ADITYA BIRLA
HINDALCO

ANNUAL REPORT
2017-18

HINDALCO INDUSTRIES LIMITED

BIG IN YOUR LIFE

GLOBAL LEADER IN ALUMINIUM AND COPPER

Mr. Aditya Vikram Birla

We live by his values

Integrity, Commitment, Passion, Seamlessness and Speed

THE CHAIRMAN'S LETTER TO SHAREHOLDERS

GLOBAL ECONOMY

The global economy is on a rebound. The International Monetary Fund (IMF) estimates indicate that the global real GDP grew 3.8% in CY17. This is the highest growth pace over the last six years. It is also the broadest synchronised global growth upsurge since CY10 as underlined by the IMF.

This impetus from a supportive monetary policy was further buoyed by a revival of investment spending in advanced economies. The expansionary fiscal and monetary policies in the US led to improved growth prospects. The US grew at 2.3% in CY17 as against 1.5% in CY16. Growth accelerated in Europe and Asia too.

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

INDIAN ECONOMY

India's economy is emerging strongly from the transitory effects of demonetisation and the implementation of the Goods and Services Tax (GST). Although India's GDP growth slowed from 7.1% in FY17 to 6.7% in FY18, the economy recorded a seven-quarter-high GDP growth of 7.7% in the exit quarter of FY18. This reflects momentum.

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

Investors seem to be positive on India's economic prospects. The Foreign Direct Investment (FDI) flows continue to be encouraging. India's global ranking on the ease of doing business notched up

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The Chairman's Letter to Shareholders (continued)

to 100 from 142 in barely four years, while the country's ranking on global competitiveness index has climbed from 71st in FY15 to 39th in FY17.

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

At the same time, we cannot ignore near-term challenges. The bucket of concerns consists of rising oil prices, hardening inflation, firming bond yields and widening current account deficit. The ongoing global trade frictions, particularly between the US and China, are worrisome and can have a spillover negative effect on countries like India. So, the terrain ahead could be a tad bumpy depending on the economic and geopolitical environment.

THE METALS SECTOR: IN BRIEF

The sector gained substantially from global economic growth, with a surge in demand from the user industries in both aluminium and copper. China controls about 50% of the world production and consumption of both the metals. In CY17, China implemented major reforms, resulting in environment-led closures in winter and a clamp permanently on all illegal capacities in aluminium.

Consequent to the Chinese actions, the average LME price of aluminium touched a five-year high to $1,969/ ton, registering a growth of 23% in CY17 against a decline of 3% in CY16. The global demand barring China, reflected a growth of 3.5% in CY17 compared to 3% in the previous year. A robust growth by over 8% in CY17 for the second year in a row in China portends well. With the surge in demand and moderation in inventories, premiums increased across geographies. In Asia, the premium coursed by 14% to $100/ton in CY17 from $88.5/ton in CY16.

The average LME price of copper in CY17 augmented by 27% to $6,166/ton from $4,862/ton in CY16. This was driven by the tight supply of copper concentrate in the global market, caused by disruptions in the world's two large copper mines in Indonesia and Chile. The non-availability of concentrate in the global market moderated Tc/Rc. The demand for refined copper, excluding China, was a modest 1% in CY17 due to the abundance of scrap availability. The demand in China grew marginally at 4.5% in CY16 to around 5% in CY17.

All the businesses, including aluminium and copper in India and Novelis Inc. (Novelis), continue to deliver remarkable operational and financial performance on the back of stable efficiencies, better realisations and supportive macros.

The Indian aluminium industry showed a significant recovery in H2FY18, after a subdued H1FY18. The domestic demand of aluminium extended by 9% in FY18 vis-à-vis a moderate 1.5% growth in FY17. The domestic demand of primary copper increased by 6% in FY18 as against 2% in FY17.

Going forward, the thrust on building renewable energy, the emphasis on electrical vehicles and light weighting through increased usage of aluminium in railways, metros and mass transportation should generate significant long-term growth opportunities for the aluminium and copper sector in India. Further, the ongoing government initiatives such as the creation of 100+ smart cities, the push for infrastructure, especially on rural infra development, along with Make in India and Digital India will stoke greater demand.

YOUR COMPANY'S PERFORMANCE

For your Company, this has truly been a record breaking year even as global markets experienced unusual volatility. Your Company registered its highest ever Consolidated EBITDA of ₹15,025 Crore on a turnover of ₹1,15,809 Crore. Your Company's aluminium and copper business in India and Novelis continued to deliver outstanding operational and financial performance. Stable efficiencies, better realisations and supportive macros were the major enablers.

Your Company (including Utkal) achieved record aluminium and alumina production levels at 1.29 Mt and 2.88 Mt, respectively. All the plants operated at their designed capacities. The output of Value Added Products (including wire rods) stood at 479 Kt.

In the Copper Business, Cathode production touched 410 Kt, higher by 9% compared to the earlier year. CC Rod production was 156 Kt, up by 4%. The new CCR#3 plant at Dahej was commissioned.

Novelis reported a remarkable performance this year with a record shipment of 3.2 Mt, higher by 4% over the previous year, and an EBITDA of $1.2 Billion, up by 12%. Their per ton EBITDA of $381 is indeed notable. Novelis continues to improve its product mix by raising its share of automotive sector from 18% to 20%.
Your Company intends to increase the share of recycling to 57% in FY18, from 55% in FY17.

DELEVERAGING

To further bolster the balance sheet, your Company has prepaid close to ₹8,000 Crore of long-term project loans in India. This has led to a significant improvement in the Consolidated Net Debt to EBITDA at below 3x at the end of March 2018.

WHAT GIVES US THE EDGE

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

THE ADITYA BIRLA GROUP: IN PERSPECTIVE

The year FY18 has been a momentous year on all counts. We reached a record revenue of $43 Billion with an EBITDA of $6 Billion. Our Group's market cap crossed the $50 Billion mark. These spectacular achievements are a reflection not only of our growing size and scale, the inherent soundness of our strategies and operations, but also, more importantly, reflection of the enormous confidence that investors and other stakeholders have reposed in us.

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

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

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

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

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

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

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

Gyanodaya, the Aditya Birla Global Centre for Leadership and Learning, continues its commitment to prepare Profit and Loss (P&L) and manufacturing leaders through its Accelerated Leadership Development programmes. I take great pride in Gyanodaya bagging the Gold Award for the Best Corporate University-Culture and Brand in Global CCU Awards FY17 'for operating at the highest levels of excellence and creating value for people, business and society'.

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The Chairman's Letter to Shareholders (continued)

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

The Gyanodaya virtual campus continues to offer 900+ e-learning modules in multiple languages.

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

IN SUM

Our Group's robust revenue growth, healthy EBITDA margins, efficient capital deployment and cash flow generation support our ambitious growth plans. Innovation and the spirit of entrepreneurship that our employees bring to work is amazing and a major contributor to our Group scaling newer heights year after year.

Yours sincerely,

Kumar Mangalam Birla

CHAIRMAN

INSIDE THIS REPORT

Corporate Overview

Statutory reports

Financial statements

BIG IN YOUR LIFE

Our relentless efforts over the past six decades have made Hindalco Industries Ltd. (Hindalco) a force to reckon with in the global aluminium and copper industries. With scale and ubiquity, we have touched lives of millions of people. Our products are helping you do better and achieve more, making us a big part of your life.

We are one of the largest aluminium rolling companies in the world and amongst the leading producers of primary aluminium in Asia. Our subsidiary, Novelis, is the world's largest aluminium Flat Rolled Products (FRP) producer. With a global team of over 35,000 people, we are continually scaling new horizons. Another big facet of ours is an extensive product suite that empowers homes with kitchen appliances, foils and doors and windows, and includes world-class consumer electronics products such as cables and conductors, light reflectors, beverage cans, heat sinks, solar panels and insulation, among many others.

We are partners in the growth of multiple industries such as automobiles, power generation and transmission, industrial machinery components, packaging, among others, which together enable making your life easier every day. We are also a prominent supplier to India's defence and space applications.

In short, from making every second can in the world to shaping automobiles, from aluminium kitchen foils to aluminium doors and windows, we are big in your life.

HINDALCO AT A GLANCE

Part of the prestigious Aditya Birla Group, we are amongst the leading producers of primary aluminium in Asia. We are also one of the largest single-location custom copper smelters in the world.

As an integrated aluminium producer in India, we are present in 11 countries. We are the world's largest recycler and our environment-friendly aluminium products contribute to making the world greener, stronger and smarter. Used extensively in renewable energy and windmills, among others, they facilitate lower carbon emission. As strong as steel, but three times lighter, our products are also applicable to most future-ready products such as Electric Vehicles (EV) and technology-enabled consumer durables.

In India, our aluminium plants (production capacity of 1.3 Mt), cover the entire spectrum of operations ranging from bauxite mining, alumina refining, coal mining, aluminium smelting to downstream rolling, extrusions and foils. Our captive power plants and alumina – sourced from our captive alumina refineries across India, majorly from our 100% subsidiary Utkal Alumina, which is the world's most economical alumina producer in the world – keep all our operations rolling as per their designed capacity and provide best-in-class input (alumina) to its smelters.

Our copper plant located at Dahej, Gujarat, enjoys integrated port facilities. It is also India's largest privately-owned gold production plant. It has a production capacity of 500 Kt and makes copper cathodes and continuous cast copper rods along with other by-products, including sulphuric acid, Di-ammonium phosphate (DAP) fertilisers, gold and silver.

13 Al

- **Hindalco Industries Ltd. (HIL) Standalone**
- **Utkal Alumina International Ltd.**
- **Novelis Inc.**

29 Cu

- **Hindalco Industries Ltd. (HIL) Standalone**

Hindalco has been accorded the Star Trading House status in India. Our aluminium is accepted for delivery under the high-grade aluminium contract on the London Metal Exchange (LME), while our copper quality is also registered on the LME with Grade A accreditation.

OUR VALUES

Integrity
Honesty in every action

Commitment | Deliver on the promise
On the foundation of integrity, doing what it takes to deliver, as promised

Speed | One step ahead, always
Responding to stakeholders with a sense of urgency

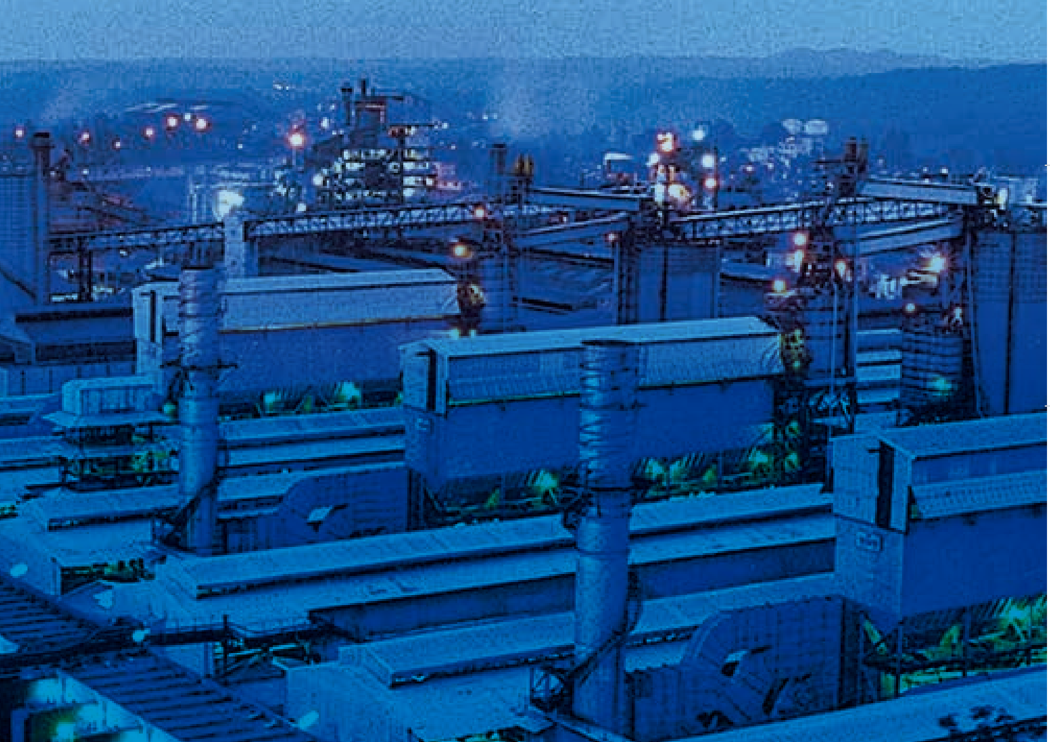
Passion | Energised action
Missionary zeal arising out of an emotional engagement with work

Seamlessness | Boundary less in letter and spirit
Thinking and working together across functional silos, hierarchy levels, businesses and geographies

OUR PURPOSE

Why we exist, what we do, why we do?
We manufacture materials that make the world

GREENER STRONGER SMARTER



FY18 Milestones

Consolidated Revenue
₹1,15,809 Crore
12.8% y-o-y

Consolidated EBITDA
₹15,025 Crore
Highest-ever consolidated EBITDA

Consolidated Net Profit
₹6,083 Crore
Trebled over the past year

Hindalco (Standalone Plus Utkal)
₹7,154 Crore
Record EBITDA

Highest-ever Production

Aluminium Metal	Copper Cathodes
1,291 Kt	**410** Kt

Highest-ever Shipments at Novelis Inc.
3.2 Mt

Net Debt to EBITDA
2.82x
3.74x y-o-y

OUR JOURNEY

1958

Incorporation of Hindalco Industries Limited

1960 - 2000

Established as a single-location aluminium facility

Commenced production at Renukoot (Uttar Pradesh)

INITIAL CAPACITY

Aluminium	Alumina
20 Kt	40 Kt

Commenced downstream capacities at Renukoot

Commissioned the Renusagar power plant

Established the Silvassa foil plant

2000 - 2010

Acquired Indian Aluminium Company Ltd. (INDAL)

Merged Birla Copper with Hindalco Industries

Aquired Copper Mines in Australia (Aditya Birla Mineral Ltd.)

Increased aluminium smelter capacity at Renukoot

345 Kt

Increased copper smelter capacity at Dahej

500 Kt

Acquired Novelis Inc.

Increased copper rod mill capacity at Dahej

160 Kt

2010 - 2017

Implemented greenfield projects at Utkal Alumina, Aditya and Mahan Aluminium smelters

Increased Novelis' automotive and recycling capacities

Improved coal security to more than 70% of Hindalco's annual requirement through linkages with Coal India Ltd. (CIL)

MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholders,

I am pleased to present to you our Annual Report for FY18. It was a remarkable year for Hindalco as all our businesses posted the highest-ever production numbers. Our record operational and financial performance was an outcome of stable operations at all the plants and efficient management of input costs, along with supporting macros.

A REMARKABLE PERFORMANCE

The stability of our operations is adequately reflected in the record production numbers achieved by our domestic aluminium and copper businesses, and the highest-ever shipments of 3.2 Mt registered at Novelis, our overseas 100% wholly-owned subsidiary in the US. As a result, our consolidated net profit grew 220% over FY17 to ₹6,083 Crore and we have delivered a record consolidated EBITDA of ₹15,025 Crore, up 11% over the previous year. In FY18, we prepaid ₹7,966 Crore of our long-term project loans in India. As a result, our consolidated Net Debt to EBITDA improved to 2.82 times versus 3.74 times in the previous year, thereby strengthening our balance sheet further.

During the year, we triumphed over the hurdles of over-supplied domestic markets and surge in input costs, particularly in carbon products and caustic soda. This was achieved by growing our aluminium EBITDA margin to its six-year-high level of 22.7%. Higher volumes and better realisation in value-added products aided EBITDA margin of the copper business as well. Pick-up in domestic aluminium demand, which grew around 10% in the year compared to a muted growth of 1.5% in the previous fiscal, was a key growth enabler for the domestic business.

During the year, revenues of our copper business grew by 15% which is commendable in view of the overall increased demand in the domestic market from 2% in FY17 to 6% in FY18, mainly on account of higher demand from end-user industries like computer and electronics, electrical equipment, machinery, and automotive.

We delivered record operational and financial performance in the year owing to efficient management of input costs and higher LME prices.

Novelis posted net profit of $635 Million versus $45 Million last year and an all-time high adjusted EBITDA of $1.215 Billion, up 12% over FY17. It also reported record free cash flow of $406 Million in FY18. The Company's continuous focus on automotive sheet has helped bolster the share of automotive shipments from 18% to 20% on a y-on-y basis in the overall dispatches during the year. Strong traction in the demand for Novelis' two major FRP products – beverage cans and automotive sheets – continued during the year. The trend of rising aluminium adoption by global automotive companies is growing at a rapid pace of 32% CAGR between FY10 to FY17, which has proved favourable for Novelis. With a dominating market share in this sector, Novelis is well-poised to tap into this growing opportunity.

Novelis' continuous focus on automotive has helped bolster the share of auto shipments from 18% to 20% on a y-o-y basis.

A PROMISING FUTURE

We have adopted a two-pronged growth strategy. First, we will continue to enhance and leverage our existing capabilities. Cementing our leadership position in existing businesses by staying aware of emerging and latent needs of our customers will be an integral part of our activities. Use of best-in-class technology and R&D capabilities will also enable us to achieve this. Second, we will expand in newer avenues to drive profitable growth. In the domestic aluminium business, we are looking to double the capacity in the high-margin, relatively-stable downstream segment. Similarly, in the domestic copper business, we will focus on growing both the upstream and downstream segments and will strive to achieve a healthy balance between volume and realisation growth.

Currently, we are solely importing the input, i.e. copper concentrate, which comes with its own set of challenges. We are looking to step up the visibility on sourcing copper concentrate and to bring down its costs. This can be done by entering into long-term sourcing contracts as well as by making strategic investments a part of our long-term strategy.

For Novelis, the focus is on further enhancing the share of automotive sheets and increasing the proportion of use of the recycled contents across products. The recent announcement of adding approximately 200 Kt capacity of an automotive finishing line in Guthrie, Kentucky, in the US is a major step in this direction. It is expected to help in maintaining Novelis' global market leadership position. We will also explore making acquisitions strategic to our businesses at reasonable valuations. Overall, we will continue to create value for our stakeholders in a sustainable and responsible manner.

Cementing our leadership position in existing businesses by staying aware of the emerging and latent needs of our customers is an integral part of our activities.

Before I end, I would like to extend my heartfelt gratitude to each of our employees without whom we would not have achieved this position today. Their untiring efforts and loyalty towards the organisation will ensure that we grow from strength to strength. I will also request all our stakeholders to continue supporting us in our growth journey.

We see our stakeholders as our pillars of strength, empowering us to impact Millions of people in a positive manner, to fulfil our dream of becoming big in your life.

Yours sincerely,

Satish Pai

Satish Pai

MANAGING DIRECTOR

OUR BUSINESSES

Production Volume in FY18 | EBITDA in FY18 | Products

Aluminium

- Utkal Alumina among the most economical alumina producers globally
- Aditya and Mahan smelters – first quartile on the cost curve

Production Volume in FY18

Alumina
2,881 Kt

Aluminium metal
1,291 Kt

Value-added products, including wire rods
479 Kt

EBITDA in FY18

₹4,790 Crore*

*Including Utkal

Products

- Ingots
- Wire rods
- Billets
- Flat Rolled Products
- Foils and packaging
- Extrusions

Copper

One of the largest custom copper smelters at a single location in Asia

Production Volume in FY18

Cathode
410 Kt

Continuous Cast Rods
156 Kt

Di-Ammonium Phosphate (DAP)
205 Kt

Newly commissioned CCR#3 facility in FY18

EBITDA in FY18

₹1,539 Crore

Products

- Copper cathodes
- Continuous cast copper rods
- Sulphuric acid
- Di Ammonium Phosphate
- Gold
- Silver
- Selenium

Novelis

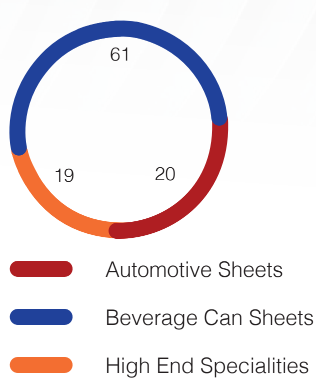
Enjoys Number 1 position globally in:

- Rollers
- Recyclers
- Beverage can body sheets

Production Volume in FY18

Overall shipments
3,188 Kt

SHIPMENT MIX (%)



EBITDA in FY18

₹7,903 Crore

Products

- Automotive sheets
- Beverage can sheets
- High-end specialty products include architecture, electronics, transportation and more

Brands	Applications	Asset Highlights
• Eternia Windows • Maxloader • Hindalco Extrusions • Everlast Roofings • Freshwrapp • Superwrap	**FRP** Pressure Cookers, Non-stick Cookware, Refrigerators, Air Conditioners (ACs), Fans, Water Purifiers, Artificial Ornaments, Gas Cylinders, Knitting Needles, Novelties, Foils, among others. **Extrusions** Automotive, Building and Construction	• Implemented three large greenfield projects (Utkal Alumina, Aditya and Mahan Smelters) between FY10 and FY17 • All three greenfield projects in India operating at their rated capacities **Utkal Alumina** 1,500 Kt **Mahan Aluminium** 360 Kt **Aditya Aluminium** 360 Kt
• Birla Copper • Birla Balwan	• Agrochemicals • Automotive • Consumer durables • Electrical equipment • Railways • Wire and cable	• Captive all-season jetty • Captive 135 MW power plant • Captive oxygen plant • ~40% cathodes converted to value-added copper rods • ~50% share in domestic-refined copper production capacities **Capacities** **Copper Cathode** 500 Kt **Copper Rod** 365 Kt* *Including the new CCR#3 **DAP** 400 Kt
• Novelis Advanz • Novelis Fusion	• Industrial aluminium applications • Beverage packaging, among others.	Generated an estimated 12% of the world's supply of aluminium-rolled products

OUR MANUFACTURING FACILITIES

Novelis Inc.

North America

1 US

Kentucky, West Virginia, Georgia, New York, Indiana and Ohio

2 Canada

Ontario

South America

3 Brazil

Europe and UK

4 Germany

5 UK

6 Switzerland

7 Italy

Asia

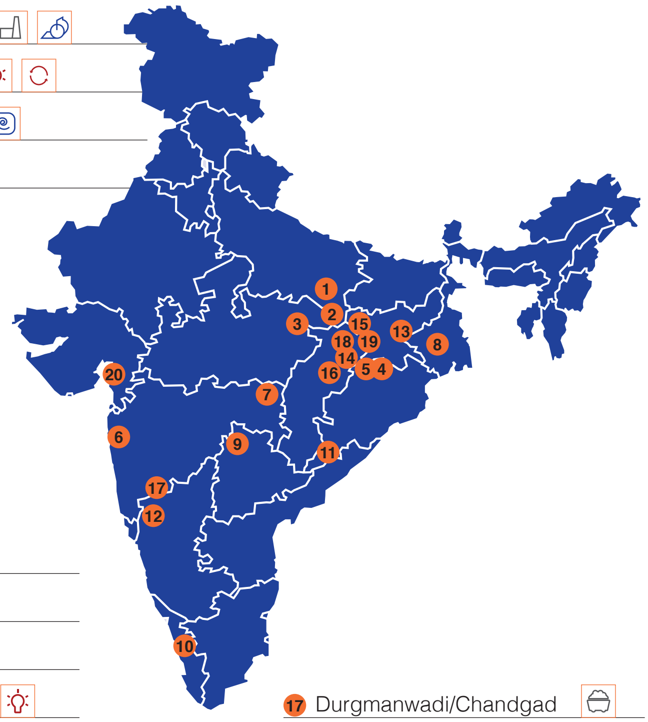
8 China

9 South Korea

10 Vietnam

Note: Maps not to scale

1 Renukoot
2 Renusagar
3 Mahan
4 Aditya
5 Hirakud
6 Taloja
7 Mouda
8 Belur



9 Kollur
10 Alupuram
11 Utkal
12 Belagavi
13 Muri
14 Gare Palma
15 Kathautia
16 Dumri
17 Durgmanwadi/Chandgad
18 Lohardaga
19 Samri Region
20 Dahej

- Power Plant
- Aluminum Smelter
- Aluminium Rolled Products
- Alumunium Foil Plant
- Aluminium Extrusion Plant
- Innovation Centre
- Recycling Facility
- Heat Treatment – Automotive Finishing Lines
- Alumina Refinery
- Bauxite Mines
- Coal Mines
- R&D / Technology Centre
- Heat Treatment
- Sheet Ingot Casting
- Cold Rolling
- Integrated Copper Complex
- Hot Rolling
- Coating Facility
- Brazing And Finishing
- Converting Facility
- Finishing Facility
- Foil Plant
- Painting Facility

OUR FIVE-YEAR PROGRESS

Consolidated Entity

REVENUES (₹ in Crore)

2018	**1,15,809**
2017	1,02,631
2016	1,01,202
2015	1,06,696
2014	90,007

6.5%
5-year CAGR

EBIDTA (₹ in Crore)

2018	**15,025**
2017	13,559
2016	10,004
2015	10,049
2014	9,303

12.7%
5-year CAGR

EBITDA MARGIN (%)

2018	**13.0**
2017	13.2
2016	9.9
2015	9.4
2014	10.3

NET PROFIT (₹ in Crore)

2018	**6,083**
2017	1,900
2016	(251)
2015	854
2014	2,175

29.3%
5-year CAGR

EARNINGS PER SHARE (₹)

2018	**27.3**
2017	9.2
2016	(4.6)
2015	4.1
2014	10.9

25.8%
5-year CAGR

NETWORTH (₹ in Crore)

2018	**54,852**
2017	46,059
2016	40,607
2015	38,329
2014	40,605

7.8%
5-year CAGR

GROSS DEBT / EQUITY (x)

2018	**0.95**
2017	1.39
2016	1.66
2015	1.79
2014	1.63

NET DEBT / EBITDA (x)

2018	**2.82**
2017	3.74
2016	6.30
2015	6.30
2014	6.57

RoCE (%)

2018	**9.7**
2017	8.3
2016	5.1
2015	6.0
2014	5.3

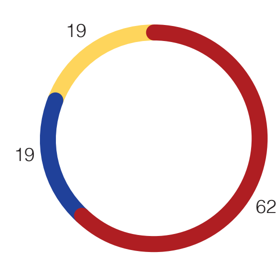
MARKET CAPITALISATION (₹ in Crore)

2018	**48,166**
2017	43,755
2016	18,162
2015	26,638
2014	29,266

13.3%

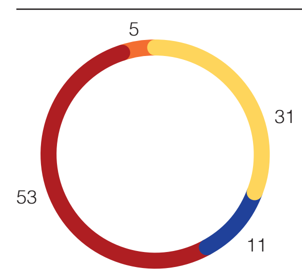
5-year CAGR

FY18 CONSOLIDATED REVENUE MIX (%)



Novelis
Copper
Aluminum

FY18 CONSOLIDATED EBITDA MIX (%)



Aluminium
Copper
Novelis
Other Income

Hindalco Standalone

REVENUES (₹ in Crore)

2018	**43,435**
2017	39,383
2016	36,713
2015	36,869
2014	30,101

9.6%
5-year CAGR

EBITDA (₹ in Crore)

2018	**6,072**
2017	5,819
2016	4,325
2015	4,299
2014	3,616

13.8%
5-year CAGR

NET PROFIT (₹ in Crore)

2018	**1,436**
2017	1,557
2016	552
2015	925
2014	1,413

EBITDA MARGIN (%)

2018	**14.0**
2017	14.8
2016	11.8
2015	11.7
2014	12.0

Hindalco Standalone Plus Utkal

REVENUES (₹ in Crore)

2018	**43,451**
2017	39,724
2016	36,978
2015	37,460
2014	30,109

9.6%
5-year CAGR

EBIDTA (₹ in Crore)

2018	**7,154**
2017	6,441
2016	5,008
2015	4,559
2014	3,493

19.6%
5-year CAGR

NET PROFIT (₹ in Crore)

2018	**1,934**
2017	1,419
2016	442
2015	429
2014	1,088

15.5%
5-year CAGR

Novelis Inc.

REVENUES ($ in Million)

2018	**11,462**
2017	9,591
2016	9,872
2015	11,147
2014	9,767

4.1%
5-year CAGR

ADJUSTED EBIDTA* ($ in Million)

2018	**1,215**
2017	1,085
2016	963
2015	896
2014	868

8.8%
5-year CAGR

NET PROFIT ($ in Million)

2018	**635**
2017	45
2016	(38)
2015	148
2014	104

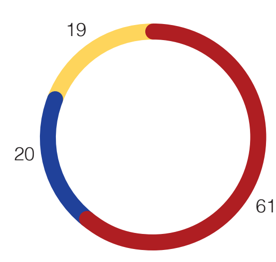
57.2%
5-year CAGR

ADJUSTED EBITDA*/TON ($)

2018	**381**
2017	354
2016	308
2015	294
2014	300

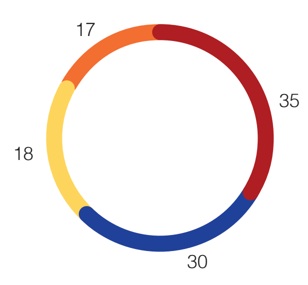
* Excluding Metal Price Lag

FY18 - NOVELIS SHIPMENT MIX (%)



Beverage Cans
Automotive
Specialities

FY18 - NOVELIS REGION-WISE REVENUE MIX (%)



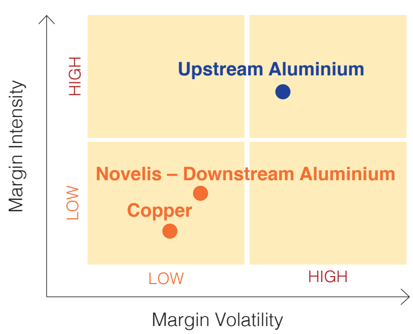
North America
Europe
Asia
South America

OUR INVESTMENT CASE

INTEGRATED, DE-RISKED BUSINESS MODEL

Bauxite (for producing alumina) and coal (for generating power) are the prime raw materials required for producing aluminium metal. Our captive bauxite, long-term coal linkages with CIL and our captive coal mines lend high visibility to our future raw material security by providing continuous and seamless supply. Additionally, we have ensured that our smelters are located in proximity to our bauxite and coal mines, which keeps a control on our logistics costs. We have further de-risked our operations by supporting our high-margin, high-volatility aluminium business with two steady cash flow converter businesses of copper and Novelis Inc.

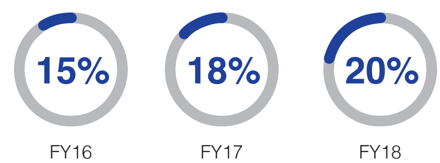
DIVERSIFIED OPERATIONS TO PROVIDE A STABLE MARGIN PROFILE



PRESENCE OF MULTIPLE MARGIN LEVERS

With a firm eye on profitability, we have put in place various enablers of margin expansion in the future. Capacity building (for the aluminium business) in alumina and aluminium downstream is one of them and rising share of the high-margin automotive segment (for the Novelis business) is another. As we achieve higher scale, we will also realise higher operational efficiencies.

Rising share of automotive products in Novelis' product mix



CONTROLLED RAW MATERIAL COSTS

Our captive bauxite mines and integration of alumina safeguard our domestic aluminium business from the volatility in alumina prices. Likewise, we have secured supplies of up to 75% of our coal requirement from CIL via linkages and through our own captive coal mines, with the rest being sourced directly from the market via e-auctions by CIL. We have a reasonable visibility on our overall raw material costs.

Capacity

Alumina

3 Mt

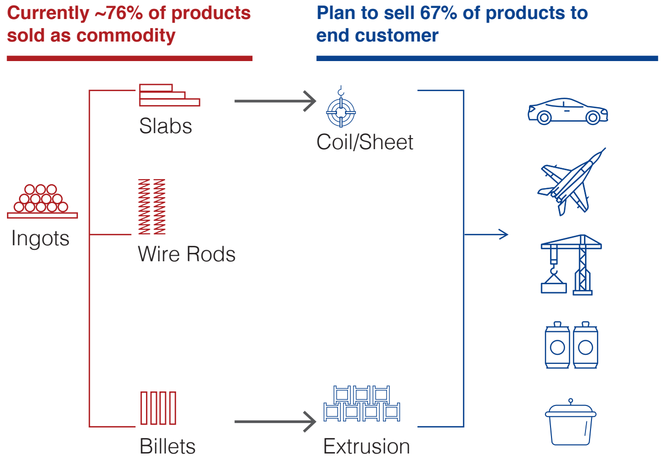
Security and Coal consumption through linkages, captive mines and e-auctions

16.2 Mt

RAMP UP IN VALUE-ADDED DOWNSTREAM SEGMENT IN INDIA

We have planned a capex of around $1 Billion over 5-6 years to double the value-added capacity in the downstream business. We are undertaking expansion of our alumina and downstream capacities. These expanded facilities are expected to commence operations gradually in the coming years. The value-added products manufactured at these facilities are likely to generate higher EBITDA and improve customer profile. Going forward, downstream capacity could form about half of our total aluminium metal capacity.

Aluminium / Focus on growing downstream



POTENTIAL TO DELIVER STRONG GROWTH

We are well-poised to register strong growth in the future on the back of higher share of value-added products, strong prospects of Novelis and expansion in the downstream segment. Macro trends such as rising per capita consumption in India and increasing substitution of steel with aluminium across multiple industries globally present ample growth opportunities.

The growing market of automotive and beverage can sheets across the globe will support this growth, with Novelis increasing its market share.

STRONG CASH FLOW GENERATION

A large part of the capex is behind us and the incremental capex is directed towards ramping up the high-margin businesses. Our Company is focused on strengthening its balance sheet over the past two years and has reduced the debt in both Hindalco as well as in Novelis. Lower capex and deleveraging will both lead to strong cash flow generation going forward and will provide support to invest in the inorganic and organic growth opportunities in Novelis as well as in Hindalco.

Net Debt

Hindalco India business, including Utkal Alumina in FY18

₹16,893 Crore

versus ₹18,928 Crore in FY17

Novelis in FY18

$3,586 Million

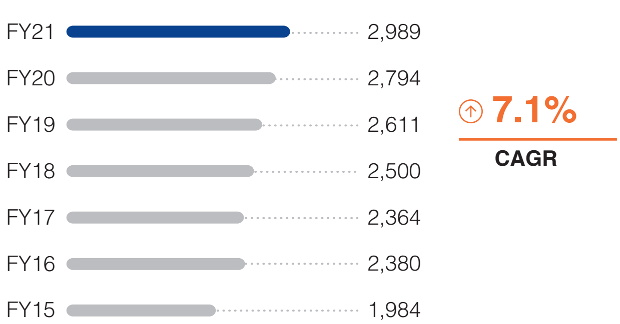
versus $4,258 Million in FY17

MACRO GROWTH ENABLERS

RISING DOMESTIC CONSUMPTION OF NON-FERROUS METALS

India is expected to remain among the world's fastest-growing economies over the next few years. Rising per capita income in the hands of Indians will, in turn, drive up the per capita consumption of aluminium and copper in the country. Notably, this metric is much lower compared to the developed economies. The consumption of primary aluminium is likely to grow at a CAGR of around 7.1% over 2015-21. We are well-positioned to tap into these growth opportunities with our downstream expansion strategies.

PRIMARY ALUMINIUM CONSUMPTION GROWTH (in Kt)



Source: Company data, Industry

GOVERNMENT THRUST ON SECTORS WITH HIGH ALUMINIUM DEMAND

Over the past four years, the Indian government has implemented a host of reforms spanning multiple sectors to improve transparency and bolster investments into these areas.

3rd largest auto market globally

100% Rural Electrification by 2018

No. 1 passenger & 4th largest freight carrier globally

National Policy on Electronics (NPE) target of zero net imports by 2020

Goal to grow indigenisation from 30% to 70% by 2027 and increase private participation

Goal of 100+ Smart Cities and 500 Atal Mission for Rejuvenation and Urban Transformation (AMRUT) cities

Target generation of 100 GW by 2022 and grow indigenisation

Aluminium packaging to grow in the coming years

FOCUS ON IMPORT SUBSTITUTION

The Government of India has placed higher thrust on substituting imports with indigenous products to bolster the domestic industry. Initiatives such as Make in India promote indigenous products in the Indian aluminium, defence and aerospace industries. Given our dominant position in the domestic industry, We will be among the early beneficiaries to take advantage of such measures and its strategic initiatives.

Initiatives such as Make in India promote indigenous products in the Indian defence and aerospace industries.

WELL-POISED TO CATER TO EV

Higher growth in electric vehicles (EV) across the world is expected to boost demand for aluminium. Currently, aluminium is used in chassis, doors, hoods, trunk lids, bumpers, crash boxes and wheels in an automobile. In case of EV, aluminium application is likely to extend to housing cases that hold a vehicle's battery, and light-weight wheel and brake mechanisms as well. Being the market leader in automotive sheets, Novelis will benefit from this significantly.

FAVOURABLE SUBSTITUTION TRENDS

Higher demand for light-weighting metals across sectors has accelerated adoption of aluminium. Aluminium enjoys infinite recyclability, which, coupled with its light weight, makes it a preferred input over other materials. Packaging industry, for example, is looking for eco-friendly alternatives to plastic in this sector going forward to support the environment greening initiatives.

OUR STRATEGIC PRIORITIES

ALUMINIUM BUSINESS (INDIA)

Focus on growing downstream

A key margin booster will be the ramp-up in our downstream business. This business is less dependent on the LME and will play a crucial role in driving our domestic presence. We have earmarked around $1 Billion towards this expansion, which will be spent across the next five years.

Expansion into fast-growing industries

Rising preference for environment-friendly products provides high growth opportunity in the packaging industry. We will be launching world-class packaging products to further strengthen our existing portfolio of aluminium foils and cans.

COPPER BUSINESS

Focus on growing downstream and upstream

We will drive capacity expansions in this downstream business to remove the bottlenecks and amplify the growth potential in the business.

Value-added products

We are looking to increase the share of value-added products in our business. Besides providing higher margins, these products will help us move up the value chain and gain significant edge over competitors. As we cater to the specialised needs of our customers through such products, it will further cement our relationship with them.

Copper concentrate

We have entered into long-term contracts to assure sustainable procurement of copper concentrate. Besides ensuring steady availability of this raw materials, such measures will also reduce procurement costs significantly. Currently we are importing our entire requirement of copper concentrate which is relatively more expensive.

NOVELIS INC.

Defend the core
We will look to further enhance customer centricity through improved quality, service and higher product differentiation. This will enable us to protect and bolster our leadership position in the automobile and in the beverage can segment. It is our constant endeavour to drive up recycling content in our business and keep a tight leash on operating costs.

Diversify portfolio
By keeping specialisation at the centre of our focus, we will foray into new verticals and markets and thus, broaden our customer base.

Invest in growth opportunities
We will look to expedite our growth by making strategic acquisitions available at prudent valuations.

Shape the automotive light-weighting industry through technology leadership

Shaping
Industry Defining

Adapting
Leveraging Existing Strengths

Reserving the Right to Play
Adapting to Competitor Moves

STRATEGY AND TARGETS

Retain leadership position through near-term investments in North America, Europe and China

Novelis aspires to shape the industry, leveraging innovation, global footprint and sustainability capabilities

Substantially increase automotive FRP shipments

BIG IN YOUR LIFE BY INNOVATING FOR THE FUTURE

At Hindalco, our innovation initiatives cover the entire spectrum of products, processes and research activities that drive efficiencies and provide suitable and bespoke solutions to the issues faced by the non-ferrous sector. These include effective management of waste generated during our manufacturing processes, improved quality of raw material, recovery of value from by-products as well as any waste products and reduction in specific energy consumption and carbon footprint, among others.

During the year, we undertook multiple initiatives to drive innovation. Some of these are highlighted below:

- Developed material for aluminium semi-rigid containers from 3xxx and 8xxx series alloys for applications in takeaway food containers. Aluminium semi-rigid containers have a large market in India, which has hitherto been largely served through imported foil. These products were developed, tested and commercialised during the year.
- Developed alloy 8011 as aluminium Air Conditioner (AC) finstock. This was achieved by setting up the process needed to produce a material that has the desired properties required for AC finstock. Control of alloy chemistry, rolling and heat treatments were done to develop the suitable micro-structure required for this end use.
- Developed Alu blister foils, which are used as packaging material for pharmaceutical products to protect sensitive contents from air, moisture, light, smell, among others.

We will continue to drive multiple innovations across our operations in the future. These innovations will help us strengthen our competitive positioning and enhance the overall efficiencies across our business.

We have collaborated with reputed institutes such as the Indian Institute of Technology or IIT, National Metallurgical Laboratory (NML), Institute of Minerals and Materials Technology (IMMT), and Jawaharlal Nehru Aluminium Research Development and Design Centre (JNARDDC), among others, for generating values from wastes such as bauxite residue, fly ash, copper slag, phosphogypsum, aluminium dross and spent pot liner, among others.

29
Cu

- Developed Cu-insert Collector Bar (CuCB) in collaboration with Aditya Birla Science and Technology. It was patented and tested in Hirakud 85 kA potline during FY18 and is now being rolled out in full 85 kA potline and other 235 kA and 360 kA potlines. This initiative is aimed at reducing the specific energy consumption at our plants during the aluminium smelting process.
- In our copper business, we have implemented various innovations to improve copper recovery from the plant. One such innovative process has been developed to recover copper values from the effluent generated from the plant. After the successful implementation of this technology, we are able to recover 1 ton per day of copper from the effluent with about 90% recovery of the metal present in the effluent. Similarly, successful plant trials have been conducted with a reducing agent aimed at bringing down the copper loss into the slag generated from the slag cleaning furnace.
- Developed multiple processes to increase recovery of other metals such as gold, silver and selenium from our various operations.
- Generated many new ideas to reduce the generation of effluents, recover saleable gypsum of the effluent by adopting a two-stage treatment process and utilise the acidic effluent to recover copper from the gypsum that has already been produced and stored.

MAKING A BIG DIFFERENCE TO THE COMMUNITIES AROUND US

At Hindalco, we have the values of responsible and inclusive growth embedded in us. It is our strong belief that by empowering the communities that we live in, we are laying the building blocks for a better tomorrow. To be able to do so, we have been participating in multiple areas of community improvement initiatives related to education, healthcare, hygiene, mining and uplifting rural areas, among others. While our efforts are generating satisfactory results, we know we have just begun our journey of contributing to the society. And will continue in our endeavours to this end.

Way forward

Looking ahead, we have set specific, well-defined goals to improve the lives of people around us. As we execute them in a timely and efficient manner, we will create higher value for the society that we live in.

EDUCATION

- Achieve 100% enrolment in our schools with zero dropouts
- Improve quality of education
- Increase passing percent in school exams
- Increase the percentage of students appearing for competitive exams
- Ensure basic facilities in the schools

HEALTHCARE AND HYGIENE

- Make healthcare services accessible and affordable
- Reduce infant and maternal mortality rate
- Encourage planned parenthood through 100% institutional deliveries
- Ensure safe drinking water in villages
- Promote hygiene and sanitation programmes

INITIATIVE TO ENHANCE ENROLMENT, ATTENDANCE AND LITERACY AND REDUCE SCHOOL DROPOUT RATE

Project Cost	**₹49.95 Lakh**
Schools Covered	**85**
Partners	• Sarva Shiksha Abhiyan • Block Resource Centre
Impact	• **100% children enrolled in schools** • **Attendance improved from 65% to 95%** • **Literacy of women improved from 61% to 71.4%**

INITIATIVE TO MAKE VILLAGES OPEN DEFECATION FREE (ODF)

Villages	**Dahej:** Ambheta | Goladara | Padariya | Aladar | Lakhigam | Vadadala | Kadodara **Garepalma:** Milupara | Banjikhol
Partners	• District Rural Development Agency (DRDA) • Milan Foundation and Beneficiaries
Impact	• **9 villages are ODF**

RURAL

- Improve agricultural productivity
- Generate employment opportunity by imparting skill training
- Promote non-conventional energy programme and green environment

CULTURE

- Build infrastructure to preserve national heritage and culture

MINING

- Ensure livelihoods of people even after the mines are closed down
- Minimise the impact on biodiversity
- Ensure that the flora and fauna are not damaged
- Use technology extensively to reduce injuries and boost safety standards
- Find cleaner sources of energy to replace coal

Our sustainability journey

In a world of finite resources, it is imperative that organisations adopt a 360-degree approach while conducting business. Responsible organisations go the extra mile to ensure their processes and businesses are carried out in a balanced, sustainable and forward-looking manner. At Hindalco, we are dedicated to sustainability by adopting appropriate strategies and frameworks.

OUR THREE-PRONGED APPROACH TO SUSTAINABILITY

Responsible Stewardship

Create a framework to move us towards international standards and mitigate our impact on externalities

Stakeholder Engagement

Gain knowledge to understand how fast external factors will change and when disruptions will occur

Future Proofing

Modify our strategic business plan to include additional mitigation and adaptation to changes in external factors

Focused on achieving the Sustainable Development Goals (SDGs)

Of the 17 SDGs defined by the United Nations, we are focusing on eight of them:

Focus Area
- Sustainable livelihood
- Infrastructure developments

Outcome
- Spread over 726 villages, 39 urban slums, 11 states
- 12.18 Lakh population coverage
- Training to 22,661 farmers
- 2,801 villagers trained on rain water harvesting
- Vocational skill training imparted to 3,950 youths
- 488 youths trained including semi-skilled job training
- 1,571 Self Help Groups (SHG)

Focus Area
- Healthcare
- Mother and child healthcare
- Medical camps
- Safety and health of employees and contractors

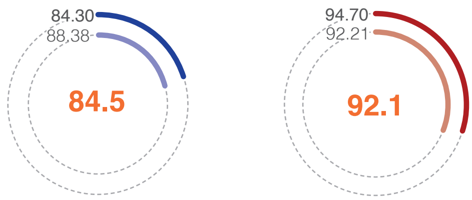
Outcome
- Over 2 Lakh beneficiaries
- Health check-up for employees and contractors
- Medical facilities to employees

Focus Area
- Education to all

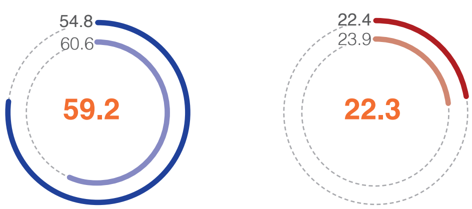
Outcome
- 30 Balwadis
- Support to 82 Anganwadis
- 6,422 rural students in our 10 Aditya Birla schools
- Kasturba Gandhi Balika Vidyalays
- Shala Praveshotsav

PROCESS ENERGY EFFICIENCY GJ/t

GHG EMISSION INTENSITY INDEXED TO 2015 (%)



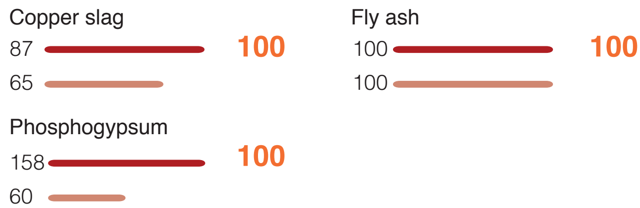
SPECIFIC WATER CONSUMPTION m³/t



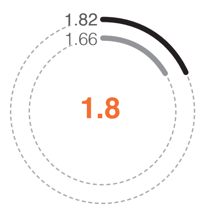
Aluminium 2018
Aluminium 2017
Target
Copper 2018
Copper 2017

VALUE FROM WASTE IN ALUMINIUM (% utilisation of)

VALUE FROM WASTE IN COPPER (% utilisation of)



WASH PLEDGE – OUT OF MAXIMUM SCORE 2



6 Clean Water and Sanitation

- Fulfil WASH requirements
- Provide clean water in villages

- WASH implementation
- 2 Lakh beneficiaries

7 Affordable and Clean Energy

- Utilise renewable and clean energy

- Installed 1 MW solar power plant and 20 KW rooftop solar plant at Alupuram
- Used biomass as a fuel in boilers
- Planning 30 MW solar Photovoltaic (PV) power plant at Aditya Aluminium
- Planning 17 MW solar PV power plant across multiple locations

12 Responsible Consumption and Production

- Water consumption
- Energy consumption
- Raw material consumption

- Programme for reduction of specific water consumption
- Plan for energy conservation programmes
- Process efficiency improvements to reduce raw material consumption

13 Climate Action

- Energy conservation
- Reduction of GHG emissions

- Strategy for energy and GHG reduction
- Energy improvement projects
- Renewable energy projects

15 Life on Land

- Land reclamation and biodiversity

- Mine reclamation as part of mine development plan

PEOPLE AT HINDALCO

Our talented and dedicated workforce is pivotal to our progress on the path of higher value-creation. Keeping this in mind, at Hindalco, we engage with our people regularly to nurture them and have created a merit-based learning culture across our organisation. Our workforce is spread across the world, across nationalities and cultures. We are currently managing a talent pool of nearly 25,000 people in India and around 11,000 outside the country.

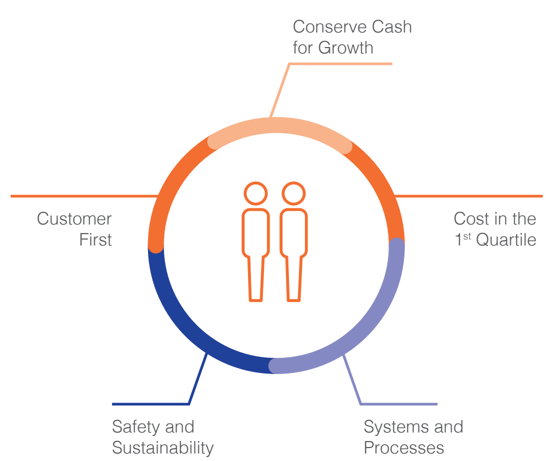
Our well-laid-down people processes in the areas of talent management, employee engagement, performance management, rewards and recognition and capability building, along with a robust leadership culture, have made us a preferred place to work with.

LEADERSHIP CULTURE AT HINDALCO

- **Integrity beyond question**
- **Ideate, debate and decide**
- **Quick decisions - less bureaucracy**
- **Develop people and careers**
- **Handle situation with resilience when confronting adversity, failures or opposition**
- **3C+2S focus (customer, cost, cash, sustainability, systems)**
- **Compliance focused**

3C+2S FRAMEWORK

Our 3C+2S framework focuses on improving employee productivity across multiple areas of customer service, cost efficiencies, safety and sustainability. Every member of our workforce is aligned with the organisational goal of driving cost efficiencies, thereby conserving cash for future growth.



HINDALCO TECHNICAL UNIVERSITY

Learning events

53

Participants

1,350

Training days

146

Man-days

3,625

Given the importance of learning and development as a prominent part of our people initiatives, we launched the Hindalco Technical University in November 2017, which has made reasonably good progress within a short span of time.

