

Report on Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

In line with the above philosophy, your Company continuously strives for excellence and focuses on enhancement of long-term stakeholder value through adoption of best governance and disclosure practices. Your Company is committed to the adoption of best governance practices and its adherence in true spirit, at all times.

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

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

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

II. BOARD OF DIRECTORS

Composition of Board of Directors (Board)

Your Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations. Your Board represents a confluence of varied skills, experience and expertise from diverse background. The Directors possess requisite qualification, experience

and expertise in their respective functional areas, which enable them to discharge their responsibilities and provide effective leadership to the management.

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

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

All Independent Directors are free from any business or other relationship that could materially influence their judgement. The Company has issued the formal letter of appointment to all the Independent Directors as prescribed under Schedule IV of the Act and the Listing Regulations. The terms and conditions of their appointment is also available on the Company's

website, www.grasim.com. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Regulation 16(1)(b) of the Listing Regulations and under Section 149(6) of the Act and they are qualified to act as Independent Directors. In terms of Regulation 25(8) of the Listing Regulations, Independent Directors

have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence. The brief profile of the Directors on the Board is available on the Company's website, www.grasim.com.

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

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

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

1. Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act.
2. Excluding Private Limited Companies/Foreign Companies/Section 8 Companies.
3. Includes only Audit Committee and Stakeholders' Relationship Committee as per Regulation 26(1)(b) of the Listing Regulations.
4. Including equity shares held by HUF.
5. Mr. Himanshu Kapania was appointed as Non-Executive Director (Vice-Chairman), with effect from 14th August 2018, as approved by the shareholders at the 71st AGM held on 14th September 2018.
6. Ms. Usha Sangwan was appointed as a Non-Executive Director, with effect from 23rd May 2018, as approved by the shareholders at the 71st AGM held on 14th September 2018.
7. Ms. Anita Ramachandran was appointed as an Independent Director, with effect from 14th August 2018, as approved by the shareholders at the 71st AGM held on 14th September 2018.

Role of Board of Directors

The Company's Board of Directors plays a primary role in ensuring good governance, smooth functioning of the Company and in the creation of stakeholders' value. The Board's role, functions, responsibility and accountability are clearly defined. As the Board's primary role is fiduciary in nature, it is responsible for ensuring

that the Company runs on sound ethical business practices and that the resources of the Company are utilised in a manner so as to create sustainable growth and value for the Company's shareholders and the other stakeholders and also fulfil the aspirations of the society and the communities in which it operates.

The Board has complete access to any information within your Company. As a part of its function, the Board periodically reviews all the relevant information, which is required to be placed before it pursuant to the Listing Regulations and in particular, reviews and approves financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. The Board monitors the Company's overall performance, directs and guides the activities of the Management towards the set goals and seeks accountability. The Board also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with the laws and regulations.

Board Meetings

During the year under review, the Board met 4 times on 23rd May 2018, 14th August 2018, 14th November 2018 and 7th February 2019. The necessary quorum was present for all the meetings. The maximum interval between any 2 meetings did not exceed 120 days. Video conference facility is made available to facilitate Directors travelling/ residing abroad or at other locations to participate in the meetings.

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

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

Meeting of Independent Directors

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

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, quantity and timelines of flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

The suggestions made by the Independent Directors were discussed at the Board meeting and are being implemented.

Code of Conduct

The Board of Directors has laid down a "Code of Conduct for the Board of Directors and Senior Management" of your Company, which is available on the Company's website, www.grasim.com. All Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the Board of Directors and Senior Management. A declaration to that effect signed by the Managing Director is attached and forms part of this Report.

Training, Induction and Familiarisation Programme

Letters of appointment, stipulating the terms of appointment, role, rights and responsibilities, are issued to the Independent Directors at the time of their appointment. In terms of the Listing Regulations, the terms and conditions of appointment of Independent Directors are placed on the Company's website, www.grasim.com. When a director joins the Board of the Company, your Company conducts introductory familiarisation programme, *inter alia*, covering the nature of the industry in which the Company operates, business model of the Company, etc. On an on-going basis, the Directors are familiarised with the Company's business, its operations, strategy, functions, policies and procedures at the Board and Committee meetings. Changes in regulatory framework and its impact on the operations of the Company are also presented at the Board/Committee meetings. The Directors are also apprised about risk assessment and minimisation procedures.

The details of familiarisation programme, imparted to the Directors of the Company are available on the Company's website, www.grasim.com.

