5 years	Total
Financial assets							
Investments							
Shareholders							
Amortised Cost							
FVOCI	2.93	100.31	143.86	89.31	386.61	1,152.07	**1,875.09**
FVTPL	4.14	-	-	24.88	132.51	5.02	**166.55**
Policyholders							
Amortised Cost	6.16	175.46	161.12	19.84	444.70	4,843.23	**5,650.51**
FVOCI	4.43	394.70	176.20	181.49	590.32	2,271.51	**3,618.65**
FVTPL	1,634.18	1,915.16	1,606.23	1,847.33	3,012.53	15,794.81	**25,810.24**
Trade and other receivables	166.82	-	-	-	-	-	**166.82**
Cash and cash equivalents	638.60	-	-	-	-	-	**638.60**

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(₹ in Crore)

Particulars	Less Than 3 Months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	> 5 years	Total
Other financial assets	-	-	-	-	-	-	
Security deposits	48.92	3.26	10.03	2.26	4.23	6.52	**75.22**
Loan against policies (Secured)	0.05	0.03	0.07	8.45	2.34	63.36	**74.30**
Others	310.73	-	0.18	-	-	-	**310.91**
	-	-	-	-	-	-	
Financial Liabilites	-	-	-	-	-	-	
Other financial liabilities	603.36	0.88	0.75	-	-	-	**604.99**
Derivative financial instruments	0.03	0.56	0.72	0.68	0.77	0.40	**3.16**
Trade and other payables	210.93	-	-	-	-	-	**210.93**

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.

Market risk governance practices are in place, including independent monitoring and review and reporting to senior management and the Risk Management Committee. Company have 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 market interest rates. Floating rate instruments exposes 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. The method used for deriving sensitivity information and significant variables have not changed from the previous period.

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Market Indices	Change in Interest rate	As at 31st March 2019		As at 31st March 2018	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Interest rate	25 Basis Point down	**113.93**	**78.31**	95.43	89.65
	50 Basis Point down	**227.86**	**156.63**	190.86	179.30
	25 Basis Point Up	**(113.93)**	**(78.31)**	(95.43)	(89.65)
	50 Basis Point Up	**(227.86)**	**(156.63)**	(190.86)	(179.30)

Equity Price Risk

Equity market risk is the potential for financial loss arising from declines or volatility in equity market prices. the Company is 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 behaviour, and mortality experience, which may result in negative impacts on our net income and capital.

The Company has no significant concentration of equity price risk.

The analysis below is performed for reasonably possible movements in market indices i.e BSE 100 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.

Market Indices	Change in variables	As at 31st March 2019		As at 31st March 2018	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
BSE 100	10% rise	**8.79**	**30.26**	25.95	32.45
	10% fall	**(8.79)**	**(30.26)**	(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.

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The Company has a robust Business Continuity Plan and Information Technology Disaster Recovery Plan in place to manage any business/technology interruption risk. Business Continuity Management System is certified against the global standard ISO 22301. It 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 minimizing the potential business impact to the Company.

Information Security Risk is the risk arising from IT systems (data leakage, application vulnerabilities, lack of segregation of duties and access control), human error, etc. which can cause damage to finances or reputation. Information Security risks are governed through Information Security Management System aligned and certified against ISO 27001:2013 which is a global benchmark. The Company has a comprehensive Information Security policy designed to comply with ISO 27001:2013, privacy and/or data protection legislations as specified in Indian Information Technology Act, 2008 and Notification dated 11th April 2011 on protection of sensitive personal information and it provides direction to Information Security staff, Management and Employees regarding their roles and responsibilities towards Information Security.

Fraud management is handled through an internal committee and is governed by the Fraud Reporting and Investigation Policy.

Nature and Term of Outstanding Derivative Contract

a) Forward rate Agreement

(₹ in Crore)

Particulars	As at 31st March 2019	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
7.40% Gsec 09-09-2035	**100.00**	-
	-	-
ii) Total notional principal amount of forward rate agreement outstanding as on end of the year (instrument-wise)		
7.73% Gsec 19-12-2034	**152.25**	200.00
8.30% Gsec 31-12-2042	**69.42**	86.98
8.32% Gsec 02-08-2032	**83.82**	152.37
7.40% Gsec 09-09-2035	**87.12**	-
iii) Notional principal amount of forward rate agreement outstanding and not 'highly effective' as at Balance Sheet date	-	-
iv) Mark-to-market value of forward rate agreement outstanding and not 'highly effective' as at Balance Sheet date	-	-
v) Loss which would be incurred if counter party failed to fulfil their obligation under agreements	-	-

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(b) The fair value mark to market (MTM) gains or losses in respect of Forward Rate Aggrement outstanding as at the Balance Sheet date is stated below:

(₹ in Crore)

Hedging Instrument	As at 31st March 2019	As at 31st March 2018
i) 7.73% Gsec 19-12-2034	**(1.18)**	0.73
ii) 8.30% Gsec 31-12-2042	**(3.02)**	(2.38)
iii) 8.32% Gsec 02-08-2032	**(0.81)**	(1.51)
iv) 7.40% Gsec 09-09-2035	**0.64**	-

(c) Movement in Hedge Reserve

(₹ in Crore)

Hedge Reserve Account	As at 31st March 2019		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	**(5.28)**	**(5.28)**
ii) Add: Changes in the fair value during the Year	-	**0.72**	**0.72**
iii) Less: Amounts reclassified to Revenue/Profit & Loss A/c	**(0.03)**	-	**(0.03)**

(₹ in Crore)

Hedge Reserve Account	As at 31st March 2018		
	Realised	Unrealised	Total
i) Balance at the beginning of the year	-	-	-
ii) Add: Changes in the fair value during the Year	-	(5.28)	(5.28)
iii) Less: Amounts reclassified to Revenue/Profit & Loss A/c	-	-	-

(₹ in Crore)

Particulars	As at 31st March 2019	As at 31st March 2018
i) Name of the Counter Party	**J.P.Morgan/ CITI Bank**	J.P.Morgan
ii) Hedge Designation	**Cash flow hedge**	Cash flow hedge
iii) Likely impact of one percentage change in interest rate (100*PV01)		
a) Underlying being hedged	**Sovereign Bonds**	Sovereign Bonds
b) Derivative	**Forward Rate Agreement**	Forward Rate Agreement

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Capital management objectives and policies

The group has established the following capital management objectives, policies and approach to manage the risks that affect its capital position:

i) To maintain the required level of stability of the group 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

The group 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 & Development 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 group's capital management policy for its insurance business is to hold sufficient capital to cover the statutory requirements based on the IRDAI directives.

Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the group is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the group maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the group are subject to regulatory requirements within the jurisdictions in which it operates.

B Financial Risk management and Its Policies for NBFC and HFC Businesses

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.

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Analysis of maximum exposure to credit risk and collateral and other credit enhancements

Retail loans, other than unsecured micro loans , are generally secured by an identified collateral which generally is theunderlying asset financed. The secured exposures mentioend above are secured by pledge of financial securities (listed equity shares, units of mutual funds, surrender value of insurance policies), mortgage of immovable properties (residential, commercial, industrial), hypothecation of plant and machinery, hypothecation of receivables, inventory etc.collectively referred to as current assets. However, collateral securing each individual loan may not be adequate in relation to the value of the loan. If the customer fails to pay, the group would, by following the due process of law, liquidate collateral and/or set off the amount due and recoverable from the counter party. For loans where repayment is either monthly or quarterly, the group either obtains direct debit instructions in the form of madnates from the counter party and is registered with the bank account mapped to such mandate or obtains post-dated cheques from the counter party. It is a criminal offence in India to issue a debit mandate or bad cheque.

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 2019.

Financial Assets

(₹ in Crore)

As at 31st March 2019	1 day to 30/31 days (one month)	Over one months to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	More Than 5 Years
Loans & Advances	2,662.31	2,428.37	2,123.19	3,271.87	6,213.03	14,416.38	7,860.88	22,616.67
Trade Receivables	6.39	4.89	0.03					
Total	**2,668.70**	**2,433.26**	**2,123.22**	**3,271.87**	**6,213.03**	**14,416.38**	**7,860.88**	**22,616.67**

Financial Liabilities

(₹ in Crore)

As at 31st March 2019	1 day to 30/31 days (one month)	Over one months to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	More Than 5 Years
Trade & Other Payables	67.62							
Other Financial Liabilities	242.63	380.31	60.90	240.96	282.29	317.94	25.22	-
Borrowing & Debt Securities	4,032.81	1,657.87	2,796.65	2,832.46	7,601.50	19,940.14	10,123.97	4,311.35
Total	**4,343.06**	**2,038.18**	**2,857.55**	**3,073.42**	**7,883.79**	**20,258.07**	**10,149.19**	**4,311.35**

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Financial Assets

(₹ in Crore)

As at 31st March 2018	1 day to 30/31 days (one month)	Over one months to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	More Than 5 Years
Loans & Advances	1,931.55	2,405.06	1,126.22	2,170.27	5,621.72	10,576.97	8,743.58	17,640.85
Trade Receivables	13.51	11.30			0.08			
Total	**1,945.06**	**2,416.36**	**1,126.22**	**2,170.27**	**5,621.80**	**10,576.97**	**8,743.58**	**17,640.85**

Financial Liabilities

(₹ in Crore)

As at 31st March 2018	1 day to 30/31 days (one month)	Over one months to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	More Than 5 Years
Trade & Other Payables	69.12							
Other Financial Liabilities	292.14	332.07	104.65	178.05	172.86	154.10	4.14	
Borrowing & Debt Securities	1,394.87	5,405.42	4,640.39	1,360.30	6,670.28	12,560.99	8,621.52	2,839.32
Total	**1,756.13**	**5,737.49**	**4,745.04**	**1,538.35**	**6,843.14**	**12,715.09**	**8,625.66**	**2,839.32**

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.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Company, market risk primarily comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity, other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2019 and 31st March 2018.

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Total market risk exposure

(₹ in Crore)

Particulars	31st March 2019			31st March 2018			
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
Assets							
Financial investments–FVTPL	1,574.61	1,574.61	-	1,331.02	1,331.02	-	Equity price
Financial investments–FVOCI	1.90	-	1.90	1.27	-	1.27	
Total	**1,576.51**	**1,574.61**	**1.90**	**1,332.29**	**1,331.02**	**1.27**	

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 has borrowings which are primarily at floating rate of interest and hence the Company is not significantly exposed to Interest rate risk.

Interest rate sensitivity

Since the Company manages its interest rate risk on borrowings by ensuring, at maximum, its long term borrowings at floating rate of interest and in case of reduction in interest rate, it initiates negotiations with bankers for realigning the interest rate and/or repaying the high interest rate exposures, the interest rate change in market as such doesn't affect Company's profitability materially.