OBJECTIVES

- Be a pillar in Hindalco's strategy to achieve higher productivity, efficiency and operational excellence
- Central platform for standardised technical training
- Prepare Hindalco for future technology developments, such as Industry 4.0

KEY PROGRAMMES

- Alumina refinery workshops
- Smelter operation workshops
- Advanced analytics workshops by IIT Chennai
- Reliability engineering for downstream
- Industrial hydraulics workshops by Bosch
- Vibration analysis, bearing maintenance technology and sealing solution technology workshops
- Lean manufacturing workshops
- Six Sigma green belt workshops
- Electrical faults and safety workshops

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Executive Directors

Mr. Kumar Mangalam Birla
Chairman

Mrs. Rajashree Birla

Mr. Debnarayan Bhattacharya
Vice Chairman

Mr. Madhukar Manilal Bhagat

Mr. Kailash Nath Bhandari

Mr. Askaran Agarwala

Mr. Yazdi Dandiwala

Mr. Ram Charan

Mr. Girish Dave

Ms. Alka Bharucha (w.e.f. July 11, 2018)

Executive Directors

Mr. Satish Pai
Managing Director

Mr. Praveen Kumar Maheshwari
Chief Financial Officer & Whole Time Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Anil Malik

CORPORATE

Mr. Samik Basu
Chief Human Resource Officer

Mr. Bibhu Prasad Mishra
President & Head Manufacturing Centre of Excellence

Mr. V. R. Shankar
President & Head-Legal

Mr. Chandan Agrawal
Chief Strategy Officer

BUSINESS/UNIT HEADS

Mr. Jagdish Chandra Laddha
Group Executive President & Head-Copper Business

Mr. Devotosh K. Das
Chief Marketing Officer (Aluminium)

Mr. A. Krishna Kumar
President & Head-Chemicals & Specialties Business

Mr. Satish Jajoo
Chief Operating Officer & Cluster Head
(Renukoot, Renusagar and Mahan Units)

Mr. B. Arun Kumar
President (Downstream Operations-Aluminium)

Mr. Rajesh Gupta
Senior President & Cluster Head
(Aditya and Hirakud Units)

Mr. Pramod Unde
President (Mining and Minerals)

SUBSIDIARIES

Utkal Alumina International Limited

Mr. Nagesh Narisetty
President & Unit Head

Novelis Inc.

Mr. Steve Fisher
President & CEO

AUDITORS

Price Waterhouse & Co Chartered Accountants LLP

COST AUDITORS

R. Nanabhoy & Co., Mumbai

AWARDS & ACCOLADES

India CSR Leadership Summit & Awards

Asia Best CSR Practices Award 2017

Pollution Control Excellence Award 2017

Frost & Sullivan Sustainability Awards

Hindalco Renukoot quality circle teams won seven gold awards

Gold award and certificates for outstanding achievements in environment management

CII Safety Award (First Prize)

- Ranked 7th in Asia Best CSR Practices Awards 2017 by World CSR Day in the category of Community Development Project of the Year
- ET NOW – CSR Leadership Award under Community Development category for Belagavi unit
- Silver Certificate of Merit by Frost & Sullivan & FICCI Indian Manufacturing Excellence Award 2017
- Frost & Sullivan Sustainability Awards – Received the Leaders Award in Mega Large Business - Metal Sector
- Ranked 4th in CSR Practices Awards for Rural Development & Infrastructure organised by NGOBOX – Birla Copper, Dahej, Gujarat
- Energy Conservation (Best Achiever) Award presented by BEE, under PAT Cycle-1 – Renusagar facility
- Mining Innovation Award from the Institute of Mining & Engineering Journal – Gare Palma Mines
- India Manufacturing Excellence Awards 2017-18, Silver Certificate for Manufacturing Effectiveness – Mahan facility
- CII Safety Award (First Prize) for Eastern Region in the Largescale Category ENVIRONMENT-01 Award – Aditya facility
- Pollution Control Excellence Award 2017 Industry Category by Odisha State Pollution Control Board – Aditya facility
- FICCI Award 2017 for CSR – Aditya facility
- Fame Excellence Gold Award 2018 for outstanding work on environment protection – Hirakud facility
- Manufacturing Competitiveness Award 2016-17 by International Research Institute for Manufacturing – Taloja facility
- Gold Award – Chemicals for outstanding achievements in environment management by Greentech Foundation – Muri facility
- One Gold and one Silver – Regional Quality Circle Convention three Par Excellence Awards at National Quality Convention 2017 – Hirakud facility
- Five Gold Awards – Regional Quality Circle Convention and two Par Excellence Awards – national-level convention in 2017 – Renukoot facility

MANAGEMENT DISCUSSION & ANALYSIS

Hindalco Industries Limited, the metals flagship company of Aditya Birla Group, is among the global leaders in aluminium and copper manufacturing. It is the world's largest aluminium rolling company and one of Asia's principal producers of primary aluminium. In India, the Company's aluminium units envelop the gamut of operations from bauxite mining, alumina refining, coal mining, captive power generation and aluminium smelting to downstream value addition of aluminium rolling, extruding and foil making.

Its state-of-the-art copper facility houses one of the world's largest custom smelter with its downstream facilities, a fertiliser plant and a captive jetty at a single location. It produces copper cathodes and continuous cast copper rods (CCR) along with other byproducts.

Novelis Inc., Hindalco's wholly-owned subsidiary, is the leading producer of flat-rolled aluminium products and the world's largest recycler of aluminium. It provides innovative solutions in beverage cans, automobiles and specialty markets. Novelis operates an integrated network of technically advanced rolling and recycling facilities across North America, South America, Europe and Asia. It leverages its global manufacturing and recycling footprint to deliver consistent, high-quality products around the world.

EBITDA

₹15,025 Crore

11% y-o-y

FY18 was a remarkable year for the Company in operational and financial performance. Hindalco continued its accelerated deleveraging and prepaid long-term loans of around ₹8,000 Crore in FY18, supported by strong business performance. This helped to significantly improve the consolidated Net Debt to EBITDA ratio to 2.82 times at the end of FY18.

Key Highlights of Overall Operational and Financial Performance

- FY18 was a year of operational excellence for the Company in which it achieved:
  - Highest-ever aluminium production at 1,291 Kt
  - Highest-ever alumina production at 2,881 Kt (including Utkal, the wholly-owned subsidiary)
  - Production of India value-added products (VAP) in India (including wire rods) was 479 Kt in FY18.
  - Highest ever copper cathode production at 410 Kt
  - Highest ever overall shipments in Novelis of 3.2 Mt in FY18, 4% higher compared to FY17.
  - Automotive shipments in Novelis increased by 11%, representing 20% of the overall FRP shipments in FY18. Recycled inputs increased from 55% in FY17 to 57% in FY18
- Consolidated Revenue for FY18 stood at ₹1,15,809 Crore
- Achieved highest-ever Consolidated EBITDA of ₹15,025 Crore, up 11% over the previous year:
  - Recorded Adjusted EBITDA (excluding metal price lag) up 12% to $1.215 Billion in Novelis
  - Novelis also achieved highest ever adjusted EBITDA/ Ton of $381 in FY18.

KEY INITIATIVES

The Company commissioned the new Continuous copper cast rod plant (CCR#3) at Dahej, Gujarat, during the year. This will increase the copper rod capacity to cater to the increasing demand in domestic market.

Utkal's brownfield capacity expansion, by 500 Kt, also commenced during FY18 and is expected to be completed in the next 30 months. The project work has total capital outlay of around ₹1,300 Crore. This will strengthen integration and boost availability of best-in-class alumina to the Company's aluminium smelters in India.

During FY18, Novelis completed a joint venture to establish Ulsan Aluminium Ltd. in South Korea by selling approximately 50% of its ownership in Ulsan Plant to Kobe Steel for $314 Million, which has helped unlock value for Novelis.
With its objective to invest in world-class assets and technical capabilities to meet the increasing global demand for aluminium from the automotive market, Novelis announced plans to setup a 200 Kt automotive finishing facility in Guthrie, Kentucky in the US, which is expected to be commissioned in CY20. Novelis has also agreed to acquire the operating facilities and manufacturing assets at its plant in Sierre, Switzerland, that has historically been leased.

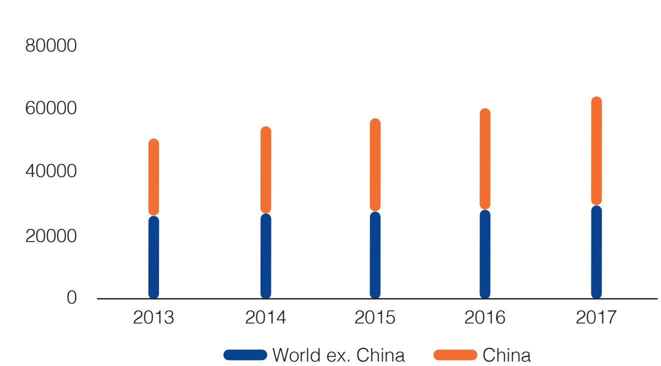
1. INDUSTRY ANALYSIS

1.1 Aluminium Segment and Industry Review

Environment-led winter cuts coupled with permanent closures of illegal capacities in China were the major highlights of CY17 in the aluminium industry. These Chinese reforms had a major impact on the aluminium industry as China controls 50% of global production and consumption.

The second half of FY18 witnessed robust recovery in global economic activity, which in turn generated demand for primary aluminium. In CY17, primary aluminium consumption touched around 64 Mt compared to approximately 60 Mt in CY16. Demand in China registered growth of over 8% for the second year in a row, driven primarily by the transportation, packaging and industrial segments. In the world excluding China, demand grew by around 3.5% in CY17 against growth of around 3.0% in CY16. Surge in demand from North America, Europe, Japan and Brazil supported the growth of primary aluminium. Transportation, and building and construction, were the major user industries that supported the demand in the World ex. China in CY17.

GLOBAL CONSUMPTION OF PRIMARY ALUMINIUM (Kt)

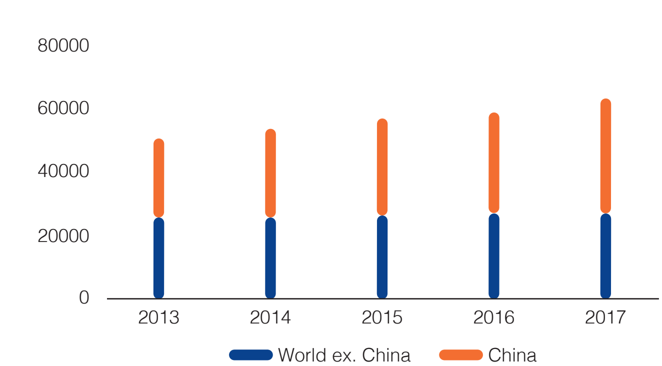


Notwithstanding the supply-side reforms in China that were expected to curtail production, production grew at a significant rate of around 13% in CY17 to 36 Mt, compared to growth of around 4.2% in CY16. On the contrary, production in the World ex. China was flat at 27.2 Mt in CY17 compared to 26.9 Mt in CY16 on account of decline in production in the Middle East and Western Europe. Only India witnessed an increase in the production of aluminium. Australia and North America also continued to witness a decline in production in CY17.

After five years and seven months, LME price of aluminium crossed the $2,100/t mark in October 2017 to $2,130/t. There were multiple factors which supported the LME price of aluminium in 2017. The major being Chinese supply reforms such as winter cuts and permanent closures of illegal capacities on the back of increase in global demand.

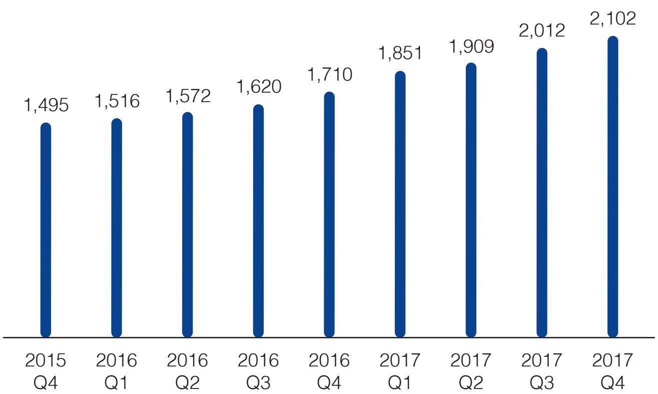
In the later half of 2017, surge in input costs coupled with low inventory levels led to an increase in the price of aluminium in the global market. The average value of LME price of aluminium rose around 23% to $1,969/t in 2017 compared to $1,604/t in 2016. Along with the prices, premiums also witnessed a sharp upturn in 2017 due to supportive demand and low inventory levels. The average value of premiums at Main Japanese Port (MJP), European Rotterdam Premium and US Midwest premium in 2017 was $100/t, $147/t and 9 Cents/lb, respectively as against $88/t, $129/t and 7.6 Cents/lb, respectively in 2016.

GLOBAL PRODUCTION OF PRIMARY ALUMINIUM (Kt)



The average value of LME price of aluminium rose around 23% to $1,969/t in 2017 compared to $1,604/t in 2016.

MULTIPLE FACTORS SUPPORTED LME AT HIGHER LEVEL ($/t)



In the domestic market, production maintained robust growth in FY18 by registering increase of 18% against 17% in FY17. On the other hand, consumption in H1 FY18 was subdued. However, consumption picked up in H2 FY18 and ended the year at a growth of 9% compared to slow growth of around 1.5% in the previous year. The transportation and packaging including foil stock sectors were the major demand drivers in FY18. Imports continued to be the concern area for domestic players as the market share of imports was still above 50% in FY18. The overall imports including scrap touched at 1,957 Kt in FY18 compared to 1,750 Kt in FY17, registering growth of 12%.

1.1.1 Outlook

Since the beginning of CY18, the aluminium industry and the LME price of aluminium are being majorly impacted by the US trade policies and announcement of sanction on UC Rusal created volatility in the global market. The US imposed tariff of 10% on aluminium imports under Section 232. This led to restarting of some aluminium smelters in the US in CY18. However, the actual impact of the restarting of smelters in the US is likely to be felt after CY18. It is expected that China will continue to focus on environmental issues which in turn may adjust the production of primary aluminium going forward.

The global aluminium supply is likely to touch around 65 to 66 Mt in CY18 compared to around 64 Mt in CY17 on the back of US tariffs and likely continuation of Chinese reforms. The production in the World ex. China is expected to be around 27.5 to 28 Mt in CY18 from production of 27 Mt in CY17. The increase in production in CY18 is likely to come largely from India and the Middle East.

The global consumption of primary aluminium is expected to touch around 66 to 67 Mt in CY18. Transport, construction and machinery and equipment are among the few user industries that are expected to drive the demand for primary aluminium in CY18. India, the Middle East and the US are likely to post rapid growth in demand in the world excluding China during the same period.

In China, the government is subduing expansion of credit offtake in the economy and has implemented policies in the real estate sector to cut down speculation. In the electrical sector the Chinese government spending is not increasing significantly for the aluminium demand to rise. Therefore, Chinese demand may moderate from growth of 8% in CY17 to 6% in CY18. The growth in CY18 is expected to come from the increase in the use of aluminium in the transportation sector.

On the LME side, surge in input cost, expected rise in demand and possible implementation of winter cuts in China for the second year in a row, are some of the factors likely to impact LME price of aluminium positively in CY18. On the other hand, emergence of trade protectionism and strong dollar value coupled with more than expected moderation in Chinese demand may put downward pressure on LME price of aluminium.

On the domestic front, we expect demand to recover significantly in FY19 with the surge in industrial activity. The power, packaging and transport sectors are the likely demand drivers of aluminium in India in FY19. The domestic imports of aluminium products, including scrap, are growing significantly, which is a major concern for the domestic aluminium producers.

1.2 Copper Segment and Industry Review

The year gone by witnessed a copper concentrate supply crunch due to major disruptions at the world's top two copper concentrate mines. The first disruption had occurred in Indonesia where the government was nationalising natural resources, as a result of which production was halted for months. The other major disruption took place due to labour negotiations for wage hikes at the world's largest mine in Chile. These disruptions took few months to end, affecting concentrate supplies in the first half of 2017. In the second half, supplies returned to normal and posted marginal market surplus of around 40 Kt, from surplus of around 90 Kt in CY16. The adverse concentrate market led to decline of benchmark Treatment Charge and Refining Charge (Tc/Rc) value for the second year in a row, by about 5%, in CY17 against a decline of 9% in CY16. The Spot TC/RC, which was already 5% lower as compared to the benchmark starting of CY17, declined steadily during the year and was 11% lower compared to the benchmark by the yearend, reflecting a tightened copper concentrate market.

The LME price of copper recorded volatility during CY17. At the beginning of the year, the LME price of copper increased due to the disruption in the mines coupled with the continuous recovery in global economic activities. This trend continued throughout CY17, mainly on account of improved global market sentiments, lowering of the quota for importing scrap in China and decline in global inventories.

On the demand side, global consumption of refined copper in CY17 grew at almost the same rate as in CY16, that is 2.5%. The major demand drivers being the user industries like construction, electrical and power and consumer durables. Growth in Chinese demand was at 5% in CY17 vs 4.5% in CY16 on account of robust growth in the construction, renewable energy and consumer durables sectors. Whereas overall World ex. China continued to witness lower growth of ~0.5% in CY17 against growth of 1% in CY16.

According to the latest data on imports released by Directorate General of Foreign Trade (DGFT), overall demand in the domestic market increased from 2% in FY17 to 6% in FY18, mainly on account of increase in demand from end-user industries like computer and electronics, electrical equipment, machinery, and automotive. The significant growth in demand came in H2 FY18, after a subdued H1 FY18.

In India, production grew by 5.5% in FY18 compared to 0.3% in FY17. The low-cost imports from Free Trade Agreement (FTA) countries, at 35% market share in domestic market, remained a concern for domestic players.

1.2.1 Outlook

Globally the demand for refined copper is likely to touch around 24 Mt in CY18, thereby registering growth of around 3%. The major growth in demand is expected to come from China and India. China is likely to face moderation in the construction sector due to government policies. However, due to lowering of the quota in the category and scrap import in China, demand of refined copper may get marginal support. It is expected that demand of refined copper in CY18 will grow by 3%, primarily supported by lower scrap imports and increasing demand from the power and consumer durables sectors.

In the copper concentrate market, CY18 benchmark Tc/Rc reflects further tightness in concentrate availability and settled at 11% lower compared to CY17. The expectation at the beginning of the year was tighter: however, the recent disruptions in some of the smelters at Philippines and India have resulted in change in the outlook for CY18. This has led to spot Tc/Rc improving from $70/c7 in Q1-CY18 to nearly the benchmark level in June 2018. The market balance for the remaining CY18 will depend on the timing of the restart of these smelters. CY19 is expected to be a deficit year mainly due to likely disruption at the world's second-largest mine in Indonesia because of its shifting operations from open pit to underground mining.

In the domestic market, demand of refined copper is expected to grow further to around 10% in FY19 from growth of 6% in FY18. The growing demand from the power sector, government thrust on renewable energy and increasing demand in the housing segment will lead the demand of copper in India.

1.3 Novelis – Aluminium Rolled Products and Industry Review

Aluminum rolled products are semi-finished merchandise that constitute the raw material for the manufacture of finished goods ranging from automotive structures and body panels to food and beverage cans. Economic growth and material substitution continue to drive increasing global demand for aluminum and rolled products. Global beverage can sheet overcapacity, increased competition from Chinese suppliers of flat rolled aluminum products, and customer consolidation are also adding downward pricing pressures on the beverage can sheet market.

In the domestic market, demand of refined copper is expected to improve significantly in FY19.

Meanwhile, demand for aluminum in the automotive industry continues to grow, which drove the investments we made in our automotive sheet finishing capacity in North America, Europe and Asia. This demand has been primarily led by the benefits that result from using light-weight materials in the vehicles, as companies respond to government regulations driving improved emissions and better fuel economy, while also maintaining or improving vehicle safety and performance.

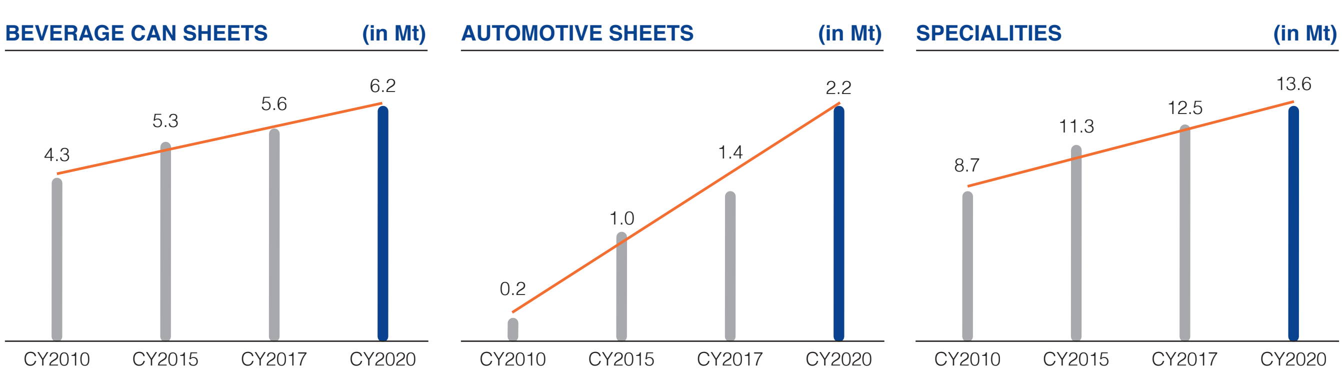
1.3.1 Outlook

With respect to the markets in which Novelis is operating, the demand for aluminium flat rolled products, mainly in beverage cans, automobile and speciality markets, remained strong. It remained high for beverage cans as the market has grown at CAGR of 4% between CY10 to CY17 and is expected to grow at the same pace in the coming years.

In the automotive segment, aluminium-intensive vehicles continue to be a core part of the market, with increased adoption of aluminium globally, driven by focus on EV, energy efficiency and light weighting. The use of aluminium in the automotive market has also grown at CAGR of 32% between CY10 to CY17 and is expected to grow to 2.2 Mt by CY20.

The specialties market has grown at CAGR of 5% between CY10 to CY17 with strong global demand and is expected to reach 13.6 Mt by CY20.

GLOBAL ALUMINIUM FRP MARKET SIZE



2. BUSINESS SEGMENT REVIEW

2.1 Hindalco – SWOT analysis

Strengths	Weaknesses	Opportunities	Threats
India Aluminium			
• Integrated business model generating healthy cash • Dominant player in India across upstream and downstream • Utkal - amongst the most economical and efficient; capacity expansion planned • Increased focus on Value added products (VAP)	• Commodity product with smaller share of VAP today	• Immense headroom for growing-current domestic aluminium consumption at 1/12th of global average • Increasing aluminium penetration in segments like B&C, Auto and Packaging bodes well for VAP • Substitution opportunity vs Steel, uPVC, Wood, among others.	• LME, forex and raw material price volatility • Competition from China • Threat of imports - scrap and VAP • Domestic availability / shortage of coal and bauxite
Novelis			
• Global presence – across 10 countries. Enabling global play with marquee customers • Market leader in can and auto aluminium flat rolled products (FRP) • 57% share of recycling in Novelis portfolio – cost competitiveness • Strategy of deploying healthy cash flow to grow capacity and stay ahead of the market	• Lack of access to Shanghai Future Exchange (SHFE) metal in China	• Growing penetration of aluminium cans for beverage packaging in emerging markets • Growing auto market driven by EV, energy efficiency and lightweighting agenda across the globe • Foray into adjacent markets such as Aerospace	• Increasing tariffs and protectionist measures • Widening LME-SHFE gap, hampering competitiveness in China • Price erosion on account of growing competition • Stagnating carbonated soft drinks and beer consumption in the US and EU
Copper			
• Balanced portfolio of revenue streams to tide through a volatile market • Secured concentrate supply • Increased focus on VAP	• Import dependence for copper concentrate	• Immense headroom for growth due to lower consumption vs. global average	• Mine disruptions • Duties & FTAs – Trade politics • Oversupply in India

2.2 Operational Performance & Financial Review

Financial Table – Hindalco Standalone & Consolidated

(₹ in Crore)

Description	Standalone		Consolidated	
	FY18	FY17	FY18	FY17
Revenue from Operations	**43,435**	**39,383**	**1,15,809**	**1,02,631**
Earnings Before Interest, Tax and Depreciation (EBITDA)				
Aluminium	3,708	3,473	4,692	4,033
Copper	1,539	1,456	1,594	1,438
Novelis	-	-	7,903	7,194
Others (including other income)	825	890	836	894
Total EBITDA	**6,072**	**5,819**	**15,025**	**13,558**
Depreciation including impairment	1,617	1,428	4,606	4,469
Finance Cost	1,901	2,323	3,911	5,742
Earnings Before Exceptional Items and Tax	**2,554**	**2,068**	**6,508**	**3,347**
Exceptional Income/(Expenses) (Net)	(325)	85	1,774	(8)
Profit Before Tax	2,229	2,153	8,157	3,315
Tax	792	596	2,074	1,433
Profit/(Loss) After Tax (attributable to the owners of the Company)	**1,436**	**1,557**	**6,083**	**1,900**

Post the applicability of GST with effect from July 1, 2017, Revenue is required to be disclosed net of GST as per requirement of Ind AS 18, 'Revenue'. Accordingly, the Revenue figures for the quarter and fully year ended March 31, 2018, are not comparable with the previous periods.

2.2.1 Hindalco Aluminium Business (Excluding Novelis)

Revenue for Hindalco's aluminium business (excluding Novelis) touched ₹21,396 Crore in FY18 compared to ₹20,602 Crore in FY17, up by 4%.

EBITDA was higher by 16% at ₹4,692 Crore compared to the previous year at ₹4,033 Crore, backed by higher realisations and supporting macros.

In the consolidated financial statements, within the aluminium segment, the significant entries are Hindalco and Utkal Alumina International Ltd. Since Utkal Alumina is a wholly owned subsidiary of Hindalco and supplies substantial quantity of its production to Hindalco, we have analysed the combined performance of Hindalco's aluminium business along with Utkal Alumina.

PAT

(Consolidated)

₹6,083 Crore

220% y-o-y

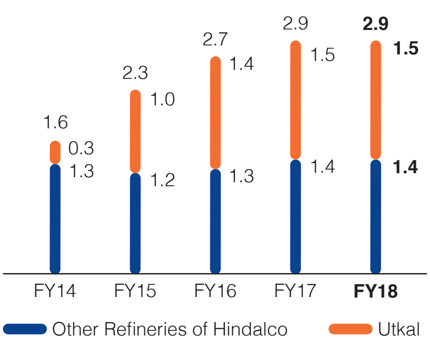
2.2.2 Operational Overview – Hindalco Aluminium (Plus Utkal)

The Company has achieved remarkable performance in its aluminium business in FY18 as all its manufacturing units were operating at their designated capacities and stable operations. It has achieved record production of aluminium metal at 1.29 Mt and alumina at 2.88 Mt in FY18. The overall metal sales in all forms stood at 1.27 Mt in FY18 compared to 1.24 Mt in FY17, showing marginal increase of 2%.

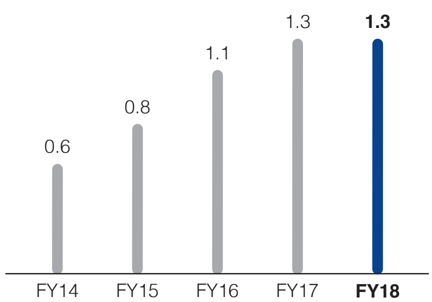
Utkal Alumina continues to be the most economical and an efficient alumina producer globally as it ran at maximum capacity producing 1.5 Mt of world-class alumina and providing strong support to Hindalco's smelting facilities, leading to better cost optimisation. The production of VAP including the wire rods was 479 Kt in FY18.

On the coal side, the Company has further secured around 3.2 Mt of coal in the linkage auctions concluded during FY18. With this, the total quantity secured through coal linkages reached 11.9 Mt translating to about 71% of the annual coal requirement of Hindalco. Overall annual requirement of coal is currently secured for close to 94%, through long-term linkages and captive mines. Currently three captive mines that is Gare Palma IV/4, Gare Palma IV/5 and Kathautia are fully operational. The captive mine at Dumri is in the process of obtaining necessary statutory clearances by the end of FY19.

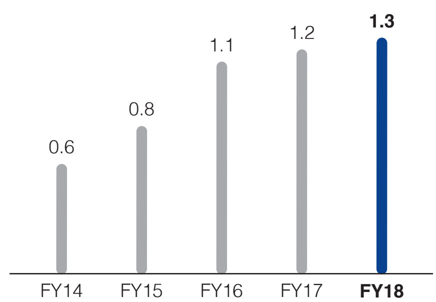
ALUMINA PRODUCTION **(in Mt)**



AL. METAL PRODUCTION **(in Mt)**



AL. METAL SALES IN ALL FORMS* **(in Mt)**



*including Wire rods and other Value-added Products.

2.2.3 Financial Overview

Hindalco Aluminium (plus Utkal)

Aluminium revenue including Utkal for FY18 was at ₹21,089 Crore compared to ₹20,327 Crore in FY17 reflecting growth of 4% over the previous year, driven by higher sales of aluminium metal, better realisations and supportive macros. The EBITDA was ₹4,790 Crore in FY18, up 17% compared to ₹4,094 Crore in FY17 on account of stable operations with supporting macros, despite increase in cost of major inputs like caustic soda and carbon products.

(₹ in Crore)

Description	FY18	FY17	% Change
Revenue	21,089	20,327	4%
EBITDA	4,790	4,094	17%

Revenue

(Hindalco Aluminium plus Utkal)

₹21,089 Crore

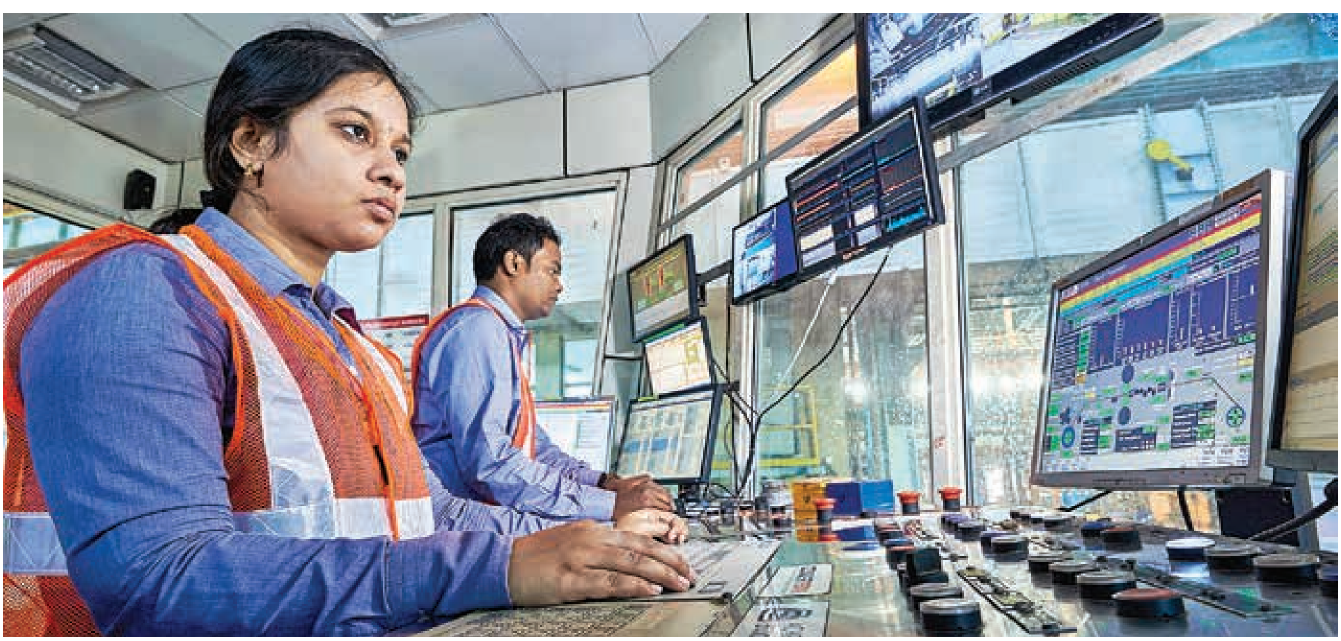
4% y-o-y

EBITDA

(Hindalco Aluminium plus Utkal)

₹4,790 Crore

17% y-o-y

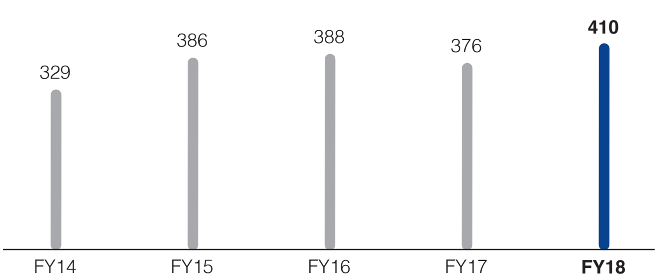


2.3 Copper Business Review

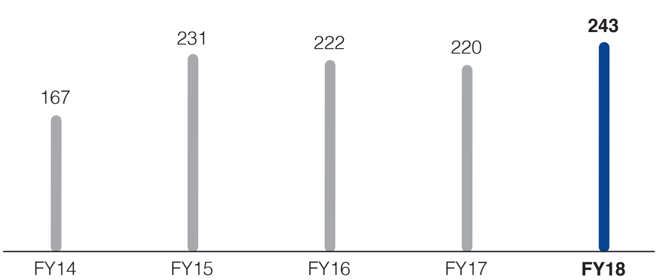
2.3.1 Operational Overview

The copper business reported highest-ever volumes and continues to deliver strong performance in FY18. Cathode production was the highest ever at 410 Kt in FY18, which was 9% higher than FY17. Copper cathode rod production stood at 156 Kt in FY18, up by 4% compared to FY17. The production of Di-Ammonium Phosphate (DAP) was lower at 205 Kt in FY18 compared to 301 Kt in FY17 due to some operational issues which were resolved in April-May 2018.

CATHODE PRODUCTION **(Kt)**



CATHODE SALES **(Kt)**



2.3.2 Financial Overview (Copper Business)

The copper revenue for FY18 stood at ₹22,371 Crore compared to ₹19,408 Crore in FY17 reflecting growth of 15%, driven by better realisations in VAP and increase in overall volumes.

EBITDA in the copper business was ₹1,539 Crore in FY18, up 6% compared to ₹1,456 Crore in FY17 on account of higher by-products realisation and volumes in FY18. The Tc/Rc was marginally lower in FY18 versus the previous year.

(₹ in Crore)

Description	FY18	FY17	% Change
Revenue	22,371	19,408	15%
EBITDA	1,539	1,456	6%

2.4 Novelis Business Review

2.4.1 Operational Overview

Novelis Inc., the world's leading aluminum rolling and recycling facility, continues to report remarkable performance for the fiscal with a significant year-on-year increase in the adjusted EBITDA, net sales, net income, free cash flow and overall shipments in FY18. This was mainly driven by its focused strategy to improve operational efficiencies, increasing shipments of auto products, and key investments into the growing automotive capacities to secure its global leadership position in the aluminium industry.

Over the last year, Novelis has achieved record automotive shipment levels, supporting new product launches including the Land Rover Velar, Jaguar I-PACE, Ford Expedition, Lincoln Navigator and Jeep Wrangler and continues to collaborate with customers to launch electric vehicle platforms such as the new NIO ES8 and the London Electric Taxi in the coming years.

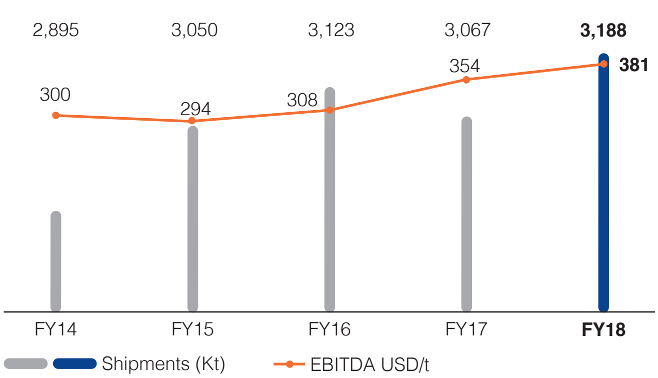
During the year, the total Flat Rolled Product shipments increased by around 4% over the previous year to 3.2 Mt in FY18 on account of higher automotive shipments which increased from 18% in FY17 to 20% in FY18. Beverage can shipments increased from 60% in FY17 to 61% in FY18 and specialties product shipments was at 19% in FY18.

Novelis operates in the four key geographies of North America, Europe, Asia and South America. In North America, in FY18, the total shipments were 1,089 Kt compared to 1,010 Kt in FY17, reflecting an increasing trend over the year. Novelis has also announced plans to set up a 200 Kt automotive finishing facility in Guthrie, Kentucky in the US, to cater to the growing demand of automotive in this region.

In Europe, the Company has shipped 930 Kt across product categories in FY18. It has agreed to acquire the operating facilities of a plant in Sierre, Switzerland, that was been historically leased. In Asia, Novelis shipped 711 Kt of rolled products in FY18 versus 699 Kt in FY17. During FY18, it sold 50% ownership of its Ulsan facility in South Korea to Kobe Steel for $314 Million. In South America, Novelis made shipments of 523 Kt in FY18 compared to 474 Kt in FY17 reflecting an upward trend in this geography as well.

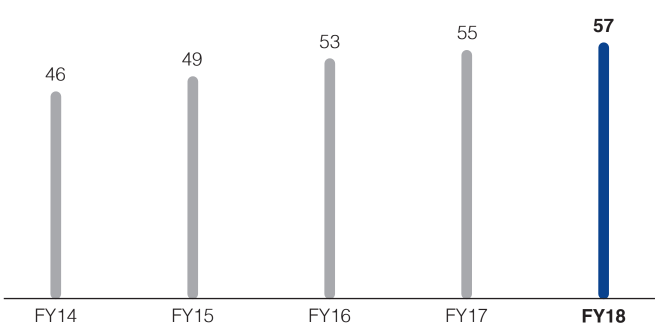
In FY18, the Company reported a record overall adjusted EBITDA per ton at $381 vs $354 per tons in FY17 reflecting continuous strong performance of Novelis year after year.

SHIPMENTS AND EBITDA/TON



With Novelis' continuous thrust on sustainability and recycled aluminium, it has now increased inputs from the recycled material from 55% in FY17 to 57% in FY18. The Company has invested significantly in recycling initiatives and developed high-tech recycling capabilities over the years.

RECYCLING INPUTS (%)



2.4.2 Financial Overview

The Net Sales of Novelis increased by 20% to $11.5 Billion in FY18 driven by higher average aluminium price and increased shipments during the year across all the products. The Adjusted Annual EBITDA (excluding metal price lag) stood at $1.215 Billion, up by 12% compared to FY17, on the back of higher auto shipments, operating efficiencies and favourable product mix, metal costs and currency impacts, partially offset by lower can prices. Novelis in FY18 has reported a record free cash flow of $406 Million driven by stronger adjusted EBITDA and lower interest, despite significant working capital pressures from higher aluminium prices.

($ in Million)

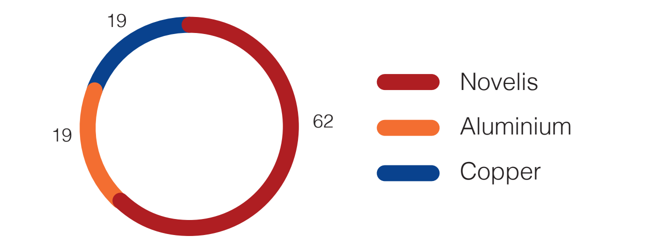
Description	FY18	FY17	% Change over FY17
Net Sales	11,462	9,591	20%
Adjusted EBITDA	1,215	1,085	12%
Net Income/(loss)	635	45	

3. CONSOLIDATED FINANCIAL STATEMENTS

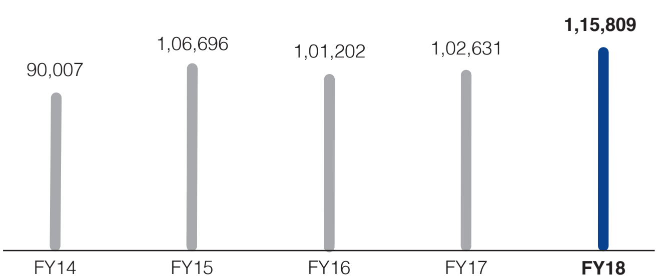
3.1 Revenue

Hindalco's Consolidated Revenue has grown to ₹1,15,809 Crore in FY18 compared to ₹1,02,631 Crore in FY17 as a result of excellent operating performance of all the businesses, and better realisations. The business-wise Revenue Split for FY18 is as follows:

REVENUE SPLIT (BUSINESS-WISE) **(%)**



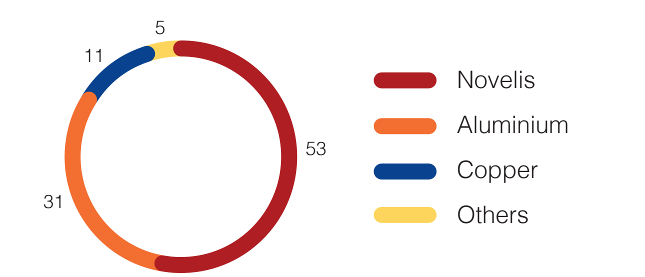
REVENUE **(₹ in Crore)**



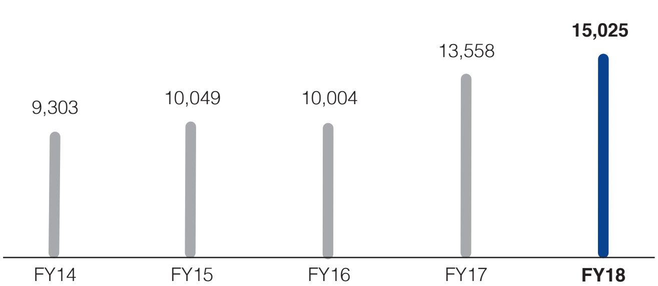
3.2 EBITDA

Consolidated EBITDA (Earnings before Interest, Tax, Depreciation & Amortisation) has grown by 11% at ₹15,025 Crore compared to ₹13,558 Crore in FY17. This record performance was on the back of strong performance by all business in India and excellent performance by Novelis in FY18.

EBITDA SPLIT (BUSINESS-WISE) **(%)**



EBITDA **(₹ in Crore)**



3.3 Finance Cost

Finance Cost has reduced by 32% at ₹3,911 Crore compared to ₹5,742 Crore in FY17 on account of ₹7,996 Crore prepayment and re-pricing of long-term project loans in India and also refinancing of Senior Notes and term loans in Novelis.

3.4 Depreciation

Depreciation and amortisation increased from ₹4,469 Crore in FY17 to ₹4,606 Crore in FY18 on account of progressive capitalisation and certain reclassification during the year.

3.5 Exceptional Income/(Expense)

Exceptional Income in FY18 was at ₹1,774 Crore compared to ₹8 Crore of Exceptional Expense in FY17. This income was mainly on account of pre-tax gain due to Novelis selling approximately 50% ownership of its Ulsan facility in South Korea to Kobe Steel for $314 Million in FY18.

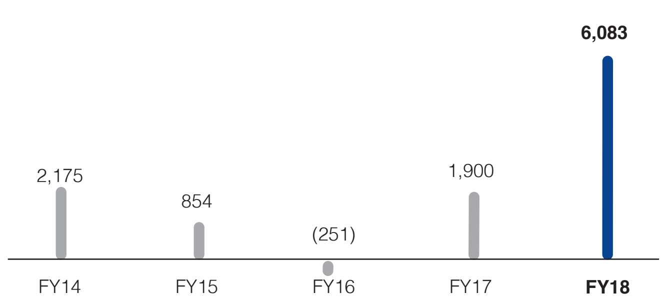
3.6 Taxes

Provision for tax was at ₹2,074 Crore in FY18 against ₹1,433 Crore in FY17. This increase in taxes was on account of increase in the overall profitability of the Company.

3.7 Net Profit/(Loss) (attributable to the owners of the Company)

Profit after Tax has trebled in FY18 at ₹6,083 Crore compared to ₹1,900 Crore in FY17, up by 220%. This includes the exceptional gain (before tax) of ₹1,774 Crore on account of sale of approximately 50% share of Ulsan, South Korea facility under Novelis in FY18.

PROFIT AFTER TAX **(₹ in Crore)**



3.8 Net Debt to EBITDA

To further bolster the balance sheet, the Company has prepaid close to ₹8,000 Crore of long-term project loans in India. This has led to significant improvement in the Consolidated Net Debt to EBITDA at 2.82x at the end of March 2018 vs 3.74x at the end of March 2017.

3.9 Consolidated Cash flows of Hindalco

The Cash from Operations for Hindalco Consolidated stands at ₹10,888 Crore in FY18 vs ₹12,687 Crore in FY17.

(₹ in Crore)

Particulars		Consolidated year ended	
		31-03-2018	31-03-2017
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Operating Cash flow before working capital changes	14,082	13,078
	Changes in working capital	(1,786)	389
	Cash generated from operations	12,296	13,467
	Payment of direct taxes	(1,408)	(780)
	Net Cash Generated/(Used) – Operating Activities (a)	**10,888**	**12,687**
B.	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Net Capital Expenditure	(2,956)	(2,870)
	Disposal of Investment in Subsidiaries (Net)	2,053	48
	(Purchase) / sale of treasury instrument (Net)	5,558	(418)
	Loans and Deposit (given)/ received back (Net)	(133)	(45)
	Interest and Dividend received	503	496
	Net Cash Generated/ (Used) - Investing Activities (b)	**5,026**	**(2,789)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Equity Raised	16	3,314
	Net Debt Outflows	(12,286)	(2,543)
	Interest & Finance Charges paid	(3,849)	(6,075)
	Dividend Paid (including Dividend Distribution Tax)	(294)	(248)
	Net Cash Generated/(Used) – Financing Activities (c)	**(16,412)**	**(5,552)**
	Net Increase/(Decrease) in Cash and Cash Equivalents (a)+(b)+(c)	**(499)**	**4,347**

4. BUSINESS OUTLOOK

The Company has strong focus on strengthening the balance sheet through deleveraging, allocation of capex towards growth strategies and generating positive free cash flows. It will also continue to increase its share in VAP. The Company is focusing on enriching its product mix and is evaluating investments in aluminium downstream facilities towards newer products and its existing product lines to cater to this demand. However, concerns on the import in aluminium and copper continue to hurt the domestic aluminium and copper industry. With the newly commissioned continuous copper cast rod plant (CCR#3), which is expected to ramp up in FY19, Hindalco's rod capacity will become ~80% of the cathode production, from the earlier 33%. This added capacity will help the Company service the growing demand of copper in the domestic market. The Company will continue to keep a close watch on input prices which can impact the cost of production, including that of coal, and strategise to mitigate these by utilising its resources well, with better efficiencies across all products and plant locations, including Novelis.

Novelis will continue to take a balanced approach and explore potential opportunities that will drive profitable volume growth in its current product lines and other core end-markets, while maintaining its balanced and disciplined approach towards the decision-making process in each of its product categories.

5. PRICE RISK MANAGEMENT

Hindalco's financial performance is significantly impacted by fluctuations in prices of aluminium, exchange rates and interest rates. The Company takes a structured approach to the identification, quantification and hedging of such risks by using derivatives in commodity and currency which is driven by a comprehensive risk management policy of the Company.

6. SUSTAINABILITY

The world is moving towards more sustainable products. There is widespread demand for developing new products which are environmentally and socially sensitive as well as utilising existing products in more sustainable applications. This places us in a unique position and sets us up for tremendous growth in times to come. Changing trends in other sectors such as automotive which is demanding lighter metals for enhancing fuel efficiency of vehicles, are also boosting this growth potential further.

It is our endeavour to become a leading metals Company for sustainable business practices across global operations and balancing our economic growth with environmental and societal interests. Our current footprint and nation-wide market presence also bestow upon us the responsibility of reducing the stress we create on the environment as well as enhancing inclusive development. Our focus is on leveraging operational excellence to optimise our environmental footprint. It helps us manage our resource sustainably while at the same time improving our performance on aspects like energy conservation, water use efficiency, waste minimisation and recycling, and safety performance. We have also aligned ourselves to the global call to mitigate climate change and have committed to do our bit to limit the global temperature rise to less than 2°C.

We continue to strive towards developing applications and products which maximise recycling and minimise resource extraction in India while Novelis maintains its position as the global leader in the FRP space. We draw upon the unique nature of aluminium which is a 100% recyclable metal and does not degrade in quality on recycling. The Company has initiated various steps to maximise usage of recycled materials as input materials. Novelis has invested in major recycling initiatives, including advanced equipment and technology, to process diversified scrap. Hindalco aims to avoid, reduce and reuse the waste we create by managing it through a lifecycle approach. We collect all the scrap we generate and process it for further use or disposal in a safe manner. During our upstream mining operations, metals production and during our downstream processes or product systems, we take care of our waste and focus wisely use of resources, using processes that create the greatest possible value. To this end, Novelis has been able to use 57% of the input in the form of recycled scrap. This has been achieved through significant amount of investment in recycling technologies and equipment. The same amount of focus on recycling is also exercised in the copper business.

To further strengthen its systems, the Company has adopted various technical standards released by Group Sustainability Cell which covers various aspects on environment, safety and occupational health. The Company is in advanced stage of implementing these standards.

Inclusive growth is one of the key priorities for the Company. Through extensive community engagement and investment in the creation of community infrastructure, we are propagating a culture of shared growth. By working in various areas such as healthcare, education, sustainable livelihood, infrastructure and social reform, the Company is doing its bit to help towards socio-economic development and upliftment of the underprivileged.

To further strengthen our systems, the Company adopted various technical standards released by Group Sustainability Cell which covers various aspects on environment, safety and occupational health. It is in the advanced stage of implementing these standards.

The focus is on the two concepts of triple bottom-line performance and trusteeship management help us carry out our business in a more responsible and sustainable manner year-on-year.

7. SAFETY

As a responsible corporate citizen, Hindalco, along with conservation of natural resources and the environment, is dedicated to the health and safety of its employees, associates and the society. Safety is considered a core value all across Hindalco and thus the Company's plants and mines follow the environmental, health and safety management standard that integrates environment and safety responsibilities into everyday business. Focused efforts are made to make Hindalco the safest company and ensure 'zero harm' to its employees, community and environment. Initiatives which were rolled out to help achieve this ambition and to be the benchmark within the industry are in advanced stages of maturity. Extensive work is in progress to ensure risk control in important areas like human behaviour; mining activities, road traffic management and contractor management. In order to build a sustainable safe workplace environment, a common health and safety management system across the Company is by and large implemented. This includes implementation of world-class safety standards, organisational safety competency and capability improvement, safety leadership development, a cross auditing activity to enhance sharing experiences and sharing best practices across Hindalco. FY18 was a year of some significant safety achievements. The Loss Time Injury Severity Rate (LTISR) at Hindalco this year is least in its history.

We aspire to make Hindalco the safest company and ensure 'zero harm' to our employees, community and environment

8. HUMAN CAPITAL

With nearly 25,000 direct employees in India and another 11,000 outside the country, people are at the centre of driving excellence at Hindalco.

The Aditya Birla Group is one of the most preferred employer in the country and was recognised as the Best Employer in the AON 2018 survey. This enables us to attract the required talent and retain them. Since 2016, we have hired more than 450 young professionals (Engineers, CAs, MBAs) from the best campuses in the country and our management attrition has been less than 5%. Through a robust succession planning process, we have identified bench talent for all critical positions across locations and functions. We are investing more than 4 days/ employee per annum on need-based training and development inputs on both behavioral/ leadership and functional/ technical aspects. We have also stepped up internal movements with a view to giving new experiences to our employees and are moving atleast 10% of the managerial population into new roles every year as part of our career development strategy. We are also making our performance management process more robust and transparent, with increased focus on goal setting, regular feedback and calibration, as well as linking our rewards to performance and market trends and

As on March 31, 2018, Hindalco is managing a pool of around 25,000 people in India and around 11,000 globally.

For leadership development, Hindalco works closely with 'Gyanodaya – Aditya Birla Group Global Centre for Leadership Learning'

practices. An HR shared service has recently been set up to enhance and provide consistent employee experience on HR processes and systems.

8.1. Training and Development

The Learning and Development function is well-integrated with the overall HR function and business objectives. The Company has a full-fledged learning infrastructure across locations to support its learning objectives. The Company's strategy aims at equipping people across units with business-linked knowledge along with developing them in ABG behavioural-based competencies.

Recently, the Company created Hindalco Technical University (HTU) for technical-cum-functional capability-building with the purpose of preparing people for current and future challenges of the business. For leadership development, the Company works closely with 'Gyanodaya – Aditya Birla Group Global Centre for Leadership Learning' that provides relevant and current knowledge and competency-based learning opportunities along with e-learning programmes.