Prevention of Insider Trading

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

III. COMMITTEES OF THE BOARD

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

A. AUDIT COMMITTEE OF THE BOARD

Composition, Meetings and Attendance

The Audit Committee of the Board comprises of 3 Non-Executive Independent Directors and 1 Executive Director. The members of the Audit Committee are financially literate and have accounting or related financial management

expertise. The composition of the Audit Committee complies with the requirements of the Listing Regulations and the Act.

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

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

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

The Chief Financial Officer is a permanent invitee to the Audit Committee meetings. The Joint Statutory Auditors and the Internal Auditors of the Company are also invited to the Audit Committee meetings. Representatives of the Cost Auditors are invited to the Audit Committee meetings, whenever matters relating to the Cost Audit are considered.

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

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

The Audit Committee acts as link between the management, the Statutory and Internal Auditors and the Board. The Audit Committee monitors and effectively supervises your Company's financial reporting process with a view to provide accurate, timely and proper disclosure, maintain the integrity and quality of financial reporting. The Audit Committee also reviews, from time to time, the audit and internal control procedures, the accounting policies of your Company. The recommendations of the Audit Committee are accepted by the Board.

Brief Description of Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - (a) matters required to be included in the Directors' Responsibility Statements to be included in the Board's Report in terms of clause (c) of sub-section (3) of section 134 of the Act;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgement by the management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to the financial statements;
 - (f) disclosure of any related party transactions; and
 - (g) modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision;
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Monitoring the end use of funds raised through public offers and related matters;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up thereon;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. To review the functioning of the Whistle Blower Mechanism;
21. In consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit;

22. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate; and
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee mandatorily reviews the following information:

- (1) Management Discussion and Analysis of financial condition and results of operations;
- (2) Financial statements, in particular, the investments made by the unlisted subsidiary companies.
- (3) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- (4) Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- (5) Internal audit reports relating to internal control weaknesses;
- (6) Appointment, removal and terms of remuneration of the Internal Auditor;
- (7) Statement of deviations:
 - a. quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulation;
 - b. annual statement of funds utilised for the purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulation.
- (8) Any Show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important, including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;
- (9) Any material default in financial obligations by the Company; and
- (10) Any significant or important matters affecting the business of the Company.

Vigil Mechanism/Whistle Blower Policy

The Company has adopted Whistle Blower Policy that provides a formal vigil mechanism for Directors and Employees to report genuine concerns about the unethical behaviour, actual or suspected frauds of

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

B. NOMINATION AND REMUNERATION COMMITTEE

Composition, Meetings and Attendance

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

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

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

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

The Company Secretary acts as the Secretary to the NRC.

Brief Description of Terms of Reference

- (1) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- (2) Formulate the criteria for effective evaluation of performance of the Board, its Committees and individual Directors and review its implementation and compliance;
- (3) Devise a policy on diversity of the Board of Directors;
- (4) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid

down, and recommend to the Board of Directors their appointment and removal;

- (5) To consider whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors;
- (6) Set the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors and Senior Management of the quality required to run the Company successfully;
- (7) Set the relationship of remuneration to performance;
- (8) Check whether the remuneration provided to Directors, Key Managerial Personnel and Senior Management includes a balance between fixed and incentives pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals;
- (9) Review and implement succession plans for Managing Director, Executive Directors and Senior Management; and
- (10) Review and make recommendations to the Board with respect to any incentive-based compensation and equity-based plans that are subject to Board or shareholder approval (including broad-based plans).

Performance Evaluation

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

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

The performance of Non-Independent Directors, the Board as a whole, and the Committees of the Board has been evaluated by Independent Directors in a separate meeting. At the same meeting, the Independent Directors also evaluated the

performance of the Chairman of your Company, after taking into account the views of Executive Directors and Non-Executive Directors. Evaluation as done by the Independent Directors was submitted to the Nomination and Remuneration Committee and subsequently to the Board.

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

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

Board Competence

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

1. **Governance & Sustainability:** Ensuring adherence to the Corporate Governance Principles, ability to benchmark with the best governance practices globally, protecting and enhancing stakeholders value. Ability to guide on sustainability initiatives and corporate social responsibility activities for betterment of the underprivileged and society at large are additional competencies required.
2. **Strategy Planning:** Good business instincts and acumen, ability to get to the crux of the issue, ability to provide guidance and active participation in complex decision making, set priorities and focus energy and resources towards achieving goals.
3. **Technical Expertise:** Sound Technical knowledge, ability to anticipate technological trends, create advanced business models, provide guidance for technical collaboration etc.