Market Indices	Change in Interest rate	31st March 2019		31st March 2018	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Interest rate	25 Basis Point down	**48.61**	**31.66**	36.51	32.09
	50 Basis Point down	**97.22**	**63.31**	73.03	64.18
	25 Basis Point Up	**(48.61)**	**(31.66)**	(36.51)	(32.09)
	50 Basis Point Up	**(97.22)**	**(63.31)**	(73.03)	(64.18)

Capital management objectives and policies

For the purpose of the group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the group. The primary objective of the group's capital management is to maximise the shareholder value.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The group monitors capital using a capital adequacy ratio, which is weighted assets divided by total capital derived as per the RBI requirements. As per the RBI guidelines, group being a Non Banking Finance group has to maintain 15% of capital adequacy ratio of NBFC business & 12% of capital adequacy ratio of HFC business.

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The actual Capital Adequacy Ratio is as under:

(₹ in Crore)

Particulars	31st March 2019	31st March 2018
Capital Adequacy Ratio of NBFC	17.45	17.90
Capital Adequacy Ratio of HFC	16.80	14.25

In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2019 and 31st March 2018.

C. ECL Risk

Impairment assessment

The ECL model Credit loss provisioning approach has now moved from incurred model. This forces entity to understand the significance of credit risk and its movement since its initial recognition. This model ensures (a) timely recognition of ECLs (b) assessment of significant increase in credit risk which will provide better disclosure (c) ascertainment of better business ratios.

The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

- An explanation of the Group's internal grading system (Note 'Definition of default and cure' below)
- How the Group defines, calculates and monitors the probability of default, exposure at default and loss given default) (Note 'The Group's internal rating and PD estimation process', 'Probability of Default', 'Exposure at Default' below)
- When the Group considers there has been a significant increase in credit risk of an exposure (Note 'Significant increase in credit risk' below)
- The Group's policy of segmenting financial assets where ECL is assessed on a collective basis (Note 'Grouping financial assets measured on a collective basis' below)

Definition of default and cure

The Group considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Group on terms that the group would not consider otherwise;

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d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties and the customer has delay in his repayments over a month.

The Group's internal rating and PD estimation process

a. Internal Rating: A robust internal credit rating framework is vital for effective credit risk management. It is specified by RBI on credit risk management that lenders should have an internal rating framework and the lenders must have independent Credit Risk Control Units (CRCU) or equivalents that are responsible for the design or selection, implementation and performance of their internal rating systems. Accordingly we also have an internal rating framework developed along with CRISIL, with ratings being assigned to all the customer/portfolio pool – (eligible customers for Ratings) and used extensively in internal decision-making.

b. It is further specified in the policy that Internal rating/grading/scoring of the borrower/client is at least Investment grade rating as per ABFL's internal credit rating model or valid/live external rating.

Probability of Default(PD)

PD is calculated basis likelihood that the borrower will default within one year horizon (Basis for Stage 1), For Stage 2 – it is defined as significant increase in credit risk and probability is defined as borrower's probability to default in lifetime.

Exposure at Default

Gross exposure/potential gross exposure under a facility (i.e. the amount that is legally owed to the lender) at the time of default by a borrower. Exposure at Default gives an estimate of the amount outstanding.

Loss Given Default(LGD)

LGD is usually shown as the percentage of Exposure at Default that the lender might lose in case the borrower defaults. It depends, among others, on the type of collateral, it's value, borrower rating and the expected proceeds from the sale (e.g. sales proceeds from sales of collaterals/securities) of the assets, NPV net of recovery costs.

Significant increase in credit risk

a. There is significant increase in credit risk, when there is deterioration in account performance and expected resolution is not available.

b. Further, for large borrowers after assessing the following Risks in totality and deterioration in each factor , it is then assessed whether there is a significant increase in credit risk

   i. Industry Risk

   ii. Business Risk

   iii. Management Risk

   iv. Financial Risk

   v. Banking Conduct & Facility level Conduct.

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c. Significant increase in credit risk is also gauged through Credit Rating. Credit rating is an opinion of capacity of borrower to meet its financial obligations to the depositor or bondholder (i.e. lender of money) on a particular issue or type of instrument (i.e. a domestic or foreign currency: short-term or medium or long-term, etc.) in a timely manner. The rating measures the relative risk of an issuers ability and willingness to repay both interest and principal over the period of the rated instrument. i.e. rating signifies the risk of default of the borrower that is rated.

Grouping financial assets measured on a collective basis

The Group calculates ECLs either on a collective or an individual basis.

Asset classes where the Group calculates ECL on an individual basis include:

1. Corporate Portfolio

Asset classes where the Group calculates ECL on a collective basis include:

1. Retail Portfolio

The ECL methodology allows for individual assessment for corporates and therefore these loans are generally measured individually as each of these exposures have unique characteristics and structuring. For retail exposures and exposures which can be clubbed in homogenous pools, ECL is measured on a collective basis. This has been arrived at based on common characteristics like nature of product, customer profile etc.

Analysis of risk concentration

Concentration analysis are presented for Portfolio pool, Location, Top borrower exposures, Group exposures etc. These are regularly analysed and presented for further review/action.

D. 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.

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The sources of risks which the Group is exposed to and their management is given below:

Risks	Exposure Arising From	Measurement	Management
• **Market Risk:**			
- Foreign Exchange Risk	Committed Commercial transactions, Financial Assets and Liabilities not denominated in INR	Cash Flow Forecasting, Sensitivity Analysis	Forward Foreign Exchange contracts Foreign Currency Options Principal only/Currency Swaps
- Interest Rate Risk	Long-term Borrowings at variable rates, Investments in Debt Schemes of Mutual Funds and Other Debt Securities	Sensitivity Analysis, Interest rate Movements	Interest Rate Swaps Portfolio Diversification
- Equity Price Risk	Investments (other than Subsidiaries, Joint Ventures and Associates, which are carried at cost)	Financial Performance of the Investee Companies	Investments are long - term in nature and in companies with sound management with leadership positions in their respective businesses.
• **Credit Risk**	Trade Receivables, Investments, Derivative Financial Instruments, Loans and Bank Balances	Ageing Analysis, Credit Ratings	Diversification of mutual fund investments and portfolio credit monitoring, credit limit and credit worthiness monitoring, criteria-based approval process
• **Liquidity Risk**	Borrowings and Other Liabilities and Liquid Investments	Rolling Cash Flow forecasts, Broker Quotes	Adequate unused credit lines and borrowing facilities Portfolio Diversification
• **Commodity Price Risks**	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.

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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 2019 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 2019 ₹ 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	42.39	(24.32)	(42.39)	24.32
EUR	(4.68)	0.01	4.68	(0.01)
GBP	0.08	-	(0.08)	-
JPY	(0.01)	-	0.01	-
CAD	-	(1.74)	-	1.74
AUD	0.01	-	(0.01)	-
CNY	4.69	-	(4.69)	-
CHF	6.87	-	(6.87)	-
PESO	-	(0.12)	-	0.12
THB	-	(6.02)	-	6.02
Others*	0.11	0.03	(0.11)	(0.03)
Increase/(Decrease) in Profit/Equity	**49.46**	**(32.16)**	**(49.46)**	**32.16**

Others represents currency in Bangladeshi Taka, British Pound, Kuwaiti Dinar, Mozambiue New Metical, Omani Rial, Philippines Peso, Tanzanian Shilingi, etc.

Currency	31st March 2018 ₹ 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	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	(1.64)	0.00	1.64
PESO	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)	-
Increase/(Decrease) in Profit/Equity	**17.55**	**(33.33)**	**(17.55)**	**33.33**

Others represents currency in Bangladeshi Taka, British Pound, Kuwaiti Dinar, Mozambiue New Metical, Omani Rial, Philippines Peso, Tanzanian Shilingi, etc.

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(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.

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 2019

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)	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
A.	Cash Flow Hedge								
	Foreign Exchange Risk								
1)	Foreign exchange forward contracts								
a	USD	1.57	17.21	70.97	67.89	111.69	1168.44	26.86	(10.46)
b	EUR	0.80	0.68	79.26	85.94	63.11	58.16	1.93	(2.55)
c	CNH	0.66	39.95	10.67	10.84	7.09	433.08	0.21	(17.00)
d	JPY	-	53.94	-	0.67	-	36.17	-	(1.28)
e	SEK	-	0.80	-	7.98	-	6.38	-	(0.04)
f	AUD	0.29	-	50.47	-	14.49	-	-	0.20
g	GBP	-	0.23	-	95.64	-	22.00	0.57	-
2)	Cross Currency Interest Rate Swaps								
a	USD	-	3.00	-	65.25	-	195.75	-	10.04

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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)	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
A.	Cash Flow Hedge								
	Foreign Exchange Risk								
1)	Foreign exchange forward contracts								
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
2)	Cross Currency Interest Rate Swaps								
a	USD	0.00	3.00	0.00	65.25	0.00	195.75	0.00	1.81

Interest Rates outstanding on Receive Floating and Pay Fix Contracts:

Particulars	As at	Average Contracted Fixed Interest Rates*	Nominal Amount USD Crore	Fair Value Assets (Liabilities) ₹ in Crore
1 to 2 years	**31st March 2019**	**0.90%**	**18.75**	**30.32**
2 to 5 years	**31st March 2019**	**3.92%**	**16.32**	**19.39**
2 to 5 years	31st March 2018	2.21%	37.82	74.48

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 2019**	**7.79%**	**67.49**	**7.32**	**2.76**
2 to 5 years	31st March 2018	7.79%	67.49	7.32	(23.57)

* Includes weighted average rate for Cross Currency Interest Rate Swaps, Principal Only Swap and Coupon Swaps.

The line item in the Balance Sheet that includes the above Hedging Instruments is "Other Financial Assets"/"Other Financial Liabilities".

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(b) Fair Value Hedge

Details of Foreign Exchange Forward Contracts Outstanding as on 31st March 2019

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.	Fair Value Hedge									
	Foreign Exchange risk									
1)	Foreign Exchange Forward Contracts									
a	USD	0.84	8.21	71.29	72.98	59.93	599.39	1.25	(26.93)	02-04-2019 to 09-09-2019
b	EUR	1.54	0.44	84.31	82.05	129.52	35.74	1.40	(6.39)	02-04-2019 to 14-02-2020
c	GBP	-	0.13	-	92.82	-	11.81	0.08	-	10-06-2019 to 30-09-2019

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
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
B.	Fair Value Hedge									
	Foreign Exchange risk									
1)	Foreign Exchange Forward Contracts									
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:

(₹ in Crore)

Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Non-Interest Bearing Borrowings
INR	22,857.51	14,669.98	7,724.23	463.30
USD	3,814.18	675.89	3,138.29	-
AED	12.29	12.29	-	-
BDT	26.29	26.29	-	-
BHD	0.53	0.53	-	-
Total as at 31st March 2019	**26,710.80**	**15,384.98**	**10,862.52**	**463.30**

Particulars	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	-	-
Total as at 31st March 2018	**22,453.84**	**11,834.93**	**10,316.11**	**302.80**

Note: Interest rate risk hedged for Foreign Currency borrowings has been shown under Fixed Rate borrowings.