9. INTERNAL CONTROLS

A strong internal control culture is pervasive throughout the Group. Regular internal audits at all locations are undertaken to ensure that the highest standards of internal control are maintained. The effectiveness of a business' internal control environment is a component of senior management performance appraisals. The principal aim of the system of internal control is the management of business risks, with a view to enhancing shareholder value and safeguarding the Group's assets. It provides reasonable assurance on the internal control environment and against material misstatement or loss.

Cautionary Statement

Statements in this "Management's Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information events or otherwise

FINANCIAL HIGHLIGHTS - STANDALONE

(₹ Crore)

	2017-18@	2017-18@	2016-17@	2015-16@	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
PROFITABILITY	**US$ in Mn***										
Sales and Operating Revenues	6,739	43,435	39,383	36,713	36,869	30,101	28,070	28,297	25,348	20,570	19,718
Less: Cost of Sales	5,944	38,311	34,569	33,367	33,453	27,609	25,866	25,192	22,193	17,620	16,682
Operating Profit	795	5,124	4,814	3,346	3,417	2,492	2,204	3,105	3,155	2,950	3,036
Other Income	147	948	1,005	979	882	1,124	983	616	347	260	637
Less: Depreciation, Amortization and Impairment	251	1,617	1,428	1,282	837	823	704	690	687	667	645
Less: Interest and Finance Charges	295	1,901	2,323	2,390	1,637	712	436	294	220	278	337
Profit before Exceptional Items and Tax	396	2,554	2,068	653	1,825	2,081	2,047	2,737	2,595	2,265	2,690
Exceptional Income/ (Expenses) (Net)	(50)	(325)	85	-	(578)	(396)	-	-	-	-	-
Profit/ (Loss) before Tax from Continuing Operations	346	2,229	2,153	653	1,247	1,685	2,047	2,737	2,595	2,265	2,690
Less: Tax Expenses	123	793	596	99	322	272	347	500	458	349	460
Profit/ (Loss) from Continuing Operations	223	1,436	1,557	554	925	1,413	1,699	2,237	2,137	1,916	2,230
Profit/ (Loss) from Discontinued Operations (Net of Tax)	-	-	-	(2)	-	-	-	-	-	-	-
Profit/ (Loss) for the Period	223	1,436	1,557	552	925	1,413	1,699	2,237	2,137	1,916	2,230
Business Reconstruction Reserve (BRR) #											
Expenses adjusted against BRR (Net of Tax)	-	-	-	682	97	86	-	-	-	-	67
Profit/ (Loss) for the Period had the expenses not adjusted against BRR	223	1,436	1,557	(130)	828	1,327	1,699	2,237	2,137	1,916	2,163
FINANCIAL POSITION											
Gross Fixed Assets (excluding CWIP)	7,412	48,264	46,742	43,316	35,434	26,804	15,073	14,478	14,287	13,793	13,393
Capital Work-in-Progress (CWIP)**	113	737	712	3,079	10,744	17,277	23,605	16,257	6,030	3,703	1,390
Less: Accumulated Depreciation, Amortization and Impairment	2,134	13,900	12,358	11,063	9,374	8,749	7,975	7,328	6,703	6,059	5,506
Net Fixed Assets	5,391	35,101	35,096	35,332	36,804	35,332	30,703	23,407	13,615	11,438	9,277
Investments	4,150	27,025	29,332	27,311	21,251	21,907	20,482	18,087	18,247	21,481	19,149
Other Non-Current Assets/(Liabilities) (Net)	(109)	(708)	516	(1,038)	(1,193)	(1,174)	(751)	(207)	2,096	(1,367)	(1,411)
Net Current Assets	1,279	8,330	9,539	9,230	9,400	8,339	8,409	5,319	4,782	2,716	5,068
Capital Employed	10,711	69,748	74,483	70,835	66,262	64,404	58,843	46,606	38,740	34,268	32,082
Less: Loan Funds	3,117	20,297	27,150	28,676	29,007	27,672	24,871	14,574	9,040	6,357	8,324
Net Worth	7,594	49,451	47,333	42,159	37,255	36,732	33,972	32,032	29,700	27,911	23,758
Net Worth represented by :											
Equity Share Capital	34	223	223	205	207	206	191	191	191	191	170
Other Equity:											
Share Warrants	-	-	-	-	-	-	541	541	-	-	-
Reserves and Surplus	6,526	42,497	41,235	36,568	37,049	36,526	33,240	31,300	29,509	27,720	23,588
Other Comprehensive Income	1,034	6,731	5,875	5,386	-	-	-	-	-	-	-
	7,594	49,451	47,333	42,159	37,255	36,732	33,972	32,032	29,700	27,911	23,758

RATIOS AND STATISTICS	Unit	2017-18	2016-17 @	2015-16 @	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Operating Margin	%	11.80	12.22	9.11	9.27	8.28	7.85	10.97	12.45	14.34	15.40
Net Margin	%	3.31	3.95	1.50	2.51	4.70	6.05	7.91	8.43	9.31	11.31
Gross Interest Cover	Times	3.18	1.73	1.81	1.75	1.50	1.61	3.62	5.74	5.23	5.48
Net Interest Cover	Times	3.19	2.51	1.81	2.63	5.08	7.31	12.67	15.92	11.55	10.90
ROCE	%	6.39	5.90	4.30	5.22	4.34	4.22	6.50	7.27	7.42	9.44
ROE	%	2.90	3.29	1.31	2.48	3.85	5.00	6.98	7.20	6.86	9.39
Basic EPS	₹	6.45	7.56	(0.64)	4.48	7.09	8.88	11.69	11.17	10.82	14.82
Diluted EPS	₹	6.45	7.55	(0.64)	4.48	7.09	8.87	11.68	11.16	10.81	14.82
Cash EPS	₹	13.71	14.49	8.95	8.53	11.22	12.55	15.29	14.76	14.58	19.10
Dividend per Share##	₹	1.20	1.10	1.00	1.00	1.00	1.40	1.55	1.50	1.35	1.35
Capital Expenditure (Cash outflow)	₹ Crore	1,178	1,041	1,399	2,073	3,458	5,531	7,168	5,749	2,642	1,001
Foreign Exchange earnings on Export	₹ Crore	18,573	15,663	12,490	13,334	8,292	7,572	7,857	7,096	5,268	5,148
Debt Equity Ratio	Times	0.41	0.57	0.68	0.78	0.75	0.73	0.45	0.30	0.23	0.35
Book value per Share^	₹	220.28	211.00	204.16	180.41	177.92	177.44	167.31	155.14	145.87	139.73
Market Capitalisation^	₹ Crore	48,166	43,755	18,162	26,638	29,266	17,538	24,774	40,040	34,682	8,850
Number of Equity Shareholders	Nos.	2,99,521	3,19,783	3,92,888	3,38,655	3,61,686	4,41,166	3,83,724	3,20,965	3,39,281	4,35,064
Number of Employees	Nos.	23,555	23,679	24,118	21,976	20,902	20,238	19,975	19,341	19,539	19,867
Average Cash LME (Aluminium)	US$	2,046	1,688	1,592	1,888	1,773	1,976	2,317	2,257	1,868	2,234
Average Cash LME (Copper)	US$	6,451	5,152	4,852	6,556	7,103	7,855	8,485	8,140	6,112	5,885

* Balance Sheet items are translated at closing exchange rate and Profit and Loss items are translated at average exchange rate.
** Including Intangible assets under development.
# Financial restructuring scheme formulated by the Company under the provisions of the Companies Act, approved by the Bombay High Court, to deal with various costs associated with its organic and inorganic growth plan.
Proposed/Interim Dividend for the Period.
@ Figures for FY 2017-18, FY 2016-17 and FY 2015-16 are as per Ind AS compliant financial statements. Previous periods figures are as per Previous GAAP financial statements.
^ Including Treasury shares held by the Company.

FINANCIAL HIGHLIGHTS - CONSOLIDATED

(₹ Crore)

	2017-18@	2017-18@	2016-17@	2015-16@	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
PROFITABILITY	**US$ in Mn***										
Sales and Operating Revenues	17,967	1,15,809	1,02,631	1,01,202	1,06,696	90,007	82,243	82,549	73,703	61,762	67,469
Less: Cost of Sales	15,807	1,01,889	90,183	92,387	97,751	81,721	74,406	74,365	65,775	52,017	64,500
Operating Profit	2,160	13,920	12,448	8,815	8,944	8,286	7,837	8,184	7,929	9,746	2,970
Other Income	171	1,105	1,111	1,189	1,105	1,017	1,012	783	513	323	691
Less: Depreciation, Amortization and Impairment	714	4,606	4,469	4,507	3,591	3,553	2,861	2,864	2,759	2,784	3,038
Less: Interest and Finance Charges	607	3,911	5,742	5,134	4,178	2,702	2,079	1,758	1,839	1,104	1,228
Profit before Share in Equity Accounted Investments, Exceptional Items and Tax	1,010	6,508	3,348	362	2,280	3,049	3,909	4,345	3,843	6,181	(605)
Share in Profit/ (Loss) in Equity Accounted Investments (Net of Tax)	(19)	(125)	(25)	172	175	67	(16)	50	(57)	(3)	(37)
Profit before Tax and Exceptional Items	990	6,383	3,323	534	2,455	3,116	3,893	4,395	3,786	6,178	(642)
Exceptional Income/(Expenses) (Net)	275	1,774	(8)	(577)	(1,940)	(396)	-	-	-	-	-
Profit/ (Loss) before Tax from Continuing Operations	1,266	8,157	3,315	(43)	515	2,720	3,893	4,395	3,786	6,178	(642)
Less: Tax Expenses	322	2,074	1,433	498	256	525	886	786	964	1,829	(954)
Profit/ (Loss) from Continuing Operations	944	6,083	1,882	(541)	258	2,195	3,007	3,608	2,822	4,349	312
Profit/ (Loss) from Discontinued Operations (Net of Tax)	-	-	-	(161)	-	-	-	-	-	-	-
Profit/ (Loss) before Non-Controlling Interest	944	6,083	1,882	(702)	258	2,195	3,007	3,608	2,822	4,349	312
Less: Non-Controlling Interest in Profit/(Loss)	-	-	(18)	(451)	(596)	20	(20)	211	366	424	(172)
Net Profit/ (Loss) for the Period	944	6,083	1,900	(251)	854	2,175	3,027	3,397	2,456	3,925	484
Business Reconstruction Reserve (BRR)#											
Expenses adjusted against BRR (Net of Tax)	-	-	-	682	97	86	-	500	(3,439)	304	4,617
Profit/ (Loss) for the Period had the expenses not adjusted against BRR	944	6,083	1,900	(933)	757	2,089	3,027	2,896	5,896	3,621	(4,133)
FINANCIAL POSITION											
Gross Fixed Assets (excluding CWIP)	19,211	1,25,094	1,21,186	1,23,522	1,01,940	87,914	60,054	53,961	48,207	45,622	46,220
Capital Work-in-Progress (CWIP) **	317	2,063	1,814	4,214	14,111	23,059	33,834	22,798	9,253	5,801	2,949
Less: Accumulated Depreciation, Amortization and Impairment	6,144	40,006	36,499	37,849	29,981	26,750	22,126	18,661	15,802	16,622	14,404
Net Fixed Assets	13,384	87,151	86,501	89,887	86,070	84,223	71,763	58,098	41,657	34,801	34,765
Investments	1,656	10,781	15,157	12,438	12,346	12,961	12,601	10,551	10,855	11,246	10,389
Other Non-Current Assets /(Liabilities) (Net)	(1,373)	(8,940)	(6,737)	(8,859)	(7,235)	(6,924)	(6,573)	(5,758)	(3,142)	(3,938)	(2,811)
Net Current Assets	2,755	17,943	14,961	15,074	16,571	18,289	16,901	11,771	11,330	5,172	3,011
Capital Employed	16,422	1,06,935	1,09,882	1,08,540	1,07,752	1,08,549	94,692	74,662	60,700	47,281	45,355
Less: Loan Funds	7,997	52,074	63,817	67,552	68,467	66,163	57,603	41,042	29,460	23,999	28,310
Less: Non-Controlling Interest	1	9	6	381	956	1,781	1,759	1,709	2,217	1,737	1,287
Net Worth	8,424	54,852	46,059	40,607	38,329	40,605	35,330	31,911	29,023	21,545	15,758
Net Worth represented by :											
Equity Share Capital	34	223	223	205	207	206	191	191	191	191	170
Other Equity:											
Share Warrants	-	-	-	-	-	6	541	541	-	-	-
Equity Component of Compound Financial Instruments	1	4	4	3	-	-	-	-	-	-	-
Reserves and Surplus	7,317	47,645	41,770	36,443	38,122	40,393	34,597	31,179	28,832	21,353	15,588
Other Comprehensive Income	1,072	6,980	4,062	3,956	-	-	-	-	-	-	-
	8,424	54,852	46,059	40,607	38,329	40,605	35,330	31,911	29,023	21,545	15,758

RATIOS AND STATISTICS	Unit	2017-18@	2016-17@	2015-16@	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Operating Margin	%	12.02	12.13	8.71	8.38	9.21	9.53	9.91	10.76	15.78	4.40
Net Margin	%	5.25	1.85	(0.25)	0.80	2.42	3.68	4.12	3.33	6.36	0.72
Gross Interest Cover	Times	3.83	2.36	1.91	1.95	1.85	2.04	3.16	3.56	6.99	2.35
Net Interest Cover	Times	3.84	2.36	1.95	2.41	3.44	4.26	5.10	4.59	9.12	2.98
ROCE	%	9.74	8.27	5.06	5.99	5.30	6.32	8.17	9.36	15.41	1.37
ROE	%	11.09	4.13	(0.62)	2.23	5.36	8.57	10.64	8.46	18.22	3.07
Basic EPS	₹	27.30	9.22	(4.55)	4.14	10.91	15.81	17.74	12.84	22.17	3.21
Diluted EPS	₹	27.29	9.22	(4.55)	4.13	10.91	15.81	17.74	12.83	22.16	3.21
Cash EPS	₹	47.98	30.91	20.78	21.53	28.73	30.75	32.70	27.25	37.88	23.40
Capital Expenditure (Cash outflow)	₹ Crore	3,001	2,938	4,245	5,978	9,424	11,871	12,512	7,909	4,276	2,675
Debt Equity Ratio	Times	0.95	1.39	1.66	1.79	1.63	1.63	1.29	1.02	1.11	1.80
Book value per Share	₹	244.33	205.32	196.64	185.61	196.67	184.53	166.68	151.61	112.60	92.68

* Balance Sheet items are translated at closing exchange rate and Profit and Loss items are translated at average exchange rate.
** Including Intangible assets under development.
# Financial restructuring scheme formulated by the Company under the provisions of the Companies Act, approved by the Bombay High Court, to deal with various costs associated with its organic and inorganic growth plan.
@ Figures for FY 2017-18, FY 2016-17 and FY 2015-16 are as per Ind AS compliant financial statements. Previous periods figures are as per Previous GAAP financial statements.

Dear Shareholder,

Your Directors have pleasure in presenting the 59th Annual Report and the audited standalone and consolidated financial statements of your company for the year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

(₹ Crore)

	Standalone		Consolidated	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Revenue from Operations	**43,435**	**39,383**	**1,15,809**	**1,02,631**
Other Income	948	1,005	1,105	1,111
Earnings before Interest, Tax and Depreciation (EBITDA)	6,072	5,819	15,025	13,558
Depreciation including impairment	1,617	1,428	4,606	4,469
Finance Costs	1,901	2,323	3,911	5,742
Profit before Exceptional Items and Tax	**2,554**	**2,068**	**6,508**	**3,348**
Share of Equity Accounted Investments	**-**	**-**	**(125)**	**(25)**
Profit before Exceptional Items and Tax	**2,554**	**2,068**	**6,383**	**3,323**
Exceptional Items	(325)	85	1,774	(8)
Profit before Tax	**2,229**	**2,153**	**8,157**	**3,315**
Tax Expenses	792	596	2,074	1,433
Profit/ (Loss) for the period	**1,437**	**1,557**	**6,083**	**1,882**
Other Comprehensive Income (Loss)	957	536	2,991	(18)
Total Comprehensive Income	**2,394**	**2,093**	**9,074**	**1,864**
Basic EPS	**6.45**	**7.56**	**27.3**	**9.22**

Appropriations to Reserves

(₹ Crore)

Appropriations	**2017-18**	**2016-17**
Opening Balance in Retained Earnings and Other Comprehensive Income	8,847	7,143
Total Comprehensive Income for the Current Year	2,394	2,093
Dividends paid	(291)	(239)
Transferred to Debenture Redemption Fund	(150)	(150)
Closing Balance in Retained Earnings and Other Comprehensive Income	10,800	8,847

Dividend:

For the year ended 31st March, 2018, the Board of Directors of your Company has recommended dividend of ₹ 1.20 per equity share (Previous year ₹ 1.10 per equity share) to equity shareholders.

Equity shares that may be allotted upon exercise of Options granted under the Employee Stock Option Scheme and out of the Share Capital Suspense, and before the Book Closure for payment of dividend will rank *pari passu* with the existing shares and shall also be entitled to receive the aforesaid dividend.

In terms of provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, herein after referred to as "Listing Regulations" your Company has formulated a Dividend Distribution Policy. The Policy is given in **Annexure-I** to the Full Annual Report and is also accessible from your Company's Website www.hindalco.com.

OVERVIEW AND STATE OF THE COMPANY'S AFFAIRS:

Standalone Full year highlights

Hindalco registered a revenue of ₹ 43,435 crore for the fiscal year 2018 vs ₹ 39,383 crore in the previous year. EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) stood at ₹ 6,072 crore, up 4 percent compared to the previous year, on the back of stable operations with supporting macros despite increasing input costs. Depreciation was higher by 13 percent due to progressive capitalization and certain reclassification in FY18. The Finance Cost was down by 18 percent at ₹ 1,901 crore on account of prepayment and reduction in pricing of the project loans. Profit before Tax (and Before Exceptional Items) stood at ₹ 2,554 crore, up by 24 percent compared to the previous year. Net Profit for FY18 stood at ₹ 1,437 crore in FY18 as compared to ₹ 1,557 crore in the previous year.

Consolidated Full Year Highlights

Hindalco's consolidated Revenue stood at ₹ 1,15,809 crore for FY18 compared to ₹ 102,631 crore in the previous year, on the back of excellent operating performance of all the businesses and better realisations. The Company recorded highest ever consolidated PBITDA (Profit before Interest, Tax, Depreciation and Amortisation) of ₹ 15,025 crore, up by 11 percent supported by stable operations and improving efficiencies across all businesses. Consolidated Profit before Tax (and Before Exceptional Items) almost doubled and stood at ₹ 6,508 crore, up by 94 percent compared to the previous year on account of strong overall business performance and savings in interest outgo. Net Profit in FY18, trebled at ₹ 6,083 crore up by 223% compared to the previous year.

For detailed analysis, refer to the Management Discussion and Analysis section of the Full and Abridged Annual Report.

Highlights of the Company's Subsidiaries:

(a) Utkal Alumina International Ltd.

Utkal Alumina revenues has grown to ₹ 2,863 Crore in FY 18 compared to ₹ 2,375 Crore in FY 17 up 21% as a result of excellent operating performance. The EBITDA for FY 18 stood at ₹ 1187 Crore up 77% compared to ₹ 672 Crore in FY 17. The Profit after tax in FY 18 was ₹ 561 Crore v/s ₹ (114) Crore in FY17.

(₹ Crore)

Particulars	FY18	FY17	% Growth
Revenue	2863.37	2374.81	21%
EBITDA	1186.55	672.02	77%
PAT	561.29	(114.18)	

(b) Novelis Inc.

Performance highlights of Novelis Inc. are provided in the Management Discussion and Analysis section of the Full and Abridged Annual Report.

Key Initiatives

The Company successfully commissioned the new Continuous Cast Rod Plant (CCR-3) in Copper in Dahej during the year. This will further enhance the copper rod capacity of its Dahej Plant. The Work on Utkal's brown field capacity expansion by 500 Kt commenced during the year and is expected to be completed in 30 months with a total capital outlay of around ₹ 1,300 crore, which will provide further strength to its integration and availability of best in class alumina to its smelters.

During the fiscal year 2018, Novelis completed JV to establish Ulsan Aluminium in South Korea, by selling approximately 50% its ownership to Kobe Steel for US$ 314 million which have helped to unlock the value. Novelis with its objective to invest in world class assets and technical capabilities to position itself to meet the increasing global demand for aluminium from the Automotive market, announced its plans to setup a 200 Kt automotive finishing facility in Guthrie, Kentucky, US which is expected to be commissioned in CY 2020. Novelis has agreed to acquire the operating facilities and manufacturing assets at its plant in Sierre, Switzerland, that has been historically leased.

HUMAN RESOURCES:

Several innovative people - focused initiatives have been instituted at the Group level, and these are translated into action at all of the Group Companies. Our basic objective is to ensure that a robust talent pipeline and a high-performance culture, centred around accountability is in place. We feel this is critical to enable us retain our competitive edge.

RESEARCH AND DEVELOPMENT

Your Company's Research & Development (R&D) activities are focused on providing innovative, cost-effective and sustainable solutions to support consistent growth of business.

The R&D activities of your Company include process, product and application development, to develop short term as well as long term solutions to the issues faced by nonferrous sector, such as, raw material quality, cost effective management of waste generated during processing, recovery of value from by product as well as any waste products, developing better understanding of the science of processes, reducing the specific energy consumption and carbon footprint etc. Specific programs have also been initiated to foster better understanding of the requirement of existing and prospective customers, and to provide a better service through application development, so as to increase your company's market share in the chosen market space. Technical competencies developed by your company will go a long way in terms of quick absorption of technologies, enabling pushing boundaries of our processes, so as to increase the economic performance and improve our new product/ new application pipeline to address the impending market opportunities.

Your Company already operates two Hindalco Innovation Centres (HIC), one HIC-Alumina at Belagavi working on R&D of bauxite ore, alumina refining and specialty alumina, hydrate products; as well as waste management; and one HIC-SemiFab located at

Taloja, near Mumbai, working in the area of tribology, energy and environment management and aluminium fabricated products and new applications. R&D Team at Birla Copper, Dahej, is focusing on maximisation of copper recovery as well recovery of various metal values, such as, Selenium, Tellurium, Nickel, Bismuth, etc., from the effluent generated in the plant. In addition, your company engages the Aditya Birla Group's corporate research and development centre, Aditya Birla Science and Technology Company Private Limited ("ABSTCPL"), for conducting R&D in select areas of work through chartered R&D projects. These are based on the domain expertise and R&D facilities available in ABSTCPL. The engagement has resulted into patent applications, which have been and will be assigned to your company on the grant of the patent. ABSTCPL's forte of having multidisciplinary teams of technical experts, scientists and engineers, enables your company to develop building competencies in select areas, as a long term value to business. Both the HICs at Belagavi and Taloja as well as ABSTCPL are DSIR, GOI, recognised R&D Centres.

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements for the year ended 31st March, 2018 have been prepared by your Company in accordance with the provisions of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, applicable Accounting Standards and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations" and forms part of the Full Annual Report.

EMPLOYEE STOCK OPTION SCHEMES:

ESOS – 2006

During the year ended 31st March, 2018, the Company has allotted 1,33,438 fully paid-up equity share of ₹ 1/- each of the Company (Previous year 4,43,476) on exercise of options under ESOS 2006.

ESOS – 2013:

During the year ended 31st March, 2018, the Company has allotted 15,75,374 fully paid-up equity share of ₹ 1/- each of the Company (Previous year 9, 97,195) on exercise of options under ESOS 2013.

The details of Stock Options and Restricted Stock Units granted under the above mentioned Schemes are available on your Company's website viz. www.hindalco.com.

A certificate from the statutory auditor on the implementation of your Company's Employees Stock Option Schemes will be placed at the ensuing Annual General Meeting for inspection by the members.

There is no material change in the Schemes and the aforementioned schemes are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014.

CORPORATE GOVERNANCE

Your Directors reaffirm their continued commitment to good corporate governance practices. Your Company fully adheres to the standards set out by the Securities and Exchange Board of India for Corporate Governance practices.

The entire report on Corporate Governance forms part of Full Annual Report.

ABRIDGED ANNUAL REPORT

In terms of the provision of Section 136(1) of the Companies Act, 2013, Rule 10 of Companies (Accounts of Companies) Rules, 2014 and Regulation 36 of the Listing Regulations, the Board of Directors has decided to circulate the Abridged Annual Report containing salient features of the Financial Statements and Directors' Report and other documents to the shareholders for the Financial Year 2017-18, under the relevant laws.

The Abridged Annual Report is being circulated to the members excluding the 'Annual Report on CSR Activities', 'Remuneration Philosophy/ Policy', 'Secretarial Audit Report', 'Extract of Annual Return', 'Dividend Policy', 'Full Report on Corporate Governance and Shareholders' Information'.

Members who desire to obtain the full version of the Annual Report may write to the Company Secretary at the registered office. Full version of the Annual Report is also available on the Company's website www.hindalco.com.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134(3)(c) of the Companies Act, 2013 "the Act", your Directors subscribe to the "Directors' Responsibility Statement" and confirm that:

a) in the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanations relating to material departures;

b) the accounting policies selected have been applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2018 and of the profit of your company for that period;

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

d) the annual accounts of your Company have been prepared on a going concern basis;

e) your Company had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively;

f) your Company has devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

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

PARTICULARS OF EMPLOYEES:

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 "the Act", read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are to be set out in the Directors' Report, as an addendum thereto. However, in line with the provisions of Section 136(1) of the Act, the Report and Accounts as set out therein, are being sent to all Members of your Company excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at the Registered Office of your Company.

Disclosures pertaining to remuneration and other details as required under section 197(12) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure-III** to the Full and Abridged Annual Report.

DIRECTORS:

Board constitution and changes:

Mr. Kumar Mangalam Birla (DIN: 00012813) will retire from office by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for reappointment.

Mr. Kumar Mangalam Birla has given required declaration under Companies Act, 2013.

Brief resume of the director being reappointed form part of the notice of the ensuing Annual General Meeting.

Mr. Jagdish Khattar (DIN: 00013496) has resigned as an Independent Director w.e.f 4th May 2018 due to his personal commitment.

Ms. Alka Bharucha (DIN:00114067) is appointed as an Independent Director on the Board of the Company w.e.f 11th July, 2018. Ms. Bharucha has given the required declarations under the Companies Act, 2013 and Listing Regulations.

The Board recommends the reappointment of Mr. Kumar Mangalam Birla and appointment of Ms. Alka Bharucha. Items seeking your approval is included in the Notice convening the Annual General Meeting.

Independent Directors Statement:

Independent Directors on your Company's Board have submitted declarations of independence to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

Policy on appointment and remuneration of Directors and Key Managerial Personnel:

The Nomination and Remuneration Committee has formulated the remuneration policy of your company which is attached as **Annexure-IV** to the Full Annual Report.

Meetings of the Board:

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

Annual Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Directors has carried annual performance evaluation of Board, Independent Directors, Non Executive Directors, Executive Directors, Committee and Chairman of the Board.

The evaluation framework focused on various aspects of the Board and Committees such as review, timely information from management etc. Also, the performance of individual directors was divided into Executive, Non Executive and Independent Directors and based on the parameters such as contribution, attendance, decision making, action oriented, external knowledge etc.

The evaluation exercise has been carried out by the Board members on the basis of evaluation templates for Board, Independent Directors, Non Executive Directors, Executive Directors, Committees and Chairman of the Board. The template had various questions to be replied by the directors on aforesaid parameters. The Nomination and Remuneration Committee evaluated the performance on the basis of the response received from the Directors. Similarly, the Independent Directors evaluated the performance of non independent directors, Chairman and assessed the quality, quantity and flow of information between company management and Board.

Outcome of the evaluation exercise:

1. The Board as a whole performed satisfactorily.
2. Independent Directors are rated high in understanding the Company's business and expressing their view during the Board meetings.
3. The Non Executive Directors scored well in all aspects.
4. Directors rated Executive Directors as action oriented and good in implementing Board decisions.
5. Board members rated high to the Chairman in leading the Board effectively.
6. Board members had shown satisfaction in functioning of the Committees.

AUDIT COMMITTEE:

The Audit Committee comprises of Mr. M.M. Bhagat, Mr. K.N. Bhandari, Mr. Y.P. Dandiwala, Independent Directors of your Company. Mr. Satish Pai: Managing Director and Mr. Praveen Kumar Maheshwari: Chief Financial Officer and Whole-Time Director are the permanent invitees. Further details relating to the Audit Committee are provided in the Corporate Governance Report forming part of the Full Annual Report.

KEY MANAGERIAL PERSONNEL:

In terms of provisions of Section 203 of the Companies Act, 2013, Mr. Satish Pai: Managing Director, Mr. Praveen Kumar Maheshwari: Chief Financial Officer and Mr. Anil Malik: Company Secretary are the Key Managerial Personnel of your Company.

VIGIL MECHANISM:

Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct.

Adequate safeguards are provided against victimisation to those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases is provided to them

The vigil mechanism is available on your Company's website viz. www.hindalco.com.

AUDITORS

Statutory Auditors

M/s. Price Waterhouse & Co Chartered Accountants LLP (Registration No. 304026E/E-300009), are the Statutory Auditors of the Company who are appointed for a period of five years i.e., to hold office from the conclusion of the Fifty Eighth Annual General Meeting held in 2017 till the conclusion of the Sixty third Annual General Meeting of the Company, to be held in the Calendar year 2022, subject to ratification, if required, of their appointment by the Members at every Annual General Meeting till the Sixty-second Annual General Meeting.

The requirement to place the matter relating to appointment of the Auditors for ratification by the members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of the Auditors, who were appointed in the Annual General Meeting held on 13th September, 2017.

The observation made in the Auditor's Report are self explanatory and therefore, do not call for any further comments under Section 134(3)(f) of the Act.

Cost Auditors

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company have on the recommendation of the Audit Committee, appointed M/s. Nanabhoy & Co., Cost Accountants, Mumbai as Cost Auditors, to conduct the cost audit of your Company for the financial year ending 31st March, 2019, at a remuneration as mentioned in the Notice convening the Annual General Meeting. As required under the Act, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to Cost Auditors forms part of the Notice of the ensuing Annual General Meeting.

Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed BNP & Associates, Company Secretaries, Mumbai as Secretarial Auditor for conducting the Secretarial Audit of your Company for the financial year ended 31st March,2018. The Report of the Secretarial Auditors is annexed herewith as **Annexure-V** to the Full Annual Report.

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

ENVIRONMENT PROTECTION AND POLLUTION CONTROL

Your Company is committed to sustainable development. A detailed report of the Company's initiatives and commitment to environment conservation is part of Sustainability & Business Responsibility Report forming part of the Full and Abridged Annual Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of Loans, Guarantee and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to Financial Statements of the Full Annual Report.

CORPORATE SOCIAL RESPONSIBILITY:

In terms of the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee which is chaired by Mrs. Rajashree Birla. The other Members of the Committee for the Financial year ending 31st March 2018 were Mr. Jagdish Khattar, Independent Director, Mr. A.K. Agarwala, Non Executive Director, Mr. Satish Pai: Managing Director and Mr. D. Bhattacharya: Non Executive Director. Dr. Pragnya Ram, Group Executive President, Corporate Communication & CSR is a permanent invitee to the Committee.

Mr. Jagdish Khattar: Independent Director and Member of CSR Committee has resigned from the Board w.e.f 4th May 2018. Mr. Y. P. Dandiwala: Independent Director was inducted as a member of the CSR Committee in the meeting of the Board held on 16th May, 2018.

Your Company also has in place a CSR Policy and the same is available on your Company's website viz. www.hindalco.com. The Committee recommends to the Board activities to be undertaken during the year.

Your Company is a caring corporate citizen and lays significant emphasis on development of the communities around which it operates. Your Company has identified several projects relating to Social Empowerment & Welfare, Infrastructure Development, Sustainable Livelihood, Health Care and Education during the year and initiated various activities in neighbouring villages around plant locations.

During the financial Year 2017-18 the Company has spent ₹ 31.09 Crore under Section 135 of the Companies Act, 2013 on CSR activities, which represent 2.33% of average net profits of the Company for last three financial years.

The Annual Report on CSR activities is attached as **Annexure-VI** to the Full Annual Report.

RISK MANAGEMENT

Pursuant to the requirement of Listing Regulations, the Company has constituted Risk Management Committee, which is mandated to review the risk management plan/process of your company.

Risk evaluation and management is an ongoing process within the Organization. Your Company has comprehensive risk management policy which is periodically reviewed by the Risk Management Committee.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year, your Company entered into related party transactions which were on arm's length basis and in the ordinary course of business. There are no material transactions with any related party as defined under Section 188 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Listing Regulations. All related party transactions have been approved by the Audit Committee of your Company.

The policy on Related Party Transactions as approved by the Audit Committee and the Board is available on your Company's website viz. www.hindalco.com.

EXTRACT OF ANNUAL RETURN:

In terms of the provisions of Section 92 (3) of the Companies Act, 2013 ("the Act") read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of your Company for the financial year ended 31st March, 2018 is given in **Annexure-VII** to the Full Annual Report.

BUSINESS RESPONSIBILITY REPORT:

As per the Listing Regulations, a separate section of Business Responsibility Report forms part of the Full and Abridged Annual Report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has Internal Financial Control (IFC) framework commensurate with its size, scale and complexity of businesses. The framework has been designed to provide reasonable assurance with respect to reliable operational and financial information, complying with applicable laws, safeguarding of assets, prevention and detection of frauds & errors,executing transactions with proper authorization and ensuring compliance with company policies & procedures. The controls based on the prevailing business conditions and processes have been tested for operating effectiveness and no reportable material deficiencies in the design were observed.

The Internal Audit team develops an annual audit plan based on the risk profile of the businesses. The Internal Audit plan is approved by the Audit Committee, who also reviews compliance to the audit plan.

The Audit Committee has appointed Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements to strengthen the controls. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee. The Audit Committee reviews the reports submitted by the Internal Auditors in each of its meeting, quarterly.

INTERNAL FINANCIAL CONTROL

Your directors confirm having laid down internal financial controls and that such internal financial controls are adequate and were operating effectively.

SUBSIDIARY, JOINT VENTURES OR ASSOCIATE COMPANIES:

The financial statements of your Company's subsidiaries and related information have been placed on the website of your Company viz. www.hindalco.com and also available for inspection during business hours at the registered office of your Company. Any Member, who is interested in obtaining a copy of financial statements of your Company's subsidiaries, may write to the Company Secretary at the Registered Office of your Company.

In accordance with the provisions of the section 129 (3) of the Act, read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries, associates and Joint Venture is attached as **Annexure-VIII** to the Full and Abridged Annual Report.

The names of Companies which have become or ceased to be subsidiaries, Joint Ventures and associates are also provided in the aforesaid statement.

OTHER DISCLOSURES:

- There were no material changes and commitments affecting the financial position of your Company between end of financial year and the date of report.
- Your Company has not issued any shares with differential voting.
- There was no revision in the financial statements.
- Your Company has not issued any sweat equity shares.
- Mr. Satish Pai is a director on the Board of Novelis Inc, wholly owned subsidiary. He is in receipt of annual fee of US$ 1,50,000 in the calendar year 2017. Mr. Praveen Kumar Maheshwari: Whole Time Director and Chief Financial Officer has not received any commission/remuneration from your Company's subsidiaries.
- There is no change in the nature of business.
- During the year under review, your Company has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2018, there were no deposits which were unpaid or unclaimed and due for repayment.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- There were no frauds reported by the Auditors u/s 143(12) of the Companies Act, 2013.

APPRECIATION

Your Directors place on record their sincere appreciation for the assistance and guidance provided by the Honorable Ministers, Secretaries and other officials of the Ministry of Mines, Ministry of Coal, the Ministry of Chemicals and Fertilizers and various State Governments. Your Directors thank the Financial Institutions and Banks associated with your Company for their support as well.

Your Company's employees are instrumental in your Company scaling new heights, year after year. Their commitment and contribution is deeply acknowledged.

Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board

Satish Pai	**M.M. Bhagat**
Managing Director	Independent Director
DIN:06646758	DIN:00006245

Mumbai
Dated : July 11, 2018

Annexure-I

DIVIDEND DISTRIBUTION POLICY

1. Introduction

1.1. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly the Board of Directors of the Company ('the Board') has approved this Dividend Distribution Policy for the Company at its meeting held on 13th February, 2017.

1.2. The objective of this policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the Company. The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

2. Target Dividend Payout

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

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

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

2.4. The Board will endeavor to achieve a dividend payout ratio (gross of dividend distribution tax) in the range of 10 % to 30% of the Standalone Profit after Tax, net of dividend payout to preference shareholders, if any.

3. Factors to be Considered for Dividend Payout

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

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

4. General

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

5. Review

This policy would be subject to revision / amendment on a periodic basis as may be necessary.

6. Disclosure

This policy (as amended from time to time) will be available on the company's website and in the annual report.

Annexure-II

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PRESCRIBED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY

a. STEPS TAKEN ON CONSERVATION OF ENERGY

i. In addition to Periodic Energy audit in all units, during the year, specific Heat loss study was conducted across all Power Plants.

ii. With a view of enhancing knowledge on Energy Efficiency & Audit, in addition to the existing Energy Managers/Auditors across all units, a batch of additional 84 professionals will undergo training and appear in the Energy Manager/Auditor examination to be conducted by BEE in the next financial year.

iii. Reduction in steam consumption in Aluminium Refinery units through process optimization and loss reduction.

iv. Reduction in Aluminium Smelter energy consumption through various initiatives like new design collector bar, bus bar/riser design change, anode ring, cathode ring, Anode Current density equalization etc.

v. Efficiency improvement in Boilers by minimising Radiation/Convection/leakage Losses and through process optimization.

vi. Auxiliary power reduction through automation & process optimization.

vii. Replacement of Metallic Fan blade of Cooling Towers with FRP blades.

viii. Rationalization of motor, pump & fan capacities and replacement of inefficient pumps & motors with high efficiency pumps & motors.

ix. Energy efficient & corrosion resistant coating in pumps.

x. Revamping/ replacement of Annealing &Homogenizing Furnaces.

xi. Reduction in lighting consumption by installing translucent roofing sheet/sun pipe, replacement of conventional light with energy efficient LED Light, Astronomical timer, voltage optimization etc.

xii. Installation of VFD in variable load application

xiii. Compressed Air system efficiency improvement through replacement of inefficient compressors, arresting leakages, process optimization etc.

b. STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY.

i. Use of biomass as a supplementary fuel in our boilers.

ii. Use of translucent roofing sheet/Sun light pipe for more use of Natural light.

iii. Use of turbine ventilators in place of conventional exhaust system

iv. Installation of Solar water & solar emulsion heaters.

v. Contract has been finalized for setting up a 30 MW Solar PV Power plant. Feasibility study/project approval/Contract finalization for another 17 MW Solar PV power plant across multiple location is in progress.

c. THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT & PROJECTS.

The Capital investment on Energy conservation equipment & projects for the year was ₹102 crore.

B. TECHNOLOGY ABSORPTION:

a) Efforts made towards technology absorption –

i. Developed various grades of speciality grade alumina for high end specific uses like glassware, polishing applications; low soda & high purity alumina for high grade fused-alumina applications.

ii. Streamlined usage of scale-inhibitor chemical and realised 15% reduction in overall refinery energy consumption.

iii. Commissioned project on pressure filtration technology for bauxite residue filtration at Utkal refinery. This has enabled environment friendly bauxite residue storage in form of dry cake and increased disposal pond life.

iv. Surpassed designed level of liquor productivity by 1.5 g/l, which is among the best in world for identical technology in Alumina Refinery. This is achieved by process control optimization, keeping the product quality unaffected through fine-tuned nucleation control based particle size management using Accusizer.

v. Laboratory scale evaluation of new generation mud separation (HRD) flocculants 160RRX carried out. This product is found superior with a potential reduction in consumption by 10-15% over current flocculant in use.

vi. IOT panel developed and implemented to facilitate sale of hot metal from the pot line directly to wire rod customer at Aditya Aluminium smelter.

vii. Developed on line cloud based smelter technological vehicle monitoring system to view the real time vehicle movement within the Mahan premises.

viii. In house development of hands free voice communication system for overhead crane operator during communication with shop floor persons.

ix. Implementation of online defect management system.

x. Stabilised process parameters for steady production of high purity metal production P0610 - 100% in Aluminium smelters.

xi. Laser engraving and auto weighing of Billets implemented in Cast House for Customer centricity.

xii. Copper Smelter – I -Up-gradation by increasing reaction shaft diameter.

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

a. Developed process for production of Ultra low UTS aluminium wire rod suitable for drawing thin wire at Customer end which has resulted in Import substitution of same.

b. Conceptual engineering and Basic engineering activities was completed by in-house team for expansion of alumina to 2.0 Million t/yr.

c. Development of aluminium hard alloy products for defence applications.

d. In house technology development for high strength high formable AC fin stock.

e. In house technology development for new foil products – AA 8079 and AA 8021 grade foil laminates production process thus reducing energy consumption and environmental footprint.

f. Development of novel process to eliminate homogenization process in blister foil Conceptual engineering and Basic engineering activities was completed by in-house team for expansion of the refinery to 2.0 Million t/yr.

g. In house technology development of semi-rigid foil containers and product commercialisation.

h. In –house design modification in Copper scrap melting furnace.

i. Indigenous design change of mother blank used in Copper smelter.

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

Technology Imported for	Year of Import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reason thereof and future plan of action
Contirod Casting and Rolling Technology for Continuous Cast Copper Rod, from SMS Meer, Germany	2017-18	Yes	NA
High pressure filtration of Bauxite Residue at Utkal alumina refinery	2017-18	Yes	NA
Test pots trials for upgrade at Hirakud	2016-17	Yes	NA
Upgrade of Anode baking furnace-5 at Renukoot from Riedhammer, Germany	2017-18	In progress	Project in progress

d) **Expenditure incurred on Research and Development (R&D)**

The Company has spent ₹ 22.06 Crore for Research and Development during the financial year 2017-18.

C) **FOREIGN EXCHANGE EARNINGS & OUTGO**

a) **Activities related to exports**

Exports [FOB] during the year were ₹ 18,573 Crore.

b) **Total Foreign Exchange Used and Earned**

Foreign Exchange used ₹ 20,980 Crore (Excluding Dividend paid in Foreign Exchange).

Foreign Exchange Earned ₹ 18,573 Crore.

For and on behalf of the Board

Satish Pai
Managing Director
DIN:06646758

M.M. Bhagat
Independent Director
DIN:00006245

Mumbai
Dated : July 11, 2018

Annexure-III

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

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

Sr. No.	Name of Director/KMP and Designation	Remuneration* of Director/KMP for financial year 2017-18 (₹ in Lakhs)	% increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director/to median remuneration of employees
1	Kumar Mangalam Birla	517.02	(15.84)	95.57
2	Rajashree Birla	6.16	(27.27)	1.14
3	A.K.Agarwala	8.77	(2.99)	1.62
4	M.M. Bhagat	14.32	(0.49)	2.65
5	Y.P. Dandiwala	12.12	7.73	2.24
6	K.N. Bhandari	15.05	(1.31)	2.78
7	Jagdish Khattar	5.48	(29.11)	1.01
8	Ram Charan	6.73	168.13	1.24
9	D.Bhattacharya^	7.51	^	1.39
10	Girish Dave	6.84	34.12	1.26
11	Satish Pai	2097.25	19.75	387.66
12	Praveen Kumar Maheshwari	408.48	11.00	75.50
13	Anil Malik	129.00	13.16	23.84

* Remuneration includes commission payable to Non Executive Directors for the year ended 31st March, 2018 which is subject to the approval of the members of the Company. Sitting fees paid to Directors is excluded.

^ Mr. D. Bhattacharya was Managing Director till 31st July, 2016 and then was inducted as Non-Executive Director. Hence his remuneration of FY 2016-17 and FY 2017-18 is not comparable. In addition to the above, he was paid ₹ 2.91 Crore as a performance linked incentive for the period April 2016 to July 2016 as the Managing Director. At the time of retirement, the Board had approved pension of ₹ 0.335 Crore per month, hence he has been paid ₹ 4.02 Crore as pension for his past services as the Managing Director.

ii. The median remuneration of employees of the Company during the financial year was ₹ 5.41 Lacs.

iii. In the financial year, there was an increase of 7.98% in the median remuneration of employees.

iv. There were around 23,555 permanent employees on the rolls of Company as on 31st March, 2018.

v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 10.7% whereas the increase in the managerial remuneration for the same financial year was 18.25%. For the purpose of managerial personnel, Managing Director and Whole time Director are considered.

vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company.

For and on behalf of the Board

Satish Pai
Managing Director
DIN:06646758

M.M. Bhagat
Independent Director
DIN:00006245

Mumbai
Dated : July 11, 2018

Annexure-IV

Hindalco Industries Limited ("the Company") an Aditya Birla Group Company adopts this Executive Remuneration Philosophy/Policy. This philosophy/policy is detailed below:

Executive Remuneration Philosophy/Policy

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

Our business and organizational model

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

I. Objectives of the Executive Remuneration Program

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

Our executive remuneration program is intended to:

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

II. Covered Executives

Our Executive Remuneration Philosophy/Policy applies to the following:

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

III. Business and Talent Competitors

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

IV. Executive Pay Positioning

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

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

V. Executive Pay-Mix

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

Annual Incentive Plan:

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

Long-Term Incentive:

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

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

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

VI. Performance Goal Setting

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

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

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

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

VII. Executive Benefits and Perquisites

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

Other Remuneration Elements

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

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

Risk and Compliance

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

Claw back Clause

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

Implementation

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

Annexure-V

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2018

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
Hindalco Industries Limited
Ahura Centre, 1st Floor, B Wing
82, Mahakali Caves Road, Andheri (E)
Mumbai: 400093

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HINDALCO INDUSTRIES LIMITED having CIN No. L27020MH1958PLC011238 (hereinafter called the 'Company') for the audit period covering the financial year ended on 31st March, 2018 (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; We hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;

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

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

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

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

   (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; and

   (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Other laws specifically applicable to the Company are:

   (a) The Mines Act, 1952; and

   (b) The Mines and Minerals (Regulation and Development) Act, 1957.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India during the audit period.

During the audit period, the Company has complied with the provisions of the Acts, Rules, Regulations and Bye-laws mentioned above.

During the period under review, provisions of the following regulations were not applicable to the Company:

(i) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

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

(v) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment.

We further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors that took place during the audit period.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for one Board Meeting where consent for shorter notice was obtained from majority of the directors. System exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no specific event/action has occurred during the year which has a major bearing on the Company's affairs.

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

B. Narasimhan
Partner
FCS 1303/CP No. 10440

Place : Mumbai
Date : May 16, 2018

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure-A

To,
The Members,
Hindalco Industries Limited
Secretarial Audit Report of even date is to be read along with this letter.

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

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

B. Narasimhan
Partner
FCS 1303/CP No. 10440

Place : Mumbai
Date : May 16, 2018

Annexure-VI

ANNUAL REPORT ON CSR ACTIVITIES

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs	:	To actively contribute to the social and economic development of the communities and built a better sustainable way of life for weaker sections of society. The projects which are identified includes Education, Health Care, Sustainable Livelihood, Infrastructure Development and Social Change. The Company's CSR policy is available on the Company's website viz. www.hindalco.com
2	Composition of the CSR Committee	:	Mrs. Rajashree Birla, Chairperson Mr. Askaran Agarwala, Member Mr. Satish Pai, Member Mr. D. Bhattacharya, Member *Mr. Y. P. Dandiwala Dr. Pragnya Ram, Group Executive President, Corporate Communication & CSR, Permanent Invitee
3	Average net profit of the company for last three financial years	:	₹ 1,335 Crore
4	Prescribed CSR Expenditure (two percent of the amount as in Item 3 above)	:	₹ 26.70 Crore
5	Details of CSR spent during the financial year:		
	Total amount spent for the financial year 2017-18	:	₹ 31.09 Crore
	Amount unspent(as against amount mentioned at point 4 above)	:	Nil
	Manner in which the amount spent during the financial year	:	Details Given Below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	**CSR Projects/Activities Identified**	**Sector in which the project is covered**	**Projects/Programmes:** **(1) Local Area/Others** **(2) The States/District where the project undertaken**	**Amount Outlay (Budget) Project/ Programme wise (₹ in Lakhs)**	**Amount Spent on the Project/ Programmes (₹ in Lakhs)**	**Cumulative Expenditure up to reporting period (₹/in Lakhs)**	**Amount Spent: Direct or through implementing agency****
1	**Preschool education** Balwadies/play schools/crèches; Strengthening Anganwadis	Education	Sonbhadra (UP); Singrauli (MP); Howrah (WB); Lohardaga, Gumla&Latehar (Jharkhand); Balrampur (Chhattisgarh); Belagavi (Karnataka) and Kolhapur (Maharastra)	12.00	14.15	14.15	Direct/HJST
2	**School Education Program** Enrolment awareness programmes/ events; Formal schools; Education Material (Study materials, Uniform, Books etc.); Scholarship (Merit and Need based assistance) School competitions/Best teacher award; Cultural events Quality of Education (support teachers, Improve education methods); Specialised Coaching; Exposure visits/awareness Formal schools inside campus (Company Schools) Support to Midday Meal Project	Education	Ranchi, Daltanganj, Hazaribaug, Lohardaga, Gumla&Latehar (Jharkhand); Sonbhadra (UP); Singrauli (MP); Howrah (WB); Balrampur (Chhattisgarh); Belgavi (Karnataka); Sangareddy (Telengana) and Kolhapur (Maharastra)	1090.00	1235.22	1235.22	Direct/HJST
3	**Education support programs** Knowledge Centre/Library; Adult/ Non Formal Education; Celebration of National days; Computer education; Reducing drop out and Continuing Education; Kasturba Gandhi BalikaVidyalaya; Career counselling	Education	Kolhapur (Maharashtra); Lohardaga, Gumla&Latehar (Jharkhand); Sonbhadra (UP); Singrauli (MP); Howrah (WB); Belagavi (Karnataka); and Bharuch (Gujarat)	40.00	43.80	43.80	Direct
4	**Vocational and Technical Education** Strengthening ITI's; Skill Based Individual training Programmes	Education	Ranchi, Hazaribaug, Daltanganj (Jharkhand); Sonbhadra (UP); Belagavi (Karnataka); Raigarh (Chhattisgarh); Bharuch (Gujarat) and Nagpur, Raigarh (Maharastra);	35.00	45.66	45.66	Direct
5	**School Infrastructure** New School Building Construction; Renovation and Maintenance of School buildings; School Sanitation & drinking Water; School Furniture & Fixtures	Education	Belagavi (Karnataka); Raigarh (Chhattisgarh); Howrah (WB); Sonbhadra (UP) and Singrauli (MP); Ranchi, Lohardaga (Jharkhand) and Kolhapur & Raigarh (Maharastra)	146.00	153.74	153.74	Direct

* Inducted as a Member of the Committee in the meeting of the Board of Directors held on May 16, 2018.

