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

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Managing Director
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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: Fair Value Adjustments	Non-Cash Changes: Reclassify	Non-Cash Changes: Others	As at 31st March 2019
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**
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Managing Director
DIN: 02071393

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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

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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

Notes

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.

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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.

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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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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.

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1.15 Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash on hand and cash at banks, including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

1.16 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.17 Employee Benefits:

Short-Term Employee Benefits:

Short-term employee benefits are recognised as an expense on accrual basis.

Defined Contribution Plans:

Contribution payable to the recognised provident fund and approved superannuation scheme, which are substantially defined contribution plans, is recognised as expense in the Statement of Profit and Loss, when employees have rendered the service entitling them to the contribution.

The provident fund contribution as specified under the law is paid to the Regional Provident Fund Commissioner.

Defined Benefit Plans:

The obligation in respect of defined benefit plans, which covers Gratuity, Pension and other post-employment medical benefits, are provided for on the basis of an actuarial valuation at the end of each financial year using project unit credit method. Gratuity is funded with an approved trust.

In respect of certain employees, Provident Fund contributions are made to a Trust, administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year, and any shortfall in the Fund size maintained by the Trust set-up by the Company is additionally provided for.

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

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

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- **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.

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2.1 PROPERTY, PLANT AND EQUIPMENT (PPE)

(₹ in Crore)

Description	Gross Block						Depreciation/Amortisation					Net Block
	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)

Description	Gross Block						Depreciation/Amortisation					Net Block
	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

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forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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

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
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

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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

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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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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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forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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

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	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

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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

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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

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forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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

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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

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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

Notes

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

Notes

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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forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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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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
	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.

Notes

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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

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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

Notes

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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

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(₹ 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.

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(₹ 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

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(₹ 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

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(₹ 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.

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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 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

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(₹ 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)

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(₹ 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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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%

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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.

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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).

Notes

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

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

(₹ 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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

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.

Notes

forming part of the Standalone Financial Statements for the year ended 31st March, 2019

(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.

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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 **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