Interest Rate Sensitivities for Floating Rate Borrowings (impact of increase in 1%):

(₹ in Crore)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Impact on profit before tax	Impact on Equity	Impact on profit before tax	Impact on Equity
INR	**(146.70)**	**(95.44)**	(110.44)	(72.22)
USD	**(6.75)**	**(4.39)**	(7.44)	(4.87)
AED	**(0.12)**	**(0.08)**	(0.17)	(0.11)
BHD	**(0.01)**	**(0.01)**	(0.02)	(0.01)
BDT	**(0.26)**	**(0.17)**	(0.27)	(0.18)

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 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 2019, would increase/decrease by ₹ 306.12 Crore (for the year ended 31st March 2018 by ₹ 186.61 Crore).

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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 2019 is ₹ 6,209.20 (excluding ₹ 217.83 Crore of Insurance and NBFC/HFC Business) {31st March 2018: ₹ 5,010.86 Crore (excluding ₹ 191.77 Crore of Insurance and NBFC/HFC Business)}.

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 2019, 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.

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
As at 31st March 2019						
Trade Receivables	5,753.94	334.61	73.11	12.96	34.58	6,209.20
Other Financial Assets-Freight Subsidy and Gas Pooling	89.23	9.30	19.74	17.86	2.39	138.52
As at 31st March 2018						
Trade Receivables	4,537.15	298.84	98.15	28.37	48.35	5,010.86
Other Financial Assets-Freight Subsidy and Gas Pooling	92.50	28.53	17.30	0.81	2.51	141.65

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Movement of Loss Allowance:

(₹ in Crore)

Particulars	Current Year	Previous Year
Opening Provision:	**129.62**	53.67
Transferred on merger of erstwhile ABNL	-	54.84
Divestment of a Subsidiary Company	-	(1.87)
Add: Provided during the year	**148.20**	26.36
Less: Utilised during the Year	**(2.63)**	(3.01)
Less: Written back during the year	**(8.18)**	(0.10)
Effect of Foreign Conversion	**0.45**	(0.27)
Closing Provision	**267.46**	129.62

b. **Investments, Derivative Instruments, Cash and Cash Equivalents and Bank Deposits:**

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 2019, is ₹ 14,764.20 Crore (31st March 2018 ₹ 14,334.28 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 2019	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Liabilities				
Borrowings (including Current Maturities of Long-term Debts)*	**7,490.41**	**7,651.95**	**13,544.17**	**28,686.53**
Trade Payables	**5,353.16**	**-**	**-**	**5,353.16**
Interest Accrued but not Due on Borrowings	**234.81**	**-**	**-**	**234.81**
Other Financial Liabilities (excluding Derivative Liability)	**2,524.69**	**6.78**	**4.18**	**2,535.65**
Derivative Liability	**50.60**	**-**	**-**	**50.60**
Liquid Financial Assets				
Surplus Investments in Mutual Funds, Bonds, Investment in L&T shares, etc.	**6,044.86**	**2,053.15**	**420.68**	**8,518.69**

* Contractual amount

(₹ in Crore)

As at 31st March 2018	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Financial Liabilities				
Borrowings (including Current Maturities of Long-term Debts)*	6,686.07	6,078.18	10,711.91	23,476.16
Trade Payables	4,746.10	1.07	-	4,747.17
Interest Accrued but not Due on Borrowings	191.58	-	-	191.58
Other financial liabilities (excluding Derivative Liability)	1,669.07	5.35	8.03	1,682.45
Derivative Liability	24.96	28.27	-	53.23
Liquid Financial Assets				
Surplus Investments in Mutual Funds, Bonds, Investment in L&T shares, etc.	7,121.62	2,537.62	433.34	10,092.58

* Contractual amount.

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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4.11 Capital Management (other than Financial Services Segment) (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.

(₹ in Crore)

Particulars	As at 31st March 2019	As at 31st March 2018
Total Debt (Bank and Other Borrowings)	26,658.98	22,402.43
Less: Liquid Investments including Bank Deposits	7,628.75	9,740.49
Net Debt	19,030.23	12,661.94
Equity	80,223.25	81,167.30
Net Debt to Equity	0.24	0.16

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.

4.12A. 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) {Ind AS 103}

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 it's 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:

a. 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

b. 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.

c. Value unlocking in financial service business: Demerger of financial service 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 previous 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.

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The total purchase consideration for the said transaction was ₹ 23,657.37 Crore.

On account of demerger of financial services business, ABCL has issued it's 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.

(i) Identifiable Assets acquired and Liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquistion and demerger of Financial Services business on 4th July 2017.

(₹ in Crore)

Particulars	As on 1st July 2017	As on 4th July 2017
Property, Plant and Equipment	2,788.98	2,788.98
Capital Work-in-Progress	139.22	139.22
Identifiable Intangible Assets	3,943.30	3,943.30
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	628.70	628.70
Total Assets (A)	**105,827.52**	**105,824.72**
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

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(₹ in Crore)

Particulars	As on 1st July 2017	As on 4th July 2017
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
Total Liabilities (B)	**77,760.05**	**77,760.05**
Total Identifiable Net Assets acquired (before adjustment of Non-Controlling Interest and cancellation of Cross Holding) (A-B)	**28,067.47**	**28,064.67**
Less:		
Non-Controlling Interest	5,152.18	17,487.50
Cancellation of Cross Holding by the Company in erstwhile ABNL	621.55	621.55
Total Identifiable Net Assets Acquired	**22,293.74**	**9,955.62**
Less: Purchase Consideration [Share Capital: ₹ 38.09 Crore, Securities Premium: ₹ 23,619.28 Crore]	23,657.37	23,657.37
Less: Reserves taken over	119.00	119.00
Less: Replacement of ABNL ESOPs with the Company's ESOP (including ESOP reserve of Subsidiary)	13.77	13.77
Goodwill	1,496.40	13,834.52

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 acquistion 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 charged to Statement of Profit and Loss

	₹ 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, etc.	12.90
Total	**250.90**

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. (Ind AS 103)

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.

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

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:

a. Grasim with its new SSY technology & CTIL's presence in Rayon Tyre Yarn would offer significant growth prospects.

b. Synergy potential in plant and sales operations would provide additional benefits

c. Potential to leverage brand strength in value chain

d. Capex light capacity expansion compared to a Greenfield expansion

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 ₹ 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 acquistion

(₹ in Crore)

Particulars	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
Total Assets (A)	**982.58**
Deferred Tax Liability	4.96
Derivative Liability	18.30
Trade Payables	71.39
Other Liabilities and Provisions	22.70
Total Liabilities (B)	**117.35**
Total Identifiable Net Assets acquired (A-B)	**865.23**
Less: Purchase Consideration	864.71
Capital Reserve	**0.52**

Notes

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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.

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 29th June 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*
Total Consideration Transferred for Business Combination	**4,625.00**

* 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
Trade and Other Receivables	16.21
Other Financial Assets	0.86
Other Current Assets	30.49
Total Assets	**16,523.22**

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(₹ in Crore)

Particulars	Amount
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
Total Liabilities	**11,858.43**
Total Fair Value of the Net Assets	**4,664.79**

(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
Capital Reserve	**39.79**

(e) Acquisition Related Costs:

Acquisition related costs of ₹ 5.57 Crore (31st March 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 1st April 2017, since these amounts relating to the acquired business for the period prior to the acquisition date are not readily available with the Company.

D) Acquisition of Binani Cement Limited: (Ind AS 103)

(a) National Company Law Appellate Tribunal (NCLAT) by its order dated November 14, 2018, approved the UTCL's Resolution Plan ("RP") for acquiring Binani Cement Limited ("BCL") under the provisions of the Insolvency and Bankruptcy Code 2016, as amended ("Code"). With effect from November 20, 2018, being the Transfer Date, in terms of the Resolution Plan the existing issued, subscribed and paid up share capital of BCL (including 0.01% non-cumulative redeemable preference shares of ₹ 100/- each) stands cancelled fully, without requiring any further act or deed. Subsequent to the reconstitution of the Board of Directors, taking over management control and subscribing to the equity and preference share capital, BCL has become a wholly owned subsidiary of the UTCL (100% Voting interest) and has since been renamed UltraTech Nathdwara Cement Limited ("UNCL"), with effect from December 13, 2018.

The Consolidated financial statements include the financial results for UNCL w.e.f. November 20, 2018 and hence the figures for the year ended 31st March 2019 are not comparable with the previous corresponding period.

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forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

UNCL has a capacity of 6.25 MTPA in the State of Rajasthan comprising an integrated cement unit with capacity of 4.85 MTPA and a split grinding unit with capacity of 1.4 MTPA. In addition, UNCL has investments in subsidiaries in China and UAE.

This acquisition will create value for shareholders as the acquisition adds 1/3rd additional ready to use capacity in the highly growing North market where the Company was already at high capacity utilisation levels so as to cater to the growing market. This acquisition also provides abundant additional limestone reserves sufficient to cater to even additional capacities at lower prices compared to auctioned prices and creates synergies in logistics and procurement which offers many advantages to the Company.

(b) Consequent to the acquisition, the UTCL subscribed to equity share capital of ₹ 1,500 Crore and 8.75% preference share capital of ₹ 1,900 Crore of UNCL and provided an Inter corporate loan of ₹ 1,799.75 Crore to UNCL. Further, UNCL obtained a loan (non-current borrowing) of ₹ 2,700.00 Crore (pursuant to a corporate guarantee provided by the Holding Company). Subsequently, the group paid to financial and operational creditors as per the RP.

(c) **Acquired Receivables:**

As on the date of acquisition, gross contractual amount of the acquired Trade Receivables and Other Financial Assets was ₹ 1,159.71 Crore against which no provision had been considered since fair value of the acquired Receivables were equal to carrying value as on the date of acquisition.

(d) **The Fair Value of Assets and Liabilities assumed as on the acquisition date:**

(₹ in Crore)

Particulars	Amount
Property, Plant and Equipment	2,833.78
Capital Work-In-Progress	9.05
Intangible assets	1,712.50
Non-Current Loans	1,058.85
Non-Current Financial Asset	0.48
Other Non-Current Assets	5.88
Inventories	75.91
Trade and Other receivables	8.77
Cash & Cash Equivalents	38.52
Bank Balances other than above	20.54
Current Loans	57.92
Other Current Financial Assets	1.05
Other Current Assets	30.31
Assets of disposal group held for Sale	1,037.20
Total Assets (A)	**6,890.76**
Other Non-Current Financial Liabilities	36.84
Non-Current Provision	10.06
Deferred Tax Liabilities	1.16
Current Borrowings	35.13
Trade Payables	510.68
Other Current Financial Liabilities (including current maturities of non-current borrowings)	7,321.14

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Particulars	Amount
Other Current Liabilities	242.44
Current Provisions	2.00
Liabilities included in disposal group held-for-sale	489.00
Total Liabilities (B)	**8,648.45**
Goodwill recognised (B-A)	**1,757.69**

As per Ind AS 103, purchase consideration has been allocated on the basis of fair valuation determined by an independent Valuer.