** HJST- Hindalco Jana Seva Trust is the implementing agency in some of our projects, registered under Trust Act.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	**CSR Projects/Activities Identified**	**Sector in which the project is covered**	**Projects/Programmes:** **(1) Local Area/Others** **(2) The States/District where the project undertaken**	**Amount Outlay (Budget) Project/ Programme wise (₹ in Lakhs)**	**Amount Spent on the Project/ Programmes (₹ in Lakhs)**	**Cumulative Expenditure up to reporting period (₹/in Lakhs)**	**Amount Spent: Direct or through implementing agency****
6	**Preventive Health Care** Immunization; Pulse Polio Programme; Health Check up camps; Mobile Dispensary; Malaria/Diarrhoea Control Programme; School Health Check ups; Yoga and fitness classes	Health Care	Ranchi, Daltanganj, Hazaribaug, Lohardaga, Gumla&Latehar (Jharkhand); Sonbhadra (UP); Singrauli(MP); Howrah (WB); Raigarh&Balrampur (Chhattisgarh; Belagavi (Karnataka); Ernakulum (Kerala); Bharuch (Gujarat); Kolhapur & Nagpur (Maharashtra) and Sangareddy (Telangana)	90.00	105.36	105.36	Direct/HJST
7	**Curative Health Care program** Hospitals/Dispensaries/Clinics; General Health Check up camps; Specialised Health Camps; Eye Camps; Surgical Camps; Tuberculosis	Health Care	Ranchi, Daltanganj, Hazaribaug, Lohardaga, Gumla&Latehar (Jharkhand); Sonbhadra (UP); Singrauli (MP); Howrah (WB); Balrampur (Chhattisgarh); Belagavi (Karnataka); Kolhapur and Raigad (Maharashtra)	185.00	220.37	220.37	Direct/HJST
8	**Reproductive and Child Health** Mother and Child Care; Adolescent Health Care; Infant and Child Health; Support to Family Planning programmes; Nutritional Programmes for mother and Child	Health Care	Daltanganj, Hazaribaug, Lohardaga, Gumla&Latehar (Jharkhand); Sonbhadra (UP); Singrauli(MP); Howrah (WB); Balrampur (Chhattisgarh); Belagavi (Karnataka) and Kolhapur & Raigad (Maharashtra)	30.00	36.71	36.71	Direct
9	**Quality/Support Program** Referral services; Treatment of BPL, Old age and Needy patients; HIV-AIDS Awareness; RTI/STD Awareness; Support to differently abled; Ambulance Services; Blood Donations/Grouping	Health Care	Belagavi (Karnataka); Kolhapur (Maharashtra); Sonbhadra (UP); Singrauli (MP); Howrah (WB) and Lohardaga (Jharkhand);	30.00	34.18	34.18	Direct/HJST
10	**Health Infrastructure** Renovation of Health centres; Village/ Community Sanitations; Individual Toilets; Repair and installation of new drinking water sources; Water purifications.	Health Care	Singrauli (MP); Sonbhadra (UP); Balarampur (Chhattisgarh); Lohardaga (Jharkhand); Kolhapur (Maharashtra); Belagavi (Karnataka); and Howrah (West Bengal)	190.00	224.82	224.82	Direct/HJST
11	**Agriculture and Farm Based** Agriculture and Horticulture trainings; Transfer of technology; Support to Demonstration Plots; Agricultural implements and inputs; Exposure Visits; Integrated Agriculture/ Horticulture programmes; Soil Health and Organic farming.	Environment and Sustainable Livelihood	Lohardaga, Hazaribauh&Daltanganj (Jharkhand); Balarampur (Chhattisgarh); Sonbhadra (UP); Singrauli (MP) and Kolhapur & Raigarh (Maharastra)	42.00	52.13	52.13	Direct/HJST
12	**Animal Husbandry** Animal Vaccination and Treatment; Breed improvement; Milk productivity improvement programmes and Trainings	Environment and Sustainable Livelihood	Nagpur,Kolhapur(Maharashtra); Sonbhadra(UP); Singrauli (MP); Lohardaga (Jharkhand) and Balarampur (Chhattisgarh)	6.00	8.70	8.70	Direct
13	**Non farm& Skills Based Income generation Program** Capacity Building Programmes; Rural enterprise Development and Income Generation programme (IGP) support; Support to SHGs for IGP	Environment and Sustainable Livelihood	Lohardaga, Gumla&Latehar (Jharkhand); Sonbhadra(UP); Singrauli(MP); Raigarh, Balarampur (Chhattisgarh); Belagavi (Karnataka); Nagpur and Kolhapur (Maharashtra)	52.00	58.27	58.27	Direct/HJST
14	**Natural Resource conservation programs & Non-conventional Energy** Bio gas support Programme; Solar Energy Support; Other energy efficient supports; Plantations; Soil Conservation; Land development; Water Conservation and harvesting structures; Development of Common pasture land	Environment and Sustainable Livelihood	Lohardaga (Jharkhand); Sonbhadra (UP); Singrauli (MP); Raigarh&Balrampur (Chhattisgarh); Kolhapur and Nagpur (Maharashtra); Belagavi(Karnataka) and Ernakulum (Kerala)	153.00	197.97	197.97	Direct/HJST
15	**Livelihood Infrastructure** Construction of Check Dams; Lift Irrigation	Environment & Sustainable Livelihood	Howrah(WB);Lohardaga, (Jharkha nd);Sonbhadra(UP);Singrauli(MP) and Bharuch(Gujarat)	32.00	36.53	36.53	Direct
16	**Rural Infrastructure development:** Construction and Repair of Community Infrastructures:	Rural Development projects	Balarampur, Raigarh(Chhattisgarh); Howrah(WB); Lohardaga, (Jharkhand); Sonbhadra(UP) and Singrauli (MP) and Kolhapur (Maharashtra);	210.00	291.91	291.91	Direct

** HJST- Hindalco Jana Seva Trust is the implementing agency in some of our projects, registered under Trust Act.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	**CSR Projects/Activities Identified**	**Sector in which the project is covered**	**Projects/Programmes:** **(1) Local Area/Others** **(2) The States/District where the project undertaken**	**Amount Outlay (Budget) Project/ Programme wise (₹ in Lakhs)**	**Amount Spent on the Project/ Programmes (₹ in Lakhs)**	**Cumulative Expenditure up to reporting period (₹/in Lakhs)**	**Amount Spent: Direct or through implementing agency****
17	**Institutional building & strengthening** Strengthening and Formation of Community Based Organisations/SHGs	Social Empowerment	Balarampur (Chhattisgarh); Howrah (WB); Lohardaga (Jharkhand); Sonbhadra (UP) and Singrauli (MP) and Belgavi (Karnataka)	22.00	26.40	26.40	Direct/HJST
18	**Support to development organizations** Support to Old age Homes; Orphanages etc.	Social Empowerment	Kolhapur (Maharashtra); Lohardaga (Jharkhand); Sonbhadra (UP) and Singrauli (MP)	2.00	2.43	2.43	Direct/HJST
19	**Social Security** Support to Old age, Widow, physically Challenged Persons/poor	Social Empowerment	Ranchi, Hazaribaug, Daltanganj & Lohardaga (Jharkhand); Howrah (WB); Sonbhadra (UP); Singrauli (MP); Raigarh (Chhattisgarh); Kolhapur (Maharastra) and Belagavi (Karnataka)	33.00	35.24	35.24	Direct
20	**Awareness programmes** Community Awareness programmes/ Campaign against social abuse, early marriages, HIV prevention etc.	Social Empowerment	Bharuch(Gujarat); Kolhapur, Raigarh (Maharastra); Hazaribaug, Daltanganj (Jharkhand); Singrauli (MP); Sonbhadra (UP) and Howrah (WB)	13.00	19.08	19.08	Direct
21	**Social Events to minimise causes of poverty** Support to mass marriages, widow remarriages; National days celebrations; Support with basic amenities	Social Empowerment	Kolhapur (Maharashtra); Balarampur (Chhattisgarh); Ranchi, Lohardaga (Jharkhand) & Singrauli (MP); Howrah (WB) and Sonbhadra (UP)	15.00	17.68	17.68	Direct/HJST
22	**Protection and promotion of heritage/ culture/Sports** Support to rural cultural programmes, Festivals & Melas	Promotion of heritage/Art and culture/ sports	Belagavi (Karnataka); Kolhapur (Maharashtra) and Bharuch (Gujarat); Singrauli (MP); Sonbhadra (UP); Lohardaga (Jharkhand); Balrampur (Chhattisgarh) and Howrah (WB)	52.00	56.66	56.66	Direct/HJST
23	**Overheads**			190.00	192.44	192.44	Direct
24	**Total (₹ in Lakhs)**			**2670.00**	**3109.45**	**3109.45**	

** HJST- Hindalco Jana Seva Trust is the implementing agency in some of our projects, registered under Trust Act.

6. Reason for not spending two percent of the average net profit of the last three financial years on CSR:

Not Applicable

RESPONSIBILITY STATEMENT

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company.

Mr. Satish Pai
Managing Director
(DIN:06646758)

Mrs. Rajashree Birla
Chairperson, CSR Committee
(DIN:00022995)

Date: May 7th, 2018

This report was approved by the Corporate Social Responsibility Committee in the meeting held on May 7th, 2018.

Annexure-VII

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH, 2018

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

I. REGISTRATION & OTHER DETAILS:

1	Corporate Identification Number (CIN) of the company	L27020MH1958PLC011238
2	Registration Date	15th December, 1958
3	Name of the Company	Hindalco Industries Limited
4	Category/Sub-category of the Company	Public Limited-Limited by shares and having share capital
5	Address of the Registered office & contact details	Ahura Centre, 1st Floor, 'B' Wing, Mahakali Caves Road Andheri (East), Mumbai-400 093 Tel: (91-22) 6691 7000 Fax: (91-22) 6691 7001
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	In House Share Transfer Agent Ahura Centre, 1st Floor, 'B' Wing, Mahakali Caves Road Mumbai, 400 093 Contact No: 022 6691 7001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Aluminium and Aluminium Products	24202	44.52%
2	Copper and Copper Products	24201	41.85%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	Hindalco Guinea SARL Republic of Guinea, Conakry, Dixinn, Diariou Diallo Building, 5th Floor	NA	Subsidiary	100.00%	2(87)(ii)
2	Minerals & Minerals Limited C/o Hindalco Complex, Court Road, Lohardaga, Jharkhand 835302	U26990JH1970PLC000875	Subsidiary	100.00%	2(87)(ii)
3	Utkal Alumina International Limited J-6 Jayadev Vihar, Bhubaneswar, Odisha 751013	U13203OR1993PLC003416	Subsidiary	100.00%	2(87)(ii)
4*	Utkal Alumina Technical and General Services Limited J-6 Jayadev Vihar, Bhubaneswar, Odisha 751013	U93090OR2013PLC017341	Subsidiary	100.00%	2(87)(ii)
5	Suvas Holdings Limited Chandermukhi Building, Nariman Point, Mumbai 400021	U40300MH2000PLC128785	Subsidiary	51.00%	2(87)(ii)
6	Renukeshwar Investments and Finance Limited C/o Hindalco Industries Ltd, P.O. Renukoot Sonbhadra, Uttar Pradesh 231217	U65910UP1994PLC017080	Subsidiary	100.00%	2(87)(ii)
7	Renuka Investments and Finance Limited C/o Hindalco Industries Ltd, P.O. Renukoot Sonbhadra, Uttar Pradesh 231217	U65910UP1994PLC017081	Subsidiary	100.00%	2(87)(ii)
8	Dahej Harbour and Infrastructure Limited Dist: Bharuch, Gujarat 392130	U45201GJ1998PLC035047	Subsidiary	100.00%	2(87)(ii)
9	Lucknow Finance Company Limited C/o Hindalco Industries Ltd, P.O. Renukoot Sonbhadra, Uttar Pradesh 231217	U65992UP1989PLC010802	Subsidiary	100.00%	2(87)(ii)
10	Hindalco-Almex Aerospace Limited Ahura Centre, 1st Floor, B Wing Mahakali Caves Road, Andheri (East) Mumbai 400093	U27203MH2007PLC166651	Subsidiary	97.18%	2(87)(ii)
11**	Hindalco do Brasil Industria e Comercio de Alumina Ltda Ouro Preto, State of Minas Gerais, at Avenida Américo René Gianetti, s/n, Saramenha, ZIP Code 35400-000	NA	Subsidiary	100.00%	2(87)(ii)
12	Tubed Coal Mines Limited Ahura Centre, 1st Floor, B Wing, Mahakali Caves Road, Mumbai 400093	U10100MH2007PLC174466	Subsidiary	60.00%	2(87)(ii)
13	East Coast Bauxite Mining Company Private Limited J-6 Jayadev Vihar, Bhubaneswar, Odisha 751013	U13203OR2007PTC009597	Subsidiary	74.00%	2(87)(ii)
14	Mauda Energy Limited Ahura Centre,1st Floor, B Wing Mahakali Caves Road, Andheri (East) Mumbai 400093	U40103MH2009PLC196230	Subsidiary	100.00%	2(87)(ii)
15	A V Minerals (Netherlands) N.V. Amerika Building, Hoogoorddreef 15, 1101 BA Amsterdam (Netherlands)	NA	Subsidiary	100.00%	2(87)(ii)
16**	A V Metals Inc. 79 Wellington Street West, Suite 3000, Toronto, Ontario, Canada M5K 1N2	NA	Subsidiary	100.00%	2(87)(ii)
17*#	Novelis Inc. 231 Church Street, Mississauga, Ontario L5M 1N1, Canada	NA	Subsidiary	100.00%	2(87)(ii)
18##	Novelis (India) Infotech Ltd. Ahura Centre,1st Floor, B Wing Mahakali Caves Road, Andheri (East) Mumbai 400093	U75502MH2008FLC178655	Subsidiary	100.00%	2(87)(ii)

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
19##	4260848 Canada Inc. 231 Church Street, Mississauga, Ontario L5M 1N1, Canada	NA	Subsidiary	100.00%	2(87)(ii)
20##	4260856 Canada Inc. 231 Church Street, Mississauga, Ontario L5M 1N1, Canada	NA	Subsidiary	100.00%	2(87)(ii)
21##	8018227 Canada Inc. 231 Church Street, Mississauga, Ontario L5M 1N1, Canada	NA	Subsidiary	100.00%	2(87)(ii)
22##	Novelis Corporation (Texas) 211 E. 7th Street, Suite 620, Austin, 78701-3218, USA	NA	Subsidiary	100.00%	2(87)(ii)
23##	Logan Aluminium Inc. (Delaware) c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808 USA	NA	Subsidiary	40.00%	2(87)(ii)
24##	Novelis Acquisitions LLC c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808 USA	NA	Subsidiary	100.00%	2(87)(ii)
25##	Novelis Holdings Inc c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808 USA	NA	Subsidiary	100.00%	2(87)(ii)
26##	Novelis South America Holdings LLC c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	NA	Subsidiary	100.00%	2(87)(ii)
27##	Novelis do Brasil Ltda Av.Das Nacoes Unidas, 12.551- 14th and 15th floor, Torre Empresarial World Trade Centre, Brooklin Novo, Cep-04578-000, Brazil	NA	Subsidiary	100.00%	2(87)(ii)
28##	Novelis Lamines France SAS Rue Blaise Pascal, Technopolis, Batiment E, 28000 Chartres, France	NA	Subsidiary	100.00%	2(87)(ii)
29##	Novelis PAE SAS 725 rue Aristide Berges, Voreppe 38340, France	NA	Subsidiary	100.00%	2(87)(ii)
30##	Novelis Aluminium Beteiligungs GmbH Hannoversche Strasse 1, Gottingen, 37075, Germany	NA	Subsidiary	100.00%	2(87)(ii)
31##	Novelis Deutschland GmbH Hannoversche Strasse 1, Gottingen 37075, Germany	NA	Subsidiary	100.00%	2(87)(ii)
32##	Novelis Sheet Ingot GmbH (Germany) Hannoverschestrasse 1, Göttingen 37075, Germany	NA	Subsidiary	100.00%	2(87)(ii)
33##	Novelis Aluminium Holding Company 25/28 North Wall Quay, Dublin 1, Ireland	NA	Subsidiary	100.00%	2(87)(ii)
34##	Novelis Italia SpA Via Vittorio Veneto No. 106, Bresso, Milan, Italy	NA	Subsidiary	100.00%	2(87)(ii)
35##	Novelis de Mexico SA de CV Integra Servicios Integrales de Negocios, S.C., Calle Lazaro Cardenas No. 206, Colonia Leones, Monterrey, Nuevo Leon, C.P., 64600, Mexico	NA	Subsidiary	100.00%	2(87)(ii)
36##	Novelis Korea Limited 250 Jeokseo-Dong, Yeongju-City, Kyungsangbuk-Do, Korea	NA	Subsidiary	100.00%	2(87)(ii)
37##	Novelis AG (Switzerland) Sternenfeldstr. 19, Kusnacht, CH-8700, Switzerland	NA	Subsidiary	100.00%	2(87)(ii)
38##	Novelis Switzerland SA Route des Laminoirs 15, Sierre, 3960 Switzerland	NA	Subsidiary	100.00%	2(87)(ii)
39##	Novelis UK Ltd. Latchford Lock Works, Thelwall Lane, Warrington, Cheshire, WA4 1NN, UK	NA	Subsidiary	100.00%	2(87)(ii)
40##	Novelis Europe Holdings Limited Latchford Lock Works, Thelwall Lane, Warrington, Cheshire, WA4 1NN, UK	NA	Subsidiary	100.00%	2(87)(ii)
41##	Novelis Services Limited Latchford Lock Works, Thelwall Lane, Warrington, Cheshire, WA4 1NN, UK	NA	Subsidiary	100.00%	2(87)(ii)
42##	Novelis (Shanghai) Aluminium Trading Company Ltd Room 17T23, Shanghai World Financial Center, 100 Century Avenue, Pudong New Area, Shanghai, China	NA	Subsidiary	100.00%	2(87)(ii)
43##	Novelis (China) Aluminium Products Co. Ltd. No.19 Xingtang Road, Xin Bei District, Changzhou City, Jiangsu Province, China	NA	Subsidiary	100.00%	2(87)(ii)
44##	Novelis MEA Ltd (Dubai) Offi ce No. 902, Level 9, Al Fattan Currency House, Tower, Dubai International Financial Centre, Dubai, UAE	NA	Subsidiary	100.00%	2(87)(ii)

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
45[##]	Novelis Vietnam Company Limited No. 3 VSIP II-A, Street No. 19, Vietnam-Singapore Indusrtial Park II-A, Tan Uyen District, Binh Duong Province, Vietnam	NA	Subsidiary	100.00%	2(87)(ii)
46[##]	Brecha Energetica Ltda Fazenda Usina Da Brecha, S/n, Município de Guaraciaba, Estado de Minas Gerais, CEP 35436-000- Brazil	NA	Subsidiary	100.00%	2(87)(ii)
47[##]	Novelis Services (North America) Inc c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808 USA	NA	Subsidiary	100.00%	2(87)(ii)
48[##]	Novelis Global Employment Organization Inc. c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808 USA	NA	Subsidiary	100.00%	2(87)(ii)
49[##]	Ulsan Alumnium Company 393 Budu-ro, Namgu, Ulsan Korea	NA	Subsidiary		
50	Aluminium Norf GMBH Koblenzer Strasse 120, Neuss - Stuttgen, D-41468, Germany	NA	Associate	50.00%	2(6)
51	Deutsche Aluminium Verpackung Recycling GMBH Postfach 10 06 64, 41490 Grevenbroich/Aluminiumstr, Grevenbroich 41515, Germany	NA	Associate	30.00%	2(6)
52	France Aluminium Recyclage SA Rhenane Nord- RD52, Biesheim 68600, France	NA	Associate	20.00%	2(6)
53	Aditya Birla Science and Technology Company Private Limited Aditya Birla Centre, C Wing, 1st Floor, S.K. Ahire Marg, Worli, Mumbai 400030	U74200MH2006PTC158951	Associate	49.00%	2(6)
54[$]	Idea Cellular Limited Suman Tower, Plot No 18, Sector 11, Gandhinagar, Gujarat 382011	L32100GJ1996PLC030976C	Associate	6.35%	2(6)

[*] 100% Subsidiary of Utkal Alumina International Limited.
[**] 100% subsidiary of A V Minerals (Netherlands) N.V.
[*#] 100% subsidiary of A V Metals Inc.
[##] Subsidiaries of Novelis Inc.
[$] No significant influence as on 31st March, 2018

IV. SHARE HOLDING PATTERN

Category of Shareholders	No. of Shares held at the end of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2,398,696	-	2,398,696	0.11	2,398,696	-	2,398,696	0.11	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	745,082,362	-	745,082,362	33.21	745,082,362	-	745,082,362	33.19	(0.02)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	16,316,130	-	16,316,130	0.73	16,316,130	-	16,316,130	0.73	0.00
Sub Total (A) (1)	763,797,188	-	763,797,188	34.05	763,797,188	-	763,797,188	34.02	(0.02)
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	**763,797,188**	**-**	**763,797,188**	**34.05**	**763,797,188**	**-**	**763,797,188**	**34.02**	**(0.02)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	169,593,854	22,570	169,616,424	7.56	248,857,314	15,420	248,872,734	11.09	3.52
b) Banks / FI	1,647,462	60,460	1,707,922	0.08	4,861,440	48,550	4,909,990	0.22	0.14
c) Central Govt/ State Govt	58,040	287,480	345,520	0.02	58,040	287,480	345,520	0.22	0.20
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	227,048,668	6,080	227,054,748	10.12	175,224,777	6,080	175,230,857	7.81	(2.32)
f) FIIs	617,018,187	23,740	617,041,927	27.51	630,630,488	5,820	630,636,308	28.09	0.58
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**1,015,366,211**	**400,330**	**1,015,766,541**	**45.28**	**1,059,632,059**	**363,350**	**1,059,995,409**	**47.22**	**1.94**

Category of Shareholders	No. of Shares held at the end of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	105241807	263,103	105,504,910	4.70	86,419,731	186,204	86,605,935	3.86	(0.84)
ii) Overseas	-	32554920	32,554,920	1.45	10010	32,554,840	32,564,850	1.45	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	116858185	11,510,462	128,368,647	5.72	105,872,937	9,609,127	115,482,064	5.14	(0.58)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	15729491	666,061	16,395,552	0.73	13,241,255	666,061	13,907,316	0.62	(0.11)
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	5767305	1,703,116	7,470,421	0.33	5,599,260	1,508,330	7,107,590	0.32	(0.01)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	14776383	-	14,776,383	0.66	8,663,814	-	8,663,814	0.39	(0.27)
Trusts	5672633	-	5,672,633	0.25	4,996,937	-	4,996,937	0.22	(0.03)
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**264,045,804**	**46,697,662**	**310,743,466**	**13.85**	**224,803,944**	**44,524,562**	**269,328,506**	**12.00**	**(1.85)**
Total Public (B)	**1,279,412,015**	**47,097,992**	**1,326,510,007**	**59.13**	**1,284,436,003**	**44,887,912**	**1,329,323,915**	**59.21**	**0.08**
C. **Shares held by Custodian for GDRs & ADRs**									
Shares held by Custodian	138,376,756	27,830	138404586	6.17	137,278,490	21,000	137,299,490	6.12	(0.05)
Shares Held by Promoters	14,542,309	-	14,542,309	0.65	14,542,309	-	14,542,309	0.65	-
Sub Total (C)	**152,919,065**	**27,830**	**152,946,895**	**6.82**	**151,820,799**	**21,000**	**151,841,799**	**6.76**	**(0.06)**
Grand Total (A+B+C)	**2,196,128,268**	**47,125,822**	**2,243,254,090**	**100.00**	**2,200,053,990**	**44,908,912**	**2,244,962,902**	**100.00**	**-**

(ii) Shareholding of Promoter

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	IGH Holdings Private Limited	349,963,487	15.60	0.00	349,963,487	15.59	0.00	0.00
2	Turquoise Investments and Finance Private Limited	124,012,468	5.53	0.00	124,012,468	5.52	0.00	0.00
3	Trapti Trading & Investments Pvt Ltd	93,063,124	4.15	0.00	93,063,124	4.15	0.00	0.00
4	Grasim Industries Ltd	54,542,475	2.43	0.00	88,048,812	3.92	0.00	0.00
5**	Aditya Birla Nuvo Limited	33,506,337	1.49	0.00	0	0.00	0.00	0.00
6	Pilani Investment & Ind. Corp. Ltd.	29,185,398	1.30	0.00	29,185,398	1.30	0.00	0.00
7	Umang Commercial Company Limited	27,330,360	1.22	0.00	27,330,360	1.22	0.00	0.00
8	Birla Institute of Technology and Science	21,583,090	0.96	0.00	21,583,090	0.96	0.00	0.00
9	Trustee Holding Shares Under the Scheme of Merger of HIL/IGCL/IGFL on Behalf of Hindalco	16,316,130	0.73	0.00	16,316,130	0.73	0.00	0.00
10	Birla Group Holdings Private Limited	6,731,467	0.30	0.00	6,731,467	0.30	0.00	0.00
11	Kumar Mangalam Birla	865,740	0.04	0.00	865,740	0.04	0.00	0.00
12	Manav Investment & Trading Co. Ltd.	672,571	0.03	100	672,571	0.03	100	0.00
13	Aditya Vikram Kumar Mangalam Birla Huf	648,632	0.03	0.00	648,632	0.03	0.00	0.00
14	Rajashree Birla	612,470	0.03	0.00	612,470	0.03	0.00	0.00
15	TGS Investment And Trade Private Limited	4,485,249	0.20	0.00	4,485,249	0.20	0.00	0.00
16	Vasavadatta Bajaj	121,319	0.01	0.00	121,319	0.01	0.00	0.00
17	Neerja Birla	114,640	0.01	0.00	114,640	0.01	0.00	0.00
18	Kumar Mangalam Birla F & N G of Ananyashree Birla	35,895	0.00	0.00	35,895	0.00	0.00	0.00
19	Global Holdings Private Limited	6,336	0.00	0.00	6,336	0.00	0.00	0.00
20 *	PT Indo Bharat Rayon	9,633,890	0.43	0.00	9,633,890	0.43	0.00	0.00
21 *	PT Sunrise Bumi Textile	3,004,167	0.13	0.00	3,004,167	0.13	0.00	0.00
22 *	PT Elegant Textile Industry	1,902,752	0.08	0.00	1,902,752	0.08	0.00	0.00
23 *	Surya Kiran Investments Pte Ltd.	1,500	0.00	0.00	1,500	0.00	0.00	0.00
	Total	**778,339,497**	**34.70**	**0.03**	**778,339,497**	**34.67**	**0.03**	**0.00**

* Includes 0.65 % shares held by GDR

**Aditya Birla Nuvo Limited (ABNL) got amalgamated with Grasim Industries Limited. Accordingly during the year under review shareholding of ABNL got transferred to Grasim Industries Ltd.

(iii) Change in Promoters' Shareholding - There is no change however refer second footnote to point no. (ii) on page 77

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	-	-	-	0.00	-	0.00
	Changes during the year	-	-	-	0.00	-	0.00
		-	-	-	0.00	-	0.00
		-	-	-	0.00	-	0.00
	At the end of the year	-	-	-	0.00	-	0.00

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

Sr. No.	Name	Shareholding		Cummulative shareholding during the year (01.04.2017 to 31.03.2018)				
		No. of shares at the begining (01/04/2017 end of year (31/03/2018)	% of the Total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares
1	LIFE INSURANCE CORPORATION OF INDIA	190142280	8.64%	07 April, 2017			190142280	8.64%
				05 May, 2017	-3082738	Sell	187059542	8.50%
				12 May, 2017	-1500000	Sell	185559542	8.43%
				19 May, 2017	-9744995	Sell	175814547	7.99%
				26 May, 2017	-4541495	Sell	171273052	7.78%
				02 June, 2017	-1130772	Sell	170142280	7.73%
				23 June, 2017	-1450900	Sell	168691380	7.67%
				30 June, 2017	-2141628	Sell	166549752	7.57%
				07 July, 2017	-9208272	Sell	157341480	7.15%
				14 July, 2017	-7199200	Sell	150142280	6.82%
				23 February, 2018	462500	Purchase	150604780	6.85%
		151468104	6.88%	02 March, 2018	863324	Purchase	151468104	6.88%
2	NOMURA INDIA INVESTMENT FUND MOTHER FUND	8721941	0.40%	07 April, 2017			8721941	0.40%
				14 April, 2017	1000000	Purchase	9721941	0.44%
				21 April, 2017	3904958	Purchase	13626899	0.62%
				28 April, 2017	1000000	Purchase	14626899	0.66%
				19 May, 2017	2000000	Purchase	16626899	0.76%
				26 May, 2017	4000000	Purchase	20626899	0.94%
				02 June, 2017	1000000	Purchase	21626899	0.98%
				23 June, 2017	1000000	Purchase	22626899	1.03%
				30 June, 2017	2000000	Purchase	24626899	1.12%
				14 July, 2017	500000	Purchase	25126899	1.14%
				21 July, 2017	1000000	Purchase	26126899	1.19%
				28 July, 2017	2000000	Purchase	28126899	1.28%
				04 August, 2017	1500000	Purchase	29626899	1.35%
				11 August, 2017	2000000	Purchase	31626899	1.44%
				18 August, 2017	1000000	Purchase	32626899	1.48%
				01 September, 2017	1000000	Purchase	33626899	1.53%
				30 September, 2017	2000000	Purchase	35626899	1.62%
		37397515	1.70%	09 March, 2018	1770616	Purchase	37397515	1.70%
3	ICICI PRUDENTIAL BALANCED FUND	9689830	0.44%	07 April, 2017			9689830	0.44%
				12 May, 2017	2508290	Purchase	12198120	0.55%
				26 May, 2017	2650000	Purchase	14848120	0.67%
				02 June, 2017	26745	Purchase	14874865	0.68%
				16 June, 2017	267121	Purchase	15141986	0.69%
				14 July, 2017	1395218	Purchase	16537204	0.75%
				28 July, 2017	2000000	Purchase	18537204	0.84%
				01 September, 2017	-3359564	Sell	15177640	0.69%
				30 September, 2017	-1802932	Sell	13374708	0.61%
				15 December, 2017	12917	Purchase	13387625	0.61%
				26 January, 2018	2472264	Purchase	15859889	0.72%
				02 February, 2018	-838481	Sell	15021408	0.68%
				09 February, 2018	2898421	Purchase	17919829	0.81%
				16 February, 2018	3120464	Purchase	21040293	0.96%
				23 February, 2018	2877845	Purchase	23918138	1.09%
				09 March, 2018	2343607	Purchase	26261745	1.19%
				16 March, 2018	3258259	Purchase	29520004	1.34%
				23 March, 2018	4785246	Purchase	34305250	1.56%
		36089768	1.64%	31 March, 2018	1784518	Purchase	36089768	1.64%

Sr. No.	Name	Shareholding		Cummulative shareholding during the year (01.04.2017 to 31.03.2018)				
		No. of shares at the begining (01/04/2017 end of year (31/03/2018)	% of the Total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares
4	GOVERNMENT OF SINGAPORE	22805097	1.04%	07 April, 2017			22805097	1.04%
				14 April, 2017	-856817	Sell	21948280	1.00%
				21 April, 2017	605970	Purchase	22554250	1.03%
				28 April, 2017	-5171	Sell	22549079	1.02%
				05 May, 2017	-302098	Sell	22246981	1.01%
				12 May, 2017	39859	Purchase	22286840	1.01%
				26 May, 2017	-13770	Sell	22273070	1.01%
				02 June, 2017	2031364	Purchase	24304434	1.10%
				09 June, 2017	19899	Purchase	24324333	1.11%
				23 June, 2017	-13007	Sell	24311326	1.11%
				07 July, 2017	141632	Purchase	24452958	1.11%
				18 August, 2017	-609724	Sell	23843234	1.08%
				01 September, 2017	-341214	Sell	23502020	1.07%
				06 September, 2017	-396737	Sell	23105283	1.05%
				08 September, 2017	-231582	Sell	22873701	1.04%
				22 September, 2017	-367005	Sell	22506696	1.02%
				30 September, 2017	-855883	Sell	21650813	0.98%
				06 October, 2017	86000	Purchase	21736813	0.99%
				03 November, 2017	141325	Purchase	21878138	0.99%
				10 November, 2017	-39859	Sell	21838279	0.99%
				17 November, 2017	-8525	Sell	21829754	0.99%
				01 December, 2017	-513820	Sell	21315934	0.97%
				08 December, 2017	-282025	Sell	21033909	0.96%
				15 December, 2017	596845	Purchase	21630754	0.98%
				22 December, 2017	511208	Purchase	22141962	1.01%
				05 January, 2018	407755	Purchase	22549717	1.02%
				19 January, 2018	336167	Purchase	22885884	1.04%
				26 January, 2018	219055	Purchase	23104939	1.05%
				02 February, 2018	92432	Purchase	23197371	1.05%
				09 February, 2018	-35236	Sell	23162135	1.05%
				23 February, 2018	-66688	Sell	23095447	1.05%
				02 March 2018	-413778	Sell	22681669	1.03%
				09 March, 2018	-302073	Sell	22379596	1.02%
		22864618	1.04%	31 March, 2018	485022	Purchase	22864618	1.04%
5	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	32192436	1.46%	07 April, 2017			32192436	1.46%
				14 April, 2017	-500000	Sell	31692436	1.44%
				21 April, 2017	-100000	Sell	31592436	1.44%
				05 May, 2017	-443000	Sell	31149436	1.42%
				12 May, 2017	200000	Purchase	31349436	1.42%
				19 May, 2017	-20794	Sell	31328642	1.42%
				26 May, 2017	-66840	Sell	31261802	1.42%
				02 June, 2017	-466000	Sell	30795802	1.40%
				23 June, 2017	-475000	Sell	30320802	1.38%
				30 June, 2017	22810	Purchase	30343612	1.38%
				07 July, 2017	-850000	Sell	29493612	1.34%
				14 July, 2017	-700000	Sell	28793612	1.31%
				21 July, 2017	313750	Purchase	29107362	1.32%
				28 July, 2017	220000	Purchase	29327362	1.33%
				04 August, 2017	-500000	Sell	28827362	1.31%
				11 August, 2017	-515820	Sell	28311542	1.29%
				18 August, 2017	-440000	Sell	27871542	1.27%
				25 August, 2017	-500000	Sell	27371542	1.24%
				01 September, 2017	-977970	Sell	26393572	1.20%
				06 September, 2017	-8282	Sell	26385290	1.20%
				15 September, 2017	-186777	Sell	26198513	1.19%
				22 September, 2017	800000	Purchase	26998513	1.23%
				30 September, 2017	750000	Purchase	27748513	1.26%

Sr. No.	Name	Shareholding		Cummulative shareholding during the year (01.04.2017 to 31.03.2018)				
		No. of shares at the begining (01/04/2017 end of year (31/03/2018)	% of the Total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares
				06 October, 2017	300000	Purchase	28048513	1.27%
				13 October, 2017	-411855	Sell	27636658	1.26%
				20 October, 2017	-300000	Sell	27336658	1.24%
				27 October, 2017	30000	Purchase	27366658	1.24%
				31 October, 2017	-154825	Sell	27211833	1.24%
				03 November, 2017	-1300000	Sell	25911833	1.18%
				10 November, 2017	-915000	Sell	24996833	1.14%
				17 November, 2017	150000	Purchase	25146833	1.14%
				24 November, 2017	-350000	Sell	24796833	1.13%
				01 December, 2017	150000	Purchase	24946833	1.13%
				15 December, 2017	34778	Purchase	24981611	1.14%
				29 December, 2017	25000	Purchase	25006611	1.14%
				05 January, 2018	486617	Purchase	25493228	1.16%
				12 January, 2018	194064	Purchase	25687292	1.17%
				19 January, 2018	-517521	Sell	25169771	1.14%
				26 January, 2018	277147	Purchase	25446918	1.16%
				02 February, 2018	-1200000	Sell	24246918	1.10%
				09 February, 2018	6854	Purchase	24253772	1.10%
				16 March, 2018	-810000	Sell	23443772	1.07%
				23 March, 2018	-463300	Sell	22980472	1.04%
		22780472	1.04%	31 March, 2018	-200000	Sell	22780472	1.04%
6	FRANKLIN TEMPLETON INVESTMENT FUNDS	231759	0.01%	07 April, 2017			231759	0.01%
				14 April, 2017	6236642	Purchase	6468401	0.29%
				21 April, 2017	546911	Purchase	7015312	0.32%
				28 April, 2017	1851060	Purchase	8866372	0.40%
				12 May, 2017	5748940	Purchase	14615312	0.66%
				23 June, 2017	9264	Purchase	14624576	0.66%
				30 September, 2017	1541000	Purchase	16165576	0.73%
				13 October, 2017	4164739	Purchase	20330315	0.92%
				20 October, 2017	12545	Purchase	20342860	0.92%
				17 November, 2017	187600	Purchase	20530460	0.93%
				24 November, 2017	2266	Purchase	20532726	0.93%
				01 December, 2017	936024	Purchase	21468750	0.98%
		21546804	0.98%	26 January, 2018	78054	Purchase	21546804	0.98%
7	ICICI PRUDENTIAL FOCUSED BLUECHIP EQUITY FUND	12769441	0.58%	07 April, 2017			12769441	0.58%
				30 June, 2017	1530937	Purchase	14300378	0.65%
				07 July, 2017	2532	Purchase	14302910	0.65%
				01 September, 2017	-2801761	Sell	11501149	0.52%
				08 December, 2017	1474109	Purchase	12975258	0.59%
				16 February, 2018	1000000	Purchase	13975258	0.64%
				09 March, 2018	2000000	Purchase	15975258	0.73%
		17165384	0.78%	23 March, 2018	1190126	Purchase	17165384	0.78%
8	EUROPACIFIC GROWTH FUND	0	0.00%	07 April, 2017	0			0.00%
				06 September, 2017	10568572	Purchase	10568572	0.48%
				08 September, 2017	2196295	Purchase	12764867	0.58%
		16253000	0.74%	15 September, 2017	3488133	Purchase	16253000	0.74%
9	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIO	0	0.00%	07 April, 2017	0			0.00%
				23 March, 2018	15733289	Purchase	15733289	0.72%
		15659639	0.71%	31 March, 2018	-73650	Sell	15659639	0.71%
10	SBI BLUE CHIP FUND	9770077	0.44%	07 April, 2017			9770077	0.44%
				28 April, 2017	574000	Purchase	10344077	0.47%
				05 May, 2017	1400000	Purchase	11744077	0.53%
				14 July, 2017	2000000	Purchase	13744077	0.62%
				06 October, 2017	890431	Purchase	14634508	0.67%
		15634508	0.71%	05 January, 2018	1000000	Purchase	15634508	0.71%

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name: Mr. Kumar Mangalam Birla						
	At the beginning of the year	4/1/2017		865,740	0.04%	*901,635	0.04%
	Changes during the year						
	At the end of the year	3/31/2018		*901,635	0.04%		
2	Name: Smt. Rajashree Birla						
	At the beginning of the year	4/1/2017		612,470	0.03%	612,470	0.03%
	Changes during the year						
	At the end of the year	3/31/2018		612,470	0.03%		
3	Name: Mr. A.K. Agarwala						
	At the beginning of the year	4/1/2017		116,148	0.01%	116,148	0.01%
	Changes during the year						
	At the end of the year	3/31/2018		116,148	0.01%		
4	Name: Mr. M.M. Bhagat						
	At the beginning of the year	4/1/2017		4,050	0.00%	4,050	0.00%
	Changes during the year		Market Purchase	50			
	At the end of the year	3/31/2018		4,100	0.00%		
5	Name: Mr. K.N. Bhandari						
	At the beginning of the year	4/1/2017		5,071	0.00%	5,071	0.00%
	Changes during the year						
	At the end of the year	3/31/2018		5,071	0.00%		
6	Name: Mr. Y.P. Dandiwala						
	At the beginning of the year	4/1/2017		206	0.00%	206	0.00%
	Changes during the year						
	At the end of the year	3/31/2018		206	0.00%		
7	Name: Mr. Ram Charan						
	At the beginning of the year	4/1/2017		-			
	Changes during the year						
	At the end of the year	3/31/2018		-			
8	Name: Mr. Jagdish Khattar						
	At the beginning of the year	4/1/2017		2,500	0.00%	2,500	0.00%
	Changes during the year						
	At the end of the year	3/31/2018		2,500	0.00%		
9	Name: Mr. D. Bhattacharya						
	At the beginning of the year	4/1/2017		417,525	0.02%	417,525	0.02%
	Changes during the year		Exercise of Stock Option		0.04%	1,047,680	0.05%
		FY 17-18	Market Sale			(100,000)	0.00%
	At the end of the year	3/31/2018				1,365,205	0.06%
10	Name: Mr. Satish Pai						
	At the beginning of the year	4/1/2017		30,000	0.00%	30,000	0.00%
	Changes during the year						
	At the end of the year	3/31/2018		30,000	0.00%		
11	Name: Mr. Girish Dave						
	At the beginning of the year	4/1/2017		-			
	Changes during the year						
	At the end of the year	3/31/2018		-			
12	Name: Mr. Praveen Kumar Maheshwari						
	At the beginning of the year	4/1/2017		-			
	Changes during the year						
	At the end of the year	3/31/2018		-			
13	Name: Mr. Anil Malik						
	At the beginning of the year	4/1/2017		8,627	0.00%	8,627	
	Changes during the year		Exercise of Stock Option	12,033	0.00%		
	At the end of the year	3/31/2018		20,660	0.00%		

* Including shares held as father and natural guardian of Ms. Ananyashree Birla. Additionally he holds 648,632 equity shares as a Karta of Aditya Vikram Kumar Mangalam Birla HUF.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	22,987.39	4,162.36	-	27,149.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	525.98	8.07	-	534.05
Total (i+ii+iii)	**23,513.37**	**4,170.43**	**-**	**27,683.80**
Change in Indebtedness during the financial year				
* Addition	-	7,777.23	-	7,777.23
* Reduction	(5,714.01)	(8,880.95)	-	(14,594.96)
*Net Change	(5,714.01)	(1,103.71)	-	(6,817.73)
Indebtedness at the end of the financial year				
i) Principal Amount	17,241.37	3,055.88	-	20,297.26
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	531.12	11.28	-	542.40
Total (i+ii+iii)	**17,772.50**	**3,067.16**	**-**	**20,839.66**

*including Exchange Rate Difference on Foreign Exchange Borrowings

Note:

1. Includes current maturities of long term loan
2. Includes Sales tax defferral
3. Cash Credit - Movement is not available, hence not considered for movement
4. Addition / Reduction excluding Interest payment
5. Includes finance leases as secured loans
6. Addition/Reduction does not include unamortized fees. However, the opening and closing Principal is after adjustment of unamortized expenses.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	**Mr. Satish Pai**	**Mr. Praveen Kumar Maheshwari**	
	Designation	**Managing Director**	**Whole time Director**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19.17	3.86	23.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.17	0.04	1.21
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	_	_	-
2	Stock Option	_	_	-
3	Sweat Equity	_	_	-
4	Commission	_	_	-
	- as % of profit	_	_	-
	- others, specify	_	_	-
5	Others- Employers Contribution to Provident Fund	0.62	0.11	0.73
	Employer Contribution to Superannuation Fund not included in perquisite	0.01	0.01	0.02
	Others including car operating expenses reimbursement	-	0.06	0.06
	Total (A)	**20.97**	**4.08**	**25.05**
	Ceiling as per the Act			**224.05**

B. Remuneration to other Directors

(₹ In Crore)

Sr. No.	Particulars of Remuneration	Name of Directors										Total Amount
		Mr. Kumar Mangalam Birla	**Smt. Rajashree Birla**	**Mr. A.K. Agarwala**	**Mr. D. Bhattacharya**	**Mr. M.M. Bhagat**	**Mr. K.N. Bhandari**	**Mr. Y.P. Dandiwala**	**Mr. Ram Charan**	**Mr. Jagdish Khattar**	**Mr. Girish Dave**	
1	Independent Directors											
	Fee for attending board committee meetings					0.06	0.05	0.04	0.02	0.02	0.03	0.22
	Commission					0.14	0.15	0.12	0.07	0.05	0.07	0.60
	Others, please specify											
	Total (1)					**0.20**	**0.20**	**0.16**	**0.09**	**0.07**	**0.10**	**0.82**
2	Other Non-Executive Directors											
	Fee for attending board committee meetings	0.03	0.02	0.05	0.04							0.14
	Commission	5.17	0.06	0.09	0.08							5.40
	Others, please specify											
	Total (2)	**5.20**	**0.08**	**0.14**	**0.12**							**5.54**
	Total (B)=(1+2)											**6.36**
	Total Managerial Remuneration (A+B)											31.41
	Overall Ceiling as per the Act											246.45

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

(₹ in Crore)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name	**Mr. Praveen Kumar Maheshwari**	**Mr. Anil Malik**	
1	Designation	CFO	CS	
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.86	1.09	4.95
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04	0.11	0.15
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–	
2	Stock Option	–	–	
3	Sweat Equity			
4	Commission	–	–	
	- as % of profit			
	- others, specify			
5	Others- Employers Contribution to Providend Fund	0.11	0.03	0.14
	Employers Contribution to Superannuation Fund not included in perquisite	0.01	0.02	0.03
	Others including car operating expenses reimbursement	0.06	0.04	0.10
	Total	**4.08**	**1.29**	**5.37**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

A. COMPANY

Penalty	There were no penalties/punishment/compounding of offences for year ended 31st March, 2018
Punishment	
Compounding	

B. DIRECTORS

Penalty	There were no penalties/punishment/compounding of offences for year ended 31st March, 2018
Punishment	
Compounding	

C. OTHER OFFICERS IN DEFAULT

Penalty	There were no penalties/punishment/compounding of offences for year ended 31st March, 2018
Punishment	
Compounding	

Annexure-VIII

Form AOC-1

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A" - Subsidiaries

Figures INR in Crore & Foreign Currency in Million

Sr. No.	Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debenture, Bonds & Others	Turnover/ Revenues	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend	% of Share Holding
1	Minerals and Minerals Limited	India	INR	0.05	6.96	19.97	12.96	-	43.32	7.20	1.89	5.31		100
2	Renuka Investments and Finance Limited	India	INR	9.25	168.89	178.79	0.65	171.13	10.06	9.75	1.49	8.26		100
3	Renukeshwar Investments and Finance Limted	India	INR	4.80	101.70	106.50	0.00	105.24	6.73	6.71	0.25	6.45		100
4	Suvas Holdings Limited	India	INR	13.31	(0.27)	35.59	22.55	0.00	0.05	(0.24)	0.01	(0.25)		51
5	Utkal Alumina International Limited	India	INR	6,251.48	(606.04)	8,424.25	2,778.80	0.00	2,884.11	579.51	18.22	561.29		100
6	Hindalco-Almex Aerospace Limited	India	INR	88.56	(8.80)	88.61	8.86	16.63	64.54	3.36	0.67	2.69		97.18
7	Lucknow Finance Company Limited	India	INR	9.90	9.28	20.12	0.94	10.41	2.83	1.79	0.20	1.59		100
8	Dahej Harbour and Infrastructure Limited	India	INR	50.00	49.10	115.24	16.14	49.14	82.34	52.49	12.56	39.93		100
9	East Coast Bauxite Mining Co.Pvt.Ltd.	India	INR	0.01	(0.03)	0.01	0.03	0.00	0.00	(0.00)	0.00	(0.00)		74
10	Tubed Coal Mines Limited %	India	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		60
11	Mauda Entergy Limited	India	INR	0.18	(0.18)	0.00	0.00	0.00	0.00	0.00	0.00	0.00		100
12	Utkal Alumina Technical and General Services Ltd.@	India	INR	0.05	(0.05)	0.00	0.00	0.00	0.00	(0.04)	0.00	(0.04)		100
13	A V Minerals (Netherlands) N.V.*	Netherlands	INR	11,167.46	(229.84)	10,937.62	0.00	10,937.16	0.00	(0.70)	0.00	(0.70)		100
			USD	1,715.04	(35.30)	1,679.74	0.00	1,679.67	0.00	(0.11)	0.00	(0.11)		
14	A V Metals Inc.#*	Canada	INR	0.00	10,181.78	10,181.79	0.01	10,181.79	0.00	0.01	0.00	0.01		100
			USD	0.00	1,563.66	1,563.66	0.00	1,563.66	0.00	0.00	0.00	0.00		
15	Novelis Inc.##*	Canada	INR	10,288.16	(6,575.78)	16,778.68	13,075.80	0.00	4,397.55	2,312.19	(45.82)	2,266.37	0.00	100
			USD	1,580.00	(1,009.87)	2,576.78	2,008.11	0.00	682.24	358.72	(7.11)	351.61	0.00	
16	4260848 Canada Inc.*	Canada	INR	798.59	(536.53)	262.06	-	-	-	58.26	(5.89)	64.15	-	100
			USD	122.64	(82.40)	40.25	-	0.00	-	9.04	(0.91)	9.95	0.00	
17	4260856 Canada Inc.*	Canada	INR	1,197.92	(814.52)	383.40	-	-	-	0.09	(0.01)	0.10	-	100
			USD	183.97	(125.09)	58.88	-	0.00	0.00	0.01	(0.00)	0.01	0.00	
18	Novelis South America Holdings LLC*	USA	INR		-	-	-	-	-	-	-	-	-	100
			USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
19	Novelis (India) Infotech Ltd.*	India	INR	1.00	1.36	2.43	0.07	-	0.09	0.09	0.03	0.06	-	100
			USD											
20	Novelis Corporation (Texas)*	USA	INR		(6,790.45)	19,601.20	26,501.56	0.00	28,818.47	1,218.44	297.84	1,516.27	0.00	100
			USD		(1,042.84)	3,010.24	4,069.96	0.00	4,470.94	189.03	46.21	235.24	0.00	
21	Novelis de Mexico SA de CV*	Mexico	INR	0.04	(0.04)	-	-	-	-	-	-	-	-	100
			USD	0.01	(0.01)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
22	Novelis do Brasil Ltda.*	Brazil	INR	1,888.49	2,992.64	10,788.04	5,906.92	-	12,381.74	1,560.99	(522.27)	1,038.72	-	100
			Reais	958.53	1,518.95	5,475.62	2,998.14	0.00	6,178.60	778.95	(260.62)	518.33	0.00	
23	Novelis Korea Limited*	Korea	INR	107.50	3,015.98	10,060.94	6,937.46	-	12,717.14	1,301.57	396.79	904.78	-	100
			Won	17,536.00	492,003.00	1,641,262.00	1,131,723.00	0.00	2,102,007.00	215,135.00	65,585.00	149,550.00	0.00	
24	Novelis UK Ltd.*	England	INR	1,334.90	670.39	3,037.60	1,032.31		3,923.62	25.33	4.60	20.73	0.00	59
			Pounds	146.09	73.37	332.43	112.97		458.85	2.96	0.54	2.42	0.00	
25	Novelis Services Limited*	England	INR	1,308.88	1,436.61	2,783.23	37.74		673.78	419.71	95.66	324.05	0.00	59
			USD	201.01	220.63	427.43	5.80		104.53	65.11	14.84	50.27	0.00	
26	Novelis Deutschland GmbH*	Germany	INR	894.44	110.44	6,069.01	5,064.14	-	23,771.01	113.25		113.25	-	100
			Euro	111.50	13.77	756.56	631.29	0.00	3,150.59	15.01		15.01	0.00	
27	Novelis Aluminium Beteiligungs GmbH*	Germany	INR	0.20	0.18	0.38	-	-	-	(0.0009)	-	(0.00)	-	100
			Euro	0.03	0.02	0.05	0.00	0.00	0.00	(0.00)	0.00	(0.00)	0.00	
28	Novelis Switzerland SA*	Switzerland	INR	34.16	2,742.86	3,856.28	1,079.26	-	5,440.03	393.99	73.24	320.76	-	100
			Francs	5.00	401.48	564.45	157.97	0.00	818.88	59.31	11.02	48.28	0.00	
29	Novelis Lamines France SAS*	France	INR	24.87	24.97	51.39	1.55	-	4.24	(0.02)	0.08	(0.10)	-	100
			Euro	3.10	3.11	6.41	0.19	0.00	0.56	(0.00)	0.01	(0.01)	0.00	
30	Novelis Italia SPA*	Italy	INR	770.10	(256.06)	1,060.63	1,060.63	-	1,314.64	(9.26)	(1.66)	(10.92)	-	100
			Euro	96.00	(31.92)	132.22	132.22	0.00	174.24	(1.23)	(0.22)	(1.45)	0.00	
31	Novelis Aluminium Holding Company*	Ireland	INR	1,741.51	575.17	6,981.94	4,665.25	-	131.22	(92.80)	(67.59)	(160.39)	-	100
			Euro	217.10	71.70	870.37	581.57	0.00	17.39	(12.30)	(8.96)	(21.26)	0.00	
32	Novelis PAE SAS*	France	INR	32.41	81.13	316.54	203.00	-	82.58	(36.13)	(3.13)	(33.00)	-	100
			Euro	4.04	10.11	39.46	25.31	0.00	10.95	(4.79)	(0.41)	(4.37)	0.00	
33	Novelis Europe Holdings Ltd.*	Wales	INR	319.70	2,072.17	5,090.90	2,699.04		9.48	(306.14)	0.00	(306.14)	0.00	100
			USD	49.10	318.23	781.83	414.50		1.47	(47.50)	0.00	(47.50)	0.00	

Figures INR in Crore & Foreign Currency in Million

Sr. No.	Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debenture, Bonds & Others	Turnover/ Revenues	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend	% of Share Holding
34	Novelis AG (Switzerland)*	Switzerland	INR	6.83	1,181.67	6,244.80	5,056.30	-	5,097.54	(122.91)	(1.04)	(123.95)	-	100
			Francs	1.00	172.96	914.06	740.10	0.00	767.33	(18.50)	(0.16)	(18.66)	0.00	
35	Novelis Holdings Inc.*	USA	INR	-	1,919.15	1,950.78	31.62	-	-	98.53	335.67	(237.13)	-	100
			USD	0.00	294.73	299.59	4.86	0.00	0.00	15.29	52.08	(36.79)	0.00	
36	8018227 Canada Inc.*	USA	INR	-	(425.60)	1,651.75	2,077.35	-	-	(76.26)	(6.88)	(69.38)	-	100
			USD	0.00	(65.36)	253.67	319.03	0.00	0.00	(11.83)	(1.07)	(10.76)	0.00	
37	Novelis Acquisitions LLC*	USA	INR	-	-	-	-	-	-	-	-	-	-	100
			USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
38	Novelis Sheet Ingot GmbH*	Germany	INR	160.44	-	1,429.64	1,269.20	-	637.14	(30.19)	-	(30.19)	-	100
			Euro	20.00	0.00	178.22	158.22	0.00	84.45	(4.00)	0.00	(4.00)	0.00	
39	Novelis MEA Ltd.*	UAE	INR	5.94	399.58	805.55	400.03		2,330.00	133.47	0.00	133.47	0.00	40
			USD	0.91	61.37	123.71	61.43		361.48	20.71	0.00	20.71	0.00	
40	Novelis (Shanghai) Aluminum Trading Co., Ltd.*	China	INR	22.98	88.79	124.55	12.78		59.91	0.33	(0.24)	0.09	0.00	100
			CNY	22.14	85.57	120.03	12.32	0.00	61.53	0.34	(0.24)	0.10	0.00	
41	Novelis (China) Aluminium Products Co., Ltd.*	China	INR	368.47	(34.53)	1,472.72	1,138.78		1,239.60	149.20	(37.30)	111.90	0.00	100
			CNY	355.12	(33.27)	1,419.35	1,097.51	0.00	1,273.13	153.24	(38.31)	114.93	0.00	
42	Novelis Vietnam Company Limited*	Vietnam	INR	5.93	31.81	48.37	10.62	0.00	(0.03)	(12.21)	0.05	(12.15)	0.00	100
			Dong	20,820.00	111,626.57	169,708.61	37,262.05	0.00	(105.28)	(43,590.97)	185.02	(43,405.95)	0.00	
43	Novelis Services (North America) Inc.*	USA	INR	-	-	0.02	0.02	-	-	-	-	-	-	100
			USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
44	Brecha Energetica Ltda.*	Brazil	INR	0.002	-	0.002	-	-	-	-	-	-	-	99
			Reais	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
45	Novelis Global Employment Organization Inc.*	USA	INR	2.116	(0.54)	9.22	7.64	-	-	0.002	0.20	(0.20)	-	100
			USD	0.33	(0.08)	1.42	1.17	0.00	0.00	0.00	0.03	(0.03)	0.00	
46	Logan Aluminum, Inc.*$	USA	INR	0.00001	(552.57)	2,093.62	2,646.19	-	2,944.16	3.18	177.01	(173.84)	-	40
			USD	0.00	(84.86)	321.53	406.39	0.00	456.76	0.49	27.46	(26.97)	0.00	
47	Ulsan Aluminum Ltd.*$		INR	0.15	2,177.16	3,619.14	1,441.82	0.00	2,460.46	23.29	5.27	18.02	0.00	50.1
			Won	25.05	355,165.34	590,397.50	235,207.11	0.00	406,686.84	3,850.40	871.47	2,978.93	0.00	
48	Hindalco Guinea SARL	South Africa	INR	0.01	(0.01)	0.01	0.01	0.00	0.00	(0.00)	0.00	(0.00)		100
			USD	0.00	(0.00)	0.00	0.00	0.00	0.00	(0.00)	0.00	(0.00)		
49	Hindalco Do Brazil Industria Comercia de Alumina LTDA	Brazil	INR	730.40	(602.11)	293.87	165.58	0.00	275.99	(149.96)	0.00	(149.96)		100
			Reais	370.73	(305.61)	149.16	84.04	0.00	137.72	(74.83)	0.00	(74.83)		

Deutsche Aluminium Verpackung Recycling GmbH	*Not consolidated with 20% ownership*
France Aluminium Recyclage SA	*Not consolidated with 30% ownership*

Subsidiary of AV Minerals (Netherlands) N.V.