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

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

Remuneration Policy

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy on remuneration of Directors and Senior Management Employees, which is available on the Company's website, www.grasim.com. Performance Review System is primarily based on competencies and values. The Company closely monitors growth and development of top talent in the Company to align personal aspiration with the organisation's goal.

Remuneration of Directors

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

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

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

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

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

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

(₹ in Lakh)

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

1. Mr. Kumar Mangalam Birla assumed the role of Executive Chairman of Aditya Birla Management Corporation Private Limited with effect from 1st January 2019. Accordingly, he would not like to receive any commission from the Company with effect from 1st January 2019.
2. Commission is payable to LIC and sitting fees is paid to Ms. Usha Sangwan; however sitting fee for the first Board meeting attended by Ms. Sangwan was paid to LIC.

Notes:

- There are no pecuniary relationship or transaction between your Company and its Non-Executive/Independent Directors for the financial year under review.
- As per the Company's policy no loan is advanced to any Directors except to the Executive Directors, in the course of normal employment.

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

(₹ in Lakh)

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

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

- The Board has approved payment of performance-linked variable pay for the FY 2017-18 as aforesaid to the Managing Director and the Whole-Time Director & CFO on achievement of the targets.
- The Managing Director's and the Whole-time Director & CFO's appointment may be terminated by three months' notice in writing on either side and no severance fees is payable to the Executive Directors of the Company.
- During the year, in terms of the Company's Employee Stock Option Scheme 2013 (ESOS 2013), 7,610 Stock Options have vested in Mr. Dilip Gaur and in terms of the Company's Employee Stock Option Scheme 2018 (ESOS 2018) 1,19,048 Stock Options and 22,796 RSUs have been granted to Mr. Dilip Gaur.
- During the year, in terms of the Company's ESOS 2013; 30,435 Stock Options and 16,665 RSUs have vested in Mr. Sushil Agarwal and in terms of the Company's ESOS 2018; 79,368 Stock Options and 15,198 RSUs have been granted to Mr. Sushil Agarwal.

Employee Stock Options Scheme

a. ESOS-2006

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

b. ESOS-2013

During the year under review, the Nomination and Remuneration Committee of the Board of Directors approved vesting of 48,447 Stock Options and 16,665 Restricted Stock Units (RSUs) to the Eligible Employees, subject to the provisions of the ESOS-2013, statutory provisions, as may be applicable from time to time, and the rules and procedures set out by the Company in this regard.

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

c. ESOS- 2018

Pursuant to the approval of the shareholders at the Annual General Meeting held on 14th September 2018, the Board of Directors and the Nomination and Remuneration Committee, a new scheme viz.

'Grasim Industries Limited Employee Stock Option Scheme 2018' ("ESOS-2018") in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the SEBI SBEB Regulations") has been formulated. The ESOS 2018 is being administered by the Nomination and Remuneration Committee through the Grasim Employees' Welfare Trust (Trust).

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

The details of Employee Stock Options granted pursuant to ESOS-2006 and the Employee Stock Options and RSUs granted pursuant to ESOS-2013 and ESOS-2018, and the other disclosures in compliance with the provisions of the Securities and Exchange Board of India (Employee Share Based Employee Benefits) Regulations, 2014, are available on the Company's website, www.grasim.com

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition, Meeting and Attendance

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

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

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

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

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

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

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

Brief Description of Terms of Reference

- To monitor complaints received by your Company from its Shareholders, Debentureholders, other security holders, Securities and Exchange Board of India (SEBI), Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc. and action taken by your Company for redressing the same;
- To approve allotment of shares, debentures or any other securities as per the authority conferred/to be conferred to the Committee by the Board of Directors from time to time;
- To approve requests for transposition, deletion, consolidation, sub-division, change of name, dematerialisation, rematerialisation etc. of shares, debentures and other securities;
- To authorise Officers of your Company to approve requests for transposition, deletion, consolidation, sub-division, change of name, dematerialisation, rematerialisation etc. of shares, debentures and other securities;
- To approve and ratify the action taken by the authorised officers of your Company in compliance of the requests received from the shareholders/investors for issue of duplicate/

replacement/consolidation/sub-division, dematerialisation, rematerialisation and other purposes for the shares, debentures and other securities of your Company;

- To monitor and expedite the status and process of dematerialisation and rematerialisation of shares, debentures and other securities of your Company;
- To give directions for monitoring the stock of blank stationery and for printing of stationery required by the Secretarial Department of your Company from time to time for issuance of share certificates, debenture certificates, allotment letters, dividend warrants, pay orders, cheques and other related stationery;
- To review the measures taken to reduce the quantum of unclaimed dividend/interest and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of your Company;
- Resolving grievances of security holders including complaints related to transfers/transmission of shares, non-receipt of annual report, non-receipt of dividends, issue of new/duplicate certificates, general meetings etc.;
- Review measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- To perform such other acts, deeds, and things as may be delegated to the Committee by the Board from time to time.