Goodwill represents growth potential through brown field expansion at a lower cost compared to a green-field plant cost by developing and utilising acquired land and limestone reserves.

(e) Acquisition related costs:

Acquisition related costs of ₹ 24.32 Crore on legal fees, due diligence costs, valuation fees, etc. have been recognized under Miscellaneous Expenses and Rates and Taxes in the Statement of Profit and Loss.

(f) (i) The Revenue and Profit/(Loss) after Tax of UNCL for the period ended 31st March 2019 from the acquisition date are ₹ 485.44 Crore and ₹ (59.63) Crore respectively which has been included in the consolidated financial statements of the Company.

(ii) If the acquisition had occurred on 1st April 2018, revenue and profit for the year ended 31st March 2019 would have been ₹ 1,342.32 Crore and ₹ (164.89) Crore, respectively. Management has determined these amounts on the basis that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1st April 2018.

E) Acquisition of Cement Business of Century Textiles and Industries Limited:

During the year the UTCL's Board of Directors approved a Scheme of Arrangement amongst Century Textiles and Industries Limited ("Century"), the Company and their respective shareholders and creditors ("the Scheme"). In terms of the Scheme, Century will demerge its cement business into the Company. Century's cement business consists of 3 integrated cement units in Madhya Pradesh, Chhattisgarh and Maharashtra with a total capacity of 12.6 MTPA and a grinding unit in West Bengal of 2.0 MTPA.

Upon effectiveness of the Scheme, equity shares of the UTCL shall be issued to shareholders of Century, as on the Record Date, as defined in the Scheme, in the ratio of 1 (one) equity share of the UTCL of face value ₹ 10/- each for every 8 (eight) equity shares of Century. The Scheme has received approval of the stock exchanges, the Competition Commission of India and the shareholders of the UTCL and is now awaiting the approval of the National Company Law Tribunal and other regulatory authorities, as may be required.

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F) Acquisition of Controlling stake in Aditya Birla Renewables Limited (ABREL) and Aditya Birla Solar Limited (ABSL) w.e.f. 15th May 2018 (Ind AS 103)

During the year, ABREL and ABSL has become subsidiary of the Company w.e.f. 15th May 2018 pursuant to the acquisition of controlling stake in the said companies for a cash consideration of ₹ 34.37 Crore. ABREL and ABSL were joint ventures between the Company and AEIF Mauritius SPV 2 Limited until 14th May 2018. Accordingly, the Company has undertaken fair valuation of assets and liabilities of ABREL and ABSL on the acquisition date as per Ind AS 103 - business combination for its consolidation in the Company books as disclosed below.

For the period ended 31st March 2019, the said business has contributed revenue of ₹ 69.11 Crore and profit before tax of ₹ 11.56 Crore to the Group results. If the said arrangement had occurred on 1st April 2018, the consolidated revenue and profit before tax for the year ended would have been, ₹ 75.50 Crore and ₹ 16.20 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 2018.

Identifiable Assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquistion

(₹ in Crore)

Particulars	As on 14th May 2018
Property Plant and Equipment and other Intangible Assets	474.15
Capital Work in Progress	10.67
Other Non-Current Assets (Financial and Non-Financial)	8.75
Other Current Assets (Financial and Non-Financial)	2.22
Trade Receivables	23.99
Cash and Cash Equivalents	7.31
Deferred Tax Assets	2.90
Total Assets (A)	**529.99**
Non-Current Borrowings	346.58
Current Borrowings	8.80
Deferred Tax Liability	1.35
Other Liabilities and Provisions	52.30
Total Liabilities (B)	**409.03**
Total Identifiable Net Assets acquired (A-B)	**120.96**
Less: Investment in ABREL and ABSL (including additional Stake acquired for ₹ 34.37 Crore)	96.16
Less: Non-Controlling Interest	0.77
Capital Reserve	**24.03**

The gross contractual amounts and fair value of Trade Receivables acquired is ₹ 24.07 Crore. None of the Trade Receivables is credit impaired and it is expected that the full contractual amounts will be recoverable.

G) Acquisition of Grasim Premium Fabrics Private Limited (GPFPL) {earlier known as Soktas (India) Private Limited} w.e.f. 29th March 2019 (Ind AS 103)

During the year, the Company has acquired 100% equity shareholding of GPFPL from its current promoters SOKTAS Tekstil Sanayi Ve Ticaret A.S., Turkey for cash consideration of ₹ 135.40 Crore. Consequent to acquisition, SIPL has become a wholly owned Subsidiary of the Company, w.e.f. 29th March'19. SIPL is in the business of manufacturing and distribution of premium cotton fabrics with its manufacturing capacity located at Kolhapur, Maharashtra having capacity of about 10 Million meters per annum of finished fabrics.

Notes

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Identifiable Assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquistion

(₹ in Crore)

Particulars	As on 29th March 2019
Property Plant and Equipment and Other Intangible Assets (including CWIP of ₹ 0.09 Crore)	86.38
Inventories	28.51
Trade Receivables	25.41
Cash and Cash Equivalents	0.04
Other Non-Current Assets (Financial and Non-Financial)	8.18
Other Current Assets (Financial and Non-Financial)	7.57
Total Assets (A)	**156.09**
Non-Current Borrowings	13.98
Current Borrowings	23.18
Trade Payables	34.33
Other Liabilities and Provisions	10.75
Total Liabilities (B)	**82.24**
Total Identifiable Net Assets acquired (A-B)	**73.85**
Less: Purchase consideration	135.40
Goodwill	**61.55**

The gross contractual amounts and fair value of Trade and other Receivables acquired is ₹ 28.31 Crore. None of the Trade and other Receivables is credit impaired and it is expected that the full contractual amounts will be recoverable.

The Company has allocated the purchase consideration on a provisional basis, pending final determination of fair value of the acquired assets and liabilities. Further, the Company has not consolidated profit and loss of GPFPL for the period 29th March 19 to 31st March 19 being immaterial for Company's consolidation.

H) Acquisition of Asset from KPR Industries India Limited

The Company has acquired the Chlor Alkali business of KPR Industries India Limited by way of slump sale, for a cash consideration of ₹ 253 Crore. The business consist of an under-construction ChlorAlkali plant of 200 TPD capacity at Balabhadrapuram, Andhra Pradesh. The Company has taken over the identified assets and identified liabilities associated with the business.

The following table summarises the apportionment of amounts of assets and identified liabilities acquired based on fair valuation on the date of acquisition.

(₹ in Crore)

Particulars	As on 19th February 2019
Property Plant and Equipment	
Freehold Land	48.83
Plant and Equipment	0.12
Furniture and Fixtures	0.06
Capital Work-in-Progress	201.61
Other Current Assets (Financial and Non-Financial)	35.51
Less:	
Trade Payable	0.33
Other Non-Current Liabilities (Financial and Non-Financial)	0.18
Other Current Liabilities (Financial and Non-Financial)	32.62
Total Purchase Consideration	**253.00**

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4.13 Additional Information as required by paragraph 2 of the General instruction for preparation of CFS as per Schedule III of the Companies Act, 2013

Current Year

(₹ in Crore)

Sr. No.	Name of the Entity	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount
A	**Parent (Holding Co.)**	23.00%	19,130.66	9.92%	275.25	100.98%	(2,812.58)	24142.06%	(2,537.33)
B	**Subsidiary**								
	Indian								
1	UltraTech Cement Limited (incl. Subsidiaries)	34.12%	28,377.55	87.58%	2,431.05	0.43%	(12.03)	-23016.37%	2,419.02
2	Aditya Birla Capital Limited (incl. Subsidiaries)	34.74%	28,885.88	5.24%	145.48	-2.23%	62.12	-1975.26%	207.60
3	Sun God Trading and Investment Limited	0.01%	5.69	0.00%	0.02	-0.06%	1.70	-16.37%	1.72
4	Samruddhi Swastik Trading and Investment Limited	0.07%	56.21	0.14%	3.81	-	-	-36.25%	3.81
5	Grasim Premium Fabrics Private Limited [earlier known as Soktas (India) Private Limited] (w.e.f. 29th March 2019)	0.09%	73.85	-	-	-	-	-	-
6	ABNL Investment Limited	0.12%	100.81	0.14%	3.98	-0.02%	0.44	-42.06%	4.42
7	Aditya Birla Renewables Limited	0.11%	92.49	0.05%	1.43	-	-	-13.61%	1.43
8	Aditya Birla Solar Limited	0.11%	92.46	0.06%	1.62	0.04%	(1.12)	-4.76%	0.50
9	Aditya Birla Renewables SPV1 Limited	0.05%	41.05	-0.02%	(0.59)	0.00%	(0.10)	6.57%	(0.69)
10	Aditya Birla Renewables Subsidiary Limited	0.02%	19.46	-0.10%	(2.65)	-	-	25.21%	(2.65)
	Foreign								
1	Aditya Birla Chemicals (Belgium) BVBA (upto 22nd January 2019)	-	-	0.00%	(0.01)	-0.01%	0.34	-3.14%	0.33
	Subtotal (B)	**69.44%**	**57,745.45**	**93.09%**	**2,584.14**	**-1.85%**	**51.35**	**-25076.04%**	**2,635.49**
C	**Associates (Investment as per Equity Method)**								
	Indian								
1	Aditya Birla Science & Technology Company Private Limited	0.02%	16.25	0.01%	0.37	0.00%	0.11	-4.57%	0.48
2	Idea Cellular Limited	-	0.00	-12.62%	(350.25)	-0.10%	2.70	3306.85%	(347.55)
3	Madanpur (North) Coal Company Limited	0.00%	0.84	0.00%	0.01	0.00%	-	-0.10%	0.01
4	Idea Payment Bank Limited	0.15%	122.13	-2.80%	(77.82)	-0.02%	0.62	734.54%	-77.2
5	Waacox Energy Private Limited	0.04%	30.19	-0.02%	(0.44)	-	-	4.19%	-0.44
	Subtotal (C)	**0.21%**	**169.41**	**-15.41%**	**(428.13)**	**-0.12%**	**3.43**	**4040.91%**	**-424.7**

Notes

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(₹ in Crore)