Subsidiary of AV Metals Inc.

@ Subsidiary of Utkal Alumina International Limited

% Held for sale

$ Joint Operations

* Balance sheet items are translated at closing exchange rate and Profit/(Loss) items are translated at average exchange rate.

List of Subsidiaries which have been liquidated/amalgamated/sold during FY 17-18
NA

From Ccy	To Ccy	Avg spot rate for the year	Closing rate for 31st March 2018
AUD	INR	49.8779	50.0279
BRL	INR	20.0397	19.7020
CAD	INR	50.2751	50.5159
CHF	INR	66.4324	68.3192
CNY	INR	9.7367	10.3764
EUR	INR	75.4494	80.2184
GBP	INR	85.5101	91.3759
JPY	INR	0.5819	0.6129
NOK	INR	7.9475	8.3023
SEK	INR	7.7370	7.8085
SGD	INR	47.5398	49.6701
USD	INR	64.4573	65.1150

From Ccy	To Ccy	Avg spot rate for the year	Closing rate for 31st March 2018
BRL	USD	0.3109	0.3026
CHF	USD	1.0307	1.0492
CNY	USD	0.1511	0.1594
EUR	USD	1.1706	1.2320
GBP	USD	1.3266	1.4033
JPY	USD	0.0090	0.0094
SEK	USD	0.1200	0.1199
SGD	USD	0.7376	0.7628

	Name of subsidiaries which are yet to commence operations
1	Mauda Energy Limited
2	East Coast Bauxite Company Private Limited
3	Utkal Alumina Technical and General Services Ltd
4	Hindalco Guinea SARL

PART-"B" STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

Sr. No.	Name of Associates/Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Networth to Shareholding as per latest audited balance sheet (₹ in crore)	Profit/Loss for the year			
			Number	Amount of investment (Carrying Value) in Associates/ Joint Venture (₹ in crore)	Extent of Holding% attributable		Considered in consolidation (₹ in crore)	Not considered in consolidation (₹ in crore)	Description of how there is significant influence	Reason why the associate/joint venture is not considered
Associates										
1	Aditya Birla Science and Technology Company Private Limited	31-Mar-18	9,800,000	9.80	49.00	2.39	0.53	-	Note A	
2	Idea Cellular Limited*	31-Mar-18	-	-	5.24	-	(660.90)	-	Note A	
3	Aluminium Norf GmbH	31-Dec-17	1	41,511.00	50.00	83,022.00	4,651.00	-		Joint operation
4	Deutsche Aluminium Verpackung Recycling GmbH	31-Dec-17	1	92.10	30.00	77.60	(0.44)	-		Immaterial Financial
5	France Aluminium Recyclage SA	31-Dec-17	3000	31.40	20.00	157.00	9.18	-		Immaterial Financial
Joint Ventures										
1	Mahan Coal Limited[@]	31-Mar-18	95,250,000	73.25	50.00	73.60	1.33	-	Note A	Joint operation
2	Hydromine Global Minerals (GMBH) Limited[$]	31-Mar-18	6,465,000	1	45.00	30.45	-	(0.14)	Note A	Discontinued Operation
3	MNH Shakti Limited[$]	31-Mar-18	12,765,000	13	15.00	12.69	-	-	Note A	Discontinued Operation

Note A: There is significant influence due to percentage holding of share capital

* No significant influence as at March 31, 2018 - Refer Note 56 D of the Consolidated Financial Statements

[@] Held for sale as on 31st March, 2018.

[$] Held for sale as on 31st March, 2018 and accordingly equity accounting has been discontinued.

For and on behalf of the Board of Hindalco Industries Limited

Satish Pai – Managing Director
DIN-06646758

Praveen Kumar Maheshwari
Whole-time Director &
Chief Financial Officer
DIN-00174361

M.M. Bhagat – Director
DIN-00006245

Anil Malik
Company Secretary

Place : Mumbai
Dated : May 16, 2018

SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

Building Sustainable Businesses at the Aditya Birla Group:

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

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

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

The first step of our programme to build sustainable businesses is focused on increasing the capability of our business management systems. Under this programme called "Responsible Stewardship" we try to move from merely complying with current legal standards to conforming to the international standards set by the global bodies of the International Finance Corporation (IFC), the Organisation for Economic Cooperation and Development (OECD), the International Standards Organisation (ISO), Occupational Health and Safety Advisory Services (OHSAS), the Global Reporting Initiative (GRI), the Forestry Stewardship Council and others. To support our businesses in this endeavour, we have created the Aditya Birla Group's Sustainable Business Framework of Policies, Technical Standards, and Guidance Notes to give our leaders, managers, employees and contract employees the chance to train, learn, understand, and apply improvement techniques to help our businesses reach higher standards of performance. Our Group Sustainable Business Framework is currently certified to 14 international standards (http://sustainability.adityabirla.com/) So far, we have had much success with respect to reductions in accidents, energy use, water use, and have implemented our first Biodiversity plans. Our programme to achieve the World Business Council for Sustainable Development's Water and Sanitation and Hygiene pledge (WASH) to ensure that we provide safe drinking water, sanitation and hygiene in all our operations has resulted in our building over 600 new bathrooms, many for women and differently abled people. Each of these achievements helps reduce and mitigate our impact on the planet and are imperative to building the sustainable business platform for our future.

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

BUSINESS THROUGH SUSTAINABILITY – THE HINDALCO WAY

Hindalco Sustainability Vision

Hindalco endeavours to become a leading metals Company for sustainable business practices across the global operations, balancing its economic growth with environmental and societal interests.

In line with Sustainability Vision, we, at Hindalco Industries Limited, operating across the process chain from mining to semi-fabricated products in non-ferrous metals, will strive for excellence in sustainable processes, products and practices to create long term value for all our stakeholders, while conserving resources, protecting the environment, nurturing our people and enriching societal well-being. Hindalco's approach to sustainability is aligned with the Group's triple-faceted framework resting on Responsible Stewardship, Stakeholder Engagement and Future proofing including Supply Chain.

Our approach to sustainability focuses on areas like sustainable mining practices, energy conservation, recycling, environment-friendly disposal of industrial wastes, safety practices, socio economic development of the communities around the plant and empowerment of employees. It sets clear policy and institutional framework, systematically monitors performance, encourages continuous improvements and innovative practices, and deepens the dialogue with all stakeholders.

To further strengthen our systems, we have adopted various technical standards released by Group Sustainability Cell which covers various aspects on environment, safety and occupational health. We are in advance stage of implementing these standards.

We have also been able to align our sustainability initiatives and strategies with the UN Sustainable Development Goals (SDGs). Through this alignment we are more likely to create long term and lasting changes.

To ensure that we provide safe drinking water, sanitation and hygiene in all our operations, WBCSDs WASH implementation has been monitored very closely. We have successfully implemented WASH requirements at all manufacturing sites and at mines locations, implementation is in very advanced stage.

Business Responsibility Report:

Hindalco has been publishing Sustainability Report since FY 11 using the Global Reporting Initiative (GRI) Framework. The report for 2016-17 titled 'Towards a 2 Degree – make the world Greener, Stronger and Smarter' has been assured to the GRI G4 standard by KPMG (External independent assessing agency).

The Company will also publish Sustainability Report for FY 2017-18 and it will be hosted on its website www.hindalco.com. Any shareholder interested in obtaining a physical copy of the same may write to the Company Secretary at the Registered Office of your Company.

Section A: General Information about the Company

1.	**Corporate Identity Number (CIN) of the Company**	L27020MH1958PLC011238	
2.	**Name of the Company**	Hindalco Industries Limited	
3.	**Registered address**	Ahura Centre, 1st Floor, B Wing, 82, Mahakali Caves Road, Andheri (East), Mumbai-400093	
4.	**Website**	www.hindalco.com	
5.	**E-mail id**	anil.malik@adityabirla.com	
6.	**Financial Year reported**	1st April, 2017 to 31st March, 2018	
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	ITC Code	Product Description
		7601	Aluminium Ingots
		7606	Aluminium Rolled Products
		7605	Aluminium Redraw Rods
		740311	Copper Cathodes
		740710	Continuous Cast Copper Rods

8.	**List three key products/services that the Company manufactures/provides (as in balance sheet):**	(i) Aluminium Ingots / Rolled Products (ii) Copper Cathodes (iii) Concast Copper Rods			
9.	**Total number of locations where business activity is undertaken by the Company**	i. 5 major International Locations • USA • Germany • United Kingdom • Brazil • South Korea ii. Number of National Locations: • 4 Aluminium; • 1 Copper Unit • 4 Chemical Units (including one unit of Utkal Alumina International Limited, wholly owned subsidiary of the Company) • 4 Power Units • 5 Rolled FRP • 2 Extrusions • 1 Foil • Registered Office and Zonal Marketing Offices Bauxite and Coal Mines in the state of • Jharkhand, Chhattisgarh, Maharashtra and Odisha.			
10.	**Markets served by the Company**	Local	State	National	International
		√	√	√	√

Section B: Financial Details of the Company (Standalone)

1.	**Paid-up Capital (INR)**	₹ 222.89 Crore
2.	**Total Turnover (INR)**	₹ 43,434.93 Crore
3.	**Total Profits after taxes (INR)**	₹ 1436.49 Crore
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**	The Company's total spending on CSR was ₹ 31.09 Crore which is 2.33% of the average net profit for the previous three financial years.
5.	**List of activities in which expenditure in 4 above has been incurred**	a. Education b. Health Care c. Women empowerment d. Sustainable Livelihood e. Infrastructure Development

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

Yes, as on 31st March, 2018, the Company has 50 subsidiaries – 13 domestic and 37 foreign.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

Hindalco's Sustainability Report covers the India Operations including Mines. Further, Novelis Inc., also publishes Sustainability Report based of Global Reporting Initiative (GRI) framework.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

At present, suppliers and distributors with whom the Company does business, do not participate in the Business Responsibility initiatives of the Company directly.

Section D: BR Information

1. Details of Director/Directors responsible for BR

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

DIN Number	01055000
Name	Mr. Y. P. Dandiwala
Designation	Independent Director

b. Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	N.A.
2.	Name	Mr. Anil Malik
3.	Designation	President & Company Secretary
4.	Telephone number	022-66626666
5.	E-mail ID	anil.malik@adityabirla.com

2. The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

The mapping of the aforesaid principles to the disclosures shall be made in the Sustainability Report 2017-18 which will be available on our website www.hindalco.com.

CORPORATE GOVERNANCE REPORT

GOVERNANCE PHILOSOPHY

The **Aditya Birla Group** is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our governance practices are a product of self desire reflecting the culture of the trusteeship i.e., deeply ingrained in our value system and reflected in our strategic thought process. At a macro level, our governance philosophy rests on five basic tenets viz., Board accountability to the Company and the shareholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all shareholders as well as superior transparency and timely disclosures.

In line with this philosophy, HINDALCO, the flagship company of the Aditya Birla Group, is striving for excellence through adoption of best governance and disclosure practices. The Company, as a continuous process, strengthens the quality of disclosures, on the Board composition and its functioning, remunerations paid and level of compliance with various Corporate Governance Codes.

Compliance with Corporate Governance Guidelines

The Company is fully compliant with the requirements under Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, hereinafter referred to the "Listing Regulations" Your Company's compliance with these requirements is presented in the subsequent sections of this report.

BOARD OF DIRECTORS

Composition of the Board

Your Company's Board comprises of 10 Non Executive Directors as on 31st March, 2018 with considerable experience in their respective fields. Of these, 6 Directors are Independent Directors.

None of the Directors on the Board is a Member of more than 10 Committees or a Chairman of more than 5 Committee (as specified in Regulation 26 of Listing Regulations), across all the Companies in which they hold Directorships. Further, none of the Non Executive Directors serve as Independent Directors in more than seven listed companies and none of the Executive or Whole-time Directors serve as Independent Directors on any listed company. All the Directors have periodically intimated about their Directorship and Membership in the various Boards/Committees of other companies. The same is within permissible limits as provided by the Companies Act, 2013 and Listing Regulations.

The details of the Directors with regard to outside directorships and committee positions as at 31st March, 2018 are as follows:

Director	Category	No. of other Directorships Held[4]	No. of outside Companies Committee Positions Held[5]	
		Public	Member	Chairman
Mr. Kumar Mangalam Birla[6]	Non Executive	8	-	-
Mrs. Rajashree Birla[6]	Non Executive	6	-	-
Mr. A. K. Agarwala[2]	Non Executive	5	-	-
Mr. D. Bhattacharya[9]	Non Executive Director	2	-	-
Mr. M. M. Bhagat[1]	Independent[1]	6	-	2
Mr. K. N. Bhandari[1]	Independent[1]	9	5	4
Mr. Jagdish Khattar[1, 3]	Independent[1]	2	-	-
Mr. Ram Charan[1]	Independent[1]	-	-	-
Mr. Y. P. Dandiwala[1]	Independent[1]	5	3	2
Mr. Girish Dave[1]	Independent[1]	4	4	1
Mr. Satish Pai[7]	Managing Director	-	-	-
Mr. Praveen Kumar Maheshwari[8]	Whole time Director	1	1	-

1. Independent Director means a director defined as such under Regulation 16 of the Listing Regulations and Section 149 of the Companies Act, 2013.
2. Mr. A. K. Agarwala was an Executive Director till 10th September 2003. Thereafter, he has moved to other responsibilities in the Aditya Birla Group.
3. Mr. Jagdish Khattar, Independent Director of the Company has tendered his resignation w.e.f 4th May, 2018.
4. Excludes Directorship held in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
5. Represents only membership/chairmanship of Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies.
6. No other Director is related to any other Director on the Board except for Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla who are son and mother respectively.
7. Appointed as Managing Director w.e.f 1st August, 2016.
8. Appointed as Whole time Director w.e.f 28th May, 2016.
9. Appointed as Vice Chairman and Non Executive Director w.e.f 1st August, 2016.

Board's functioning and Procedure

Hindalco's Board of Directors plays a primary role in ensuring good governance and functioning of the Company. All statutory and other significant & material information including information as mentioned in Regulation 17 (7) read together with Schedule II of Listing Regulations is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders.

Board Meetings

The Company Secretary drafts the agenda for each meeting along with the explanatory notes. The Board meets at least once a quarter to review the quarterly results and other items on the agenda . Various Board Committees meet as per the legal requirement or otherwise to transact the business delegated by Board of Directors.

Since the Companies Act 2013, read with the relevant rules made thereunder, facilitates the participation of Director in Board/Committee Meetings through video conferencing or other audio visual mode, option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing.

The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion. The details of Board meetings held during FY 2017-2018 are as outlined below:

Date of Board Meeting	City	No. of Directors Present
30th May, 2017	Mumbai	11 out of 12
11th August, 2017	Mumbai	12 out of 12
13th September, 2017	Mumbai	11 out of 12
3rd November, 2017	Mumbai	10 out of 12
2nd February, 2018	Mumbai	11 out of 12

The details of attendance of each director at the Board Meetings and Last Annual General Meeting (AGM) are as follows:

Name of Director	No. of Board Meetings		Attended Last AGM@
	Held	Attended	
Mr. Kumar Mangalam Birla	5	4	Yes
Mrs. Rajashree Birla	5	3	No
Mr. A. K. Agarwala	5	5	Yes
Mr. D. Bhattacharya	5	5	Yes
Mr. M. M. Bhagat	5	5	Yes
Mr. K. N. Bhandari	5	5	Yes
Mr. Jagdish Khattar	5	4	Yes
Mr. Ram Charan	5	4	Yes
Mr. Y. P. Dandiwala	5	5	Yes
Mr. Girish Dave	5	5	Yes
Mr. Satish Pai	5	5	Yes
Mr. Praveen Kumar Maheshwari	5	5	Yes

@ AGM held on 13th September, 2017

PERFORMANCE EVALUATION OF BOARD

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Directors has carried annual performance evaluation of Board, Independent Directors, Non Executive Directors, Executive Directors, Committee and Chairman of the Board.

The evaluation framework focused on various aspects of the Board and Committees such as review, timely information from management etc. Also, the performance of individual directors was divided into Executive, Non Executive and Independent Directors and based on the parameters such as contribution, attendance, decision making, action oriented, external knowledge etc.

The evaluation exercise has been carried out by the Board members on the basis of evaluation templates for Board, Independent Directors, Non Executive Directors, Executive Directors, Committees and Chairman of the Board. The template had various questions to be replied by the directors on aforesaid parameters. The Nomination and Remuneration Committee evaluated the performance on the basis of the response received from the Directors. Similarly, the Independent Directors evaluated the performance of non independent directors, Chairman and assessed the quality, quantity and flow of information between company management and Board.

Outcome of the evaluation exercise:

1. The Board as a whole performed satisfactorily.
2. Independent Directors are rated high in understanding the Company's business and expressing their view during the Board meetings.
3. The Non Executive Directors scored well in all aspects.
4. Directors rated Executive Directors as action oriented and good in implementing Board decisions.
5. Board members rated high to the Chairman in leading the Board effectively.
6. Board members had shown satisfaction in functioning of the Committees.

INDEPENDENT DIRECTOR'S MEETING

During the year under review, the Independent Directors met without the presence of non independent directors and members of the management interalia to discuss:

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

The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board as a whole.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All new Independent Directors inducted on the Board are given a letter of appointment setting out their roles, functions, duties and responsibilities.

The Directors are familiarised with your Company's Business and its operations. Interactions are held between the Directors and senior management of your Company . Directors are familiarised with organisational set-up, functioning of various department, internal control processes and relevant information pertaining to your Company. They are periodically updated on industry scenario, changes in regulatory framework and the impact thereof on the working of your Company.

The details on the Company's Familiarisation Programme for Independent Directors can be accessed at:http://hindalco.com/about-us/management-team/board-of-directors.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted following Committees of Directors to deal with matters and monitor the activities falling within the respective terms of reference:-

AUDIT COMMITTEE

Constitution of Audit Committee and its functions

Your Company has an Audit Committee at the Board level which acts as a link between the management, the statutory and the internal auditors and the Board of Directors and oversees the financial reporting process. The Committee is governed by a Charter which is line with the regulatory requirements mandated by the Companies Act, 2013 and Listing Regulations.

The Committee comprises of three Non Executive Directors, all of whom are Independent Directors. The followings are the members of Audit Committee:

Mr. M. M. Bhagat	–	Chairman
Mr. K. N. Bhandari	–	Member
Mr. Y. P. Dandiwala	–	Member

During the year, the Audit Committee met 4 times i.e. on 30th May, 2017, 11th August, 2017, 3rd November, 2017 and 2nd February, 2018 to deliberate on various matters. The attendance of each Audit Committee members are as follows:

Name of Audit Committee Members	No of meetings Attended
Mr. M. M. Bhagat	4
Mr. K. N. Bhandari	4
Mr. Y. P. Dandiwala	4

1. The Chairman of the Audit Committee, Mr. M. M. Bhagat was present at the last Annual General Meeting of your Company held on 13th September, 2017.
2. The Managing Director, CFO, the representative of the Statutory Auditor, Head of the Internal Audit are permanent invitees of the Audit Committee. The representative of the Cost Auditors are invited to the Audit Committee Meetings whenever matters relating to cost audit are considered.
3. Mr. Anil Malik, Company Secretary, acted as Secretary to the Committee.

Role of Audit Committee:

(1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) Recommendation for appointment, remuneration and terms of appointment of auditors;

(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 auditor's report thereon before submission to the board for approval, with particular reference to:

- (a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- (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 judgment by management;
- (d) Significant adjustments made in the financial statements arising out of audit findings;
- (e) Compliance with listing and other legal requirements relating to financial statements;
- (f) Disclosure of any related party transactions;
- (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 utilized for 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 auditor's independence and performance, and effectiveness of audit process;

(8) Approval or any subsequent modification of transactions of the listed and effectiveness of audit process;

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) Discussion with internal auditors of any significant findings and follow up there on;

(15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

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

(17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) To review the functioning of the whistle blower mechanism;

(19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

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

B. The audit committee reviews the following information:

(1) Management discussion and analysis of financial condition and results of operations;

(2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

(3) Management letters / letters of internal control weaknesses issued by the statutory auditors;

(4) Internal audit reports relating to internal control weaknesses; and

(5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(6) Statement of deviations:

- (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations .

STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Company has a "Stakeholder's Relationship Committee" at the Board level to deal with various matters relating to redressal of shareholders and investor grievances, such as transfer and transmission of shares, issue of duplicate shares, non-receipt of dividend/notices/Annual Reports, etc. In addition, the Committee looks into other issues including status of dematerialisation/rematerialisation of shares and debentures, systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

The following are the members of the Committee:

Mr. K. N. Bhandari	–	Chairman
Mr. M. M. Bhagat	–	Member
Mr. A. K. Agarwala	–	Member

Mr. Anil Malik, Company Secretary, is the Compliance officer and acts as secretary to the Committee.

During the year under review, the Committee met four times i.e. on 30th May, 2017, 11th August, 2017, 3rd November, 2017, 2nd February, 2018 to deliberate on various matters referred above. Details of attendance by Directors for the Committee meetings are as follows:

Name of the Director	Held	Attended
Mr. K.N Bhandari	4	4
Mr. M.M Bhagat	4	4
Mr. A.K. Agarwala	4	4

The Company's shares are compulsorily traded and delivered in the dematerialised form in all Stock Exchanges. To expedite the transfer in the physical segment, necessary authority has been delegated to certain officers, who are authorised to transfer up to 10,000 shares under one transfer deed.

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

Details of complaints received, disposed off and pending during the year, number of shares transferred during the year, time taken for affecting these transfers and the number of share transfers pending are furnished in the "Shareholder Information" section of this Annual Report.

NOMINATION AND REMUNERATION COMMIITEE

The Board has formed a Nomination and Remuneration Committee consisting of the following members:

Mr. M.M Bhagat	–	Chairman
Mr. Kumar Mangalam Birla	–	Member
Mr. K.N Bhandari	–	Member

The terms of reference of the Committee interalia include the following:

- Identify persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board
- Carry out evaluation of every director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Devise a policy on Board diversity.

The scope and functions of the Committee is in accordance with the provisions of the Companies Act, 2013 and Listing Regulations.

During the year under review, the Committee met thrice i.e. on 30th May, 2017, 11th August, 2017 and 2nd February, 2018 to deliberate on various matters referred above. The details of attendance of the members is as below:

Name of the Director	Held	Attended
Mr. M.M Bhagat	3	3
Mr. Kumar Mangalam Birla	3	3
Mr. K.N Bhandari	3	3

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The Corporate Social Responsibility Committee comprises of the following members:

Mrs. Rajashree Birla	–	Chairman
Mr. Satish Pai	–	Member
Mr. A.K. Agarwala	–	Member
Mr.D Bhattacharya	–	Member
*Mr. Jagdish Khattar	–	Member

*Resigned from the Board w.e.f 4th May, 2018.

Dr. Pragnya Ram, Group Executive President-Corporate Communications and CSR is a permanent invitee to the Committee.

The terms of reference of Corporate Social Responsibility Committee (CSR) broadly comprises of following:

(a) Formulate and Recommendation of CSR Policy to the Board indicating the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013

(b) Recommend the amount of expenditure to be incurred on the activities referred to in clause(a)

(c) Provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

During the year under review, the Committee met once i.e on 29th May, 2017 to deliberate on various matters referred above. The details of attendance of the members is as below:

Name of the Director	Held	Attended
Mrs. Rajashree Birla	1	1
Mr. A.K.Agarwala	1	1
Mr. D. Bhattacharya	1	-
Mr. Jagdish Khattar	1	-
Mr. Satish Pai	1	1

RISK MANAGEMENT COMMITTEE

The Company has a robust risk management framework to identify, monitor and minimise risk as also identify business responsibilities.

Your Company has comprehensive risk management policy and it is periodically reviewed by the Board of Directors. The following are the Members of Risk Management Committee:

- Mr. A.K. Agarwala – Chairman
- Mr. Satish Pai – Member
- Mr. D.Bhattacharya – Member
- Mr. Praveen Kumar Maheshwari – Member
- Mr. Vikram Sondhi * – Member
- Mr. Anil Mathew – Member
- Mr. Jagdish Chandra Laddha – Member

*Appointed as a Member w.e.f 2nd February, 2018.

Mr. Anil Malik, Company Secretary is Compliance Officer of the Risk Management and also acts as Secretary to the Committee.

During the year under review, the Committee met four times i.e. on 10th April, 2017, 13th July, 2017, 9th October, 2017 and 5th January, 2018 to deliberate on various matters. Details of attendance by Directors for the Committee meetings are as follows:

Name of the Director/Member	Held	Attended
Mr. A.K.Agarwala	4	4
Mr. Satish Pai	4	4
Mr. D. Bhattacharya	4	4
Mr. Praveen Kumar Maheshwari	4	4
Mr. Anil Mathew	4	4
Mr. Jagdish Chandra Laddha	4	4

Mr. Vikram Sondhi was inducted as a member w.e.f. 2nd February, 2018.

Non Executive Director's Compensation and Disclosure

All fees/compensation including sitting fee paid to the Non-Executive directors of the Company are fixed by Board of Directors within the limits approved by the shareholders. Details of sitting fees/compensation paid including stock Options, if any, to them are given at the respective places in the report.

Remuneration of Directors and Others

Your Company has two Executive Directors. The Board of Directors decides the remuneration of the Managing Director and Whole Time Director.

The Company has a system where all the directors or senior management of the Company are required to disclose all pecuniary relationship or transactions with the Company. No significant material transactions have been made by the Non Executive Directors with the Company during the year.

Besides sitting fees @ ₹ 50,000/- per meeting of the Board, fee @ ₹ 25,000/- per meeting of the Audit Committee and ₹ 20,000/- per meeting for any other Committee thereof, the Company also pays Commission to the Non-Executive Directors.

For FY 2017-18, the Board has approved payment of ₹ 6.0 Crore (Previous Year ₹ 6.0 Crore) as Commission to the Non-Executive Directors of the Company pursuant to the authority given by the shareholders at the Annual General Meeting held on 24th September, 2014 to pay Commission not exceeding 1% of the net profits of the Company to the Non Executive Directors of the Company. The Amount of Commission payable is determined after assigning weightage to attendance and the type of meeting and other responsibilities.

Executive Director is paid remuneration within the limits envisaged under Schedule V of The Companies Act, 2013. The said remuneration is approved by the Board as well as Shareholders of the Company.

The details of Remuneration package, fees paid etc. to Directors for the year ended 31st March, 2018

(a) Non-Executive Directors:

Name of Director	Sitting Fees Paid (₹ In Lakhs)	Commission payable (₹ in Lakhs)	Total Payments Paid/ Payable in 2017-18 (₹ in Lakhs)
Mr. Kumar Mangalam Birla	2.60	517.02	519.62
Mrs. Rajashree Birla	1.70	6.16	7.86
Mr. A. K. Agarwala	5.10	8.77	13.87
Mr. D. Bhattacharya[5]	4.10	7.51	11.61
Mr. M. M. Bhagat	5.70	14.32	20.02
Mr. K. N. Bhandari	4.90	15.05	19.95
Mr. Ram Charan	2.00	6.73	8.73
Mr. Jagdish Khattar	2.00	5.48	7.48
Mr. Y.P. Dandiwala	3.50	12.12	15.62
Mr. Girish Dave	2.50	6.84	9.34

Notes:

1. *No Director is related to any other Director on the Board, except Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, who are son & mother respectively.*
2. *Your Company has a policy of not advancing any loan to its Directors except to Executive Director in the course of normal employment.*
3. *The Company has obtained shareholders' approval for payment of commission to its Non-Executive Directors & Independent Directors, not exceeding 1% of Net Profit of the Company.*
4. *Stock Options were not granted to any Non-Executive Directors.*
5. *In addition to the above in FY 2017-18, Mr. D. Bhattacharya was paid ₹ 2.91 crore as performance linked incentive pertaining to the period April, 2016 to July, 2016 as the Managing Director. At the time of retirement, the Board had approved pension of ₹ 0.335 crore per month, hence he has been paid ₹ 4.02 crore as pension for his past services as Managing Director.*

(b) Paid to Executive Directors

Executive Director	Relationship with other Directors	Remuneration for the year 2017-18			
		All elements of remuneration package i.e., salary, benefits, bonuses, pension etc.	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Mr. Satish Pai (Managing Director)	None	₹ 136,647,757	₹ 73,077,000 See note (a)	See note (b)	See note (c)
Mr. Praveen Kumar Maheshwari (Whole Time Director)	None	₹ 28,667,656	₹ 12,180,045 See Note (e)	See note (b)	See note (d)

(a) Mr. Satish Pai was paid a sum of ₹ 73,077,000 towards performance bonus linked to achievement of targets.

(b) The appointment is subject to termination by three months notice in writing on either side. No severance fee is payable to the Managing Director or Whole Time Director.

(c) 782,609 stock options were granted on 9th October, 2013 to Mr. Satish Pai. These Stock Options are vested 25% each year over a period of 4 years from the date of grant. In addition he has been granted 956,522 SAR's. These SAR's are vested 25% each year on the date of grant over the period of 4 years.

(d) 55,630 stock options were granted on 9th October, 2013 to Mr. Praveen Kumar Maheshwari. These Stock Options are vested 25% each year over a period of four years from the date of grant. Mr. Praveen Kumar Maheshwari was also granted 55,667 RSU on 9th October, 2013 which are vested after expiry of three years from the date of grant.

e) Mr. Praveen Kumar Maheshwari was paid a sum of ₹ 12,180,045 towards performance bonus linked to achievement of targets.

All Directors have disclosed their shareholding in the Company. None of the Directors are holding any debentures of the Company.Details of Shareholding of Directors as on March 31, 2018 are as follows:

NAME OF THE DIRECTORS	SHARES (₹ 1 paid up)
Mr. Kumar Mangalam Birla*	901,635
Mrs. Rajashree Birla	612,470
Mr. A. K. Agarwala	116,148
Mr. D. Bhattacharya	1,365,205
Mr. M. M. Bhagat	4,100
Mr. K. N. Bhandari	5,071
Mr. Y.P Dandiwala	206
Mr. Ram Charan	NIL
Mr. Jagdish Khattar	2,500
Mr. Girish Dave	NIL
Mr. Satish Pai	30,000
Mr. Praveen Kumar Maheshwari	NIL

*Additionally he holds 6,48,632 equity shares as Karta of Aditya Vikram Kumar Mangalam Birla HUF.

Code of Conduct

The Hindalco Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors Senior Management/employees of the Company. The Code is available on the Company's website viz: http://www.hindalco.com/investor-centre/code-of-conduct.

For the year under review, all Directors, Senior Management personnel of the Company have confirmed their adherence to the provisions of the said Code.

Declaration as required under Regulation 26(3) of the Listing Regulations

We hereby confirm that :

All Directors and Senior Management have affirmed compliance with Code of Conduct for the financial year ended 31st March, 2018.

Place: Mumbai — **Satish Pai**
Date : 16th May, 2018 — Managing Director

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

As part of Aditya Birla Group, the Company has a strong legacy of fair, transparent and ethical governance practices. The Company has a Code of Conduct for Prevention of Insider Trading in the Shares and securities of the Company for its Directors , Key Managerial Personnel and Designated employees.

SUBSIDIARY COMPANIES

The Company has adopted a policy for determining 'material' subsidiaries and the policy can be accessed on your Company's website viz: www.hindalco.com. The Company is in compliance with the requirements of Regulation 24 of Listing Regulation with respective Corporate Governance for its subsidiary companies.

DISCLOSURES

(A) Related Party Transaction

All the related party transactions are strictly done on arm's length basis. The Company places all the relevant details of a related party transaction, entered in the normal course of business, before the Audit Committee from time to time. There was no material related party transaction, which are not in the normal course of the business, entered into by the company during the year. Attention of the Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts forming part of the financial statements. The Board of Directors have approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company at http://www.hindalco.com/upload/pdf/Hindalco-RPT-Policy-2015.pdf

(B) Non Compliances/Strictures/penalties Imposed

No Non Compliance/strictures/penalties have been imposed on the Company by stock exchange(s) or SEBI or any statutory authority on any matters related to capital markets during the last three years .

(C) Disclosure of Accounting Treatment

Your Company has followed all relevant Accounting Standards while preparing the Financial Statements.

(D) Risk Management

Risk evaluation and management is an ongoing process within the Organisation. Your Company has comprehensive risk management policy and it is periodically reviewed by the Board of Directors.

(E) Proceeds from public issues, right issues, preferential issues etc:

During the year under review the Company has not raised any proceeds from public issues, right issues or preferential issues.

(F) Remuneration of Directors

This is included separately in this Section.

(G) Management

Management Discussion and Analysis Report is prepared in accordance with the requirements laid out under Listing Regulations forms part of this Annual Report.

No material transaction has been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives, etc., that may have a potential conflict with interests of the Company.

(H) Shareholders

(i) The Company has provided the details of Directors seeking re-appointment in the Annual General Meeting notice attached with this Annual Report.

(ii) Quarterly Presentations on the Company results are available on the website of the Company (www.hindalco.com) and the Aditya Birla Group website (www.adityabirla.com).

Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal and unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which employees are free to report violations of applicable laws and regulations and Code of Conduct. The whistle blower may send the complaint to the independent reporting mechanism - Ethics Hotline or to the respective Values Standards Committee (VSC), depending on the level at which the violation is perceived to be happening, or the seniority of the individual/s involved. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

Prevention of Sexual Harassment

Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability,etc. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

During Fiscal 2018, the Company has received one complaint on sexual harassment which has been substantiated and appropriate actions were taken.

CEO/CFO Certification

The Managing Director and CFO have certified to the Board that :

A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their 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;
2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their 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. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. They have indicated to the auditors and the Audit committee:

1. That there were no significant changes in internal control over financial reporting during the year;
2. That there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud of which they 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.

REPORT ON CORPORATE GOVERNANCE

Your Company has complied with Corporate Governance Requirements specified under Regulations 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.

COMPLIANCE

A certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Listing Regulations forms part of Annual Report.

GENERAL BODY MEETINGS

Details of Annual General Meetings

Location and time, where Annual General Meetings (AGMs) in the last three years were held:-

Year	AGM	Location	Date	Time
2016-17	AGM	Ravindra Natya Mandir	13th September, 2017	3.00 p.m
2015-16	AGM	Ravindra Natya Mandir	14th September, 2016	3.00 p.m
2014-15	AGM	Birla Matushri Sabhagar	16th September, 2015	3.00 p.m

In the last three years special resolution as set out in the respective notices for AGM's were passed by shareholders.

Whether any special resolution passed last year through postal ballot?	:	No
Person who conducted the postal exercise		Not Applicable
Whether any special resolution is proposed to be conducted through postal ballot	:	No

MEANS OF COMMUNICATION

- Quarterly Results:

Newspaper	Cities of Publication
Business Standard (English)	All editions
Navshakti (Marathi)	Mumbai Edition only

- Any website, where displayed:
  www.hindalco.com
  www.adityabirla.com
- Whether the Company Website displays :
- All official news releases
  Yes
- Presentation made to Institutional Investors/Analysts
  Yes

General Shareholder Information

The same is provided in the 'Shareholders Information' section.

Status of compliance of Non mandatory requirement

1. The Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance are available to enable him discharge his responsibilities effectively.
2. During the period under review, there is no audit qualification in the financial statement.
3. The post of the Non-Executive Chairman of the Board is separate from that of the Managing Director/CEO.
4. The Company has engaged internal auditors for aluminium and copper business separately and their report is reviewed by the Audit Committee.

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Hindalco Industries Limited

We have examined the compliance of conditions of Corporate Governance by Hindalco Industries Limited ("the Company"), for the year ended March 31, 2018 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Sumit Seth
Partner
Membership No. 105869

Place : Mumbai
Date : May 16, 2018

1.	Annual General Meeting	
	- Date and Time	: 21st September, 2018 at 3:00 P.M.
	- Venue	: Ravindra Natya Mandir P. L. Deshpande Maharashtra Kala Academy, Prabhadevi, Mumbai: 400025
2.	Financial Year	
	- Financial reporting for the quarter ending June 30, 2018	: On or before 14th August, 2018
	- Financial reporting for the half year ending September 30, 2018	: On or before 14th November, 2018
	- Financial reporting for the quarter ending December 31, 2018	: On or before 14th February, 2019
	- Financial reporting for the year ending March 31, 2019 (Audited)	: On or before 30th May, 2019
	- Annual General Meeting for the year ended March 31, 2019	: On or before 30th September, 2019
3.	Dates of Book Closure	: 15th September, 2018 to 21st September, 2018
4.	Dividend Payment Date	: On or after 21st September, 2018
5.	Registered Office	: Ahura Centre, 1st Floor, B Wing, 82, Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Tel: (91-22) 6691 7000 Fax: (91-22) 6691 7001 E-Mail: hilinvestors@adityabirla.com Website: www.adityabirla.com CIN No. L27020MH1958PLC011238

6. a. Listing Details:

Equity Shares	Global Depository Receipts (GDRs)	Non-Convertible Debentures
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001. **National Stock Exchange of India Limited** "Exchange Plaza", Bandra Kurla Complex Bandra (East), Mumbai – 400 051.	**Luxembourg Stock Exchange** 35 A Boulevard Joseph II L-1840 Luxembourg	**National Stock Exchange of India Limited** "Exchange Plaza", Bandra Kurla Complex Bandra (East), Mumbai – 400 051.

Note: Listing fees has been paid to all the Stock Exchanges as per their Schedule.

b.	Overseas Depository for GDRs	: J. P. Morgan Chase Bank N.A. P. O. Box 64504 St. Paul, MN 55164-0504 jpmorgan.adr@eq-us.com
c.	Domestic Custodian of GDRs:	: Citibank N.A. Custody Services FIFC, 11th Floor, C54 & 55, G Block, Bandra Kurla Complex Bandra (East), Mumbai – 400 051 Tel.: 91-22-61756895, Fax: 91-22-26532205

7. ISIN: Fully paid up equity share: ISIN INE038A01020
GDR: ISIN US4330641022
CUSIP No. 433064300

8. Details of Debenture issued:

Interest Payment Date	Interest	Series	Date of allotment	Tenure	Record Date	ISIN No.
25th April	Annually	9.55% Series (2012) – I	25th April, 2012	10 Years	7 days prior to each interest and/ or redemption payment	INE038807258
27th June	Annually	9.55% Series (2012) – II	27th June, 2012	10 Years	7 days prior to each interest and/ or redemption payment	INE038A07266
2nd August	Annually	9.60% Series (2012) – III	2nd August, 2012	10 Years	7 days prior to each interest and/ or redemption payment	INE038A07274

9. Stock Code:

Stock Code:	Scrip Code
Bombay Stock Exchange	500440
National Stock Exchange	HINDALCO

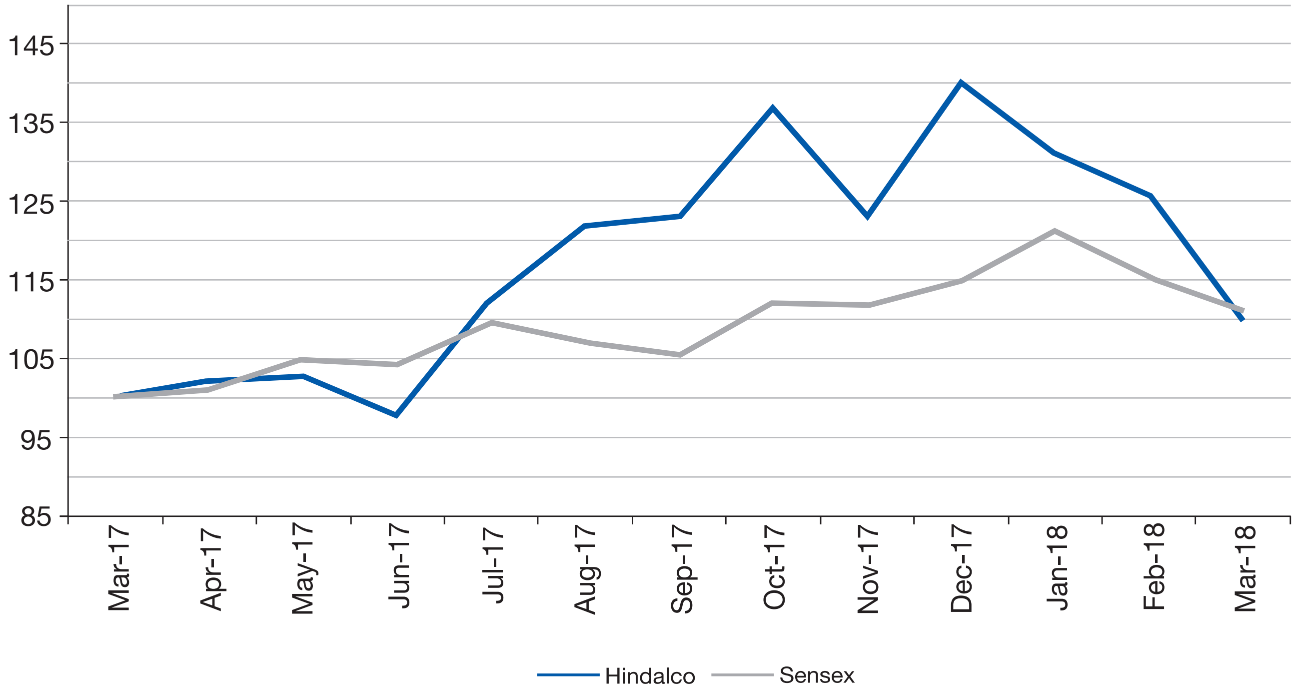
Stock Exchange	Reuters	Bloomberg
Bombay Stock Exchange	HALC.BO	HNDL IN
National Stock Exchange	HALC.NS	NHNDL IN
Luxembourg Stock Exchange (GDRs)	HALCg.LU	HDCD LI

Name and Address of Debenture Trustee : IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17 R. Kamani Marg, Ballard Estate,
Mumbai : 400 001

10. Stock Price Data

	Bombay Stock Exchange				National Stock Exchange				Luxembourg Stock Exchange		
	High	Low	Close	Volume	High	Low	Close	Volume	High	Low	Close
	(In ₹)			(In Nos)	(In ₹)			(In Nos)	(In US$)		
March-18	246.80	202.70	214.20	20,089,204	247.00	202.60	214.55	192,233,039	3.680	3.160	3.280
February-18	261.50	233.30	245.20	10,980,673	261.65	232.50	245.40	173,730,240	4.040	3.700	3.760
January-18	283.95	251.25	255.85	11,381,040	284.00	251.10	256.15	179,048,144	4.420	3.960	4.020
December-17	278.75	229.70	273.70	8,786,658	278.80	229.40	273.55	171,605,184	4.297	3.593	4.285
November-17	277.70	239.50	240.35	16,553,262	277.60	239.50	240.45	166,853,623	4.265	3.670	3.728
October-17	278.50	238.40	267.35	10,000,209	278.55	238.20	267.40	167,974,566	4.246	3.687	4.129
September-17	255.35	223.70	240.80	12,916,643	255.45	223.30	240.60	184,227,209	3.802	3.519	3.687
August-17	244.80	218.20	238.05	18,527,299	244.90	218.00	238.00	236,191,630	3.748	3.300	3.723
July-17	223.40	191.50	219.45	21,245,620	223.75	191.20	219.65	198,270,788	3.443	3.019	3.418
June-17	204.15	185.20	190.55	19,362,135	204.30	185.10	190.95	175,671,392	3.041	2.91	2.948
May-17	210.00	181.80	200.50	36,410,349	210.35	181.60	200.70	314,368,678	3.142	2.865	3.108
April-17	203.55	179.55	199.10	18,382,046	203.70	179.35	199.35	227,834,079	3.096	2.845	3.096

11. Stock Performance



Note: Sensex and Hindalco Stock are based on 100 as on 31st March 2017.

12. Stock Performance over the past few years:

Absolute Returns (in %)			
	1YR	3YR	5YR
Hindalco	10.0%	66.30%	134.20%
SENSEX	11.3%	17.9%	75.0%
NIFTY	10.2%	19.1%	78.0%

Annualised Returns (in %)			
	1YR	3YR	5YR
Hindalco	10.0%	18.5%	18.6%
SENSEX	11.3%	5.6%	11.8%
NIFTY	10.2%	6.0%	12.2%

13. Registrar and Transfer Agents : The Company has In-House Investors Service Department registered with SEBI as Category II Share Transfer Agent vide Registration no INR 000003910

Investors Service Department

Hindalco Industries Limited
Ahura Centre, 1st floor, B Wing
82, Mahakali Caves Road
Andheri (East), Mumbai – 400 093.
Tel: (91-22) 6691 7000
Fax: (91-22) 6691 7001
E-mail: hilinvestors@adityabirla.com

14. Share Transfer System: Share transfer in physical form are registered and returned within a period of 15 days of receipt, provided the documents are clear in all respects. Officers of the Company have been authorized to approve transfers up to 10,000 Shares in physical form under one transfer deed and one Director of the Company has been authorized to approve the transfers exceeding 10,000 shares under one transfer deed.

The total number of shares transferred in the physical form during the year was 611,727.

	2017-18		
Transfer Period (In days)	Number of Transfers	%	Number of Shares
1-10	689	97.87	594,748
11-15	13	1.85	16,409
15 and above	2	0.28	570
Total	**704**	**100**	**611,727**

15. Investor Services
 a. Complaints received during the year:

Nature of complaints	2017-18		2016-2017	
	Received	Cleared	Received	Cleared
Relating to Transfers, Transmissions Dividend, Interest, Redemption, Demat – Remat, Rights Issue and Change of Address etc.	22	22	18	18

 b. Shares pending for transfer : Nil

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

Number of Equity Shares held	As on 31st March, 2018			
	No. of Shareholders	% of Shareholders	No. of Shares held	% Shareholding
1-1000	279,023	93.16	41,817,784	1.86
1001-2000	8,897	2.97	13,115,832	0.58
2001-5000	6,483	2.16	20,703,845	0.92
5001-10000	2,400	0.80	17,111,381	0.76
10001-50000	1,794	0.60	36,306,621	1.62
50001-100000	228	0.08	16,104,493	0.72
100001 and above	696	0.23	2,099,802,946	93.53
Total	**299,521**	**100.00**	**2,244,962,902**	**100.00**

17. Dematerialisation of Shares and Liquidity : Around 98% of outstanding shares have been dematerialized. Trading in Hindalco Shares is permitted only in the dematerialized form from 5th April, 1999 as per notification issued by The Securities and Exchange Board of India.

18. Details on use of public funds obtained in 3 yrs : Not Applicable

19. Outstanding GDR/Warrants/Convertible Bonds : 151,841,799 GDRs are outstanding as on 31st March, 2018. Each GDR represents one underlying equity share.