Shareholders' complaints

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

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

Composition, Meeting and Attendance

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

During the year under review, 3 CSR Committee meetings were held on 7th May 2018,

7th December 2018 and 29th March 2019. The recommendations of CSR Committee have been accepted by the Board.

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

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

Name of the Members	Categories	No. of Meetings	
		Held	Attended
Mrs. Rajashree Birla, Chairperson	Non-Executive	3	2
Mr. B. V. Bhargava	Non-Executive Independent	3	3
Mr. Shailendra K. Jain	Non-Executive	3	3
Mr. Dilip Gaur	Managing Director	3	3

The Company Secretary acts as the Secretary to the Committee.

E. RISK MANAGEMENT COMMITTEE

Composition, Meeting and Attendance

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

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

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

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

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

Name of the Members	Categories	No. of Meetings	
		Held	Attended
Mr. B. V. Bhargava, Chairman	Non-Executive-Independent	1	1
Mr. Arun Thiagarajan	Non-Executive-Independent	1	1
Mr. M. L. Apte	Non-Executive-Independent	1	1
Mr. Dilip Gaur	Managing Director	1	1
Mr. Sushil Agarwal	Whole-time Director and CFO	1	1
Mr. H. K. Agarwal	Chief Operating Officer-Fibre Business	1	1
Mr. E. R. Raj Narayanan	Group Executive President -Chemical Business	1	1
Mr. Thomas Varghese	Business Head-Textiles	1	0

F. FINANCE COMMITTEE

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

Composition, Meetings and Attendance

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

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

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

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

G. BIRLA LAOS DIVESTMENT COMMITTEE

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

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

H. CHLOR ALKALI BUSINESS ACQUISITION COMMITTEE

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

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

I. SOKTAS INDIA BUSINESS ACQUISITION COMMITTEE

Soktas India Business Acquisition Committee of the Board of Directors was constituted to facilitate acquisition of Soktas India Private Limited.

This Committee comprises of 2 Non-Executive Independent Directors and 2 Executive Directors. The Committee comprises of Mr. B. V. Bhargava, Mr. M. L. Apte, Mr. Dilip Gaur and Mr. Sushil Agarwal.

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

J. MERGER COMMITTEE

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

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

IV. SUBSIDIARY COMPANIES

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

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

V. GENERAL BODY MEETINGS

Details of the General Meetings of the Company held during the last 3 years are as follows:

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

Financial Year/Type of Meeting	Date and Time	Location	Particulars of Special Resolution
2016-17 Extra-Ordinary General Meeting	10 th October 2016, 11.30 a.m.	Birlagram, Nagda-456331, Madhya Pradesh	<ul style="list-style-type: none"> Increase in limit for investment in the Equity Share capital of the Company by Registered Foreign Portfolio Investors, including Foreign Institutional Investors
2016-17 Extra-Ordinary General Meeting	3 rd March 2017, 11.00 a.m.	Birlagram, Nagda-456331, Madhya Pradesh	<ul style="list-style-type: none"> Increase in limit for investment in the equity share capital of the Company by Registered Foreign Portfolio Investors including Foreign Institutional Investors
2017-18 NCLT Convened Meeting	6 th April 2017, 11.00 a.m.	Birlagram, Nagda-456331, Madhya Pradesh	<ul style="list-style-type: none"> Resolution passed for the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited (now known as Aditya Birla Capital Limited) and their respective shareholders and creditors.
2016-17 70 th Annual General Meeting	22 nd September 2017, 11.00 a.m.	Birlagram, Nagda-456331, Madhya Pradesh	<ul style="list-style-type: none"> Issuance of Non-Convertible Debentures on private placement basis Alteration of Articles of Association of the Company
2017-18 71 st Annual General Meeting	14 th September 2018, 11.00 a.m.	Birlagram, Nagda-456331, Madhya Pradesh	<ul style="list-style-type: none"> Continuation of Directorships of Directors who have attained 75 years of age Adoption of Grasim Industries Limited Employee Stock Options Scheme-2018 Extension of benefit of Grasim Industries Limited Employee Stock Option Scheme 2018 to permanent employees in the management cadre, including Managing and Whole-time Directors, of the Subsidiary Companies Approved the use of trust route for implementation of Grasim Industries Limited Employee Stock Options Scheme-2018 and secondary acquisition of the Equity Shares of the Company by the trust to be set up