Sr. No.	Name of the Entity	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount
D	**Joint Ventures**								
	Indian								
1	Bhubaneswari Coal Mining Limited	0.12%	103.01	0.53%	14.58	0.00%	0.06	-139.30%	14.64
2	Aditya Birla Solar Limited (upto 14th May 2018)	-	-	0.04%	1.17	-0.02%	0.42	-15.13%	1.59
3	Aditya Birla Renewables Limited (upto 14th May 2018)	-	-	0.03%	0.84	-	-	-7.99%	0.84
4	Aditya Birla Renewable SPV1 Limited (upto 14th May 2018)		-	0.01%	0.17	0.00%	0.02	-1.81%	0.19
5	Aditya Birla Sunlife AMC Limited	5.89%	4,902.23	7.62%	211.46	-0.03%	0.73	-2018.93%	212.19
6	Aditya Birla Wellness Private Limited	0.02%	11.01	-0.09%	(2.51)	0.00%	0.05	23.41%	-2.46
7	Aditya Birla Sunlife Trustee Company Private Limited	0.00%	0.48	0.00%	0.11	-	-	-1.05%	0.11
8	Bhaskarpara Coal Company Limited	0.01%	6.51	0.00%	0.01	-	-	-0.10%	0.01
	Foreign								
1	AV Group NB Inc.	0.76%	635.25	3.98%	110.61	-0.08%	2.16	-1072.98%	112.77
2	Birla Jingwei Fibres Co. Limited	0.11%	89.11	0.25%	6.95	0.02%	(0.44)	-61.94%	6.51
3	Birla Lao Pulp & Plantations Company Limited (upto 18th September 2018)	-	-	-0.08%	(1.89)	-0.34%	9.34	-70.88%	7.45
4	Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	0.00%	1.19	0.01%	0.15	0.00%	(0.09)	-0.57%	0.06
5	Aditya Group AB	0.44%	366.09	0.10%	3.04	1.44%	(40.91)	360.34%	-37.87
6	AV Terrace Bay (AVTB)$	-	-	-	-	-	-	-	-
	Subtotal (D)	**7.35%**	**6,114.88**	**12.40%**	**344.69**	**0.99%**	**(28.66)**	**-3006.93%**	**316.03**
	TOTAL (A+B+C+D)	**100.00%**	**83,160.40**	**100.00%**	**2,775.95**	**100.00%**	**(2,786.46)**	**100.00%**	**(10.51)**

$ AVTB is not consolidated as the Company's share of losses have exceeded the Company's interest in the said investment as per Ind AS 28.

Note: Figures provided above are net of intercompany eliminations

Notes

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Previous Year

(₹ in Crore)

Sr. No.	Name of the Entity	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount
A	**Parent (Holding Co.)**	17.93%	15,003.28	47.31%	1,744.48	80.77%	(223.45)	44.59%	1,521.03
B	**Subsidiary**								
	Indian								
1	UltraTech Cement Limited (including its subsidiaries)	31.52%	26,381.88	60.33%	2,224.59	-16.51%	45.68	66.56%	2,270.27
2	Aditya Birla Capital Limited (including its subsidiaries)	33.73%	28,229.37	6.15%	226.84	64.45%	(178.29)	1.42%	48.55
3	Sun God Trading and Investment Limited	0.00%	3.97	0.00%	0.02	-1.25%	3.45	0.10%	3.47
4	Samruddhi Swastik Trading and Investment Limited	0.06%	52.84	0.08%	3.09	-1.47%	4.08	0.21%	7.17
5	Grasim Bhiwani Textile Limited	0.00%	-	-0.79%	(29.18)	-0.47%	1.30	-0.82%	(27.88)
6	ABNL Investment Limited	0.12%	96.82	0.03%	1.19	-1.42%	3.94	0.15%	5.13
	Foreign							0.00%	-
1	Aditya Birla Chemicals (Belgium) BVBA	0.00%	(2.11)	-0.03%	(1.05)	0.17%	(0.46)	-0.04%	(1.51)
	Subtotal (B)	**65.43%**	**54,762.77**	**65.77%**	**2,425.50**	**43.50%**	**(120.30)**	**67.58%**	**2,305.20**
C	**Associates (Investment as per Equity Method)**								
	Indian								
1	Aditya Birla Science & Technology Company Private Limited	0.02%	15.77	0.04%	1.39	-0.01%	0.04	0.04%	1.43
2	Idea Cellular Limited	-	7,661.02	-17.67%	(651.69)	-2.43%	6.73	-18.91%	(644.96)
3	Madanpur (North) Coal Company Limited	9.15%	0.83	0.00%	(0.10)	0.00%	-	0.00%	(0.10)
4	Idea Payment Bank Limited	0.17%	139.84	-2.48%	(91.49)	-0.23%	0.65	-2.66%	(90.84)
	Subtotal (C)	**9.34%**	**7,817.46**	**-20.11%**	**(741.89)**	**-2.67%**	**7.42**	**-21.53%**	**(734.47)**
D	**Joint Ventures**								
	Indian								
1	Bhubaneswari Coal Mining Limited	0.11%	88.37	0.36%	13.18	0.04%	(0.11)	0.38%	13.07
2	Aditya Birla Solar Limited	0.04%	32.72	0.08%	2.81	0.15%	(0.42)	0.07%	2.39
3	Aditya Birla Renewables Limited	0.03%	23.77	-0.11%	(4.02)	0.00%	-	-0.12%	(4.02)
4	Aditya Birla Renewable SPV1 Limited	0.00%	3.48	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
5	Aditya Birla Sunlife AMC Limited	5.83%	4,878.27	3.52%	129.75	-0.05%	0.13	3.81%	129.88
6	Aditya Birla Wellness Private Limited	0.01%	8.38	-0.06%	(2.29)	0.00%	0.01	-0.07%	(2.28)
7	Aditya Birla Sunlife Trustee Company Private Limited	0.00%	0.32	0.00%	0.04	0.00%		0.00%	0.04
8	Bhaskarpara Coal Company Limited	0.00%	6.50	0.00%	0.01	-	-	0.00%	0.01

Notes

forming part of the Consolidated Financial Statements for the year ended 31st March, 2019

(₹ in Crore)

Sr. No.	Name of the Entity	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount
	Foreign								
1	AV Group NB Inc.	0.62%	521.70	2.28%	84.16	-5.24%	14.51	2.89%	98.67
2	Birla Jingwei Fibres Co. Limited	0.10%	82.60	0.42%	15.61	-2.51%	6.94	0.66%	22.55
3	Birla Lao Pulp & Plantations Company Limited	0.08%	63.77	-0.14%	(4.93)	0.50%	(1.37)	-0.18%	(6.30)
4	Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi	0.00%	1.38	0.00%	0.12	-0.62%	1.71	0.05%	1.83
5	Aditya Group AB	0.48%	403.96	0.68%	25.13	-13.87%	38.28	1.87%	63.41
6	AV Terrace Bay (AVTB)$	-	-	-	-	-	-	-	-
	Subtotal (D)	**7.30%**	**6,115.22**	**7.03%**	**259.53**	**-21.60%**	**59.68**	**9.36%**	**319.21**
	TOTAL (A+B+C+D)	**100.00%**	**83,698.73**	**100.00%**	**3,687.62**	**100.00%**	**(276.65)**	**100.00%**	**3,410.97**

$ AVTB is not consolidated as the Company's share of losses have exceeded the Company's interest in the said investment as per Ind AS 28.

Note: Figures provided above are net of intercompany eliminations

4.14 Previous year's figures have been regrouped/reclassified to conform to current year's presentation and not comparable due to the merger of ABNL with the Company w.e.f. 1st July 2017, acquisition of cement units of JAL & JCCL w.e.f. 29th June 2017, arrangement of rights and responsibility to manage, operate, use and control the VFY business of CTIL w.e.f. 1st February 2018 and acquisition of UNCL w.e.f. 20th November 2018.

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.

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

Akeel Master
Partner
Membership No.: 46768

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

Vijay Maniar
Partner
Membership No: 36738

Dilip Gaur
Managing Director
DIN: 02071393

Arun Thiagarajan
Independent Director
DIN: 00292757

Sushil Agarwal
Whole-time Director &
Chief Financial Officer
DIN: 00060017

M. L. Apte
Independent Director
DIN: 00003656

Hutokshi Wadia
Company Secretary
Membership No.: 5761

B. V. Bhargava
Independent Director
DIN: 00001823

Mumbai
Dated: 24th May 2019

Mumbai
Dated: 24th May 2019

ADITYA BIRLA
GRASIM

GRASIM INDUSTRIES LIMITED
Registered Office: Birlagram, Nagda-456 331, Dist. Ujjain (M.P.), India
CIN: L17124MP1947PLC000410
Tel. No.: 07366-246760/66; **Fax No.:** 07366-244114/246024
E-mail: grasim.secretarial@adityabirla.com; **Website:** www.grasim.com

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 72nd Annual General Meeting of **GRASIM INDUSTRIES LIMITED** will be held on Friday, 23rd August 2019 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 2019, and the Reports of the Board and the Auditors thereon.

2. To declare dividend on the Equity Shares of the Company for the financial year ended 31st March 2019.

3. To appoint a Director in place of Mr. Kumar Mangalam Birla (DIN: 00012813), who retires from office by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Ms. Usha Sangwan (DIN: 02609263), who retires from office by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

5. **To approve the continuation of Mr. Arun Thiagarajan as an Independent Director**

   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. Arun Thiagarajan (DIN: 00292757) as a Non-Executive Independent Director on the Board of the Company be continued till the end of his term, i.e. up to 6th May 2021."

6. **Re-appointment of Mr. Cyril Shroff as an Independent Director**

   To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (Listing Regulations), Mr. Cyril Shroff (DIN: 00018979), Non-Executive Independent Director of the Company, whose present term of office as an Independent Director expires at the ensuing Annual General Meeting, and is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, based on the recommendations of the Nomination and

Remuneration Committee, to hold office for a second term of five consecutive years with effect from the conclusion of this Annual General Meeting up to 22nd August 2024."

7. **Re-appointment of Dr. Thomas M. Connelly, Jr. as an Independent Director**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (Listing Regulations), Dr. Thomas M. Connelly, Jr. (DIN: 03083495), Non-Executive Independent Director of the Company, whose present term of office as an Independent Director expires at the ensuing Annual General Meeting, and is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, based on the recommendations of the Nomination and Remuneration Committee, to hold office for a second term of five consecutive years with effect from the conclusion of this Annual General Meeting up to 22nd August 2024."

8. **Re-appointment of Mr. O. P. Rungta as an Independent Director**

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (Listing Regulations), Mr. O. P. Rungta (DIN: 00020559), Non-Executive Independent Director of the Company, whose present term of office as an Independent Director expires on 24th September 2019, and is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, based on the recommendations of the Nomination and Remuneration Committee, to hold office for a second term of five consecutive years with effect from 25th September 2019 up to 24th September 2024."

9. **Appointment of Mr. N. Mohanraj as an Independent Director**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made thereunder, (including any statutory modification(s) or re-enactment for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Articles of Association of the Company, the appointment of Mr. N. Mohanraj (DIN: 00181969), who was appointed by the Board of Directors of the Company, as a Non-Executive Independent Director of the Company with effect from 12th July 2019 and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect for a term of five consecutive years commencing from 12th July 2019 up to 11th July 2024, be and is hereby approved."