20. Commodity price risk or foreign exchange risk and hedging activities : Your Company hedges its foreign currency exposure in respect of its imports and exports as per its policies. Your Company has constituted a Risk Management Committee consisting of Directors/Executives of your Company. Your Company has commodity/foreign exchange hedging from time to time considering various factors as per the policy of the Company.

Also, refer note 49 to the Standalone Financial Statements.

21. Locations of Plants and Mines:

ALUMINIUM & POWER

Renukoot Plant*
P. O. Renukoot-231217
Dist.: Sonebhadra, Uttar Pradesh
Tel.: (05446) 252077-9
Fax: (05446) 252107/426

Renusagar Power Division
P. O. Renusagar
Dist.: Sonebhadra, Uttar Pradesh
Tel.: (05446) 277161-3/278592-5
Fax: (05446) 277164

Hirakud Smelter
Hirakud 768 016
Dist.: Sambalpur, Odisha
Tel.: (0663) 2481307/1452
Fax: (0663) 2481356

Hirakud Power
Post Box No.12
Hirakud 768 016
Dist.: Sambalpur, Odisha
Tel.: (0663) 2481307
Fax: (0663) 2481342/365-2541642

Mahan Aluminium
Hindalco Industries Limited
NH-75-E, Singrauli, Sidhi Road
P.O., Bargawan, Pin: 486886
Dist.: Singaruli, M.P.
Tel.: 0780-5281014

Aditya Aluminium
Hindalco Industries Limited
Lapanga,
Dist.: Sambalpur-768212
Odisha
Phone: 0663-2114424
Fax: 0663-2590434

COPPER

Birla Copper Division
P. O. Dahej
Lakhigam
Dist: Bharuch – 392 130,
Gujarat
Tel: (02641) 256004/06, 251009
Fax: (02641) 251002

CHEMICALS

Muri Alumina
Post Chotamuri-835 101
Dist: Ranchi, Jharkhand
Phone: (06522) 244253/334
Fax: (06522) 244342

Belagavi
Village Yamanapur
Belagavi 590 010
Karnataka
Tel: (0831) 2472716
Fax: (0831) 2472728

SHEET, FOIL, PACKAGING & EXTRUSIONS

Belur Sheet
39, Grand Trunk Road
Belurmath 711 202
Dist: Howrah, West Bengal
Tel: (033) 2654 7210/12
Fax: (033) 2654 9982/5740

Taloja Sheet
Plot 2, MIDC Industrial Area
Taloja A.V.
Dist: Raigad, Navi Mumbai - 410 208
Maharashtra
Tel: (022) 2741 2261, 66292929
Fax: (022) 2741 2430/31

Alupuram Extrusions
Alupuram, P.B. No.30
Kalamassery-683 104
Dist: Ernakulam, Kerala
Tel: (0484) 2532441-48
Fax: (0484) 2532468

Mouda Unit
Village Dahali
Ramtek Road, Mouda
Nagpur-441 104
Tel: (07115) 660777/786

Hirakud FRP
Hindalco Industries Limited
Hirakud-768016
Dist-Sambhalpur
Odisha
Tel: (0663) 6625000
Fax No.(0663) 2481344

Kollur Works
Kollur Village
Rc Puram Mandal
Sangareddy Dist.
Telangana – 502 300
Tel: (08455) 288722
Fax: (08455) 288828

MINES

Durgmanwadi Mines
At Post Radhanagri
Dist: Kolhapur
Maharashtra - 416 212
Tel: (02321) 2020133

Lohardaga Mines
Dist: Lohardaga 835 302
Jharkhand
Tel/ Fax: (06526) 224112

Samri Mines
Hindalco Colony
Baba Chowk, Jashpur Mode
AT/PO - Kusmi
Dist. Balrampur - Ramanujganj
Chattisgarh - 497224

Gare Palma Coal Mines (IV/4 & IV/5)
Village & PO: Milupara
Tehsil-Tamnar
Dist.- Raigarh
Chattisgarh-496107

Kathautia Coal Mine
Kathautia Open Cast Coal Mine
Village-Kathautia
P.O.-Naudiha
PS.-Pandwa, Dist: Palamau
Jharkhand-822123

Dumri Coal Mine
2nd Floor, Deep Complex
Indrapuri Square
Hazaribag, Jharkhand-825301
Tel: (0654) 6270137
Fax: (0651) 2330782

*Renukoot works has also manufacturing facilities of Chemicals, Sheets and Extrusions.

22. Investor Correspondence : The Company Secretary
Hindalco Industries Limited
Ahura Centre, 1st Floor, B Wing
82, Mahakali Caves Road, Andheri (E)
Mumbai: 400093
Tel: (91-22) 66917000
Fax: (91-22) 66917001
Email: hilinvestors@adityabirla.com

23. Categories of Shareholding (as on 31st March):

Category of Shareholders	**2018**				**2017**			
	Number of Share holders	**% of Share holders**	**Number of Shares held**	**% Share holding**	**Number of Share Holders**	**% of Share holders**	**Number of Shares held**	**% Share holding**
Promoters*	21	0.00	778,339,497	34.67	22	0.00	778,339,497	34.70
Mutual Funds & UTI	219	0.07	248,872,734	11.09	208	0.07	169,616,424	7.56
Banks/ Financial Institutions/Ins/Govt	91	0.03	180,486,367	8.04	93	0.03	229,108,190	10.21
FIIs	714	0.25	630,636,308	28.09	716	0.22	617,041,927	27.51
Corporates	2,400	0.80	86,605,935	3.85	2,755	0.86	105,504,910	3.78
Individuals/Shares In Transit/Trust	289,325	96.60	143,050,131	6.38	309,725	96.86	165,213,215	7.18
NRIs/ OCBs/Foreign Nationals	6,750	2.25	39,672,440	1.76	6,263	1.96	40,025,341	2.89
GDRs	1	0.00	137,299,490	6.12	1	0.00	138,404,586	6.17
Total	**299,521**	**100.00**	**2,244,962,902**	**100.00**	**319,783**	**100.00**	**2,243,254,090**	**100.00**

*Includes 14,542,309 GDRs held by Promoter Group Companies.

24. Per share data:

Particulars	**2017-18**	**2016-17**	**2015-16**	**2014-15**	**2013-14**
Net Earnings (₹ in Crore)	1,436	1,557	552	925	1,413
Cash Earnings (₹ in Crore)	3,053	2,985	1,834	1762	2,236
EPS (₹)	6.45	7.56	(0.64)	4.48	7.09
CEPS (₹)	13.70	14.49	8.95	8.53	11.20
Dividend per share (₹)	1.20@	1.10	1.00	1.00	1.00
Dividend pay out (%)	22.58@	19.08	41.23	26.59	14.70
Book Value per share (₹)^	220.28	211.00	204.16	180.41	177.92
Price to earning (x)*	33.28	25.80	(137.42)	28.83	20.00
Price to cash earning (x)*	15.66	13.46	9.83	15.14	12.70
Price to Book Value (x)*	0.97	0.92	0.43	0.72	0.80

* Stock Prices as on 31st March
@ proposed dividend
^ Including Treasury shares held by the Company

25. **OTHER USEFUL INFORMATION FOR SHAREHOLDERS**

Shareholders who have not yet encashed their dividend warrants for the years 2010-2011 to 2016-2017 may approach to the Company with a request letter quoting their Ledger Folio numbers / DP & Client ID along with dividend warrant(s) (if any) and a cancelled cheque leaf for revalidation/claim.

The details of Dividend paid by the Company and the respective due dates of transfer of unclaimed/un-encashed dividend to the designated fund of the Central Government is given as below:

Date of Declaration	Financial Year of Dividend	Due date of transfer to the Government
23rd September, 2011	2010-11	23rd October, 2018
11th September, 2012	2011-12	10th November, 2019
10th September, 2013	2012-13	10th October, 2020
24th September, 2014	2013-14	24th October, 2021
16th September, 2015	2014-15	16th October, 2022
14th September, 2016	2015-16	14th October, 2023
13th September, 2017	2016-17	13th October, 2024

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment 2017, the Company is mandated to transfer all such shares to Investor Education and Protection Fund (IEPF) in respect of which dividend has not been claimed for seven consecutive years or more.

The unclaimed dividend amount(s) for the financial years 2008-2009, 2009-2010 and 1,697,798 Equity Shares and 177,581 Equity Shares related to unclaimed dividend for the financial years 2008-2009 and 2009-2010 have been credited to Investor Education and Protection Fund (IEPF).

Shareholder can claim the unclaimed dividend amounts and shares credited to IEPF with a separate application made to the IEPF Authority, in Form IEPF-5, as prescribed under the Rules and are available at IEPF website i.e www.iepf.gov.in.

In case of any query contact –

Hindalco Industries limited
Ahura Centre, 1st floor, B Wing
82, Mahakali Caves Road
Andheri (East), Mumbai- 400 093.
Tel: (91-22) 6691 7000, Fax: (91-22) 6691 7001
Email ID: hilinvestors@adityabirla.com

Green Initiative In Corporate Governance – Service of Documents in Electronic Form

As you are aware, Ministry of Corporate Affairs Government of India (MCA) vide its Circular(s) Nos. 17 and 18 dated 21st April, 2011 and 29th April, 2011 respectively has now allowed the companies to send Notices of General Meetings/other Notices, Audited Financial Statements, Director's Report, Auditor's Report etc. henceforth to their shareholders electronically as a part of its Green Initiative in Corporate Governance.

Keeping in view the aforesaid green initiative of MCA, your Company shall send the Annual Report and other documents to its shareholders in electronic form at the e-mail address provided by them and made available to us by the Depository.

Unclaimed Shares in Physical Form

Regulation 39(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides the manner of dealing with shares issued in physical form pursuant to public issue or any other issue which remains unclaimed with the Company. In compliance with the provisions of Listing Regulations, the Company has sent three reminders to the shareholders whose share certificates are lying unclaimed.

Disclosures pursuant to Regulation 39(4) of Listing Regulation are as below:

- ➢ Aggregate number of shareholders and outstanding shares lying in Unclaimed Suspense account lying as at 1st April, 2017:

  4,164 shareholders holding 1,282,492 equity shares of the Company.

- ➢ Number of shareholders who approached the issuer for transfer of shares from Unclaimed Suspense Account during the year.

  26 shareholders 6,820 equity shares of the Company.

- Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year.

  26 shareholders 6,820 equity shares of the Company.

  During the year 3,051 shareholders holding 719,776 equity shares were transferred to Investor Education and Protection Fund Account.

- Aggregate number of shareholders and outstanding shares lying in Unclaimed Suspense Account as at 31st March, 2018.

  1,087 shareholders holding 555,896 equity shares of the Company.

INVESTOR SERVICES

i. Equity Shares of the Company are under compulsory demat trading by all investors, with effect from 5th April, 1999. Considering the advantages of scrip less trading, shareholders are requested to consider dematerialization of their shareholding so as to avoid inconvenience in future.

ii. Shareholders/Beneficial Owners are requested to quote their Folio No./DP & Client ID Nos., as the case may be, in all correspondence with the Company. All correspondences regarding shares & debentures of the Company should be addressed to the Investor Service Department of the Company at Ahura Centre, 1st Floor, 'B' Wing, 82, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 and not to any other office(s) of the Company.

iii. Shareholders holding shares in physical form are requested to notify to the Company, change in their address/ Pin Code number and Bank Account details promptly by written request under the signatures of sole / first joint holder. Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc. directly to their DP.

iv. To prevent fraudulent encashment of dividend warrants, members are requested to provide their Bank Account Details (if not provided earlier) to the Company (if shares are held in physical form) or to DP (if shares are held in demat form), as the case may be, for printing of the same on their dividend warrants.

v. Non-resident members are requested to immediately notify:-

   - change in their residential status on return to India for permanent settlement;
   - Particulars of their NRE Bank Account with a bank in India, if not furnished earlier.

vi. In case of loss/misplacement of share certificate, investors should immediately lodge a FIR/Complaint with the police and inform to Company along with original or certified copy of FIR/acknowledged copy of the complaint.

vii. For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. wherever applicable registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.

   Further please note that Securities and Exchange Board of India(SEBI), vide its Circular No MRD/DoP/Cir-05/2009 dated 20th May 2009, has made it mandatory for the transferee(s) to furnish the copy of the PAN Card to the Company for registration of physical transfer of shares.

   Investors therefore are requested to furnish the self attested copy of PAN card at the time of sending the physical transfer of shares.

viii. Shareholders are requested to keep record of their specimen signature before lodgment of shares with the Company to obviate possibility of difference in signature at a later date.

ix. Shareholders(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificates in the same name under different Ledger Folio(s) are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.

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

xi. Shareholders are requested to quote their E-mail Ids, Telephone/Fax numbers for prompt reply to their communication.

xii. The Securities and Exchange Board of India has by its Circular No. SEBI/HO/DOP1/CIR/P/2018/73 dated 20th April, 2018 has mandated to register PAN and bank account details for the security of the holders holding securities in physical form.

The security holders whose folio(s) do not have complete details relating to their PAN and Bank Account, or where there is any change in the bank account details provided earlier, have to compulsorily furnish the details to the Company/Depository Participant for registration/updation.

xiii. Pursuant to SEBI Listing Regulations as amended, effective from 5th December, 2018, and BSE Circular No. LIST/COMP/15/2018 dated July 05, 2018 SEBI has mandated that transfer of securities would be carried out in dematerialized form only.

Accordingly request for effecting transfer of securities shall not be processed unless the securities are held in the Dematerialised form with the depository with effect from 5th December 2018. Hence the Company will not be accepting any request for transfer of shares in physical form with effect from 5th December, 2018. This restriction shall not be applicable to the request received for transmission or transposition of physical shares.

SOCIAL REPORT

"In its march towards poverty alleviation, we as a nation have made phenomenal progress. Our Government with a sense of resoluteness has ushered in transformative high impact projects to lift people living at the bottom of the pyramid. Governance and reformist policies at the development level have helped make an enormous difference to them.

We in the Aditya Birla Group, have been and continue to be absolutely committed to inclusive growth. We also reaffirm our pledge to the Global Sustainable Development Goals to end poverty in all its dimensions and help work towards an "equal, just and secure" society.

Through the Aditya Birla Centre for Community Initiatives and Rural Development, we are engaged in 5,000 villages, reaching out to 7.5 million people. Of this, Hindalco reaches out to 1.2 million people across 626 villages and 22 urban slums spanning 10 States. Our focus is on healthcare, education, sustainable livelihood, infrastructure and social reform."

— Mrs. Rajashree Birla

Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development

At Hindalco, our CSR engagement is concentrated in West Bengal, Jharkhand, Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Gujarat, Maharashtra, Karnataka, Telangana and Kerala.

Health Care

To provide healthcare facilities, we held 2,010 rural medical and awareness camps. Health check-ups were conducted for ailments such as malaria, filarial, diarrhoea, diabetes, hepatitis, arthritis, skin diseases, gynaecological disorders and cardiac related issues. Our rural mobile medical van services complemented these efforts. More than 1,28,429 villagers availed of our healthcare services. Those afflicted with serious ailments were referred to our hospitals.

The Company has 8 hospitals, 15 dispensaries/clinics. These are located at Renukoot, & Renusagar (Uttar Pradesh), Belagavi (Karnataka), Muri, Lohardaga, Kathautia (Jharkhand) and Durgamwadi (Maharashtra). More than 2,54,113 underserved patients were treated at our hospitals.

Furthermore, our support extended to 8 Government/ Charity run primary health centres where 3,914 patients were cared for at Singrauli, Dumri, Durgamwadi and Taloja. Over 888 patients afflicted with chronic ailments were examined and medical advice/treatment given at Renukoot, Renusagar, Kathautia, Dumri and Singrauli. In surgical camps 40 patients underwent surgeries at Renukoot and Renusagar.

At our Eye camps 2,443 persons were treated. Of these 548 patients at Renukoot, Belagavi, Dahej, Muri, Singrauli, Kathautia and Belur were operated for cataract and intra-ocular lens were fitted for their vision. The teams also distributed 751 spectacles to better the eyesight of senior citizens.

At 61 dental check-up camps, organised in the locations near Renukoot, Renusagar, Singrauli, Belur and Kathautia 4,732 persons were treated.

In Renukoot, Renusagar and Lohardaga, over 470 patients were diagnosed with Tuberculosis and registered under the directly observed treatment programme (DOT) at 10 designated microscopic centres (DMC) at Hindalco family welfare center, Arogyam hospitals, The Rajendra Hospital, Lohardaga mines and the Aditya Birla Rural Technology Park, Muirpur.

At 37 camps in Singrauli, Belagavi, Lohardaga, Kathautia, Renusagar, Belur, Taloja and Renukoot on STD/RTI and AIDS awareness, 5,070 persons underwent tests and many were given treatment in line with the diagnosis.

At Muri, we operate the GPS based ambulance service facility 'Jeevan Mitra Sewa Yojana'. In the 15 ambulances, we examined/treated over 4,345 people. Free ambulance services were accorded to 2,689 emergency cases at Lohardaga and Kathautia in Jharkhand.

At 50 health check-up and blood grouping camps, we examined 5,103 students in Lohardaga, Renukoot, Dahej, Kathautia, Taloja, Samri, Dumri, Renusagar, Alupuram, Belur and Belagavi.

We organised 17 camps for detection/treatment of Malaria and Diarrhoea in the villages as a preventive care initiative.

Furthermore, we distributed mosquito nets to 4,205 people at Renusagar, Singrauli, Lohardaga, Muri and Taloja.

Mother and Child Health Care:

In collaboration with the District Health Department, over 1,97,830 children were immunised against polio. Further,18,978 children were administered BCG, DPT and anti-hepatitis B vaccines across the company's units.

More than 66,776 expectant mothers and their children leveraged our 22 family welfare centres at Renukoot, Renusagar, Samri and Lohardaga to avail the services offered under our Safe Motherhood and Child Survival Programme.

Nearly 11,000 women participated in 638 camps on ante-natal, post-natal care, mass immunisation, nutrition and escort services for institutional delivery. These camps organised at Renukoot, Singrauli, Belagavi, Kathautia, Samri, Dahej, Belur, Durgamwadi and Lohardaga form part of our reproductive and child health care programmes.

Our focused programme on adolescent health care covered 4,729 girls at Kanyashrams, Govt. Girls High Schools and Kasturba Gandhi Balika Vidyalayas. In addition, 11 adolescent health talk programmes were organised for the girls and rural women, reaching out to 1,030 girls and women in nine villages at Dahej.

To address issues related to menstrual health and hygiene of school going adolescent girls, we have installed a sanitary napkin vending machine at TH Memorial Urdu High School, Belur (West Bengal) in collaboration with the Rotary Club.

Our intensive motivational drive towards responsible family raising led to 260 villagers going in for planned families across Renukoot, Belagavi and Renusagar.

Safe Drinking Water and Sanitation:

We have installed 59 hand pumps, repaired 1692 hand pumps and provided wells. With this, safe drinking water reaches over 35,510 villagers. Potable water is supplied to 28 villages through water tankers and pipelines. This is looked upon as a boon by 57,729 beneficiaries.

We have constructed 18 New School Toilets at Lohardaga, Renukoot, Kathautia and Taloja and repaired 14 school toilets at Singrauli, Samri, Kathautia, Durgamwadi and Belagavi making them functional.

In collaboration with the Swachh Bharat Abhiyan,135 toilets at Garepalma, Lohardaga, Samri and Mahan were set up. Besides these, we availed of Government schemes and contributed from our own funds as well to build 2,041 toilets. We were able to act as catalysts and motivate 14,550 households to have sanitation facilities by leveraging Government schemes. Overall, we facilitated the construction of 16,726 individual toilets. In all so fare, 212 villages have achieved the ODF status as a result of our intervention.

Education:

We run 30 Balwadis at Renukoot, Lohardaga, Samri, Belagavi and Singrauli, mentoring 871 underprivileged children.

We extend support to 82 Anganwadis at Renukoot, Singrauli, Samri, Belur, Lohardaga, Renusagar, Kathautia, Dumri, Durgamwadi and Belagavi. Over 4,000 children are enrolled at these Anganwadis. Among these we are working with 423 malnourished children from and creating awareness besides health check-ups under Integrated Child Development Scheme (ICDS) at Renukoot and Dumri.

At our 10 Aditya Birla Public Schools at Renukoot, Renusagar, Dahej and Muri, we have enrolled 6,422 rural students. Additionally, 2,272 students have been enlisted in our 11 Aditya Birla Vidya Mandirs at Renukoot, Lohardaga, Kathautia and Samri.

We foster the cause of the girl child through encouraging and supporting 3,122 girls at the 13 Kasturba Gandhi Balika Vidyalayas (KGBV) operating in Renukoot, Lohardaga, Muri and Samri.

Under the Sarva Siksha Abhiyan (SSA) programme, we have tied up with 21 primary schools' initiatives at Renukoot and Lohardaga. Over 4,774 students in these schools have received technical support, study materials, school bags and uniforms.

More than 60 teachers have been posted in primary and secondary schools in Dumri, Garepalma, Kollur, Bharuch, Lohardaga, Kathautia and Belagavi.

Under the **'Shala Praveshotsav'** programme, 15,000 students from grade 1st to 8th in 85 schools from Vagra tehsil in Bharuch district were given notebooks, practice work books, slates, school bags, Education Materials for "PRAGNYA" classes for standard 1st to 5th. Additionally, school bags, uniforms, sweaters and educational kits have been provided to over 8,393 students at most of our Units.

Over,1047 students from the 109 rural schools were accorded scholarships. Furthermore, 100 girl students of class XI were given “Mahan Jyoti scholarship” of ₹1,000 each at Singrauli.

At Dahej, we felicitated 36 meritorious students from Grade 10th & 12th (Commerce & Science stream) and 33 outstanding teachers.

To address the issue of school dropouts, we organised 117 ‘meet the parent’ counselling events at Renukoot, Renusagar, Lohardaga, Singrauli Belagavi, Taloja and Kathautia. Through this process we managed to bring 3,579 students back to school. At the same time, we also began coaching classes for 1,128 students who were weak in Math, Science and English, to enable them get through the exams.

In Dahej, Lohardaga, Garepalma, Muri, where the dropout rate among secondary level girl students is high, we provide bus services to encourage them to continue their education. So now, 1505 students are availing our 18 buses to commute to their school.

We have set up a Mini Science Center cum museum at Mahan. Quite a few exhibits are interactive. The center stokes the curiosity of more than 600 students.

“Kishore-Kishori” clubs are being run through 30 centers at Muri. Up until now, 1,003 village youths have received formal training on personality development, leadership and communication etc. We are also running 9 “Sanskar Kendras” (values-based centres) at Singrauli and Lohardaga.

We have a roster of 507 students at the 19 Non Formal Schools at Muri. At our 23 adult literacy programmes at Renusagar, Singrauli and Muri, 549 participants evinced keen interest.

At Renukoot, Renusagar, Belur, Muri, Singrauli, Samri, Belagavi, Garepalma, Dahej and Mouda we conduct 6-monthly computer literacy programmes. This year, 493 rural students took the course.

Our 12 career counselling camps at Renukoot, Lohardaga, Dahej, Belagavi and Kathautia saw the active participation of 980 aspiring students. Subsequently, many of them joined technical and vocational training programmes.

We organised Sports and cultural programmes in more than 106 schools where 26,813 students participated.

We have repaired 19 school buildings at Singrauli, Kathautia, Belagavi and Durgamwadi. We have also provided furniture’s to 16 Schools at Lohardaga, Dumri, Belagavi, Renusagar, Belur and Samri.

Sustainable Livelihood:

To boost agricultural and horticultural activities and help farmers reap a rich harvest, we reach out to 22,661 farmers across Muri, Dahej, Singrauli, Renukoot, Renusagar, Belagavi and Lohardaga. Farmer training programmes to enable them be in sync with the most modern agricultural practices, demonstration plots, soil testing, providing quality seeds, tutoring them in inter-cropping, field visits to the agricultural universities forms the spectrum of our work.

In the agriculture support programmes organised at Renukoot, Renusagar, Singrauli, Samri and Lohardaga, 5,741 farmers were given agricultural tools, seeds, fertilisers and insecticides.

To comprehend contemporary cropping pattern and techniques, 40 farmers from Lohardaga were taken for an exposure visit to Vikas Bharti, Gumla Agricultural Demonstration farm, Gumla.

We promoted farmers’ clubs to ensure cost optimization through economics of scale in the procurement of inputs, to realise better margin through collective marketing of agricultural produces, to avail all the facilities and services under different schemes and to enrich knowledge by exchanging ideas and information. Currently, 62 farmers club are functional at Renukoot and Renusagar having 1,572 farmer members.

Our agricultural farmland levelling and trench digging at Renukoot, Samri, Belagavi, Lapanga and Lohardaga benefitted 2,229 farmers - 1,789 farmers were supported with lift and drip irrigation facilities at 73 locations in Renukoot, Singrauli, and Durgamwadi. We have also constructed 12 check dams/irrigation wells at Singrauli and Muri to provide assured irrigation facility to enhance cash crop production in more than 1,000 acres of land.

At Renusagar, Renukoot, Samri and Belagavi, 67 camps were organised on rainwater/roof water harvesting. Over 2,801 villagers were trained in groundwater recharge and retention through technology.

This year as well, a training programme on scientific lac cultivation method was organised in collaboration with Indian Lac Research Institute, Namkum, Ranchi, where 596 farmers from the nearby villages of Muri were trained to increase Lac productivity with. Today all of them are self-employed.

At Renukoot and Lohardaga, we have developed 69 vermi compost tank to encourage the use of waste in making manure for their land and improve crop output.

Furthermore, in solidarity with the Green Energy movement, we distributed 901 Solar lanterns/lamps at Renukoot, Renusagar, Mahan and Kathautia. We have also installed 2 solar operated 24×7 drinking water supply at Samri and Lohardaga.

Under the social forestry programme, we continue to give saplings. This year we reached out to 37,715 farmers at Renukoot, Renusagar, Lohardaga, Samri, Muri, Dumri, Belagavi, Dahej, Singrauli, Taloja and Mouda.

This year, 24,493 animals were immunised in veterinary camps held at our units at Renukoot, Renusagar, Lohardaga, Samri and Belagavi.

Vocational Training:

Vocational skills training is provided to 3,950 people at Renukoot, Renusagar, Lohardaga, Muri, Singrauli, Belagavi, Taloja, Kollur, Belur, Samri, Kathautia, Garepalma and Mouda.

We sponsored and facilitated 488 students from Muri, Belur, Belagavi, Lohardaga, Kathautia, Dumri and Renukoot to the ITI's/ Pan ITIs, Rudiseti-Silli, Ramakrishna mission Belur, SRI-Ranchi and our Aditya Birla Technology Park at Muirpur, for semi-skilled job oriented training.

At the Aditya Birla Rural Technology Park, more than 27 training batches were organised. The thrust continued on computer literacy, beautician, repair of electric and electronic goods, handicrafts, bag making, soft toys, tailoring and knitting, ways to enhance agricultural output, veterinary science. This year 250 aspirants were trained this year. Furthermore, 16 Programmes of capacity building training was also conducted for 785 participants. Veterinary services offered to 466 farm folks.

Self Help Group (SHG):

The 1,571 SHGs set up by us empower 21,696 households economically and socially. Most of the SHGs have been linked with income generation activities at various centres. Women are engaged in a series of activities like tailoring, weaving, knitting, handicrafts, beauty parlour, bamboo basket making, making pickles, spices papad, vegetable vending, cultivation, small business etc.

Infrastructure Development:

We support infrastructure development by helping construct village approach roads, culverts, panchayat bhawans, pond excavations, bathing ghats, bathrooms, protection wall, rural houses, check dams, bus stops etc. This activity is undertaken across Hindalco units.

Espousing Social Causes:

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

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

In partnership with Govt. district authorities, villages panchayats, other likeminded NGOs and the community, we organised a dowry less mass marriage programme at Mahan. Over 2,400 marriages solemnised.

We have distributed 6,587 blankets at Renusagar, Singrauli, Muri, Belur, Kathautia & Dumri and 182 cookers at Dumri and Mahan to the needy.

We support residents of orphanages and old age homes at Taloja, Belagavi and Lohardaga.

Accolades/Awards received:

In recognition of our CSR work, several accolades were bestowed upon us. These include:

Mahan:

- India CSR Award for Best practices in the field of CSR and Rehabilitation & Resettlement at Green Field Project.
- FAME Gold Award for Excellence in CSR
- PRSI National Award for best Pvt. Sector implementing CSR.

Birla Copper:

- CMO Asia– 7th Best International CSR Practice Award for Support & Improvement in Quality of Education".
- NGO BOX– 4th Best CSR practices award for Rural Development & Infrastructure.

Jharkhand Mines:

- World CSR Responsible Business Award for best Community Programme around Mines.

Belagavi:

- ET Now– CSR Leadership Award for best community Development projects instituted by National CSR Leadership Congress.

Renukoot:

- CMO Asia- 7th Best International CSR Practice Award for "Poverty Alleviation".

Our Investment:

For the year 2017-18, our CSR spend was ₹ 31.09 crores, which is 2.33% of average net profits of the Company for last three financial years. In Odisha under the Enterprise Social commitment (ESC), we have invested ₹ 5.18 crores on CSR activities. We mobilised ₹ 83.31 crores through the various schemes of the Government, acting as catalysts for the community.

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

INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF HINDALCO INDUSTRIES LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **Hindalco Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 30, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
    (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors, except one director (who has resigned from the office subsequent to the year-end), is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
        i The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 44;
        ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Notes 20A, 20B, 21A and 21B;
        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018, except for a sum of Rs. 0.07 crore; and
        iv. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Sumit Seth
Partner
Membership Number: 105869

Place : Mumbai
Date : May 16, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Hindalco Industries Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Hindalco Industries Limited ("the Company") as of March 31, 2018, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained, and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting, and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Sumit Seth
Partner
Membership Number: 105869

Place : Mumbai
Date : May 16, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Hindalco Industries Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year, and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 2 on Property, Plant and Equipment, and Note 3 on Investment Property to the standalone Ind AS financial statements, are held in the name of the Company, except for the following:

i. in respect of freehold land (Birla Copper and Muri unit) having gross block of ₹ 0.32 crore and building (Birla Copper unit, Delhi branch) having gross block of ₹ 8.04 crore, the title deeds of which are held in the name of erstwhile companies which have subsequently been amalgamated with the Company;

ii. in respect of freehold land (Mahan unit) and building (Mumbai branch) having gross block of ₹ 3.66 crore and ₹ 20.42 crore, respectively, the title deeds of which are yet to be transferred in the name of the Company; and

iii. in respect of freehold land and building (Birla Copper unit) having gross block of ₹ 0.50 crore and ₹ 1.38 crore, respectively, the title deeds of which are presently not readily available with the Company.

ii. The physical verifications of inventory, excluding stocks with third parties, have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of account.

iii. 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. Therefore, the provisions of Clauses 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the Prescribed account and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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 undisputed statutory dues in respect of provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax (with effect from July 1, 2017), and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues of income tax and, goods and services tax which have not been deposited on account of any dispute. The particulars of dues of sales tax, service tax, duty of customs, duty of excise and value added tax as at March 31, 2018, which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	₹ in crores*	Period to which the amount relates	Forum where the disputes are pending
Central Sales Tax Act and Local Sales Tax (including VAT) Act	Sales Tax	30.97	1992-2010, 2015-2016	Assistant Commissioner/ Commissioner/Deputy Commissioner/ Revisionary Authorities Level/ Joint Commissioner/Additional Commissioner (A)
		0.73	2005-2006, 2009-2011, 2013-2015	Tribunal
		32.44	1986-87, 1989-1991, 2003-2007	High Court
The Central Excise Act, 1944	Central Excise	8.27	2000-2004, 2008-2009, 2012-2018	Assistant Commissioner/ Commissioner/Revisionary Authorities Level/Commissioner (Appeals)
		530.27	2001-2017	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		156.42	2007-2012	High Court
The Customs Act, 1962	Customs Duty	18.30	2004-2007, 2017-2018	Commissioner/Deputy Commissioner/ Commissioner of Customs (Appeal)
		22.78	2009-2014	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
The Service Tax under the Finance Act, 1994	Service Tax	8.86	2001-2002, 2008-2018	Assistant Commissioner/ Commissioner/Revisionary Authorities Level/Commissioner (Appeals)
		314.14	2004-2017	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		0.35	2009-2010	High Court

*Exclude matters in respect of which favourable order has been received at various appellate authorities.

viii. According to the records of the Company examined by us, and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank, or dues to debentureholders as at the Balance Sheet date. The Company does not have any loans or borrowings from Government as at the Balance Sheet date.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys during the year by way of initial public offer and further public offer (including debt instruments).

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

xii. As the Company is not a Nidhi Company, and the Nidhi Rules, 2014, are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standards (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares, or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with them to which Section 192 of the Act applies. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Sumit Seth
Partner
Membership Number: 105869

Place : Mumbai
Date : May 16, 2018

Balance Sheet as at March 31, 2018

(₹ Crore)

	Note	As At 31/03/2018	As At 31/03/2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	33,999.58	34,017.71
Capital Work-in-Progress		736.25	711.54
Investment Property	3	9.03	9.26
Intangible Assets	4	355.55	357.31
Intangible Assets Under Development		0.48	0.01
Financial Assets			
Investments in Subsidiaries	5	16,596.93	14,122.49
Investments in Associates	6	14.27	1,971.30
Other Investments	7A	6,638.47	4,385.38
Loans	8A	5.88	50.53
Other Financial Assets	9A	311.54	382.84
Non-Current Tax Assets (Net)		1,242.79	1,567.78
Other Non-Current Assets	10A	861.49	724.02
		60,772.26	**58,300.17**
Current Assets			
Inventories	11	10,738.38	9,268.03
Financial Assets			
Other Investments	7B	3,775.59	8,852.78
Trade Receivables	12	1,737.25	1,872.83
Cash and Cash Equivalents	13	1,809.45	4,307.42
Bank Balances other than Cash and Cash Equivalents	14	11.90	27.76
Loans	8B	54.57	179.82
Other Financial Assets	9B	1,373.24	1,114.44
Current Tax Assets		316.55	-
Other Current Assets	10B	2,064.73	2,630.23
		21,881.66	28,253.31
Non-Current Assets or Disposal Groups classified as Held For Sale or as Held For Distribution to Owners	15A	74.99	81.51
		21,956.65	28,334.82
		82,728.91	**86,634.99**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	222.89	222.72
Other Equity	17	49,227.85	47,109.84
		49,450.74	47,332.56
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	18A	17,198.94	18,391.95
Trade Payables	19A	24.04	0.44
Other Financial Liabilities	20A	134.34	476.88
Provisions	21A	404.10	490.01
Deferred Tax Liabilities (Net)	22	1,922.18	1,231.67
Other Non-current Liabilities	23A	644.88	10.66
		20,328.48	20,601.61
Current Liabilities			
Financial Liabilities			
Borrowings	18B	3,092.96	4,229.98
Trade Payables	19B	5,524.05	4,890.85
Other Current financial Liabilities	20B	2,079.63	7,146.87
Provisions	21B	658.31	634.53
Other Current Liabilities	23B	778.17	697.12
Current Tax Liabilities (Net)	24	816.54	1,101.42
		12,949.66	18,700.77
Liabilities Associated with Non-Current Assets or Disposal Group classified as Held For Sale or as Held For Distribution to Owners	15B	0.03	0.05
		12,949.69	18,700.82
		33,278.17	39,302.43
		82,728.91	**86,634.99**
Basis of Preparation and Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statements
This is the Balance Sheet referred in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

For and on behalf of the Board of Hindalco Industries Limited

Sumit Seth
Partner
Membership No. 105869

Praveen Kumar Maheshwari
Whole-time Director &
Chief Financial Officer
DIN-00174361

Satish Pai – Managing Director
DIN-06646758

Place : Mumbai
Dated : May 16, 2018

Anil Malik
Company Secretary

M.M. Bhagat – Director
DIN-00006245

Statement of Profit and Loss for the year ended March 31, 2018

(₹ Crore)

	Note	Year Ended 31/03/2018	Year Ended 31/03/2017
INCOME			
Revenue from Operations	25	43,434.93	39,383.12
Other Income	26	947.82	1,005.17
Total Income		**44,382.75**	**40,388.29**
EXPENSES			
Cost of Materials Consumed	27	25,407.73	21,018.22
Purchases of Stock-in-Trade	28	4.92	89.11
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	(419.23)	(1,100.16)
Excise Duty on Sales		636.89	2,446.51
Employee Benefits Expenses	30	1,894.65	1,752.12
Power and Fuel	31	6,000.12	5,898.67
Finance Costs	32	1,900.54	2,322.87
Depreciation and Amortisation	33	1,617.31	1,427.97
Other Expenses	34	4,785.79	4,464.63
Total Expenses		**41,828.72**	**38,319.94**
Profit/(Loss) Before Exceptional Items and Tax		2,554.03	2,068.35
Exceptional Income (Expenses)	35	(325.21)	84.89
Profit/(Loss) Before Tax		2,228.82	2,153.24
Tax Expenses	36		
Current Tax		412.44	414.58
Deferred Tax		379.89	181.77
		792.33	596.35
Profit/(Loss) for the year		**1,436.49**	**1,556.89**
Other Comprehensive Income			
Items that will not be reclassified to statement of Profit and Loss	37		
Actuarial Gain/(Loss) on Defined Benefit Obligation		62.08	84.54
Change in fair value of financial instruments designated as FVTOCI		380.83	710.91
Income Tax Effect		(21.84)	(29.26)
Items that will be reclassified to Statement of Profit and Loss	38		
Change in Fair Value of Debt Instruments designated as FVTOCI		(1.56)	3.23
Cash Flow Hedges		826.42	(361.91)
Income Tax Effect		(288.78)	128.42
Other Comprehensive Income for the year		957.15	535.93
Total Comprehensive Income for the year		**2,393.64**	**2,092.82**
Earnings Per Share	39		
Earnings Per Equity Share			
Basic (₹)		6.45	7.56
Diluted (₹)		6.45	7.55
Basis of Preparation and Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statements
This is the Statement of Profit and Loss referred in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Sumit Seth
Partner
Membership No. 105869

Place : Mumbai
Dated : May 16, 2018

Praveen Kumar Maheshwari
Whole-time Director &
Chief Financial Officer
DIN-00174361

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

Satish Pai – Managing Director
DIN-06646758

M.M. Bhagat – Director
DIN-00006245

Statement of Changes in Equity for the year ended March 31, 2018

'A' Equity Share Capital

(₹ Crore)

Particulars	Note	Amount
Balance as at 1st April, 2016		204.89
Changes in Equity Share Capital during 2016-17	16	17.83
Equity Share Capital as at 31st March, 2017		222.72
Changes in Equity Share Capital during 2017-18	16	0.17
Equity Share Capital as at 31st March, 2018		**222.89**

'B' Other Equity

(₹ Crore)

Particulars	Note	Share Application Money Pending Allotment	Reserves and Surplus								Other Reserves						Total
			Capital Reserve	Capital Redemption Reserve	Business Reconstruction Reserve	Securities Premium Account	Debenture Redemption Reserve	Employee Stock Options Outstanding	General Reserve	Retained Earnings	Actuarial Gain/(Loss) on Defined Benefit Obligation	Gain/(loss) on Equity Instruments FVTOCI	Gain/(loss) on Debt Instruments FVTOCI	Effective Portion of Cash Flow Hedges	Cost of Hedging Reserve	Total OCI	
Balance as at 31st March, 2016	17	**-**	**144.54**	**101.57**	**7,714.77**	**4,861.25**	**600.00**	**35.52**	**21,353.80**	**1,748.44**	**-**	**5,050.42**	**(1.05)**	**292.80**	**52.53**	**5,394.70**	**41,954.59**
Profit for the year										1,556.89						-	1,556.89
Other Comprehensive Income											55.28	713.24	4.06	(598.69)	362.04	535.93	535.93
Total Comprehensive Income for the year		-	-	-	-	-	-	-	-	1,556.89	55.28	713.24	4.06	(598.69)	362.04	535.93	2,092.82
Dividends on Equity Shares and Dividend Tax										(238.78)						-	(238.78)
Transfer to Debenture Redemption Reserve							150.00			(150.00)						-	-
Equity Share Issued under ESOS						19.04		(13.39)	0.36							-	6.01
Issuance of Equity Shares through Qualified Institutional Placement						3,332.31										-	3,332.31
Adjustment of expenses for issuance of Equity Shares through Qualified Institutional Placement						(42.68)										-	(42.68)
Employee Share Options Expenses								5.57								-	5.57
Transfer from OCI - Actuarial Gain/(Loss)										55.28	(55.28)					(55.28)	-
Total Changes		-	-	-	-	3,308.67	150.00	(7.82)	0.36	1,223.39	-	713.24	4.06	(598.69)	362.04	480.65	5,155.25
Balance as at 31st March, 2017	17	**-**	**144.54**	**101.57**	**7,714.77**	**8,169.92**	**750.00**	**27.70**	**21,354.16**	**2,971.83**	**-**	**5,763.66**	**3.01**	**(305.89)**	**414.57**	**5,875.35**	**47,109.84**
Profit for the year										1,436.49							1,436.49
Other Comprehensive Income											40.25	380.83	(1.02)	304.35	232.74	957.15	957.15
Total Comprehensive Income for the year		-	-	-	-	-	-	-	-	1,436.49	40.25	380.83	(1.02)	304.35	232.74	957.15	2,393.64
Share Application Money received during the year		0.16														-	0.16
Realised Gain/Loss on Equity FVTOCI transferred in Equity										61.05		(61.05)				(61.05)	-
Dividends on Equity Shares and Dividend Tax										(291.17)						-	(291.17)
Transfer to Debenture Redemption Reserve							150.00			(150.00)						-	-
Equity Shares Issued under ESOS						27.25		(13.82)								-	13.43
Employee Share Options Expenses								1.95								-	1.95
Transfer from OCI - Actuarial Gain/(Loss)										40.25	(40.25)					(40.25)	-
Total Changes		0.16	-	-	-	27.25	150.00	(11.87)	-	1,096.62	-	319.78	(1.02)	304.35	232.74	855.85	2,118.01
Balance as at 31st March, 2018	**17**	**0.16**	**144.54**	**101.57**	**7,714.77**	**8,197.17**	**900.00**	**15.83**	**21,354.16**	**4,068.45**	**-**	**6,083.44**	**1.99**	**(1.54)**	**647.31**	**6,731.20**	**49,227.85**

Basis of Preparation and Significant Accounting Policies ' 1'
The accompanying Notes are an integral part of the Financial Statements

This is the Statement of Changes in Equity referred in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Sumit Seth
Partner
Membership No. 105869

Place : Mumbai
Dated : May 16, 2018

Praveen Kumar Maheshwari
Whole-time Director &
Chief Financial Officer
DIN-00174361

Anil Malik
Company Secretary

For and on behalf of the Board of
Hindalco Industries Limited

Satish Pai – Managing Director
DIN-06646758

M.M. Bhagat – Director
DIN-00006245

Statement of Cash Flow for the year ended March 31, 2018

(₹ Crore)

	Year Ended 31/03/2018	Year Ended 31/03/2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	2,228.82	2,153.24
Adjustment for:		
Finance costs	1,900.54	2,322.87
Depreciation and Amortisation	1,617.31	1,427.97
Employee Share Option Expenses	1.95	5.54
Bad Debts and Provisions for Doubtful Debts and Advances	24.33	29.57
Liabilities no longer required Written-back	(54.78)	(39.03)
Unrealised Foreign Exchange (Gain)/Loss	18.26	(40.77)
Unrealised Loss/(Gain) on Derivative Transactions	7.19	209.64
Fair Value (Gain) on modification of Borrowings	(52.92)	-
(Gain)/Loss on Assets held for Sale	1.08	(2.04)
(Gain)/Loss on PPE and Intangibles Sold/Discarded	16.42	23.19
Interest Income	(387.16)	(348.74)
Dividend Income	(45.53)	(81.30)
Other Non-Operating Income/Expenses (Net)	-	(1.42)
Realised Gain of Cash Flow Hedges in OCI	361.74	279.70
(Gain)/Loss on Investments measured at FVTPL	(409.54)	(692.77)
Operating Profit Before Working Capital Changes	**5,227.71**	**5,245.65**
Changes in Working Capital:		
Inventories	(1,691.00)	(889.29)
Trade and Other Receivables	112.06	135.49
Financial Assets	124.20	(146.05)
Non-Financial Assets	417.99	(86.94)
Trade and Other Payables	859.60	1,430.99
Financial Liabilities	3.65	44.08
Non-Financial Liabilities	49.08	55.81
Cash Generation from Operation	**5,103.29**	**5,789.74**
Payment of Direct Taxes (Net of Refund)	(688.90)	107.86
Net Cash Generated From/(Used in) Operating Activities	**4,414.39**	**5,897.60**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant Equipment and Intangible Assets	(1,177.72)	(1,040.95)
Sale of Property Plant Equipment and Intangible Assets	33.79	41.63
Investment in Subsidiaries	(2,474.62)	(267.45)
Sale of Shares in Subsidiaries	-	209.68
Return of Capital from Subsidiary	-	3.21
Purchase/Sale of Investments - Others (Net)	5,577.36	(569.04)
Repayment of Loans and Deposits	269.91	165.00
Loans and Deposits Given	(401.51)	(250.47)
Interest Received	409.91	383.02
Dividend Received	45.53	84.84
Net Cash Generated from/(Used in) Investing Activities	**2,282.65**	**(1,240.53)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Shares (including Share Application Money)	13.73	3,313.48
Pre-Payment of Non-Current Borrowings	(5,685.62)	(1,037.82)
Repayment of Non-Current Borrowings	-	(169.76)
Repayment of Finance Lease Liability	(8.05)	(2.79)
Proceeds/(Repayment) of Current Borrowings (Net)	(1,349.07)	(129.32)
Dividend Paid (including Dividend Distribution Tax)	(291.17)	(238.78)
Finance Cost Paid	(1,867.39)	(2,318.55)
Net Cash Generated from/(Used in) Financing Activities	**(9,187.57)**	**(583.54)**
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,490.53)	4,073.53
Add: Opening Cash and Cash Equivalents before Fair Value Gain/Loss on Liquid Investments	4,295.96	222.43
Cash and cash equivalents before fair value gain/(loss) on liquid investments	**1,805.43**	**4,295.96**
Add: Fair Value Gain/(Loss) on Liquid Investments	4.02	11.46
Cash and Cash Equivalents as reported in Balance Sheet	**1,809.45**	**4,307.42**

(₹ Crore)

Supplemental Information:		**As At**	
Non-Cash Transactions from Investing and Financing Activities		**31/03/2018**	**31/03/2017**
Acquisition of Property, Plant and Equipment (PPE) by means of Finance Lease		9.98	-
Acquisition of Property, Plant and Equipment (PPE) by means of Government Grant		678.02	-
Novation and Restructuring of Long-Term Borrowings		237.50	259.44
		As At	
Cash and Cash Equivalents Comprise of:		**31/03/2018**	**31/03/2017**
Cash on Hand		0.37	0.48
Cheques and Drafts on Hand		16.36	17.11
Balances with Bank			
Current Accounts		218.95	127.56
Deposit with Banks with Less than 3 Months Initial Maturity		8.13	0.05
Short-Term Liquid Investments in Mutual Funds		1,565.64	4,162.22
		1,809.45	4,307.42
Basis of Preparation and Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statements
This is the Statement of Cash Flow referred in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Sumit Seth
Partner
Membership No. 105869

Place : Mumbai
Dated : May 16, 2018

Praveen Kumar Maheshwari
Whole-Time Director &
Chief Financial Officer
DIN-00174361

Anil Malik
Company Secretary

For and on behalf of the Board of
Hindalco Industries Limited

Satish Pai – Managing Director
DIN-06646758

M.M. Bhagat – Director
DIN-00006245

Notes forming part of the Financial Statements

1. Company Overview

Hindalco Industries Limited ("the Company") was incorporated in India in the year 1958 having its registered office at I[st] Floor, B Wing, Mahakali Caves Road, Andheri (East), Mumbai - 400093

The Company has two main stream of business, Aluminium and Copper. In Aluminium, the Company caters to the entire value chain starting from mining of bauxite and coal through production of value added products for various application.

The Company also has one of the largest single location Copper smelting facilities in India.

The Equity Shares of the Company are listed on the Indian Stock Exchanges (National Stock Exchange and Bombay Stock Exchange), and GDRs are listed on the Luxemburg Stock Exchange.

1A. Basis of Preparation

The separate financial statements of Hindalco Industries Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standard) Amendment Rules, 2016, and other accounting principles generally accepted in India.

The financial statements for the year ended 31[st] March, 2018, have been approved by the Board of Directors of the Company in their meeting held on 16[th] May, 2018.

The financial statements have been prepared on historical cost convention on accrual basis, except for the following assets and liabilities, which have been measured at fair value or revalued amount:

- Financial instruments - Measured at fair value;
- Assets held for sale - Measured at fair value less cost of sale;
- Plan assets under defined benefit plans - Measured at fair value; and
- Employee share-based payments - Measured at fair value

In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for employee share-based payments, leasing transactions, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Crore, unless otherwise stated.

Use of Estimates and Management Judgement

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities, and the disclosure of contingent liabilities as at the date of the financial statements, and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

1B. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

A. Investments in Subsidiaries and Joint Ventures

The investments in subsidiaries and joint ventures are carried in these financial statements at historical cost, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. When the Company is committed to a sale plan involving disposal of an investment, or a portion of an investment in an associate or joint venture, the investment or the portion of the investment that will be disposed of, is classified as held for sale, when the criteria described above are met. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for at historical cost.

B. Investments in Associates

The investments in associates are carried in these financial statements at fair value through Other Comprehensive Income (OCI), except when the investment, or a portion thereof, is classified as held for sale, in which case it is presented as Non-current assets held for sale and discontinued operations. When the Company is committed to a sale plan involving disposal of an investment, or a portion of an investment in an associate, the investment or the portion of the investment that will be disposed of, is classified as held for sale, when the criteria described above are met. Any retained portion of an investment in an associate, that has not been classified as held for sale, continues to be accounted for at fair value through OCI.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value.

C. Investment in Joint Operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Company undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the standards applicable to the particular assets, liabilities, revenues and expenses.

When the Company transacts with a joint operation, in which the Company is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the financial statements only to the extent of other parties' interests in the joint operation.

When the Company transacts with a joint operation, in which the Company is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it re-sells those assets to a third party.

D. Property, Plant and Equipment

Property, plant and equipment held for use in the production and/or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition, and location and present value of any obligatory decommissioning costs for its intended use. Costs may also include effective portion on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment transferred from hedge reserve as basis adjustment.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs and effective portion of cash flow hedges of foreign currency transferred from the hedge reserve as basis adjustment.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available, and any remaining carrying amounts of the cost of previous overhauls are derecognised. All other costs are expensed as incurred.

Capital Work-in-Progress:

Capital work-in-progress assets, comprise of in the course of construction for production and/or supply of goods or services or administrative purposes, or for the purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point, when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

Depreciation:

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives or, in the case of leased assets (including leasehold improvements), over the lease term, if shorter. The lease period is considered by excluding any lease renewals options, unless the renewals are reasonably certain. Depreciation is recorded using the straight-line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately, if its useful life differs from the other components of the asset.

Depreciation commences when the assets are ready for their intended use. Depreciated assets in property and accumulated depreciation accounts are retained fully until they are removed from service.

The useful life of the items of PPE estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013.

Disposal of Assets:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit and Loss.

E. Investment Properties

Investment properties, held to earn rentals or for capital appreciation or boths are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property, and is recognised in the Statement of Profit and Loss. Transfer to, or from, investment property is done at the carrying amount of the property.