POSTAL BALLOT

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

VI. MEANS OF COMMUNICATION

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

- Quarterly Results:

Results are normally published in:

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

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

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

- Disclosures pursuant to various provisions of the Listing Regulations, as applicable, are promptly communicated to the stock exchanges where the shares of the Company are listed, and are also displayed on the Company's website www.grasim.com.
- The Company has engaged Karvy Fintech Private Limited for providing live webcast of AGM proceedings to its shareholders. The same may be accessed at <https://evoting.karvy.com>.

VII. DISCLOSURES

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

During the year under review, no material transactions with any related party as defined under the Act and the Listing Regulations have been entered into. All contracts/arrangements/transactions entered into by your Company with its related parties were on an arm's-length basis and in the ordinary course of business. Attention of the members is drawn to Note 4.5.3 to the Standalone Financial Statements, forming part of this Annual Report, which sets out the related party disclosures. The Policy on Related Party Transactions, as approved by the Audit Committee and the Board is available on the Company's website, www.grasim.com.

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

The Company has complied with all the provisions of Listing Regulations as well as regulations and guidelines of the Securities and Exchange Board of India (SEBI). There have been no instances of non-compliance by the Company on any matters related to capital markets during the last 3 years and, hence, no penalty or strictures are imposed by SEBI or the Stock Exchanges or any Statutory Authority.

(iii) Details of the Directors seeking appointment/re-appointment are provided in the Notice of the Annual General Meeting, which forms part of this Annual Report.

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

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

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

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

(vi) Certification by Practicing Company Secretary

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

(vii) Total Fees paid to Statutory Auditors

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

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

- number of complaints filed during the financial year: 1 (One)
- number of complaints disposed of during the financial year: 1 (One)
- number of complaints pending as on end of the financial year: Nil

(ix) Managing Director and Chief Financial Officer Certification

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

(x) Website

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

(xi) Status of Compliance of Non-Mandatory Requirement

- a. The Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance are made available to enable the Non-Executive Chairman to discharge his responsibilities.
- b. There are no audit qualification on the Financial Statements of the Company for the financial year ended 31st March 2019.
- c. The position of the Chairman of the Board of Directors and the Managing Director is separate.

- d. The Internal Auditors have direct access to the Audit Committee and its representative participates in the Audit Committee meetings and present their observations to the Audit Committee when the audit matter is discussed.

VIII. REPORT ON CORPORATE GOVERNANCE

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

IX. COMPLIANCES

- (i) Your Company confirms the compliances with Corporate Governance requirements as specified in the Listing Regulations.
- (ii) Certificate from the Joint Statutory Auditors, confirming compliance with all the conditions of Corporate Governance as stipulated in Listing Regulations, is given as 'Annexure C' to the Board's Report and forms part of this Annual Report.
- (iii) There is a separate section for general Shareholder Information which forms part of this Annual Report.
- (iv) Name and Designation of Compliance Officer: Mrs. Hutokshi Wadia, President and Company Secretary.
- (v) During the year under review the Board has accepted the recommendations made by the various Board Committees constituted.

CODE OF CONDUCT

DECLARATION

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct for Board Members and Senior Management for the year ended 31st March 2019.

Mumbai
Date: 24th May 2019

Dilip Gaur
Managing Director
DIN: 02071393

CEO/CFO CERTIFICATION

The Board of Directors
Grasim Industries Limited

We certify that:

- A. We have reviewed the Financial Statements and the Cash Flow Statement of Grasim Industries Limited (the Company) for the year ended 31st March 2019 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- (1) significant changes in the internal control, if any, over financial reporting during the year;
 - (2) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the Notes to the Financial Statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: 24th May 2019

Dilip Gaur
Managing Director
DIN: 02071393

Sushil Agarwal
Whole-time Director & CFO
DIN: 00060017

CERTIFICATE

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

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

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

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

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

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

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

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

Place: Mumbai
 Date: 24th May 2019