10. **Ratification of the remuneration of Cost Auditors**

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 other applicable provisions, if any, of the Companies Act, 2013 read with the Companies

(Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration not exceeding ₹ 15 Lakh, plus applicable taxes and reimbursement of out-of-pocket expenses payable to M/s. D.C. Dave & Co., Cost Accountants, Mumbai (Registration No. 000611) and remuneration not exceeding ₹ 2.20 Lakh plus applicable taxes and reimbursement of out-of-pocket expenses payable to M/s. M. R. Dudani & Co., Cost Accountants, Mumbai (Registration No. FRN- 100017), who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of cost records of the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the financial year ending 31st March 2020.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) 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."

By Order of the Board

Hutokshi Wadia
President & Company Secretary

Place: Mumbai
Date: 12th July 2019

NOTES FOR MEMBERS' ATTENTION:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL 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.**

   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.

2. A person can act as proxy on behalf of, not exceeding, fifty (50) Members and holding in the 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) percent 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.

   If a person is appointed as Proxy for more than 50 Members, he shall choose any 50 Members and confirm the same to the Company 24 hours before the commencement of the Meeting. In case, the Proxy fails to do so, the Company shall consider only the first 50 proxies received in respect of such person as valid.

3. During the period, beginning 24 hours before the time fixed for the 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.

4. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of the special businesses, set out at Item Nos. 5 to 10 of the Notice, is annexed hereto.

5. The Company's Statutory Auditors B S R & Co. LLP, Chartered Accountants and S R B C & Co. LLP, Chartered Accountants, were appointed as the Joint Statutory Auditors of the Company for a period of 5 years, at the AGM of the Company held on 23rd September 2016 and 22nd September 2017, respectively. Their appointment was subject to ratification by the Members at every subsequent AGM, post their appointment.

   Pursuant to the Companies (Amendment) Act, 2017, effective from 7th May 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from Section 139 of the Companies Act, 2013.

   In view of the above, no resolution is proposed for ratification of appointment of the Joint Statutory Auditors. As authorised by the Shareholders, at the 71st AGM, the Board of Directors (the Board), as recommended by the Audit Committee, has ratified the appointment of the Joint Statutory Auditors for their respective remaining terms, at such remuneration as may be mutually agreed between the Board and the Joint Statutory Auditors, from time to time. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as the Statutory Auditors.

6. Mr. B. V. Bhargava and Mr. M. L. Apte were appointed as Independent Directors of the Company at the AGM held on 6th September 2014, to hold office for a term of five consecutive years till the conclusion of the 72nd AGM. Mr. B. V. Bhargava and Mr. M. L. Apte, who will be completing their first term of appointment as Independent Directors at the conclusion of this AGM, have expressed their unwillingness to be re-appointed as Independent Directors for a second term of 5 years, due to personal reasons.

7. Mr. Sushil Agarwal, Whole time Director and Chief Financial Officer (WTD & CFO) of the Company, has relinquished his role of WTD & CFO of the Company, with effect from the close of business hours on 30th June 2019. The vacancy so caused on the Board of the Company is not presently being filled-up.

8. Corporate members, intending to depute their authorised representatives to attend the meeting pursuant to Section 113 of the Act, are requested to send to the Company a duly certified true copy of the Board Resolution/Power of Attorney authorising their representatives to attend and vote on their behalf at the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

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. All documents referred to in this Notice will be available for inspection at the Company's registered office between 11:00 a.m. and 1:00 p.m. upto 22nd August 2019, on all working days (except Saturdays and public holidays). Statutory Registers will be available for inspection at the AGM.

11. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 13th August 2019 to Friday, 23rd August 2019 (both days inclusive), for the purpose of payment of dividend, if any, approved by the Members.

12. 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, 12th August 2019, as per the lists to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the Equity Shares held in electronic form;

    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 Fintech Private Limited, on or before Monday, 12th August 2019; and

    c) Equity Shares that may be allotted upon exercise of stock options granted under the Employee Stock Option Scheme-2006 and Employee Stock Option Scheme-2013, 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.

13. 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 www.grasim.com, and the same duly filled up and signed, along with a photo copy of a cancelled cheque, may be sent to the Company's RTA, Unit: Grasim Industries Limited.

    b) To avoid the incidence of fraudulent encashment of the dividend warrants, Members are requested to intimate the Company's RTA under the signature of the Sole/First Joint holder, the following information, so that the bank account number, and name and address of the bank can be printed on the dividend warrants:

        1) Name of the Sole/First Joint holder and Folio No.

        2) Particulars of the bank account, viz.:
            i) Name of the bank,
            ii) Name of the branch with IFS Code,
            iii) Complete address of the bank with Pin Code Number,
            iv) Account type, whether savings (SB) or current account (CA), and
            v) Bank account number allotted by the bank

14. Members who hold shares in the dematerialised form and desire a change/correction in the bank account details, should intimate the same to their concerned DPs and not to the Company's RTA. Members are also requested to give the MICR Code of their banks to their DPs. The Company/Company's RTA will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered as will be furnished by the DPs to the Company.

15. Shareholders are requested to read the "Shareholder Information" section of the Annual Report for useful information.

16. 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.

17. Additional information, pursuant to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations] and Secretarial Standards on General Meetings, in respect of the Directors seeking appointment at the AGM, is furnished as Annexure to the Notice.

18. Pursuant to the Regulation 44(6) of the Listing Regulations, the Company is pleased to provide the facility of webcast of the proceedings of AGM from 11.00 a.m. onwards on Friday, 23rd August 2019. Members can view the proceedings of the AGM by logging on the e-voting website of Karvy at https://evoting.karvy.com using their remote e-voting credentials.

19. 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.

20. 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 2019, is being sent by electronic mode to those members whose e-mail addresses are registered with the DPs/Company, unless a member has requested for a physical copy of the same. Physical copies of the Annual Report are being sent by the permitted mode to those members who have not registered their e-mail addresses. The Annual Report for the year ended 31st March 2019, is also available on the Company's website, www.grasim.com.

21. 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 Listing Regulations, the Board of Directors has decided to circulate the Abridged Annual Report containing the salient features of the Balance Sheet and Statement of Profit and Loss and other documents to the shareholders for the Financial Year 2018-19, 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.

22. Members holding shares in physical mode are requested to register their e-mail address with the Company's Registrar and Share Transfer Agent, 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.

23. 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 Agent, in respect of shares held in physical form, and to their DPs in respect of shares held in electronic form.

24. In terms of the amendments to the Listing Regulations, with effect from 1st April 2019, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in dematerialised form with the depository, i.e., NSDL and CDSL. Members are, therefore, requested to demat their physical holding for any further transfer. Members can, however, continue to make request for transmission or transposition of securities held in physical form.

Instructions for Remote E-Voting

1. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Company is pleased to provide to 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 e-voting services arranged by Karvy Fintech 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").

2. The facility for voting through electronic voting system or polling paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM.

3. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM, but shall not be entitled to cast their vote again.

4. The remote e-voting period commences on Tuesday, 20th August 2019 (9.00 a.m. IST) and ends on Thursday, 22nd August 2019 (5.00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialised form, as on Friday, 16th August 2019, i.e., **Cut-Off Date**, may cast their vote by remote e-voting. A person who is not a Member as on the Cut-Off Date should treat this Notice for information purposes only. The remote 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.

The process and manner for remote e-voting are as under:

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 accounts.

ix. Voting has to be done for each item of the Notice separately. In case, you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: scrutinizer.grasim@adityabirla.com, with a copy marked to evoting@karvy.com. The scanned image of the abovementioned documents should be in the name format "Corporate Name_ EVENT NO."

B. In case, a Member receives physical copy of the Notice of the 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 voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Cut-Off Date, i.e., Friday, 16th August 2019.

II. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-Off Date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

III. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of the AGM and holding shares as of the Cut-Off Date, i.e., Friday, 16th August 2019, may obtain User ID and Password in the manner as mentioned below:

a. If the mobile number of the member is registered against Folio No./DP ID-Client ID, the member may send SMS: MYEPWD<space>E-voting Event Number + Folio No. or DP ID-Client ID to +91 9212993399.

Example for NSDL :
MYEPWD<SPACE>IN12345612345678

Example for CDSL :
MYEPWD<SPACE>1402345612345678

Example for Physical :
MYEPWD<SPACE>XXX1234567890

b. If e-mail address of the Member is registered against Folio No./DP ID-Client ID, then on the home page of https://evoting.karvy.com, the member may click 'Forgot Password" and enter Folio No. or DP ID-Client ID and PAN to generate a password.

c. Members may call Karvy's toll-free number 1-800-3454-001.

d. Members may send an e-mail request to evoting: evoting@karvy.com. If the Member is already registered with the Karvy e-voting platform, then such member can use his/her existing User ID and Password for casting the vote through remote e-voting.

IV. Mr. Ashish Garg, Practising Company Secretary (FCS 5181 & C.P. No. 4423), has been appointed as the Scrutinizer to scrutinize the remote e-voting process and the voting process at the AGM in a fair and transparent manner.

V. At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman shall with the assistance of the Scrutinizer order voting for all those Members who are present but have not cast their vote electronically using the remote e-voting facility.

VI. The Scrutinizer 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 Scrutinizer'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 Scrutinizer's decision on the validity of the vote shall be final and binding.

VII. The results declared by the Chairman of the Meeting or a person authorised by him, along with the Scrutinizer's Report, shall be placed on the Company's website www.grasim.com and on the website of Karvy, www.evoting.karvy.com, immediately after the result declared by the Chairman or any other person authorised by the Chairman and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

VIII. In case of any queries, please visit Help and Frequently Asked Questions (FAQs) section available at Karvy's website www.evoting.karvy.com.

25. Members/Proxies should bring their Attendance Slip sent herewith, duly filled in, for attending the Meeting.

26. Members are requested to contact M/s. Karvy Fintech Private Limited/Share Department of the Company for encashing the unclaimed dividends standing to the credit of their accounts. The detailed dividend history and due dates for transfer to IEPF are available on 'Investor Centre' page on the website of the Company, www.grasim.com.

Pursuant to Section 124 and other applicable provisions, if any, of the Companies Act, 2013(Act), all dividend remaining unpaid and unclaimed for a period of 7 (seven) years from the date of declaration will be transferred to Investor Education and Protection Fund (IEPF), established by the Central Government. Accordingly, unpaid and unclaimed dividend for the financial year 2010-11, has been transferred to the said Account/Fund.

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), equity shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more from the date of declaration will also be transferred to IEPF Suspense Account, operated by the IEPF Authority, pursuant to the IEPF Rules.

In compliance with the aforesaid Rules, the Company has transferred equity shares pertaining to the financial year 2010-11 to the IEPF Suspense Account, after providing necessary intimations to the relevant shareholders. Details of unpaid/unclaimed dividend and equity shares for the financial year 2010–11 are uploaded on the website of the Company, as well as that of the Ministry of Corporate Affairs, Government of India ("MCA"). No claim shall lie against the Company in respect of unclaimed dividend amount and equity shares transferred to the IEPF and IEPF Suspense Account, respectively, pursuant to the IEPF Rules. Members can, however, claim both the unclaimed dividend amount and the equity shares from the IEPF Authority by making applications in the manner provided in the IEPF Rules.