F. Intangible Assets

Intangible Assets Acquired Separately:

Intangible assets acquired are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives other than Mining Rights. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-Generated Intangible Assets – Research and Development Expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the followings can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset is recognised. Where no internally-generated intangible asset can be recognised, development expenditure is charged to the Statement of Profit and Loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Mining Reserves, Resources and Rights (Mining Rights):

Mineral reserves, resources and rights (together mining rights), which can be reasonably valued, are recognised in the assessment of fair values on acquisition. Exploitable mineral rights are amortised using the unit of production basis over the commercially recoverable reserves. Mineral resources are included in amortisation calculations where there is a high degree of confidence that they will be extracted in an economic manner. Commercially, recoverable reserves are proved and probable reserves. Changes in the commercial recoverable reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

Derecognition of Intangible Assets:

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses, arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

G. Stripping Cost

Stripping costs incurred during the mining production phase are allocated between cost of inventory produced and the existing mine asset. The stripping ratio, as approved by the regulatory authority, for the life of the mine is obtained by dividing the estimated quantity of overburden by the estimated quantity of mineable coal/bauxite reserve to be extracted over the life of the mine. This ratio is periodically reviewed, and changes, if any, are accounted for prospectively.

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to ore provided all the following conditions are met:

- it is probable that the future economic benefit associated with the stripping activity will be realised;
- the component of the ore body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

The overburden removal costs are included in Mining Rights under Intangible assets and amortised based on stripping ratio on the quantity of coal/bauxite excavated.

H. Non-Current Assets (or Disposal Groups) Held For Sale

Non-current assets and disposal groups are classified as Held For Sale, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition/subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. The Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as Held For Sale are measured at the lower of their carrying amount and fair value less costs to sell.

I. Impairment

Impairment of Tangible and Intangible Assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset/cash-generating unit is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use. Where 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. Where 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 group of cash-generating units, for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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.

J. Foreign Currency Transactions

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items are measured at historical cost.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise, except for:

- eligible exchange differences on foreign currency borrowings relating to qualifying assets under construction are included in the cost of those assets when they are regarded as an adjustment to interest; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedge accounting policies).

Changes in the fair value of financial asset denominated in foreign currency classified as fair value through Other Comprehensive Income are analysed between differences resulting from exchange differences related to changes in the amortised cost of the security and other changes in the carrying amount of the security. Exchange differences related to changes in amortised cost are recognised in the Statement of Profit and Loss, and other changes in carrying amount are recognised in Other Comprehensive Income.

Changes in the fair value of non-monetary equity instruments irrevocably classified as fair value through Other Comprehensive Income include gain or loss on account of exchange differences.

The fair value of financial liabilities denominated in a foreign currency is translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss.

K. Provisions and Contingencies

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Onerous Contracts:

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Restructurings:

A restructuring provision is recognised when there is a detailed formal plan for the restructuring, which has raised a valid expectation in those affected. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring.

Restoration (including Mine Closure), Rehabilitation and Decommissioning:

Close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of the estimated future costs of restoration to be incurred during the life of the mining operation and post-closure. Provisions for close-down and restoration costs do not include any additional obligations, which are expected to arise from future disturbance.

The initial close-down and restoration provision is capitalised. Subsequent movements in the close-down and restoration provisions for ongoing operations, including those resulting from new disturbance related to expansions or other activities qualifying for capitalisation, updated cost estimates, changes to the estimated lives of operations, changes to the timing of closure activities and revisions to discount rates, are also capitalised within “Property, Plant and Equipment”.

Environmental Liabilities:

Environment liabilities are recognised when the Company becomes obliged, legally or constructively, to rectify environmental damage or perform remediation work.

Litigation:

Provision is recognised once it has been established that the Company has a present obligation based on consideration of the information, which becomes available upto the date on which the Company’s financial statements are approved, and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

L. Leases

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as Lessor:

Amounts due from lessees under finance leases are recorded as receivables at the amount of net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company’s net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as Lessee:

Assets held under finance leases are initially recognised at their fair values at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation, so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company’s general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern, in which economic benefits from the leased asset are consumed. Variable increases in lease payments, which are not linked to an inflation price index, are recognised on a straight-line basis. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern, in which economic benefits from the leased asset are consumed.

M. Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of finished goods and work-in-progress includes raw materials, direct labour, other direct costs and related production overheads. Costs of inventories include the transfer from equity any gains/losses on qualifying cash flow hedges for purchases of raw materials.

The inventories are measured at fair value only in those cases where the inventories are designated into a fair value hedge relationship.

Cost is determined using the weighted-average cost basis. However, the same cost basis is applied to all inventories of a particular class. Inventories of stores and spare parts are valued at weighted-average cost basis after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

However, materials and other supplies held for use in the production of inventories (finished goods, work-in-progress) are not written down below the cost, if the finished products in which they will be used are expected to sell at or above the cost.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

N. Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets, otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

Trade receivables, which arise from contracts where the sale price is provisional and revenue model has the character of a commodity derivative, are measured at fair value. The fair value is measured at forward rate and recognised as an adjustment to revenue.

Loss allowance for expected life time credit loss is recognised on initial recognition.

O. Financial Instruments

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract, whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value plus transaction costs, except for those financial assets, which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification of Financial Assets:

Financial assets are classified as ‘equity instrument’, if it is a non-derivative and meets the definition of ‘equity’ for the issuer. All other non-derivative financial assets are ‘debt instruments’.

Financial Assets at Amortised Cost and the Effective Interest Method:

Debt instruments are measured at amortised cost, if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis in investment income.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Company may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL, if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI):

Debt instruments are measured at FVTOCI, if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and selling assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the Statement of Profit and Loss in investment income. When the debt instrument is derecognised the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified to the Statement of Profit and Loss account as a reclassification adjustment.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI.

A financial asset is held for trading, if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together, and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated in an effective hedge relationship as a hedging instrument or not a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income. Where the asset is sold or disposed of, the cumulative gain or loss previously accumulated in the Other Comprehensive Income is directly reclassified to retained earnings.

For equity instruments measured at fair value through Other Comprehensive Income no impairments are recognised in the Statement of Profit and Loss.

Dividends on these investments in equity instruments are recognised in the Statement of Profit and Loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Financial Assets at Fair Value Through Profit and Loss (FVTPL):

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through Other Comprehensive Income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the Statement of Profit and Loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Impairment of financial assets:

On initial recognition of the financial assets, a loss allowance for expected credit loss is recognised for debt instruments at amortised cost and FVTOCI. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in the Statement of Profit and Loss.

Expected credit losses of a financial instrument is measured in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

When making the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of Financial Assets:

The Company derecognises a financial asset on trade date only 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 entity. 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 a collateralised borrowing for the proceeds received.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Statement of Profit and Loss. Cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial Liabilities and Equity Instruments Issued by the Company:

Classification as Debt or Equity:

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Compound Instruments:

The component parts of compound instruments (convertible instruments) issued by the Company are classified separately as financial liabilities, and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Financial Guarantee Contract Liabilities:

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance is determined by using expected credit loss model; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Financial Liabilities:

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading, if:

- it has been acquired or incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may also be designated as at FVTPL upon initial recognition, if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the companying, is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109, Financial Instruments, permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is recognised in Other Comprehensive Income.

The net gain or loss recognised in the Statement of Profit and Loss incorporates any interest paid on the financial liability.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Offsetting Financial Instruments:

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

P. Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and are subsequently re-measured at their fair values. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The Company designates certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

(b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or

(c) hedges of a net investment in a foreign operation (net investment hedge).

The Company documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio).

The full fair value of a hedging derivative is classified as a non-current asset or liability when the residual maturity of the derivative is more than 12 months, and as a current asset or liability when the residual maturity of the derivative is less than 12 months.

Fair Value Hedges:

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item, arising from the hedged risk, is amortised to the Statement of Profit and Loss from that date.

Cash Flow Hedges:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss, and is included in the ‘other gains and losses’ line item.

Amounts previously recognised in Other Comprehensive Income and accumulated in equity are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in Other Comprehensive Income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability as a basis adjustment.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

Hedges of Net Investments in Foreign Operations:

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in Other Comprehensive Income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to the Statement of Profit and Loss on the disposal of the foreign operation.

Q. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, short-term deposits with an original maturity of three months or less and short-term highly liquid investments.

For the purposes of the Cash Flow Statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts. In the Balance Sheet, bank overdrafts are shown within borrowings in current liabilities.

R. Borrowing Costs

Borrowing costs, directly attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Company considers a period of 12 months or more as a substantial period of time.

Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method. All other borrowing costs are expensed 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.

S. Accounting for Government Grants

Government grants are recognised when there is reasonable assurance that we will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised in the Balance Sheet by setting up the grant as deferred income.

Other government grants (grants related to income) are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants, that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

Grants related to income are presented under other income/other operating revenue in the Statement of Profit and Loss, except for grants received in the form of rebate or exemption, which are deducted in reporting the related expense.

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.

T. Employee Benefits

Retirement Benefit and Termination Benefits:

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement and medical plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. 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
- remeasurements.

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. Curtailment gains and losses are accounted for as past service costs.

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 future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Short-Term and Other Long-Term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave (which is short-term in nature) in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits including long-term compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit retirement plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

U. Employee Share-based Payments

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date.

The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as “Employee Stock Options Account”. In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the “Employee Stock Options Account” is transferred to the “General Reserve”.

When the options are exercised, the Company issues new equity shares of the Company of ₹ 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to Share Capital (nominal value) and Securities Premium Account.

V. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘Profit Before Tax’ as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Balance Sheet date.

The Management periodically evaluates the positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax:

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance Sheet, and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements, where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternate Tax (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 as an asset, the said asset is created by way of credit to the Statement of Profit and Loss and included in deferred tax assets. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT 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.

Current and Deferred Tax for the Period:

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in other Comprehensive Income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

W. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Material contingent liabilities are disclosed in the Financial Statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognised in the financial statements.

X. Revenue Recognition

The Company derives revenue principally from sale of speciality alumina, aluminium, aluminium value-added products, copper, precious metals, di-ammonium phosphate and other materials. The Company recognises revenue from sale of goods when the goods are delivered and titles have been passed at which time all the following conditions are satisfied:

i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

iii) the amount of revenue can be measured reliably;

iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and

v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programmes and contract signing bonus.

Shipping and handling amounts invoiced to customers are included in revenue and the related shipping and handling costs incurred are included in freight expenses when the Company is acting as principal in the shipping and handling arrangement.

Sales include excise duty and are net of Sales Tax and other applicable taxes.

For sales incentives to its customers, the Company makes estimates related to customer performance, and sales volume to determine the total amounts earned and to be recorded as deductions from revenue. In making these estimates, the Company considers historical results that have a predictive value of the amount that the Company expects for the transferred goods and services. The actual amounts may differ from these estimates and are accounted for prospectively.

Certain of the Company's sales contracts provide for provisional pricing based on the price on the London Metal Exchange Limited (LME) or London Bullion Markets Association (LBMA), as specified in the contract, when shipped. Final settlement of the prices is based on the applicable price for a specified future period. The Company's provisionally priced sales are marked-to-market using the relevant forward prices for the future period specified in the contract with a corresponding adjustment to revenue.

Revenue from irrevocable bill and hold/holding certificate contracts is recognised when it is probable that delivery will be made, goods have been identified and kept separately, are ready for delivery in the present condition and usual payment terms for such contracts applies. Under these arrangements, revenue is recognised once legal title has passed and all significant risks and rewards of ownership of the asset sold are transferred to the customer.

Export incentives and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

Claim on insurance companies, railway authorities and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Y. Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Z. Exceptional Items

Exceptional items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of 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.

1C. Measurement of Fair Value

A. Financial Instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

B. Marketable and Non-Marketable Equity Securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilising significant unobservable data, primarily cash flow-based models.

C. Derivatives

Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the Balance Sheet date. Options are valued using appropriate option pricing models, and credit spreads are applied where deemed to be significant.

D. Embedded Derivatives

Embedded derivatives that are separated from the host contract are valued by comparing the forward curve at contract inception to the forward curve as of the Balance Sheet date. Changes in the present value of the cash flows related to the embedded derivative are recognised in the Balance Sheet and in the Statement of Profit and Loss.

1D. Critical Accounting Judgment and Key Sources of Estimation Uncertainty

The application of accounting policies requires the Management to make estimates and judgements in determining certain revenues, expenses, assets and liabilities. The following paragraphs explain areas that are considered more critical, involving a higher degree of judgement and complexity.

A. Impairment of Non-Current Assets

Ind AS-36 requires that the Company assesses conditions that could cause an asset or a Cash-Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include internal and external factors, such as the Company's market capitalisation, significant changes in the Company's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgement, including assessment of where active markets exist, and the level of inter-dependency of cash inflows. CGU is usually the individual plant, unless the asset or asset group is an integral part of a value chain, where no independent prices for the intermediate products exist, a group of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant inter-dependencies.

In accordance with Ind AS 36, certain intangible assets are reviewed at least annually for impairment. If a loss in value is indicated, the recoverable amount is estimated as the higher of the CGU's fair value less cost to sell, or its value in use. Directly observable market prices rarely exist for the Company's assets, however, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Company for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

Determination of the recoverable amount involves the Management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax, and legal systems. The Company uses internal business plans, quoted market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed for a period of three to five years with projections thereafter. The Company does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes is considered.

B. Employee Retirement Plans

The Company provides both defined benefit employee retirement plans and defined contribution plans. Measurement of pension and other superannuation costs and obligations under such plans require numerous assumptions and estimates that can have a significant impact on the recognised costs and obligation, such as future salary level, discount rate, attrition rate and mortality.

The Company provides defined benefit plans in several countries and in various economic environments. The discount rate is based on the yield on high quality corporate bonds. In geographies, when the Corporate Bond market is not developed, Government bond yield is considered as discount rate. Assumptions for salary increase in the remaining service period for active plan participants are based on expected salary increase for each country or economic area. Changes in these assumptions can influence the net asset or liability for the plan as well as the pension cost. (refer Note 42)

C. Environmental Liabilities and Asset Retirement Obligations (ARO)

Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs. (refer Note 45)

D. Taxes

The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on the Management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability. (refer Note 36)

E. Classification of Leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at the end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset. (refer Notes 18A(e), 46)

F. Useful Lives of Depreciable/Amortisable Assets (Tangible and Intangible)

The Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment, and other plant and equipment.

G. Recoverability of Advances/Receivables

At each Balance Sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

H. Fair Value Measurements

The Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. (refer Note 48)

I. Contingent Assets and Liabilities, Uncertain Assets and Liabilities

Liabilities that are uncertain in timing or amount are recognized when a liability arises from a past event and an outflow of cash or other resources is probable and can be reasonably estimated. Contingent liabilities are possible obligations where a future event will determine whether the Company will be required to make a payment to settle the liability, or where the size of the payment cannot be determined reliably. Material contingent liabilities are disclosed unless a future payment is considered remote. Evaluation of uncertain liabilities and contingent liabilities and assets requires judgement and assumptions regarding the probability of realisation and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts. (refer Note 44)

1E. Recent Accounting Pronouncements

Amendments to Standards issued but not yet effective:

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules'), on 28th March, 2018. The Rules notify the new revenue standard Ind AS 115, Revenue from Contracts with Customers, brings amendments to Ind AS 21; Foreign currency transactions and advance consideration, Ind AS 40, Investment Property - Transfers of investment property, and Ind AS 12 Income Taxes, regarding recognition of deferred tax assets on unrealised losses. The rules shall be effective from reporting periods beginning on or after 1st April, 2018 and cannot be early adopted.

A. Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115, Revenue from Contracts with Customers deals with revenue recognition and establishes principles. Under the new standard, Revenue is recognised when a customer obtains control of a promised goods or services and, thus, has the ability to direct the use and obtain the benefits from the goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and appendices,, related to these standards.

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that the new standard is expected to have on its Financial Statements. However, the Company does not except that adoption of Ind AS 115 is going to significantly change the timing of the Company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, or in other cases delivered to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

B. Appendix B to Ind AS 21 – Foreign Currency Transactions and Advance Consideration

The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income, where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of transaction should be the date on which the Company initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

The Company intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e., from 1st April, 2018).

C. Amendments to Ind AS 40 – Investment Property – Transfers of Investment Property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples, and scope of these examples have been expanded to include assets under construction/ development and not only transfer of completed properties.

The Company has decided to apply the amendment prospectively to changes in use that occur after the date of initial application (i.e., 1st April, 2018). The Company has evaluated the effect of this on the Financial Statements and the impact is not expected to be material.

D. Amendments to Ind AS 12 – Income Taxes regarding recognition of Deferred Tax Assets on Unrealised Losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets as below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount, if it is probable then the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value but the entity expects to hold and collect the contractual cash flows and it is probable that recoverable value will be more than its carrying amount.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

The amendments to Ind AS 12 need to be applied retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

The Company shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8 with the corresponding impact recognised in opening retained earnings as at 1st April, 2017, based on the relief provided by the standard. The company has evaluated the effect of this on the Financial Statements and the impact is not expected to be material.

2. Property, Plant and Equipment

(₹ Crore)

Particulars	ORIGINAL COST				DEPRECIATION				IMPAIRMENT				CARRYING VALUE	
	As at 31/03/2016	Addition	Disposal/ Adjustments	As at 31/03/2017	As at 31/03/2016	Addition	Disposal/ Adjustments	As at 31/03/2017	As at 31/03/2016	Recognised/ (Reversed)	Deduction/ Adjustments	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
Freehold Land	498.37	16.13	-	514.50	0.28	-	-	0.28	-	-	-	-	514.22	498.09
Buildings	6,878.03	709.41	(3.43)	7,584.01	800.03	259.45	(1.50)	1,057.98	59.26	-	-	59.26	6,466.77	6,018.74
Plant and Machinery	34,547.74	2,500.28	(156.70)	36,891.32	8,919.01	1,083.15	(118.50)	9,883.66	669.26	-	(1.88)	667.38	26,340.28	24,959.47
Office Equipment	151.53	18.95	(6.09)	164.39	111.19	13.26	(5.79)	118.67	0.52	-	-	0.52	45.19	39.82
Vehicles and Aircraft	380.73	18.47	(7.59)	391.61	151.33	19.71	(3.47)	167.57	0.23	-	-	0.23	223.81	229.17
Railway Sidings	384.81	103.98	-	488.79	67.90	25.47	-	93.37	16.65	-	-	16.65	378.77	300.26
Furniture and Fittings	114.33	6.44	(1.77)	119.00	82.70	5.76	(1.39)	87.07	0.64	-	-	0.64	31.29	30.99
Leased Plant and Machinery	49.98	-	-	49.98	30.14	2.47	-	32.61	-	-	-	-	17.37	19.84
Leased Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**43,005.52**	**3,373.66**	**(175.59)**	**46,203.60**	**10,162.58**	**1,409.27**	**(130.65)**	**11,441.21**	**746.56**	**-**	**(1.88)**	**744.68**	**34,017.71**	**32,096.38**

(₹ Crore)

Particulars	ORIGINAL COST				DEPRECIATION				IMPAIRMENT				CARRYING VALUE	
	As at 31/03/2017	Addition	Disposal/ Adjustments	As at 31/03/2018	As at 31/03/2017	Addition	Disposal/ Adjustments	As at 31/03/2018	As at 31/03/2017	Recognised/ (Reversed)	Deduction/ Adjustments	As at 31/03/2018	As at 31/03/2018	As at 31/03/2017
Freehold Land	514.50	28.49	(1.15)	541.84	0.28	-	-	0.28	-	-	-	-	541.56	514.22
Buildings	7,584.01	155.39	2.00	7,741.40	1,057.98	286.82	(0.04)	1,344.76	59.26	-	-	59.26	6,337.38	6,466.77
Plant and Machinery	36,891.32	1,321.27	(105.05)	38,107.54	9,883.66	1,170.53	(65.49)	10,988.70	667.38	-	-	667.38	26,451.46	26,340.28
Office Equipment	164.39	12.55	(4.98)	171.96	118.67	14.94	(4.79)	128.82	0.52	-	-	0.52	42.62	45.19
Vehicles and Aircraft	391.61	21.21	(8.71)	404.11	167.57	21.03	(3.01)	185.59	0.23	-	-	0.23	218.29	223.81
Railway Sidings	488.79	0.00	-	488.79	93.37	27.83	-	121.20	16.65	-	-	16.65	350.94	378.77
Furniture and Fittings	119.00	8.77	(1.56)	126.21	87.07	6.07	(1.33)	91.81	0.64		-	0.64	33.76	31.29
Leased Plant and Machinery	49.98	-	-	49.98	32.61	2.47	-	35.08	-	-	-	-	14.90	17.37
Leased Furniture and Fixtures	-	9.97	-	9.97	-	1.30	-	1.30	-	-	-	-	8.67	-
Total	**46,203.60**	**1,557.65**	**(119.45)**	**47,641.80**	**11,441.21**	**1,530.99**	**(74.66)**	**12,897.53**	**744.68**	**-**	**-**	**744.68**	**33,999.58**	**34,017.71**

(a) Assets for which registration is pending

Freehold Land - Original Cost ₹ 0.06 crore (as at 31/03/2017 ₹ 0.06 crore). Carrying Value ₹ 0.06 crore (as at 31/03/2017 ₹ 0.06 crore).
Buildings - Original Cost ₹ 0.43 crore (as at 31/03/2017 ₹ 0.43 crore). Carrying Value ₹ 0.22 crore (as at 31/03/2017 ₹ 0.22 crore).

(b) The Company's share in Jointly owned assets has been grouped together with the relevant class of Property, Plant and Equipment. The proportion of the Original cost and carrying value included in relevant class of assets are given below:

Freehold Land - Original Cost ₹ 51.56 crore (as at 31/03/2017 ₹ 52.46 crore). Carrying Value ₹ 51.56 crore (as at 31/03/2017 ₹ 52.46 crore).

Buildings - Original Cost ₹ 41.29 crore (as at 31/03/2017 ₹ 52.44 crore). Carrying Value ₹ 30.78 crore (as at 31/03/2017 ₹ 39.44 crore).

Plant and Machinery - Original Cost ₹ 41.24 crore (as at 31/03/2017 ₹ 41.24 crore). Carrying Value ₹ 1.9 crore (as at 31/03/2017 ₹ 2.05 crore).

Furniture and Fittings - Original Cost ₹ 11.01 crore (as at 31/03/2017 ₹ 10.60 crore). Carrying Value ₹ 1.13 crore (as at 31/03/2017 ₹ 0.87 crore).

Vehicles and Aircraft - Original Cost ₹ 0.16 crore (as at 31/03/2017 ₹ 25.02 crore). Carrying Value ₹ 0.08 crore (at 31/03/2017 ₹ 10.28 crore).

Office Equipment - Original Cost ₹ 9.75 crore (as at 31/03/2017 ₹ 11.30 crore). Carrying Value ₹ 1.02 crore (as at 31/03/2017 ₹ 1.36 crore).

(c) Assets pledged and hypothecated against borrowings:

i All the moveable and immoveable property, plant and equipment of Mahan Aluminium, both present and future, carrying value ₹ 12,798.52 crore (as at 31/03/2017 ₹ 12,789.69 crore) are given as security towards charge against the term loans from banks of ₹ 2,947.87 crore (gross) (as at 31/03/2017 ₹ 6,362.16 crore).

ii All the moveable and immoveable property, plant and equipment of Aditya Aluminium, both present and future, carrying value of ₹ 13,226.12 crore (as at 31/03/2017 ₹ 13,285.22 crore.) are given as security towards charge against the term loans of ₹ 7,874.06 crore (gross) (as at 31/03/2017 ₹ 9,055.17 crore).

iii All moveable items of property, plant and equipment (except moveable items of Mahan Aluminium, Aditya Aluminium, Kalwa Plant, Silvassa Plant and current assets) and certain immoveable properties of the Company are given as security towards Non-convertible debentures of ₹ 6,000 crore.

(d) For capital expenditures contracted, but not incurred, refer to Note 44, Contingent Liabilities and Commitments, (Part B - Commitments).

(e) During the year, impairment reversal of ₹ Nil (year ended 31/03/2017 ₹ 1.88 crore) has been adjusted with Profit/(Loss) on PPE and intangibles sold/discarded (net), refer to Note 26, Other Income.

(f) In respect of Property, Plant and Equipment taken under finance lease, refer to Note 18A(e) for disclosure of future minimum lease payments and their present value.

(g) The carrying value of Capital Work-in-Progress (CWIP) as at 31/03/2018 is ₹ 736.25 crore. This is comprised of various routine projects and expansion spread over all units. Out of which, major ones are in Mahan for ₹ 56.42 crore, Aditya of ₹ 165.22 crore and Dahej ₹ 41.12 crore. Most of these routine projects will be capitalised by 2018-19. The carrying value of Capital Work-in-Progress (CWIP) as at 31/03/2017 was ₹ 711.54 crore. This is comprised of various routine projects and expansion spread over all units. Out of which, major ones were in Mahan for ₹ 133.15 crore and Aditya of ₹ 163.44 crore.

(h)

Items of Property, Plant and Equipment	**Useful Life (Years)**
Buildings	30-60
Plant and Machinery	10-40
Office Equipment	3-6
Vehicles and Aircraft	8-20
Railway Sidings	15-30
Furniture and Fittings	5-10
Leased Plant and Machinery	Over lease period
Leased Furniture and Fixtures	Over lease period

(i) Addition includes grant related to Export Promotion Capital Goods (EPCG) of ₹ 678.02 crore (refer Notes 23A and 23B)

3. Investment Property

(₹ Crore)

Particualrs	ORIGINAL COST				DEPRECIATION				IMPAIRMENT				CARRYING VALUE	
	As at 31/03/2016	Addition	Deduction/ Adjustment	As at 31/03/2017	As at 31/03/2016	Addition	Disposal/ Adjustments	As at 31/03/2017	As at 31/03/2016	Recognised/ (Reversed)	Deduction/ Adjustments	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
Freehold Land	0.57	-	-	0.57	-	-	-	-	-	-	-	-	0.57	0.57
Buildings	12.37	-	-	12.37	3.46	0.23	-	3.69	-	-	-	-	8.69	8.91
Total	**12.94**	**-**	**-**	**12.94**	**3.46**	**0.23**	**-**	**3.69**	**-**	**-**	**-**	**-**	**9.26**	**9.48**

(₹ Crore)

Particualrs	ORIGINAL COST				DEPRECIATION				IMPAIRMENT				CARRYING VALUE	
	As at 31/03/2017	Addition	Deduction/ Adjustment	As at 31/03/2018	As at 31/03/2017	Addition	Disposal/ Adjustments	As at 31/03/2018	As at 31/03/2017	Recognised/ (Reversed)	Deduction/ Adjustments	As at 31/03/2018	As at 31/03/2018	As at 31/03/2017
Freehold Land	0.57	-	-	0.57	-	-	-	-	-	-	-	-	0.57	0.57
Buildings	12.37	-	-	12.37	3.69	0.23	-	3.91	-	-	-	-	8.46	8.69
Total	**12.94**	**-**	**-**	**12.94**	**3.69**	**0.23**	**-**	**3.91**	**-**	**-**	**-**	**-**	**9.03**	**9.26**

Items of Investment Property	**Useful Life (Years)**
Freehold Land	NA
Buildings	60

₹ in Crore

	Year ended	
(a) Income and Expenditure of Investment Property:	**31/03/2018**	**31/03/2017**
Rental income from investment property	1.90	2.02
Direct Operating Expenses (including repairs and maintenance) on properties generating rental income	(0.48)	(0.51)
Direct Operating Expenses (including repairs and maintenance) on properties not generating rental income	-	-

(b) The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(c) The fair value of the Company's investment properties as at 31st March, 2018 and as at 31st March, 2017, have been arrived at on the basis of valuation carried out at the respective dates by an external, independent valuer registered with the authority which governs the valuer in India. The fair value measurement for all the investment properties has been categorised as Level 1/Level 2 fair value based on the inputs to the valuation technique used. Considering the type of the assets, market approach (sales comparable method) to estimate the fair value of the subject properties is adopted.

(₹ Crore)

	As at	
Fair Value of Investment Properties:	**31/03/2018**	**31/03/2017**
Freehold Land	39.81	35.67
Buildings	51.75	50.08
	91.56	**85.75**

(d) Details of Company's investment properties and information about the fair value hierarchy are given below:

(₹ Crore)

	As at 31/03/2018		As at 31/03/2017	
Fair Value of Investment Properties:	Level 1	Level 2	Level 1	Level 2
Freehold Land	-	39.81	0.63	35.04
Buildings	-	51.75	-	50.08

(e) Investment properties for which registration are pending.

Freehold Land - Original Cost ₹ 0.02 crore (as at 31/03/2017 ₹ 0.02 crore). Carrying Value ₹ 0.02 crore (as at 31/03/2017 ₹ 0.02 crore).

4. Intangible Assets

(₹ Crore)

Particulars	ORIGINAL COST				AMORTISATION				IMPAIRMENT				CARRYING VALUE	
	As at 31/03/2016	Addition	Deduction/ Adjustment	As at 31/03/2017	As at 31/03/2016	Addition	Disposal/ Adjustments	As at 31/03/2017	As at 31/03/2016	Recognised/ (Reversed)	Deduction/ Adjustments	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
Mining Rights	122.86	218.87	-	341.73	22.80	7.58	-	30.38	-	-	-	-	311.35	100.06
Computer Software	54.98	9.94	(0.88)	64.04	46.10	6.55	(0.87)	51.78	-	-	-	-	12.26	8.88
Technological Licences	38.81	-	-	38.81	34.84	1.61	-	36.45	-	-	-	-	2.36	3.97
Rights to Use	80.97	-	-	80.97	46.90	2.73	-	49.63	-	-	-	-	31.34	34.07
TOTAL	**297.62**	**228.81**	**(0.88)**	**525.55**	**150.64**	**18.47**	**(0.87)**	**168.24**	**-**	**-**	**-**	**-**	**357.31**	**146.98**

(₹ Crore)

Particulars	ORIGINAL COST				AMORTISATION				IMPAIRMENT				CARRYING VALUE	
	As at 31/03/2017	Addition	Deduction/ Adjustment	As at 31/03/2018	As at 31/03/2017	Addition	Disposal/ Adjustments	As at 31/03/2018	As at 31/03/2017	Recognised/ (Reversed)	Deduction/ Adjustments	As at 31/03/2018	As at 31/03/2018	As at 31/03/2017
Mining Rights (refer Note c)	341.73	79.59	-	421.32	30.38	75.02	-	105.40	-	-	-	-	315.92	311.35
Computer Software	64.04	4.75	(0.77)	68.02	51.78	7.16	(0.77)	58.17	-	-	-	-	9.85	12.26
Technological Licences	38.81	-	-	38.81	36.45	1.28	-	37.73	-	-	-	-	1.08	2.36
Rights to Use	80.97	-	-	80.97	49.63	2.64	-	52.27	-	-	-	-	28.70	31.34
TOTAL	**525.55**	**84.34**	**(0.77)**	**609.12**	**168.24**	**86.10**	**(0.77)**	**253.57**	**-**	**-**	**-**	**-**	**355.55**	**357.31**

(a) Items of Intangible Assets

	Useful Life (Years)
Mining Rights	13-39
Computer Software	3-6
Technological Licences	4-5
Rights to Use	5-35

(b) Remaining amortisation period of mining rights ranges between 12-38 years.

(c) Addition includes ₹ 64.18 crore, and depreciation expenses includes ₹ 61.59 crore related to stripping activity assets.

5. Investments in Subsidiaries

(₹ Crore)

	Face Value Per Unit	Numbers As at 31/03/2018	Numbers As at 31/03/2017	Value As at 31/03/2018	Value As at 31/03/2017
Investment in Equity Shares (Fully Paid-up) - (a) (b)					
Unquoted					
A V Minerals (Netherlands) N.V.	€ 567.83	2,337,437	2,291,993	9,993.35	9,801.00
Dahej Harbour & Infrastructure Limited	₹ 10	50,000,000	50,000,000	50.00	50.00
East Coast Bauxite Mining Company Pvt. Limited	₹ 10	7,400	7,400	0.01	0.01
Hindalco Almex Aerospace Limited	₹ 10	172,115,744	172,115,744	83.24	83.24
Hindalco Guinea SARL-(c)	GNF 100000	-	100	-	0.01
Lucknow Finance Company Limited	₹ 10	9,902,500	9,902,500	9.90	9.90
Mauda Energy Limited-(c)	₹ 10	-	175,000	-	0.18
Minerals & Minerals Limited	₹ 10	50,000	50,000	0.17	0.17
Renuka Investments & Finance Limited	₹ 10	9,250,000	9,250,000	9.25	9.25
Renukeshwar Investments & Finance Limited	₹ 10	4,795,000	4,795,000	4.80	4.80
Suvas Holdings Limited	₹ 10	6,788,149	4,231,903	6.79	4.23
Utkal Alumina International Limited	₹ 10	6,251,482,818	3,971,764,068	6,361.75	4,082.03
				16,519.26	**14,044.82**

(₹ Crore)

	Face Value Per Unit	Numbers As at 31/03/2018	Numbers As at 31/03/2017	Value As at 31/03/2018	Value As at 31/03/2017
Other Equity Investment - (Fair Value of Financial Guarantee given for)					
Utkal Alumina International Limited	NA	NA	NA	74.41	74.41
Suvas Holdings Limited	NA	NA	NA	0.02	0.02
A V Minerals (Netherlands) N.V.	NA	NA	NA	3.24	3.24
				77.67	**77.67**
				16,596.93	**14,122.49**

(a) Investments in subsidiaries have been carried at cost. None of the subsidiaries is listed on any stock exchange in India or outside India.

(b) Refer Note 56 to the Consolidated Financial Statements for information on principal place of business and the Company's ownership interest in the above Subsidiaries.

(c) Hindalco Guinea SARL and Mauda Energy Limited are in the process of liquidation and presented under note 15A (Non-Current Assets or Disposal Groups classified as Held For Sale or as Held For Distribution to Owners).

6. Investments in Associates

(₹ Crore)

	Face Value Per Unit	Numbers As at 31/03/2018	Numbers As at 31/03/2017	Value As at 31/03/2018	Value As at 31/03/2017
FVTOCI					
Investment in Equity Shares (Fully Paid-up) - (a)					
Unquoted					
Aditya Birla Science and Technology Company Private Limited	₹ 10	9,800,000	9,800,000	14.27	11.00
Quoted					
IDEA Cellular Limited - (d)	₹ 10	-	228,340,226	-	1,960.30
				14.27	**1,971.30**

(a) The Company has elected to account for its Investments in Associates as per Ind AS 109. Investments in Associates have been Fair Valued Through Other Comprehensive Income (FVTOCI).

(b) Aggregate amount of investments and market value are given below:

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
Aggregate Cost of Quoted Investments	-	228.34
Aggregate Market Value of Quoted Investments	-	1,960.30
Aggregate Cost of Unquoted Investments	9.80	9.80

(c) Refer Note 56 to the Consolidated Financial Statements for information on principal place of business and the Company's ownership interest in the above Associates.

(d) The Company has discontinued the accounting of its investment in IDEA Cellular Limited (ICL) as 'Investment in Associates' effective 31st March, 2018, as it no longer has significant influence over ICL.

7A Other Investments

(₹ Crore)

	Face Value Per Unit	Numbers As at 31/03/2018	Numbers As at 31/03/2017	Value As at 31/03/2018	Value As at 31/03/2017
Equity Instruments (Fully Paid-up) at FVTOCI - (a)					
Quoted					
National Aluminium Company Limited	₹ 5	18,385,327	28,384,938	122.17	217.15
Aditya Birla Nuvo Limited - (b)	₹ 10	-	8,650,412	-	1,313.52
Grasim Industries Limited - (b)	₹ 2	28,222,468	15,246,850	2,965.90	1,599.39
UltraTech Cement Limited	₹ 10	1,258,515	1,258,515	497.11	501.49
Aditya Birla Fashion & Retail Limited	₹ 10	44,982,142	44,982,142	678.56	692.05
IDEA Cellular Limited - (c)	₹ 10	228,340,226	-	1,733.10	-
Aditya Birla Capital Limited - (b)	₹ 10	39,511,455	-	576.67	-
				6,573.51	**4,323.60**

(₹ Crore)

	Face Value Per Unit	Numbers As at 31/03/2018	Numbers As at 31/03/2017	Value As at 31/03/2018	Value As at 31/03/2017
Unquoted - (a)					
Sai Wardha Power Generation Limited	₹ 10	2,830,352	2,830,352	2.83	2.83
Aditya Birla Ports Limited	₹ 10	-	100,000	-	0.13
Birla International Limited	CHF 100	2,500	2,500	3.43	3.10
Bharuch Dahej Railway Company Limited	₹ 10	13,530,000	13,530,000	17.90	17.53
				24.16	**23.59**
Debt Instruments at FVTOCI - (a)					
Government and Trust Securities					
6.83% Government of India Bond, 2039		2,000,000	2,000,000	18.14	18.85
Debt Instruments at FVTPL - (a)					
Preference Shares					
5.25% Redeemable Cumulative Preference Shares of Aditya Birla Health Services Limited	₹ 100	2,500,000	2,500,000	22.66	19.34
				6,638.47	**4,385.38**

(a) Aggregate amount of investments and market value are given below:

Aggregate Cost of Quoted Investments	500.65	298.54
Aggregate Market Value of Quoted Investments	6,573.51	4,323.60
Aggregate Cost of Unquoted Investments	62.02	62.12

(b) Aditya Birla Nuvo Ltd. got amalgamated with Grasim Industries Ltd. Upon amalgamation, financial service business got de-merged from Grasim Industries Ltd. and transferred to Aditya Birla Financial Services Ltd. Pursuant to the scheme of amalgamation between Aditya Birla Nuvo Limited (ABNL) and Grasim Industries Limited (Grasim), having record date of 6th July, 2017, the Company received 12,975,618 shares of Grasim in exchange of 8,650,412 equity shares it held of ABNL as at record date, making total equity shares held in Grasim to 28,222,468. Further, pursuant to the scheme of demerger of Aditya Birla Capital Limited (ABCL) (formerly Aditya Birla Financial Services Limited) from Grasim, having record date of 20th July, 2017, the Company received 39,511,455 equity shares of ABCL for 28,222,468 equity shares it held of Grasim as at record date.

(c) Refer Note 6(d).

7B. Investments in Debt and Equity Instruments, Current

(₹ Crore)

	Face Value Per Unit	Numbers As at 31/03/2018	Numbers As at 31/03/2017	Value As at 31/03/2018	Value As at 31/03/2017
Investments in Government or Trust Securities at Fair Value (through Profit and Loss)					
8.83% GOI GS CG	₹ 100	-	7,500,000	-	82.24
8.24% GOI GS CG	₹ 100	-	2,000,000	-	21.49
9.23% GOI GS CG	₹ 100	-	500,000	-	5.96
8.08% GOI GS CG	₹ 100	-	1,500,000	-	15.83
8.97% GOI GS CG	₹ 100	-	3,000,000	-	34.06
8.30% GOI GS CG	₹ 100	-	4,500,000	-	49.19
				-	**208.77**
Investments in Government or Trust Securities at FVTOCI					
7.95% GOI FCI Special Bonds, 2026	₹ 100	513,000	513,000	5.12	5.27
6.65% GOI FCI Special Bonds, 2023	₹ 100	2,096,600	2,096,600	20.04	20.15
7.00% GOI FCI Special Bonds, 2022	₹ 100	3,039,500	3,039,500	29.34	29.80
6.20% GOI FCI Special Bonds, 2022	₹ 100	1,432,100	1,432,100	13.38	13.51
				67.88	**68.73**
Investments in Debentures and Bonds at Fair Value (through Profit and Loss)					
Investments in Associates					
9.45% NCD of IDEA Cellular Limited	₹ 100	-	1,000,000	-	10.36
Investment in Other Entities					
7.18% NCD of IRFC	₹ 1,000	1,192	1,192	0.12	0.12
8.10% NCD of IRFC	₹ 1,000	30,453	30,453	3.44	3.45
7.19% NCD NHB	₹ 1,000,000	50	50	5.21	5.22
8.64% NCD of BIHAR SDL	₹ 100	-	183,500	-	1.93
8.60% NCD of LIC Housing Finance Limited	₹ 1,000,000	100	100	10.12	10.23
8.97% NCD of LIC Housing Finance Limited	₹ 1,000,000	-	250	-	25.73

(₹ Crore)

	Face Value Per Unit	Numbers As at 31/03/2018	Numbers As at 31/03/2017	Value As at 31/03/2018	Value As at 31/03/2017
9.24% NCD of LIC Housing Finance Limited	₹ 1,000,000	500	500	50.87	51.71
9.44% NCD of LIC Housing Finance Limited	₹ 1,000,000	250	250	25.48	25.94
9.57% NCD of LIC Housing Finance Limited	₹ 1,000,000	-	250	-	25.22
9.52% NCD of Jharkhand Road Projects Implementation Co. Ltd.	₹ 100,000	3,500	-	35.56	-
8.12% NCD of REC Limited	₹ 1,000	43,523	43,523	4.92	4.94
7.93% NCD of REC Limited	₹ 1,000	56,615	56,615	6.01	6.06
7.22% NCD of REC Limited	₹ 1,000	5,130	5,130	0.54	0.54
7.38% NCD of REC Limited	₹ 1,000	10,321	10,321	1.12	1.12
8.11% NCD of REC Limited	₹ 1,000,000	250	250	25.08	25.64
8.27% NCD of REC Limited	₹ 1,000,000	250	250	25.30	25.89
7.18% NCD - PFC	₹ 1,000,000	500	500	47.73	48.83
7.19% NCD - PFC	₹ 1,000	9,565	9,565	1.00	1.00
7.36% NCD - PFC	₹ 1,000	25,187	25,187	2.73	2.73
8.20% NCD - PFC	₹ 1,000	36,862	36,862	3.94	3.97
8.30% NCD - PFC	₹ 1,000	10,163	10,163	1.16	1.16
8.36% NCD - PFC	₹ 1,000,000	-	700	-	72.03
8.45% NCD - PFC	₹ 1,000,000	500	500	50.84	51.56
8.15% Power Grid Corporation - Bonds	₹ 1,000,000	-	100	-	10.33
8.93% Power Grid Corporation - Bonds	₹ 1,000,000	100	100	10.39	10.57
7.77% NCD - PNB Housing Finance Ltd.	₹ 1,000,000	500	-	49.72	-
9% INR SANSAR TRUST - Bonds	₹ 5,000,000	53	-	31.71	-
8.99% NCD of Tata Capital Financial Services Ltd.	₹ 1,000,000	-	250	-	25.10
7.85% NCD of Tata Capital Financial Services Ltd.	₹ 1,000,000	250	-	24.91	-
7.07% HUDCO Bonds	₹ 1,000,000	50	50	5.26	5.26
7.34% HUDCO Bonds	₹ 1,000	100,000	100,000	10.50	10.52
7.51% HUDCO Bonds	₹ 1,000	50,000	50,000	5.48	5.48
8.25% NCD HDFC Limited	₹ 10,000,000	-	50	-	50.53
9.45% NCD HDFC Limited	₹ 1,000,000	250	250	25.47	25.96
9.65% NCD HDFC Limited	₹ 1,000,000	500	1,050	50.66	108.46
8.70% NCD of Sundaram Finance Ltd.	₹ 1,000,000	-	250	-	25.19
8.77% NCD of Kotak Mahindra Prime Ltd.	₹ 1,000,000	-	250	-	25.11
9.75% NCD of Aditya Birla Finance Ltd.	₹ 1,000,000	-	250	-	25.09
8.25% NCD of Bajaj Finance Ltd.	₹ 1,000,000	500	500	50.10	50.52
7.77% NCD of Bajaj Finance Ltd.	₹ 1,000,000	250	-	24.82	-
8.77% NCD of Uttar Pradesh SDL	₹ 100	-	500,000	-	5.44
9.25% NCD of Dewan Housing Finance Corpn Ltd.	₹ 1,000	-	200,000	-	20.07
7.28% NHAI - Bonds	₹ 1,000,000	50	50	5.46	5.46
8.63% NCD of IDFC Bank Ltd.	₹ 1,000,000	250	250	25.26	25.61
				620.91	**840.08**
Investments in Commercial Papers at FVTPL					
PNB Housing Finance Ltd.	₹ 500,000	-	2,000	-	92.92
Housing Development Finance Corporation Limited	₹ 500,000	-	1,500	-	70.23
				-	**163.15**
Investments in Mutual Funds at FVTPL					
Quoted					
Investments in Debt Schemes of Mutual Funds - (a)				3,086.80	7,572.05
				3,086.80	**7,572.05**
				3,775.59	**8,852.78**

(a) Investments in Debt Schemes of Mutual Funds include ₹ 3.57 crore (year ended 31/03/2017 ₹ Nil) being deposit as margin money for derivative transactions.

(b) Aggregate amount of Quoted and Unquoted Investments, market value of Quoted Investments and aggregate provision for diminution in value of investments are given below:

	31/03/2018	31/03/2017
Aggregate Cost of Quoted Investments	2,804.66	7,090.71
Aggregate Market Value of Quoted Investments	3,086.80	7,572.05
Aggregate Cost of Unquoted Investments	686.08	1,264.15

(c) NCD stands for Non Convertible Debentures

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
8A. Loans, Non-Current		
(Unsecured, Considered Good, unless otherwise stated)		
Loans to Related Parties - (a)		
Inter-Corporate Deposits	-	44.86
Loans to Employees	5.88	5.67
	5.88	**50.53**

(a) For details of loans to related parties, refer Note 43.

8B. Loans,		**Current**
(Unsecured, Considered Good, unless otherwise stated)		
Loans to Related Parties - (a)		
Inter-Corporate Deposits	50.59	10.63
Loans to Employees	3.97	4.10
Loans to Others	0.01	165.09
	54.57	**179.82**

(a) For details of loans to related parties, refer Note 43, Related Party Transactions.

9A. Other Financial Assets, Non-Current		
(Unsecured, Considered Good, unless otherwise stated)		
Derivative Assets (refer Note 51)	107.41	187.54
Security Deposits		
Unsecured, Considered Good - (a)	136.84	136.15
Considered Doubtful	-	0.10
Allowance for Doubtful Deposits	-	(0.10)
Deposit with Others	67.29	59.15
	311.54	**382.84**

(a) Includes deposit to a related pary, refer Note 43, Related Party Transactions.

9B. Other Financial Assets, Current		
(Unsecured, Considered Good, unless otherwise stated)		
Derivative Assets (refer Note 51)	885.35	781.89
Other Financial Assets at Amortised Cost		
Amounts Recoverable from Related Parties	0.02	0.64
Security Deposits		
Unsecured, Considered Good	35.13	111.52
Considered Doubtful	0.35	0.25
Allowance for Doubtful Amount	(0.35)	(0.25)
Deposits with Non-Banking Financial Company (NBFC) with initial maturity more than 3 months	370.00	60.00
Accrued Interest	40.00	67.80
Project Expenses Recoverable from Government	11.32	61.06
Others		
Unsecured, Considered Good	31.42	31.53
Unsecured, Considered Doubtful	40.13	35.26
Allowance for Doubtful Amount	(40.13)	(35.26)
	1,373.24	**1,114.44**

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
10A. Other Non-Current Assets		
(Unsecured, Considered Good, unless otherwise stated)		
Capital Advances	86.22	96.24
Advance other than Capital Advances		
Advance to Supplier for Goods and Services	6.29	8.37
Prepaid Expenses	6.98	3.66
Prepaid Lease Rent for Leasehold Lands	589.92	594.85
Others		
Unsecured, Considered Good	172.08	20.90
Unsecured, Considered Doubtful	9.98	15.09
Allowance for Doubtful Advances	(9.98)	(15.09)
	861.49	**724.02**
10B. Other Current Assets		
(Unsecured, Considered Good, unless otherwise stated)		
Deposits with Government and other authorities	45.56	135.85
Advances to Employees	12.08	14.23
Other Advances and Balances		
Advance to Supplier for Goods and Services	825.99	724.97
Prepaid Expenses	33.15	30.10
Prepaid Rent-leasehold land	13.95	17.41
Others		
Unsecured, Considered Good - (a)	1,134.00	1,707.67
Unsecured, Considered Doubtful	106.31	94.62
Allowance for Doubtful Advances	(106.31)	(94.62)
	2,064.73	**2,630.23**

(a) Mainly includes statutory credit receivable and claims with indirect tax authorities.

11. Inventories

(₹ Crore)

	As at 31/03/2018			As at 31/03/2017		
	In Hand	**In Transit**	**Total**	**On Hand**	**In Transit**	**Total**
Raw Materials	1,479.46	2,636.78	4,116.24	928.20	2,235.54	3,163.74
Finished Goods	487.27	4.62	491.89	485.62	3.73	489.35
Work-in-Progress	5,136.21	49.29	5,185.50	4,789.48	34.01	4,823.49
Stores and Spares	520.36	33.14	553.50	464.87	19.89	484.76
Coal and Fuel	259.46	131.79	391.25	263.01	43.68	306.69
	7,882.76	**2,855.62**	**10,738.38**	**6,931.18**	**2,336.85**	**9,268.03**

(a) Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and taken to profit and loss when the inventory is sold.

(b) Inventories are hypothecated to secure short-term borrowings refer Note 18B(a).

(c) Write downs of inventories (net of reversal) to net realisable value related to raw materials, work-in-progress and finished goods amounted to ₹ 19.93 crore (as at 31/03/2017 ₹ 7.87 crore). These were recognised as expense during the year and included in 'cost of raw material consumed' and 'change in value of inventories of work-in-progress and finished goods' in the Statement of Profit and Loss.

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
12. Trade Receivables		
Trade Receivables:		
Secured, Considered Good	7.28	3.06
Unsecured, Considered Good	1,734.15	1,874.84
Unsecured, Considered Doubtful	32.43	35.05
Allowance for Doubtful Amount	(32.43)	(35.05)
	1,741.43	1,877.90
Expected Credit Loss on Trade Receivables	(4.18)	(5.07)
	1,737.25	**1,872.83**

(a) Trade receivables hypothecated against borrowings, refer Note 18B(a).

(b) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivable are due from firms or private companies, respectively, in which any director is a partner or director, or member.

(c) For details of trade receivables from related parties refer Note 43.

	As at 31/03/2018	As at 31/03/2017
13. Cash and Cash Equivalents		
Cash on Hand	0.37	0.48
Cheques and Drafts on Hand - (a)	16.36	17.11
Balance with Banks		
Current Accounts	218.95	127.56
Deposit with Banks with less than 3 months initial maturity	8.13	0.05
Short-Term Liquid Investments in Mutual Funds	1,565.64	4,162.22
	1,809.45	**4,307.42**

(a) Includes ₹ 9.4 crore (as at 31/03/2017 ₹ 7.79 crore) remittance in transit.

(b) There is no repatriation restriction with regard to cash and cash equivalents at the end of reporting period and prior periods.

	As at 31/03/2018	As at 31/03/2017
14. Bank Balances other than Cash and Cash Equivalents		
Balance with Banks		
Earmarked Balances - (a)	11.82	17.78
Deposits with initial maturity more than 3 months	0.08	9.98
	11.90	**27.76**

(a) Includes unclaimed dividend of ₹ 4.87 crore (as at 31/03/2017 ₹ 8.75 crore).