Shareholders, who have so far not encashed the dividend warrant(s) for the FY 2011-12, are requested to make their claims to the Company's RTA on or before 31st August 2019, failing which the unpaid/unclaimed dividend and the equity shares relating thereto for FY 2011-12 will be transferred to the IEPF. The Company, is 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 unclaimed/unpaid dividend and the related shares due for transfer on the website of the Company, www.grasim.com. Shareholders are requested to verify the details and lodge their claims with the Company to avoid transfer of dividend and related shares to IEPF Account.

The 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.

27. 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.

28. The Audited Accounts of the Company and its subsidiary companies are available on the Company's website, www.grasim.com.

29. 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.

30. As per the provisions of Section 72 of the Act, facility for making nominations is now available to Individuals holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the Company's Secretarial Department at its Registered Office or its RTA or can download the form from the Company's website, viz., www.grasim.com. Members holding shares in electronic form have to approach their DPs for completing the nomination formalities.

31. Non-resident Indian Members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately:

    (a) the change in the residential status on return to India for permanent settlement.

    (b) the particulars of the NRE Account with a Bank in India, if not furnished earlier.

32. The route map of the venue of the Meeting is annexed to the Notice. The prominent landmark for the venue is that it is closer 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 No. 5

As per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time 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.

Mr. Arun Thiagarajan, Non-Executive Independent Director will attain the age of 75 years in September 2019.

Mr. Arun Thiagarajan was appointed as an Independent Director by the Board of Directors of the Company at its meeting held on 7th May 2016. His appointment was approved by the shareholders at the Annual General Meeting held on 23rd September 2016, for a term of five consecutive years upto 6th May 2021.

Brief profile of Mr. Thiagarajan and the disclosures required under the Listing Regulations forms part of the Notice.

Mr. Thiagarajan, who will attain the age of 75 years in September 2019, is in good health and of sound and alert mind. The Board is confident about him being able to function and discharge his duties in an able and competent manner till the end of his current tenure.

The Board based on the recommendations of the Nomination and Remuneration Committee considers that given the background, seniority, expertise, vast experience in the field of business management, and his immense contribution to the Company, the continued association of Mr. Thiagarajan would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends that Mr. Thiagarajan continues as an Independent Director till the end of his current term.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for the approval by the Members.

Except, Mr. Arun Thiagarajan and his relatives, none of the other Directors/Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in the said resolution.

Item Nos. 6 to 8

Mr. Cyril Shroff (DIN: 00018979), and Dr. Thomas M. Connelly, Jr. (DIN: 03083495), were appointed as Independent Directors at the Annual General Meeting held on 6th September 2014, to hold office for a term of five consecutive years till the conclusion of 72nd Annual General Meeting.

Mr. O. P. Rungta (DIN: 00020559), was appointed as an Independent Director at the Annual General Meeting held on 19th September 2015 and holds office as an Independent Director up to 24th September 2019.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, have recommended the re-appointment of Mr. Cyril Shroff, Dr. Thomas M. Connelly, Jr. and Mr. O. P. Rungta as Independent Director(s) of the Company for a second term of 5 (five) consecutive years in accordance with the provisions of the Companies Act, 2013 (Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Mr. Cyril Shroff, Dr. Thomas M. Connelly, Jr. and Mr. O. P. Rungta have consented to their re-appointment and have confirmed that they do not suffer from any disqualifications which stand in the way of their re-appointment as the Independent Directors.

The Company has also received declarations from the aforesaid Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, the aforesaid Independent Directors fulfil the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for their re-appointment as Independent Directors of the Company and are independent of the management. Further, considering their background, experience and contributions made by them during their tenure, the Board is of the opinion that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of the aforesaid Independent Directors.

Brief profile of the aforesaid Independent Directors and the disclosures required under the Listing Regulations forms part of the Notice.

A copy of the letters of their appointment as Independent Directors, setting out the terms and conditions of their appointment are available for inspection by the members at the registered office of the Company on all working days (except Saturday and public holidays) between 11.00 a.m. to 1.00 p.m. and will be also be available at the Annual General Meeting. The letter of appointment of the aforesaid Independent Directors is also available on the website of the Company www.grasim.com.

The Board commends the Special Resolution(s) set out at Item Nos. 6 to 8 of the Notice for the approval by the Members.

Except Mr. Cyril Shroff, Dr. Thomas M. Connelly, Jr. and Mr. O. P. Rungta and their relatives, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the respective resolutions for their appointment, set out at Item Nos. 6 to 8 of this Notice.

Item No. 9

As recommended by the Nomination and Remuneration Committee, and pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 (Act) and the Rules made thereunder and the Listing Regulations the Board of Directors, at its meeting held on 12th July 2019, appointed Mr. N. Mohanraj as an Independent Director of the Company for a term of five (5) consecutive years, with effect from 12th July 2019, not liable to retire by rotation, subject to the approval of the Members.

Mr. N. Mohanraj has given his consent for appointment as an Independent Director and has also confirmed that he does not suffer from any disqualification in terms of Section 164 of the Act.

The Company has received a declaration from Mr. N. Mohanraj confirming that he fulfils the criteria of independence as prescribed under Section 149 (6) of the Act and Regulation 16(1)(b) of the Listing Regulations. Mr. N. Mohanraj is eligible to be appointed as an Independent Director of the Company.

In the opinion of the Board, Mr. N. Mohanraj fulfils the conditions specified in the Act, the Rules made thereunder and the Listing Regulations for being appointed as an Independent Director, and is independent of the Management.

Brief profile of Mr. N. Mohanraj as an Independent Director on the Board of the Company and the disclosures required under the Listing Regulations form part of the Notice.

A copy of the letter of his appointment as Independent Director, setting out the terms and conditions of his appointment is available for inspection by the members at the registered office of the Company on all working days (except Saturday and public holidays) between 11.00 a.m. to 1.00 p.m. and will be also be available at the Annual General Meeting. The letter of appointment of Mr. N. Mohanraj is also available on the website of the Company www.grasim.com.

Mr. N. Mohanraj is not related to any other Director of the Company.

The Board commends the Ordinary Resolution set out at Item No. 9 of this Notice for the approval by the Members.

Except Mr. N. Mohanraj and his relatives, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 9 of the Notice.

Item No. 10

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 2020 as per the following details:

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 Filament Yarn - Century Rayon Division	Not exceeding ₹ 15 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 Filament Yarn - Century Rayon Division	Not exceeding ₹ 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 2020.

The Board commends the Ordinary Resolution set out at Item No. 10 of the Notice for the approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution set out at Item No. 10 of the Notice.

By Order of the Board

Hutokshi Wadia
President & Company Secretary

Place: Mumbai
Date: 12th July 2019

(a) Details of Directors seeking appointment/ re-appointment of directorship at the Annual General Meeting to be held on 23rd August 2019

A. Brief resume of the Directors, being appointed/ re-appointed, is as follows:

Mr. Kumar Mangalam Birla

Mr. Kumar Mangalam Birla is a Chartered Accountant and holds an MBA degree from the London Business School. Mr. Birla chairs the Boards of all major Group companies in India and globally. In India, apart from chairing your Company's Board, he also chairs the Boards of UltraTech Cement Limited, Hindalco Industries Limited, Vodafone Idea Limited and Aditya Birla Capital Limited.

In the 23 years, that he has been at the helm of the Group, he has accelerated growth, built meritocracy and enhanced stakeholder value. In the process he has raised the Group's turnover from $2 billion in 1995, to $44.3 billion today.

He has been the architect of 36 acquisitions by the group in 20 years in India and globally, the highest by an Indian multinational in India. Under his stewardship, the Aditya Birla Group enjoys a position of leadership in all the major sectors in which it operates. Over the years, Mr. Birla has built a highly successful meritocratic organisation, anchored by an extraordinary force of 120,000 employees belonging to 42 different nationalities.

Outside the Group, Mr. Birla has held several key positions on various regulatory and professional Boards. He was a Director on the Central Board of Directors of the Reserve Bank of India. He was Chairman of the Advisory Committee constituted by the Ministry of Corporate Affairs and also served on The Prime Minister of India's Advisory Council on Trade and Industry. Mr. Birla is deeply engaged with Educational Institutions. He is the Chancellor of the Birla Institute of Technology & Science (BITS) with campuses in Pilani, Goa, Hyderabad and Dubai, and a Director of the G. D. Birla Medical Research & Education Foundation. He is also the Chairman of the Indian Institute of Management, Ahmedabad, and the Rhodes India Scholarship Committee. Mr. Birla serves on the London Business School's Asia Pacific Advisory Board and is an Honorary Fellow of the London Business School.

A firm practitioner of the trusteeship concept, Mr. Birla has institutionalised the concept of caring and giving at the Aditya Birla Group. With his mandate, the Group is involved in meaningful welfare driven activities that distinctively impact the quality of life of weaker sections of society.

Ms. Usha Sangwan

Ms. Usha Sangwan was the first ever woman Managing Director of Life Insurance Corporation of India, since its incorporation in 1956. Ms. Sangwan is Post Graduate in Economics, Post Graduate Diploma holder in Human Resource Management and Licentiate from Insurance Institute of India. Ms. Sangwan, at present, is the Board Member of Axis Bank, Grasim Industries Ltd. and Bombay Stock Exchange Ltd.

She has been featured as "India's Top 100 Women in Finance 2019", by Association of International Wealth Management of India, featured in Forbes List of 50 most powerful Business Women in Asia in 2015 and also "Most Powerful Women in Indian Business" by Business Today in 2016, 2017 and 2018. She has vast operational and Board level experience of Financial Sector, including Banking, Housing Finance, Stock Exchange, Cards, Mutual Funds, General Insurance and Reinsurance.

Mr. Arun Thiagarajan

Mr. Arun Thiagarajan holds a Master's Degree in Engineering (Electrical) from Royal Institute of Technology, Stockholm. He also holds a degree in Business Administration and Information Systems from Uppsala University, Sweden. Mr. Thiagarajan has also attended the Advanced Management Program of the Graduate School of Business, Harvard Business School. Mr. Thiagarajan has previously served as the Managing Director of Asea Brown Boveri Limited, as the Vice Chairman of Wipro Limited and as President of Hewlett-Packard India Private Limited. He also serves as an Independent Director on the Boards of various companies.

Mr. O. P. Rungta

Mr. O. P. 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.

Mr. Cyril Shroff

Mr. Cyril Shroff has over 37 years of experience in a range of areas, including corporate and securities law, disputes, banking, infrastructure, private client, financial regulatory and others. He has been recognised as a "legendary figure in the Indian legal community" and regarded as the "M&A King of India".

Mr. Shroff was a member of SEBI constituted Uday Kotak Committee on Corporate Governance and SEBI Committee on Insider Trading. He is member of first apex advisory committee of the IMC International ADR Centre; task force member of Society of Insolvency Practitioners of India. He is a member of the governing council of Krea University; member of the Apex Advisory Board of Adani Institute of Infrastructure Management; a member of Advisory Board of the Centre for Legal Profession Study, established by the Harvard Law School and Advisory Board of the National Institute of Securities Markets.

Chambers Asia Pacific, 2019, has recognised him as a Star Individual for Corporate/M&A, while Asian Legal Business has awarded him with 'Managing Partner of the Year 2019'. He has also been recognised as 'Thought Leader for M&A and Governance' by Who's Who Legal at its Annual Awards in 2019.

Dr. Thomas M. Connelly, Jr.

Dr. Thomas M. Connelly, Jr. is the Executive Director and CEO of the American Chemical Society. Prior to joining ACS, he served as Chief Science and Technology Officer, and then as Chief Innovation Officer for the DuPont Company. In these roles, he was responsible for science and technology with special emphases on polymer science, chemical process development and, later, bioprocessing for chemical synthesis and production. At DuPont, Connelly led R&D organisations and businesses while based in the US, Europe and Asia. He graduated with highest honorus from Princeton University with degrees in Chemical Engineering and Economics. As a Winston Churchill Scholar, he received his doctorate in chemical engineering from the University of Cambridge. Connelly was elected to the National Academy of Engineering, and currently chairs the National Academies Advisory Committee on Earth and Life Studies. He has served in advisory roles to the U.S. Government and the Republic of Singapore.

Mr. N. Mohanraj

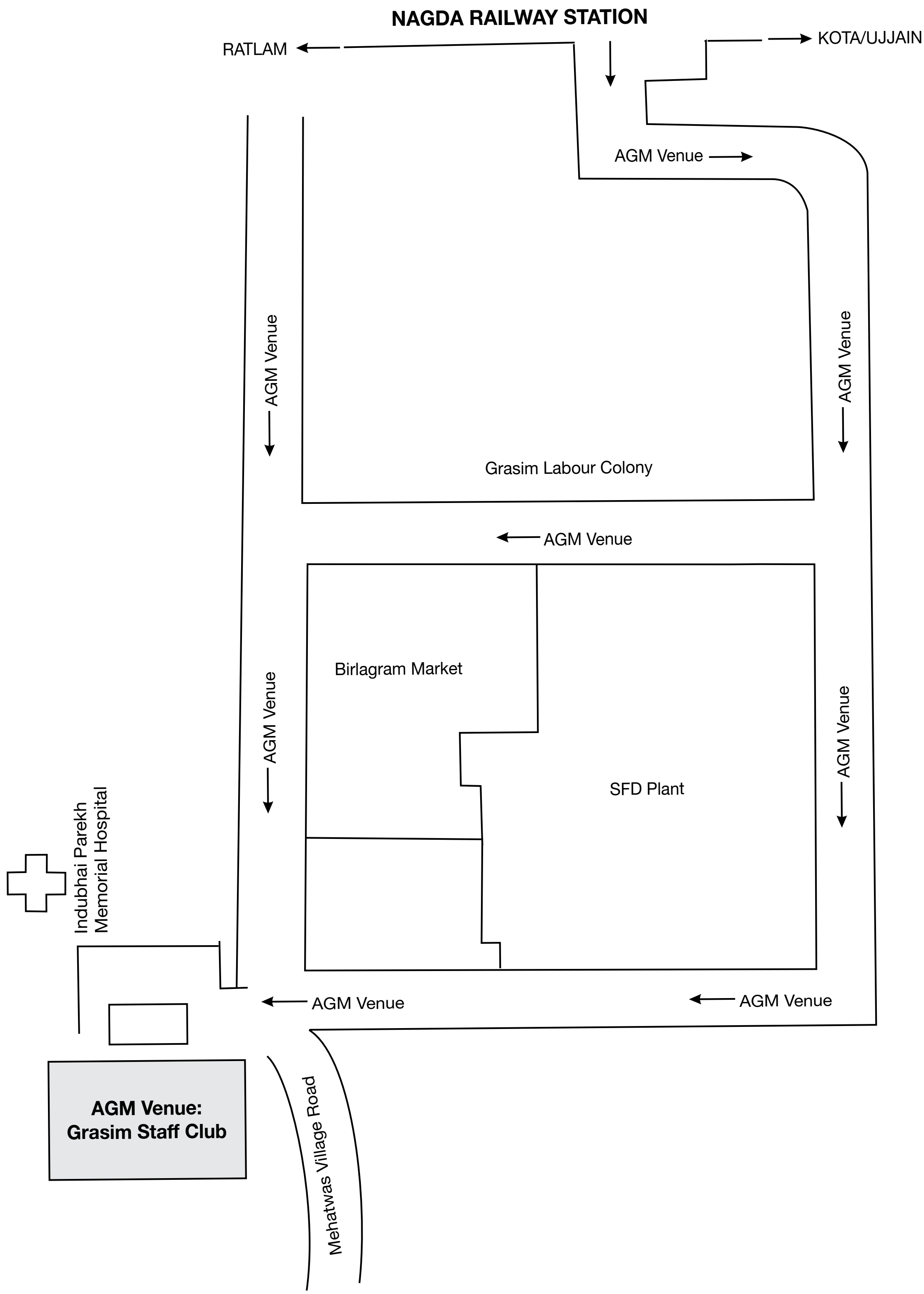
Mr. N. Mohanraj, holds a Master's Degree in Arts (Economics). He was the former Executive Director of Life Insurance Corporation of India and has rich experience in the field of finance and investment. Mr. Mohanraj had served as a Non-Executive Director on the Board of the our Company from 21st June 2012 upto 23rd May 2018.

B. DISCLOSURES RELATING TO DIRECTORS PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2):

Name of the Director	Mr. Kumar Mangalam Birla	Ms. Usha Sangwan	Mr. Arun Thiagarajan	Mr. O. P. Rungta	Mr. Cyril Shroff	Dr. Thomas M. Connelly, Jr.	Mr. N. Mohanraj
Date of Birth/Age	14.06.1967/ 52 years	1.10.1958/ 60 years	07.09.1944/ 74 years	03.09.1942/ 76 years	07.11.1959/ 59 years	24.06.1952/ 67 years	29.11.1953/ 65 years
Date of First Appointment	14.10.1992	23.05.2018	07.05.2016	25.09.2014	25.07.2000	20.08.2010	12.07.2019
Expertise in specific functional areas	Industrialist	Vast experience in Insurance Sector and Banking	Management	Consultant	Solicitor	Company Executive	Vast experience in the field of finance and investment
Qualification	A.C.A., M.B.A.	Master's Degree in Economics and a Post Graduate Diploma in Human Resource Management	M.Sc., Engg., GBA	LLB, F.C.A.	Solicitor	Degree in Chemical Engg and Economics, Doctorate in Chemical Engg.	M.A. (Eco.)
Shareholding in the Company	36,993 Shares	Nil	1,475 Shares	250 Shares	335 Shares	Nil	Nil
Number of Board meetings attended during the FY 2019	2	3	4	4	1	4	Not Applicable
List of outside Company Directorships held in Indian Public Limited Company	1. Hindalco Industries Limited 2. UltraTech Cement Limited 3. Vodafone Idea Limited 4. Century Textiles and Industries Limited 5. Aditya Birla Sun Life Insurance Company Limited 6. Aditya Birla Sun Life AMC Limited 7. Aditya Birla Capital Limited 8. Air India Limited	1. Axis Bank Limited 2. BSE Limited	1. GE Power India Limited 2. Vodafone Idea Limited 3. TTK Prestige Limited 4. Gokaldas Exports Limited 5. Aditya Birla Fashion and Retail Limited	-	-	-	1. LTIDPL Indvit Services Limited
Chairman/Member of the Committee of the Board of Directors of the Company	-	-	1. Audit Committee (Chairman)	-	1) Stakeholders' Relationship Committee (Member)	-	-
Chairman/Member of the Committees of Board of Directors of other Public Limited Companies in which he is a Director							
a) Audit Committee	-	1. BSE Limited (Member)	1. Gokaldas Exports Limited (Chairman) 2. Aditya Birla Fashion and Retail Limited (Chairman) 3. GE Power India Limited (Member) 4. Vodafone Idea Limited (Member) 5. TTK Prestige Limited (Member)	-	-	-	1. LTIDPL Indvit Services Limited (Member)
b) Stakeholders' Relationship Committee	-	1. BSE Limited (Chairperson)	1. Gokaldas Exports Limited (Chairman)	-	-	-	-
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Son of Mrs. Rajashree Birla	None	None	None	None	None	None

Note: Pursuant to Regulation 26 of the Listing Regulations, only two Committees, viz., Audit Committee and Stakeholders' Relationship Committee have been considered.

Route Map to the Venue of the Annual General Meeting



Tear Here

GRASIM INDUSTRIES LIMITED

Registered Office: Birlagram, Nagda-456 331, Dist. Ujjain (M.P.), India

CIN: L17124MP1947PLC000410

Tel. No.: 07366-246760/66; **Fax:** 07366-244 114/246024

E-mail: grasim.secretarial@adityabirla.com; **Website:** www.grasim.com

FORM NO. MGT-11
PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : ....

Registered Address : ....

E-mail ID : ....

Folio No./DP ID and Client ID : ....

I/We, being the Member(s) holding .... 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 72nd Annual General Meeting of the Company, to be held on Friday, 23rd August 2019 at 11 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:

* I/We wish my above proxy(ies) to vote in the manner as indicated in the box 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 2019, together with the Reports of the Board and Auditors thereon.		
2.	Declaration of Dividend on Equity Shares for the financial year ended 31st March 2019.		
3.	Appointment of Director in place of Mr. Kumar Mangalam Birla (DIN: 00012813), who retires by rotation and, being eligible, offers himself for re-appointment.		
4.	Appointment of Director in place of Ms. Usha Sangwan (DIN: 02609263), who retires by rotation and, being eligible, offers herself for re-appointment.		
5.	Approval for continuation of Mr. Arun Thiagarajan (DIN: 00292757) as an Independent Director.		
6.	Re-appointment of Mr. Cyril Shroff (DIN: 00018979) as an Independent Director.		
7.	Re-appointment of Dr. Thomas M. Connelly, Jr. (DIN: 03083495) as an Independent Director.		
8.	Re-appointment of Mr. O. P. Rungta (DIN: 00020559) as an Independent Director.		
9.	Appointment of Mr. N. Mohanraj (DIN: 00181969) as an Independent Director.		
10.	Ratification of the remuneration of Cost Auditors.		

Signed this .... day of 2019

Affix a Re.1/- Revenue Stamp

....
Signature of Member(s)

.... Signature of first proxy holder

.... Signature of second proxy holder

.... Signature of third proxy holder

* Please put a (✓) in the appropriate column against the resolution as indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Note:

a. This form of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

b. A proxy need not be a Member of the Company.

c. In case, the Member appointing proxy is a body corporate, the Proxy Form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the Proxy Form.

d. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten 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 person or Member.

e. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.

f. In case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

NOTES

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