	As at 31/03/2018	As at 31/03/2017
15A. Non-Current Assets or Disposal Groups classified as Held For Sale or as Held For Distribution to Owners		
Non-Current Assets classified as Held for Sale - (a)	13.47	13.47
Assets of Disposal Group Held for Sale - (b)	61.52	68.04
	74.99	**81.51**

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
(a) Non-Current Assets classified as Held For Sale or as held For Distribution to Owners		
Investments in Joint Ventures		
Hydromine Global Minerals GMBH Limited	0.70	0.70
MNH Shakti Limited	12.77	12.77
	13.47	**13.47**
* For subsidiaries Hindalco Guinea SARL and Mauda Energy Limited the fair value has been estimated to be ₹ Nil.		
(b) Assets of Disposal Group Held for Sale or as Held For Distribution to Owners		
Land and Buildings	24.65	24.65
Plant and Machinery	33.01	19.10
Others	3.86	24.29
Total	**61.52**	**68.04**
15B. Liabilities Associated with Non-Current Assets or Disposal Group classified as Held For Sale or as Held For Distribution to Owners		
Liabilities Associated with Assets Held for Sale	0.01	0.00
Liabilities Associated with Disposal Group Held for Sale	0.02	0.05
	0.03	**0.05**
16. Share Capital		
Authorised:		
2,500,000,000 (as at 31/03/2017: 2,500,000,000) Equity Shares of ₹ 1/- each	250.00	250.00
25,000,000 (as at 31/03/2017: 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each	5.00	5.00
	255.00	**255.00**
Issued:		
2,245,516,548 (as at 31/03/2017: 2,24,38,07,736) Equity Shares of ₹ 1/- each - (a)	224.55	224.38
	224.55	**224.38**
Subscribed and Paid-up:		
2,245,509,151 (as at 31/03/2017: 2,24,38,00,339) Equity Shares of ₹ 1/- each fully paid-up	224.55	224.38
Less: Face Value of 546,249 (as at 31/03/2017: 546,249) Equity Shares forfeited	(0.05)	(0.05)
Add: Forfeited Shares (Amount originally Paid up)	0.02	0.02
	224.52	**224.35**
Treasury Shares		
Less: 16,316,130 (as at 31/03/2017: 16,316,130) Equity Shares - (b)	(1.63)	(1.63)
	222.89	**222.72**

(a) Issued Share Capital as at 31/03/2018 includes 7,397 Equity Shares (as at 31/03/2017: 7,397 Equity Shares) of ₹ 1/- each issued on Rights basis kept in abeyance due to legal case pending.

(b) Treasury shares are held by Trident Trust which represents 16,316,130 equity shares of ₹ 1/- each fully paid-up of the Company issued, pursuant to a Scheme of Arrangement approved by the Hon'ble High Courts of Bombay and of Allahabad, vide their Orders dated 31st October, 2002, and 18th November, 2002, respectively, to the Trident Trust, created wholly for the benefit of the Company and is being managed by trustees appointed by it. The tenure of the Trust is upto 23rd January 2024.

(c) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	As at 31/03/2018		As at 31/03/2017	
	Numbers	**₹ in Crore**	**Numbers**	**₹ in Crore**
Equity Shares Outstanding at the beginning of the period	2,226,937,960	222.72	2,048,669,630	204.89
Equity shares allotted pursuant to exercise of Employee Stock Option Scheme (ESOS)	1,708,812	0.17	1,440,671	0.14
Equity Shares Allotted in Qualified Institutional Placement	-	-	176,827,659	17.68
Equity Shares Outstanding at the end of the period	2,228,646,772	222.89	2,226,937,960	222.72

(d) Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:

	As at 31/03/2018		As at 31/03/2017	
	Number of Shares Held	**Percentage of Holding ***	**Number of Shares Held**	**Percentage of Holding ***
IGH Holdings Private Limited	349,963,487	15.59	349,963,487	15.60
Turquoise Investment and Finance Private Limited	124,012,468	5.52	124,012,468	5.53
Morgan Guaranty Trust Company of New York	151,841,799	6.76	152,946,895	6.82
Life Insurance Corporation of India and its Associates	158,621,850	7.07	205,527,350	9.16

* Percentage have been calculated on the basis of total number of shares outstanding (before adjusting shares held by Trident Trust. Refer footnote (b) above).

(f) Shares reserved for issue under options:

The Company has reserved equity shares for issue under the Employee Stock Option Schemes. (refer Note 41 - Employee Share-based Payments for details of Employee Stock Option Schemes)

(g) The Company during the preceding 5 years:

i Has not allotted shares pursuant to contracts without payment received in cash.

ii Has not issued shares by way of bonus shares.

iii Has not bought back any shares.

(h) The Board of Directors of the Company has recommended final dividend of ₹ 1.20 per share aggregating to ₹ 269.40 crore for the year ended 31st March, 2018. Dividend distribution tax on proposed final dividend is ₹ 54.85 crore.

17. Other Equity

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
Share Application Money Pending Allotment:		
Balance at the beginning of the year	-	-
Add: Share Application Money Received during the year	0.16	-
Balance at the end of the year	0.16	-
Reserves and Surplus		
Capital Reserve		
Balance at the beginning of the year	144.54	144.54
Add: Capital Subsidy Received during the year	-	-
Balance at the end of the year	144.54	144.54
Capital Redemption Reserve:		
Balance at the beginning of the year	101.57	101.57
Add: Created during the year	-	-
Balance at the end of the year	101.57	101.57
Business Reconstruction Reserve:		
Balance at the beginning of the year	7,714.77	7,714.77
Less: Adjusted during the year	-	-
Balance at the end of the year	7,714.77	7,714.77
Securities Premium Account:		
Balance at the beginning of the year	8,169.92	4,861.25
Add: Premium on Issue of Shares under ESOS/Qualified Institutional Placement	27.25	19.04
Add: Premium on Issue of Shares under Qualified Institutional Placement	-	3,332.31
Less: Qualified Institutional Placement Expenses Adjusted	-	(42.68)
Balance at the end of the year	8,197.17	8,169.92
Debenture Redemption Reserve:		
Balance at the beginning of the year	750.00	600.00
Add: Created during the year	150.00	150.00
Balance at the end of the year	900.00	750.00
Employee Stock Options Outstanding:		
Balance at the beginning of the year	27.70	35.52
Add: Compensation for the year	1.95	5.57
Less: Transferred to Securities Premium Account on exercise of Options	(13.82)	(13.03)
Less: Transferred to General Reserve on unexercised Options Lapsed/Cancelled	0.00	(0.36)
Balance at the end of the year	15.83	27.70
General Reserve:		
Balance at the beginning of the year	21,354.16	21,353.80
Add: Transferred from Employee Stock Options Outstanding	(0.00)	0.36
Balance at the end of the year	21,354.16	21,354.16
Retained Earnings:		
Balance at the beginning of the year	2,971.83	1,748.44
Profit for the year	1,436.49	1,556.89
Less: Transferred to Debenture Redemption Reserve	150.00	150.00
Less: Dividend on Equity Shares	245.00	204.88
Less: Dividend Distribution Tax - (a)	46.17	33.90
Add: Transferred from Other Reserve	101.30	55.28
Balance at the end of the year	4,068.45	2,971.83

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
Other Reserves:		
Items that will not be reclassified to Profit and Loss (Net of Income Tax Effect)		
Balance at the beginning of the year	5,763.66	5,050.42
Add: Other Comprehensive Income for the Period	421.08	768.52
Less: Transferred to Retained Earnings	101.30	55.28
	6,083.44	5,763.66
Items that will be reclassified to Profit and Loss (Net of Income Tax Effect)		
Balance at the beginning of the year	111.69	344.28
Add: Other Comprehensive Income for the Period	536.08	(232.59)
	647.77	111.69
Balance at the end of the year	6,731.21	5,875.34
	49,227.85	**47,109.84**

(a) Dividend Distribution Tax is net of credit ₹ 4.07 crore (year ended 31/03/2017 ₹ 8.14 crore) being dividend distribution tax paid by subsidiaries.

(b) Descriptions of Other Equity

(i) Share Application Money Pending Allotment:

Share application money pending allotment represents amount received from employees who has exercised ESOS for which shares are pending allotment as on Balance Sheet date.

(ii) Capital Reserve:

The Company has created capital reserve pursuant to past mergers and acquisitions.

(iii) Capital Redemption Reserve:

The Company has created capital redemption reserve as per the requirement of the Companies Act.

(iv) Business Reconstruction Reserve:

The Company had formulated a scheme of financial restructuring under Sections 391 to 394 of the Companies Act, 1956 ("the Scheme"), between the Company and its equity shareholders, approved by the High Court of judicature of Bombay, to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account, titled as Business Reconstruction Reserve ("BRR"), was created during the year 2008-09 by transferring balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme.

(v) Securities Premium Account:

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Act.

(vi) Debenture Redemption Reserve:

The Company is required to create a debenture redemption reserve out of the profits, which is available for payment of dividend, for the purpose of redemption of debentures.

(vii) Employee Stock Options:

The employee stock options account is used to recognise the grant date fair value of options/RSUs issued to employees under stock option schemes.

(viii) General Reserve:

The Company has created this reserve by transferring certain amount out of the profit at the time of distribution of dividend.

(ix) Other Reserves

Actuarial Gain (Loss) on Define Benefit Obligation:

The Company transfers actuarial gain (loss) arising at the time of valuation of defined benefit obligations to “Actuarial gain (loss)” component of Other Comprehensive Income (OCI).

Gain (Loss) on Equity and Debt Instruments accounted as FVTOCI:

The Company has elected to recognise changes in the fair value of certain investments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve and FVTOCI debt investment reserve within equity.

Effective Portion of Cash Flow Hedge:

The Company uses hedging instruments as part of its risk management policy for commodity and foreign currency risk as described in Note 51.

Cost of Hedging Reserve:

The Company designates the spot component of cross currency interest rate swap as hedging instruments in cash flow hedge relationship. The Company defers changes in the forward element of cross currency interest rate swap in the cost of hedging reserve. The deferred costs of hedging are included in the initial cost of the related hedged items when it is recognised or reclassified to the statement of profit and loss when the hedged item effects the Statement of Profit and Loss.

18A. Borrowings, Non-Current

(₹ Crore)

Particulars	Non-Current Portion		Current Maturities*		Total	
	As at		As at		As at	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Secured						
Debentures						
Secured Non-Convertible Debentures - (a)	5,989.00	5,987.33	-	-	5,989.00	5,987.33
Term Loans						
From Banks						
Rupee Term Loans - (b)	10,776.09	11,905.58	-	4,502.92	10,776.09	16,408.50
Foreign Currency Term Loans - (c)	400.26	252.76	-	-	400.26	252.76
From Financial Institutions						
Rupee Term Loans - (d)	-	90.10	-	-	-	90.10
Foreign Currency Term Loans - (c)	-	125.80	-	21.86	-	147.66
Finance Lease Obligation - (e)	32.72	29.51	5.36	3.04	38.08	32.55
	17,198.07	18,391.08	5.36	4,527.82	17,203.43	22,918.90
Unsecured						
Deferred Payment Liabilities	0.87	0.87	-	-	0.87	0.87
	17,198.94	**18,391.95**	**5.36**	**4,527.82**	**17,204.30**	**22,919.77**

* Current maturities of non-current borrowings have been disclosed under “Other Financial Liabilities, Current”.

(a) Debentures comprise of the following:

(₹ Crore)

	As at				
	31/03/2018		31/03/2017		Redemption Date
	Gross	Carrying Value	Gross	Carrying Value	
15,000 9.60% Redeemable Non-Convertible Debentures of ₹ 10 lac each	1,500.00	1,496.80	1,500.00	1,496.32	2nd August, 2022
15,000 9.55% Redeemable Non-Convertible Debentures of ₹ 10 lac each	1,500.00	1,495.21	1,500.00	1,494.41	27th June, 2022
30,000 9.55% Redeemable Non-Convertible Debentures of ₹ 10 lac each	3,000.00	2,996.99	3,000.00	2,996.60	25th April, 2022
	6,000.00	**5,989.00**	**6,000.00**	**5,987.33**	

All the above Debentures are secured by the moveable assets both present and future (except moveable assets of Mahan Aluminium, Aditya Aluminium, Kalwa Plant, Silvassa Plant and Current Assets) and certain immoveable properties of the Company.

(b) Rupee Term Loan from Banks comprise of the following:

(₹ Crore)

			As at				
			31/03/2018		31/03/2017		End of tenure
	Note	Rate of Interest	Gross	Carrying Value	Gross	Carrying Value	
Axis Bank	i	MCLR 3 Month	618.79	612.61	1,392.29	1,391.35	31/03/2030
State Bank of India	i	MCLR 3 Month + 0.10%	2,238.85	2,219.49	4,969.87	4,966.50	31/03/2030
ICICI Bank	i	MCLR 3 Month + 0.10%	90.23	90.23	-	-	31/03/2030
State Bank of India	ii	MCLR 3 Month + 0.10%	5,840.00	5,826.18	6,716.00	6,716.00	01/09/2030
Axis Bank and PNB Bank	ii	MCLR 3 Month	2,034.06	2,027.58	2,339.17	2,335.86	01/09/2030
Consortium of Banks	iii	MCLR 1 year + 0.05% - 0.50% /Base Rate	-	-	1,000.00	998.79	31/12/2020
			10,821.93	**10,776.09**	**16,417.33**	**16,408.50**	

i. The term loans from banks of ₹ 2,947.87 crore (gross) are secured by a first ranking charge/mortgage/ security interest in respect of all the moveable fixed assets and all the immoveable properties of Mahan Aluminium Project, both present and future. During the year, the Company has prepaid ₹ 3,504.51 crore of loan comprising of both the banks (Axis and State Bank of India) covering period from June 2017 to March 2026. This outstanding loan as at 31st March, 2018, is to be repaid in 16 quarterly instalments commencing from June 2026. Further, the term loan of ₹ 90.23 crore (gross) from Aditya Birla Finance Limited has been novated with ICICI bank during the year ended 31st March, 2018.

ii The term loan of ₹ 7,874.06 crore (gross) is secured by a first ranking charge/mortgage/security interest in respect of all the moveable and immovable fixed assets of Aditya Aluminium Project, both present and future. During the year, the Company has prepaid ₹ 1,181.11 crore of loan from banks and covering period from June 2020 to March 2022. The outstanding loan as at 31st March, 2018 is to be repaid in 34 quarterly instalments commencing from June 2022.

iii The Company had a sanctioned term loan with a group of Indian banks upto ₹ 2,000 crore, out of which ₹ 1,000 crore (Axis Bank ₹ 150 crore, Central Bank of India ₹ 200 crore, IDFC Bank ₹ 250 crore, State Bank of Mysore ₹ 100 crore, State Bank of Hyderabad ₹ 100 crore, State Bank of Patiala ₹ 50 crore and HDFC Bank ₹ 150 crore) was drawn as on 31st March, 2016. The Company had prepaid this entire amount of ₹ 1000 crore in April 2017.

(c) Foreign Currency Term Loans from Banks and Financial Institutions comprise of the following:

(₹ Crore)

	Currency	Rate of Interest	31/03/2018		31/03/2017		End of Tenure
			Gross	Carrying Value	Gross	Carrying Value	
Export Development Canada (EDC)	USD	LIBOR 3M + 3.50%	-	-	147.82	147.66	31/12/2023
Bank of Tokyo Mitsubishi (BTMU)	USD	LIBOR 3M + 1.35%	260.46	255.03	259.44	252.76	31/03/2022
Bank of Tokyo Mitsubishi (BTMU)	USD	LIBOR 3M + 1.35%	148.40	145.23	-	-	30/06/2022
			408.86	**400.26**	**407.26**	**400.42**	

Foreign currency term loan includes term loan from Bank of Tokyo Mitsubishi (BTMU) of USD 40 million and USD 22.79 millions. BTMU loan is secured by a *pari passu* first charge on all moveable fixed assets of Mahan Aluminium, both present and future. During the year, EDC loan of USD 22.79 million was refinanced through BTMU. Both BTMU loans have a bullet repayment to be made at the end of the tenor.

(d) Rupee Term Loan from Financial Institutions comprise of the following:

(₹ Crore)

	Rate of Interest	31/03/2018		31/03/2017		End of Tenure
		Gross	Carrying Value	Gross	Carrying Value	
Aditya Birla Finance Limited (ABFL)	Base Rate + 0.35%	-	-	90.23	90.10	Refer Note 18A (b)(i)
		-	**-**	**90.23**	**90.10**	

(e) Finance Lease Obligations:

In respect of finance lease obligations, future minimum lease payments and their present value are following:

(₹ Crore)

	As at 31/03/2018			As at 31/03/2017		
	Gross Obligation	Present Value	Interest	Gross Obligation	Present Value	Interest
Not later than one year	8.59	5.36	3.23	6.63	3.04	3.59
Later than one year but not later than five years	29.72	20.60	9.12	23.99	13.30	10.69
Later than five years	13.93	12.12	1.81	19.69	16.21	3.48
	52.24	**38.08**	**14.16**	**50.31**	**32.55**	**17.76**

The Company has entered into various finance lease arrangements, mainly for plant and equipment, furniture and fixtures for a term ranging from 3 to 25 years. The legal title to these items vests with their lessors. Some of the arrangements carry an option to the Company to purchase the underlying equipment at a certain point of time at a nominal price and in other arrangements, ownership of the asset is transferred to the Company without any additional payment at the end of the lease term. There are no restrictions imposed by lease arrangements except for in the arrangement of taking Ammonia storage facility on lease, wherein there was a lock-in period of initial 6 years. There are no sub-lease arrangements entered into by the Company. Obligations under finance lease are secured against PPE obtained under finance lease arrangements.

(f) Net Debt Reconciliation

(₹ Crore)

	Liabilities from Financing Activities			
	Non-Current Borrowings	**Current Borrowings**	**Finance Lease Obligations**	**Total**
Balance as at 01/04/2017	**23,412.30**	**4,238.07**	**32.55**	**27,682.92**
Cash Flows (Net)	(5,685.62)	(1,349.07)	(8.05)	(7,042.74)
Acquisition - Finance Leases	-	-	9.98	9.98
Foreign Exchange Adjustments	1.60	212.05	-	213.65
Fair Value Changes	(52.92)	-	-	(52.92)
Debt Issuance Costs and Amortisation (Net)	15.94	-	-	15.94
Interest Expense *	1,614.12	187.66	3.60	1,805.38
Interest Paid *	(1,608.96)	(184.48)	-	(1,793.44)
Balance as at 31/03/2018	**17,696.46**	**3,104.23**	**38.08**	**20,838.77**

* Interest expense and interest paid related to borrowings and finance leases.

** Borrowings include interest accrued but not due on borrowings.

18B. Borrowings, Current

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
Secured		
From Banks		
Secured Loans from Banks - (a)	37.95	68.50
Unsecured		
From Banks		
Loans from Banks	2.49	-
Foreign currency Loans from Banks	3,052.42	4,161.48
Other Borrowings	0.10	-
	3,055.01	4,161.48
	3,092.96	**4,229.98**

(a) Working Capital Loan for Aluminium business, granted under the Consortium Lending Arrangement, is secured by a first *pari passu* charge on entire stocks of raw materials, work-in-process, finished goods, consumable stores and spares, and also book debts pertaining to the Company's Aluminium business, both present and future. Working Capital Loan of State Bank of India for the Copper business is secured by a first *pari passu* charge stocks of raw materials, work-in-process, finished goods and consumable stores and spares, and also book debts and other moveable assets of Copper business, both present and future.

19A. Trade Payables, Non-Current

Trade Payable	24.04	0.44
	24.04	**0.44**

19B. Trade Payables, Current

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
Micro and Small Enterprises - (a)	4.66	4.13
Other than Micro and Small Enterprises - (b)	5,519.39	4,886.72
	5,524.05	**4,890.85**

(a) Information related to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company.

		31/03/2018	31/03/2017
(i)	Principal Amount Outstanding	4.66	4.13
(ii)	Interest on Principal Amount Due	-	-
(iii)	Interest and Principal Amount Paid beyond appointment day	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the year	-	-
(vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act.	-	-

(b) For details of trade payables to related parties refer Note 43.

20A. Other Financial Liabilities, Non-Current

	31/03/2018	31/03/2017
Derivative Liabilities (refer Note 51)	65.38	403.13
Financial Guarantee Contract Liabilities	61.60	62.79
Liabilities for Capital Expenditure	7.33	9.71
Security and Other Deposits	0.03	1.25
	134.34	**476.88**

20B. Other Financial Liabilities, Current

	31/03/2018	31/03/2017
Derivative Liabilities (refer Note 51)	620.88	945.15
Application/Call Money Due for Refund	0.31	0.31
Current Maturities of Finance Lease Obligations	5.36	3.04
Current Maturities of Long-Term Borrowings	-	4,524.78
Derivatives Matured but not yet settled	4.34	41.66
Financial Guarantee Contract Liabilities	1.45	4.80
Interest Accrued but not due	542.40	534.05
Liabilities for Capital Expenditure	792.16	985.20
Retention Amount Payable	79.38	73.82
Security and Other Deposits	26.74	24.57
Unclaimed Dividends - (a)	4.87	8.75
Unclaimed matured debentures	0.02	0.02
Deferred Operating Lease Obligations	1.72	0.72
	2,079.63	**7,146.87**

(a) This amount does not include any due and outstanding, to be credited to Investor Education and Protection Fund, except ₹ 0.07 crore (as at 31/03/2017 ₹ 0.02 crore) which is held in abeyance due to legal cases pending.

21A.Provisions, Non-Current

(₹ Crore)

	As at	
	31/03/2018	31/03/2017
Provision for Employee Benefits	178.03	262.32
Provision for Asset Retirement Obligations - (a)	86.61	82.14
Provision for Environmental Liabilities - (a)	6.13	18.29
Provision for Enterprise Social Commitments - (a)	133.33	127.26
	404.10	**490.01**

(a) Refer Note 45 - Provisions.

21B.Provisions, Current

Provision for Employee Benefits	216.83	190.47
Provision for Environmental Liabilities - (a)	12.80	-
Provision for Enterprise Social commitments - (a)	12.54	15.23
Provision for Renewable Power Obligations - (a)	140.80	394.27
Legal Cases	263.56	-
Other Provisions - (a)	11.78	34.56
	658.31	**634.53**

(a) Refer Note 45 - Provisions.

22. Deferred Tax Liabilities (Net)

Deferred Tax Liabilities	6,432.41	5,469.99
Deferred Tax Assets	(4,510.23)	(4,238.32)
Deferred Tax Liabilities (Net of Deferred Tax Assets) - (a)	**1,922.18**	**1,231.67**

(a) Refer Note 36 - Income Tax.

23A.Other Non-Current Liabilities

Advance from customer	4.57	6.56
Deferred Income - (a)	636.00	-
Other Liabilities	4.31	4.10
	644.88	**10.66**

(a) Represents deferred income in respect of grant related to Export Promotion Capital Goods (EPCG) of ₹ 636.00 crore.

23B.Other Current Liabilities

Advance from Customer	207.96	162.87
Statutory Dues Payable	406.58	406.06
Deferred Income - (a)	21.01	-
Other Liabilities	142.62	128.19
	778.17	**697.12**

(a) Represents deferred income in respect of grant related to Export Promotion Capital Goods (EPCG) of ₹ 21.01 crore.

24. Income Tax Liabilities (net)

Provision for Income Tax	816.54	1,101.42
	816.54	**1,101.42**

25. Revenue from Operations

(₹ Crore)

	Year ended 31/03/2018	Year ended 31/03/2017
Sale of Products - (a)		
Domestic Sales - (b)(d)	24,288.41	23,024.03
Export Sales	18,713.64	15,921.62
	43,002.05	**38,945.65**
Other Operating Revenues (c)	432.88	437.47
Gross Revenue from Operations:	**43,434.93**	**39,383.12**

(a) Sales of Copper products and precious metals are accounted for provisionally pending finalisation of price and quantity. Variations are accounted for in the year of settlement. Final price receivable on sale of above products, for which quotational price was not finalised in the year ended 31/03/2017, was realigned at year-end forward LME/LMBA rate and reversal of sales of ₹ 5.30 crore (year ended 31/03/2017 addition of ₹ 5.24 crore) was accounted for during the year, final price was settled at reversal of ₹ 10.90 crore (year ended 31/03/2017 was settled for ₹ 14.73 crore) and further reduction of sales of ₹ 5.60 crore (year ended 31/03/2017 additional sales of ₹ 9.49 crore) was taken into account. As on 31st March, 2018, sale of Copper products and precious metals, pending for price finalisation, was realigned at year-end forward LME/LMBA and an reversal of sales of ₹ 1.33 crore (year ended 31/03/2017 reversal of sales of ₹ 5.30 crore) was accounted for. Actual cash flow is expected on finalisation of quotational price and quantity in the subsequent financial year.

(b) Includes sale of Di Ammonium Phosphate (DAP), including nutrient based subsidy of Phosphorus (P) and Potassium (K), ₹ 186.98 crore (year ended 31/03/2017 ₹ 295.10 crore).

(c) Includes Government Grant in the nature of Export Incentives and other benefits of ₹ 315.93 crore (year ended 31/03/2017 ₹ 288.16 crore).

(d) Includes Excise Duty ₹ 636.89 crore (year ended 31/03/2017 ₹ 2,446.51 crore) till 30/06/2017. Subsequent to the introduction of Goods and Service Tax (GST) with effect from 1st July, 2017, revenue is being reported excluding GST.

26. Other Income

(₹ Crore)

	Year ended 31/03/2018	Year ended 31/03/2017
Interest Income [Refer Note 48(A)(iii)]		
On Non-Current Investments	1.37	2.53
On Current Investments	102.28	173.22
On Others - (a)	283.51	172.99
Dividend Income [Refer Note 48(A)(iii)]		
On Non-Current Investments - (b)	45.51	81.25
On Current Investments	0.02	0.05
Rent Income	12.09	10.33
Profit/(Loss) on PPE and Intangibles Sold/Discarded (Net)	(16.42)	(23.19)
Liabilities no longer required Written-back	54.78	39.03
Gains (Losses) on Financial Instruments		
Gains (Losses) on Sale of Financial Assets measured at fair value through Profit and Loss (Net)	625.86	68.58
Gains (Losses) on fair valuation of Financial Assets measured at fair value through Profit and Loss (Net)	(216.32)	479.26
Other Non-Operating Income (Net) - (c)	55.14	1.12
	947.82	**1,005.17**

(a) Interest Income on others includes ₹ 197.80 crore (year ended 31/03/2017 ₹ 50.58 crore) of interest received from Income Tax Department.

(b) Dividend Income on long-term investments includes ₹ 20.00 crore (year ended 31/03/2017 ₹ 45.00 crore) of dividend received from subsidiary companies.

(c) Includes gain on modification of borrowings of ₹ 52.92 crore (year ended 31/03/2017 ₹ Nil) resulting from change in amount and timing of expected cash flow payments on term loan.

27. Cost of Materials Consumed

(₹ Crore)

	Year ended	
	31/03/2018	**31/03/2017**
Copper Concentrate - (a)	18,104.67	15,195.79
Alumina	2,957.96	2,100.41
Bauxite	322.39	255.39
Caustic Soda	716.10	593.94
Calcined Petroleum Coke	1,398.80	1,020.04
Rock Phosphate	277.35	409.12
Anode	446.72	357.44
Others	1,233.74	1,086.09
	25,407.73	**21,018.22**

(a) Purchase of copper concentrate is accounted for provisionally pending finalisation of contents in the concentrate and price. Variations are accounted for in the year of settlement. Final price payable on purchase of Copper concentrate, for which quotational price and quantity were not finalized in the year ended 31/03/2017, was realigned based on forward LME and LBMA rate at the year end of Copper and precious metals, respectively, and accordingly payable of ₹ 75.53 crore (year ended 31/03/2017 receivable of ₹ 95.20 crore) was accounted for. During the current year, final price was settled at ₹ 9.48 crore (year ended 31/03/2017 ₹ 43.98 crore) and accordingly balance amount of ₹ 66.04 crore (year ended 31/03/2017 ₹ 51.22 crore) has been accounted for. As on 31st March, 2018, payable of ₹ 79.88 crore (year ended 31/03/2017 ₹ 75.73 crore) was accounted for on re-alignment of unpriced Copper concentrate. Actual cash flow is expected on finalisation of quotational price and quantity in the subsequent financial year.

28. Purchase of Stock-in-Trade

(₹ in Crore

	Year ended	
	31/03/2018	**31/03/2017**
Other Materials	4.92	89.11
	4.92	**89.11**

29. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Opening Inventories		
Work-in-Progress	4,823.49	3,355.74
Finished Goods	489.36	849.80
	5,312.85	**4,205.54**
Less: Closing Inventories		
Work-in-Progress	5,185.50	4,823.49
Finished Goods	491.88	489.35
	5,677.38	**5,312.84**
Net Change	**(364.53)**	**(1,107.30)**
(Increase) Decrease of Excise Duty on Inventories	(54.70)	7.14
	(419.23)	**(1,100.16)**

Details of Inventories under broad heads are given below:

(₹ Crore)

	Finished Goods		Work-in-Progress		Total	
	As at		As at		As at	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Aluminium Business						
Alumina	40.24	34.88	320.33	251.41	360.57	286.29
Aluminium and Aluminium Products	213.57	216.98	869.80	685.86	1,083.37	902.84
Others - (a)	3.24	56.77	1,219.97	850.01	1,223.21	906.78
	257.05	**308.63**	**2,410.10**	**1,787.28**	**2,667.15**	**2,095.91**
Copper Business						
Copper and Copper Products	218.38	156.05	1,717.95	1,805.40	1,936.33	1,961.45
Precious Metals	8.37	2.53	1,051.57	1,223.55	1,059.94	1,226.08
Others	8.09	22.14	5.88	7.26	13.97	29.40
	234.84	**180.72**	**2,775.40**	**3,036.21**	**3,010.24**	**3,216.93**
	491.89	**489.35**	**5,185.50**	**4,823.49**	**5,677.39**	**5,312.84**

(a) Others include mainly inventories of coal, anode, caustic soda and other materials.

30. Employee Benefits Expenses

(₹ Crore)

	Year ended	
	31/03/2018	31/03/2017
Salaries and Wages	1,552.24	1,441.86
Post-Employment Benefits		
Contribution to Provident Fund and other defined contribution funds (refer Note 42)	112.66	76.56
Gratuity and other defined benefit plans (refer Note 42)	66.14	74.40
Employee Share-based Payments		
Equity-settled Share-based Payment Transactions	1.95	5.54
Employee Welfare	162.94	154.78
	1,895.93	**1,753.14**
Less: Transferred to Capital Work-in-Progress	1.28	1.02
	1,894.65	**1,752.12**

31. Power and Fuel

Power and Fuel	6,000.12	5,906.46
Less: Transferred to Capital Work-in-Progress	-	7.79
	6,000.12	**5,898.67**

32. Finance Costs

Interest Expenses on Financial Liabilities not at FVTPL - (a)	1,880.85	2,309.50
Other Finance Cost	26.14	13.37
Loss on Foreign Currency Transactions and Translation (Net) to the extent considered as adjustment to Interest Cost	2.15	-
	1,909.14	**2,322.87**
Less: Transfer to Capital Work-in-Progress - (b)	8.60	-
	1,900.54	**2,322.87**

(a) Interest expenses include ₹ 21.39 crore (year ended 31/03/2017 ₹ 0.18 crore) on interest paid to Income Tax Department.

(b) The rate of interest of borrowing costs capitalised is 6.3% p.a. (year ended 31/03/2017: NIL).

33. Depreciation and Amortisation

(₹ Crore)

	Year ended 31/03/2018	Year ended 31/03/2017
Depreciation on Property, Plant and Equipment	1,530.99	1,409.27
Amortisation of Intangible Assets	86.10	18.47
Depreciation on Investment Properties	0.23	0.23
	1,617.31	**1,427.97**

34. Other Expenses

	Year ended 31/03/2018	Year ended 31/03/2017
Consumption of Stores and Spares	887.19	808.22
Repairs to Buildings	81.39	64.31
Repairs to Machinery	538.97	478.90
Equipment and Material Handling Expenses	420.08	400.15
Rates and Taxes	33.64	40.66
Rent	83.41	74.35
Insurance	84.05	102.17
Payment to Auditors - (a)	3.86	5.34
Research and Development	22.06	19.38
Freight and Forwarding Expenses (Net) - (b)	774.42	720.09
Provision for Doubtful Loans, Advances and Debts (Net)	21.59	32.33
Bad Loans, Advances and Receivables Written-off/(Written-back) (Net)	2.74	0.43
Donation - (c)	10.94	22.48
Directors' Fees and Commission	6.34	6.37
Loss on Value of Non-Current Assets Held for Sale	1.08	(2.04)
(Gain)/loss on Exchange Fluctuation	(1.48)	(12.32)
(Gain)/loss in Fair Value of Derivatives	(117.16)	(29.91)
Cost of Own Manufactured Products Capitalised/Used	(29.03)	(20.84)
Premium on Coal Extraction	761.10	661.47
Miscellaneous Expenses - (d)	1,200.69	1,093.35
	4,785.88	**4,464.89**
Less: Transfer to Capital Work-in-Progress	0.09	0.26
	4,785.79	**4,464.63**

(a) Details of Payment to Auditors are given below:

	Year ended 31/03/2018	Year ended 31/03/2017
Statutory Auditors:		
Statutory Audit Fees	2.25	2.96
Taxation Matters	0.39	0.37
Other Services	0.98	1.72
Reimbursement of Out-of-Pocket Expenses	0.14	0.14
Cost Auditors:		
Cost Audit Fee and Expenses	0.10	0.15
	3.86	**5.34**

(b) Freight and forwarding expenses are net of freight subsidy of ₹ 21.48 crore (year ended 31/03/2017 ₹ 45.88 crore) on sale of DAP.

(c) Donation includes ₹ 6.75 crore (year ended 31/03/2017 ₹ 4.00 crore) paid to AB General Electoral Trust (erstwhile General Electoral Trust) as political donation.

(d) Miscellaneous expenses include ₹ Nil (year ended 31/03/2017 ₹ 0.07 crore) paid to a firm of solicitors in which one of the Directors of the Company is a partner.

35. Exceptional Income/(Expenses)

	Year ended 31/03/2018	Year ended 31/03/2017
Exceptional Income	61.25	144.93
Exceptional (Expenses)	(386.46)	(60.04)
	(325.21)	**84.89**

*** Details of Exceptional Income /(Expenses) as follows:**

(₹ Crore)

		Year ended	
Nature	**Brief Details**	**31/03/2018**	**31/03/2017**
Legal Cases	Basis a Hon'ble Supreme Court judgement, dated 13th October, 2017, and considering the prospective contribution required to be made to the District Mineral Fund (DMF) by the holder of a mining lease or a prospecting licence-cum-mining lease in addition to the payment of royalty, an amount of ₹ 61.25 crore has been written back during the financial year 2017-18, which was provided/ paid in earlier years relating to the period for which such levy was held invalid or not applicable.	61.25	(60.04)
	Based on the Hon'ble Supreme Court judgement, dated 2nd August, 2017, in the matter of Common Cause V/s Union of India (to which the Company is not a party), provisional demands are raised on the Company for its bauxite mines. The Company has challenged the purported demand and obtained stay on the demands. As the matter is pending final determination and, considering the implication of existing litigation, the Company has provided ₹ 219.69 crore during the financial year 2017-18.	(219.69)	-
	Based on the Hon'ble Supreme Court judgement, dated 15th September, 2017, in the matter of Transit Fee on forest produce (as applicable, amongst others, in the states of Uttar Pradesh and Madhya Pradesh), an amount of ₹139.35 crore has been provided during the financial year 2017-18, towards probable obligation that may arise.	(139.35)	-
	Based on the Hon'ble Supreme Court judgement dated 22nd September, 2017, in the matter of proportionate reduction in input tax credit in the case of sale in course of inter-state trade, commerce and branch transfer under the Gujarat Value Added Tax Act, 2003, to which the Company is not a party, an amount of ₹ 27.42 crore, related to earlier periods, has been provided during the financial year 2017-18.	(27.42)	-
(Gain)/Loss on Sale of Controlling Interest in Subsidiary	During the financial year 2016-17, the Company has sold its entire holding in a subsidiary, Aditya Birla Minerals Limited, Australia (ABML), by accepting an off-market take-over offer from Metals X Limited. As per the offer, a part of the proceeds were realised in cash and the balance in the equity shares of Metals X Limited. The equity shares of Metals X Limited received as part of this transaction have also been liquidated. The resultant gain over the carrying value of this investment, arising out of these transactions is ₹ 144.93 crore and the same has been accounted for as exceptional income in the Statement of Profit and Loss.	-	144.93
		(325.21)	**84.89**

36. Income Tax

(a) Income tax expenses recognised in the Statement of Profit and Loss

(₹ Crore)

	Year ended 31/03/2018	Year ended 31/03/2017
Current Tax		
Current income tax Expenses for the year	490.36	414.58
Tax Adjustment for earlier years	(77.92)	-
	412.44	**414.58**
Deferred Tax		
Deferred Income Tax (Benefits)/Expenses for the year	870.25	596.35
MAT Credit Entitlement	(490.36)	(414.58)
	379.89	**181.77**
Total Income Tax Expenses recognised in the Statement of Profit and Loss for the year	**792.33**	**596.35**

(b) Reconciliation of estimated Income Tax Expenses at Indian Statutory Income Tax Rate to Income Tax Expenses reported in the Statement of the Comprehensive Income

	31/03/2018	31/03/2017
Income from continued operations before Income Taxes	2,228.82	2,153.24
Indian Statutory Income Tax Rate *	34.61%	34.61%
Estimated Income Tax Expenses	**771.35**	**745.19**
Tax effect of adjustments to reconcile expected Income Tax Expenses to reported Income Tax Expenses:		
Income Exempt from Tax (Dividends)	(15.76)	(28.13)
Long-Term Capital Gains	(5.08)	(46.49)
Expenses not deductible in determining Taxable Profit	89.40	13.26
Impact of change in tax rate on Deferred Taxes	30.34	-
Tax Adjustment for earlier years	(77.92)	-
Deferred Tax not recognised on Assets (refer footnote (ii) below)	-	(67.16)
Investment allowance u/s 32AC	-	(20.32)
	20.98	(148.84)
Income Tax Expenses recognised in the Statement of Profit and Loss	**792.33**	**596.35**

*Applicable Indian statutory tax rate for the years ended 31/03/2018 and 31/03/2017 is 34.61%. However, the Company is required to pay Minimum Alternate Tax u/s 115JB of Income-tax Act, 1961.

(c) Income Tax expenses recognised in OCI:

	31/03/2018	31/03/2017
Remeasurement of Defined Benefit Obligations	21.84	29.26
Change in Fair Value of Debt Instruments designated at FVTOCI	(0.56)	(3.17)
Cash Flow Hedges and Others	289.34	(125.25)
	310.62	**(99.16)**

(d) Deferred Tax Balances presented in the Balance Sheet are as follows:

	31/03/2018	31/03/2017
Deferred Tax Assets		
Deferred Tax Assets	2,882.70	3,101.14
MAT Credit Entitlement	1,627.53	1,137.18
	4,510.23	**4,238.32**
Deferred Tax Liabilities		
Deferred Tax Liabilities	(6,432.41)	(5,469.99)
	(6,432.41)	**(5,469.99)**
Net Deferred Tax Assets/(Liabilities)	**(1,922.18)**	**(1,231.67)**

(e) Components and movement in Deferred Tax Assets and (Liabilities) as of and during the year ended:

(₹ Crore)

	As at 31/03/2016	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised in Other Equity	As at 31/03/2017
Deferred Income Tax Assets					
Provisions deductible for tax purposes in future period	216.68	42.61	-	-	259.29
Tax Losses/Benefits carryforwards, Net	2,551.38	199.83	-	-	2,751.21
Retirement Benefits and Compensated Absences	125.31	(5.40)	(29.26)	-	90.65
MAT Credit Entitlement	722.59	414.58	-	-	1,137.17
	3,615.96	651.62	(29.26)	-	4,238.32
Deferred Income Tax Liabilities					
PP&E Depreciation and Intangible Amortisation	(4,555.90)	(670.38)	-	-	(5,226.28)
Cash Flow Hedges	(182.79)	-	125.25	-	(57.54)
Fair Value Measurements of Financial Instruments	(12.89)	(166.58)	3.17	-	(176.30)
Others	(13.44)	3.57	-	-	(9.87)
	(4,765.02)	(833.39)	128.42	-	(5,469.99)
Net Deferred Tax Assets/(liabilities)	**(1,149.06)**	**(181.77)**	**99.16**	**-**	**(1,231.67)**

(₹ Crore)

	As at 31/03/2017	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised in Other Equity	As at 31/03/2018
Deferred Income Tax Assets					
Provisions deductible for tax purposes in future period	259.29	90.32	-	-	349.61
Tax Losses/Benefits carryforwards, Net	2,751.21	(515.79)	-	-	2,235.42
Retirement Benefits and Compensated Absences	90.65	(0.73)	(21.84)	-	68.08
Deferred Income	-	229.59			229.59
MAT Credit Entitlement	1,137.17	490.36	-	-	1,627.53
	4,238.32	293.75	(21.84)	-	4,510.23

(₹ Crore)

	As at 31/03/2017	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Recognised in Other Equity	As at 31/03/2018
Deferred Income Tax Liabilities					
PP&E Depreciation and Intangible Amortisation	(5,226.28)	(737.27)	-	-	(5,963.55)
Cash Flow Hedges	(57.54)	-	(289.34)	-	(346.88)
Fair Value Measurements of Financial Instruments	(176.30)	75.53	0.56	-	(100.21)
Others	(9.87)	(11.90)	-	-	(21.77)
	(5,469.99)	(673.64)	(288.78)	-	(6,432.41)
Net Deferred Tax assets/ (liabilities)	**(1,231.67)**	**(379.89)**	**(310.62)**	**-**	**(1,922.18)**

(i) Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relates to income tax levied by the same taxation authorities.

(ii) The Company has not recognised deferred tax on temporary differences relating to depreciation that originates and reverses during the tax holiday period.

(iii) The Company has not recognised deferred tax assets on the following long-term capital losses as presently it is not probable of recovery.

(₹ in Crore)

Description	AY*	Amount	Tax impact	Year of Expiry
Long Term Capital Loss	2010-11	38.47	8.87	AY 2018-19
Long Term Capital Loss	2011-12	25.98	5.99	AY 2019-20
Long Term Capital Loss	2012-13	80.55	18.58	AY 2020-21
Long Term Capital Loss	2013-14	38.26	8.83	AY 2021-22
Long Term Capital Loss	2015-16	29.28	6.76	AY 2023-24
Long Term Capital Loss	2016-17	33.54	7.74	AY 2024-25
Long Term Capital Loss	2017-18	900.72	207.80	AY 2025-26
		1,146.80	**264.57**	

* Assessment Year (AY).

37. Other Comprehensive Income - Items that will not be reclassified to Profit and Loss

(₹ Crore)

	Year ended 31/03/2018	Year ended 31/03/2017
Actuarial Gain/(Loss) on Defined Benefit Obligations	62.08	84.54
Change in Fair Value of Investment in Associates as FVTOCI	(223.93)	(553.01)
Change in Fair Value of Equity Instruments as FVTOCI	543.71	1,263.91
Realized Gain/(Loss) on Equity Instruments as FVTOCI	61.05	-
Income Tax Effect on above	(21.84)	(29.26)
	421.07	**766.18**

38. Other Comprehensive Income - Items that will be reclassified to Profit and Loss

Change in Fair Value of Debt Instruments designated as FVTOCI	(1.56)	3.23
Cash Flow Hedges	465.39	(915.54)
Cost of Hedging	361.03	553.63
Income Tax Effect on above	(288.78)	128.42
	536.08	**(230.26)**

39. Earnings per Share (EPS)

(₹ Crore)

	Year ended	
	31/03/2018	**31/03/2017**
Basic EPS from continuing operations (₹)	6.45	7.56
Diluted EPS from continuing operations (₹)	6.45	7.55
Reconciliation of earnings used in calculating earnings per share		
Profit/(Loss) for the period attributable to Equity Shareholders	1,436.49	1,556.89
Weighted average numbers of equity shares used in the calculation of EPS:		
Weighted-average numbers of equity shares used in the calculation of Basic EPS	2,227,789,728	2,060,348,932
Dilutive impact of Employee Stock Option Scheme	1,292,718	1,463,706
Weighted-average numbers of equity shares and potential equity shares used in the calculation of Diluted EPS	2,229,082,446	2,061,812,638
Face Value per Equity Share (₹)	1.00	1.00

40. Segment Reporting

The Company has two reportable segments, viz., Aluminium and Copper, which have been identified taking into account the business activities it engages in. No operating segments have been aggregated to form these reportable segments. Description of each of the reporting segments is as under:

i. Aluminium Segment: This part of business manufactures and sells Hydrate and Alumina, and Aluminium and Aluminium Products.

ii. Copper Segment: This part of business manufactures and sells Copper Cathode, Continuous Cast Copper Rods, Sulphuric Acid, DAP and Complexes, Gold, Silver and other precious metals.

The chief operating decision maker (CODM) primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis.

A. Segment Profit or Loss:

(i) Segment's performances are measured based on Segment EBITDA. Segment EBITDA is defined as "Earnings from Continuing Operations before Finance Costs, Exceptional Items, Tax Expenses, Depreciation and Amortisation, Impairment of Non-Current Assets, Investment Income and Fair Value Gains or Losses on Financial Assets but after allocation of Corporate Expenses". Segment EBITDA are as follows:

(₹ Crore)

	Year ended	
Segment Profit or Loss:	**31/03/2018**	**31/03/2017**
Aluminium	3,708.01	3,472.63
Copper	1,538.69	1,456.46
Total Segment EBITDA	**5,246.70**	**4,929.09**
Segment EBITDA reconciles to Profit/(Loss) before Tax as follows:		
Total Segment EBIDTA	5,246.70	4,929.09
Finance Costs	(1,900.54)	(2,322.87)
Depreciation and Amortisation	(1,617.31)	(1,427.97)
Exceptional Items (Net)	(325.21)	84.89
Interest and Dividend Income	357.58	332.99
Fair Value Gain/(Loss) on Financial Assets/Liabilities	462.45	547.84
Other Unallocated Income/(Expense) (Net)	5.15	9.27
Profit/(Loss) Before Tax	**2,228.82**	**2,153.24**

(ii) Following amounts are either included in the measure of Segment Profit or Loss reviewed by the CODM or are regularly provided to the CODM:

(₹ Crore)

	Year ended			
	31/03/2018		31/03/2017	
	Aluminium	**Copper**	**Aluminium**	**Copper**
Interest Income - (a)	27.66	47.46	53.01	44.03
Depreciation and Amortization - (b)	1,444.81	152.63	1,270.61	139.87

(a) Represents interest income from customers/security deposits, etc., which are included in the measure of segment profit or loss.

(b) Does not include in the measure of segment profit or loss but provided to the CODM.

B. Segment Revenue:

(i) The segment revenue is measured in the same way as in the Statement of Profit and Loss. Sales between operating segments are eliminated on consolidation. Segment revenue and reconciliation of the same with total revenue as follows:

(₹ Crore)

	Year ended					
	31/03/2018			31/03/2017		
	Total Segment Revenue	**Inter-segment Revenue**	**Revenue from External Customers**	**Total Segment Revenue**	**Inter-segment Revenue**	**Revenue from External Customers**
Aluminium	21,072.59	1.18	21,071.41	19,985.66	2.90	19,982.76
Copper	22,371.27	7.75	22,363.52	19,408.39	8.03	19,400.36
Total	**43,443.86**	**8.93**	**43,434.93**	**39,394.05**	**10.93**	**39,383.12**

(ii) Revenue of approximately ₹ 4,359.88 crore for the year ended 31/03/2017 included in revenue from Copper Segment, arose from a single external customer, which is more than 10% of the Company's total revenue. During the year, there is no revenue from a single customer which is more than 10% of the Company's total revenue.

(iii) The amount of its revenue from external customers analysed by the country, in which customers are located, are given below:

(₹ Crore)

	Year ended	
	31/03/2018	**31/03/2017**
India	24,437.44	23,207.86
Outside India		
China	4,358.75	2,064.90
Korea	3,639.53	2,901.45
Taiwan	-	2,238.03
USA	2,058.96	-
Others	8,940.25	8,970.88
	43,434.93	**39,383.12**

C. Segment Assets:

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. However, certain assets like investments, loans, assets classified as held for sale, current and deferred tax assets, etc., are not considered to be segment assets as they are managed at corporate level. Further, corporate administrative assets are not allocated to individual segments as they are also managed at corporate level, and these are not linked to any specific segment.

(i) Segment Assets and Reconciliation of the same with Total Assets are as under:

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
Aluminium	42,312.75	41,645.94
Copper	9,224.86	8,984.77
Total Segment Assets	51,537.61	50,630.71
Investments (Non-Current and Current)	28,590.90	33,494.16
Investment Property	9.03	9.26
Loans	60.45	230.35
Assets classified as Held For Sale	74.99	81.51
Other Corporate Assets	2,455.93	2,189.00
Total Assets	**82,728.91**	**86,634.99**

During the year, ended 31/03/2018, capital expenditure relating to Aluminium and Copper segments are ₹ 1,388.07 crore and ₹ 236.50 crore, respectively (year ended 31/03/2017 ₹ 973.06 crore and ₹ 228.26 crore, respectively).

(ii) The total of non-current assets excluding financial assets and deferred tax assets analysed by the country in which assets are located are given below:

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
India	37,205.17	37,387.63
Outside India	-	-
	37,205.17	**37,387.63**

D. Segment Liabilities:

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment. In measurement of Aluminium and Copper segment's liabilities, items like borrowings, current and deferred tax liabilities, liabilities associated with assets classified as held for sale etc. are not considered to be segment liabilities as they are managed at corporate level. Further, corporate administrative liabilities are not allocated to individual segments as they also managed at corporate levels and does not linked to any specific segment.

Segment liabilities and reconciliation of the same with Total Liabilities are as under:

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
Aluminium	5,680.49	5,606.36
Copper	3,979.93	3,626.36
Total Segment Liabilities	9,660.42	9,232.72
Borrowings (Non-Current and Current, including Current Maturity)	20,297.26	27,149.75
Deferred Tax Liabilities (Net)	1,922.18	1,231.67
Current Tax Liabilities (Net)	816.54	1,101.42
Liabilities classified as Held For Sale	0.03	0.05
Other Corporate Liabilities	581.74	586.82
Total Liabilities	**33,278.17**	**39,302.43**

41. Employee Share-based Payments

The Company has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability. The Company views employee stock options as instruments that would enable the employees to share the value they create for the Company in the years to come. At present, two employee share-based payment schemes are in operation which details are given below:

(I) Employee Stock Option Scheme 2006 ("ESOS 2006"):

The shareholders of the Company has approved on 23/01/2007 an Employee Stock Option Scheme 2006 ("ESOS 2006"), formulated by the Company, under which the Company may issue 3,475,000 stock options to its permanent employees in the management cadre, whether working in India or out of India, including Managing and the Whole-time Directors of the Company, in one or more tranches. The ESOS 2006 is administrated by the Compensation Committee of the Board of Directors of the Company ("the Committee"). Each stock option, when exercised, would be converted into one fully paid-up equity share of ₹ 1/- each of the Company. The stock options will vest in 4 equal annual instalments after completion of one year of service from the date of grant. The exercise price shall be average price of the equity shares of the Company in the immediate preceding seven-day period on the date prior to the date on which the ESOS compensation committee finalises the specific numbers of Options to be granted to the employees discounted by such percentage not exceeding 30% (thirty per cent) to be determined by ESOS Compensation Committee in the best interest of the various stake holders in the prevailing market conditions. The maximum period of exercise is 5 years from the date of vesting and these stock options do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/expired stock options are also available for grant. Further, on 23/09/2011 the ESOS 2006 has been partially modified and by which the Company may issue 6,475,000 stock options to its eligible employees.

Under the ESOS 2006, till 31/03/2018 the Committee has granted 4,328,159 stock options (31/03/2017: 4,328,159 stock options) to its eligible employees, out of which 1,819,941 stock options (31/03/2017: 1,819,941 stock options) have been forfeited/expired and are available for grant as per term of the Scheme.

A summary of movement of the stock options and weighted-average exercise price (WAEP) is given below:

(₹ Crore)

	As at 31/03/2018		As at 31/03/2017	
	Number	WAEP ₹	Number	WAEP ₹
Outstanding at beginning of the year	1,002,139	118.65	1,491,260	120.87
Granted during the year	-	-	-	-
Forfeited during the year	-	-	(22,510)	98.30
Exercised during the year	(133,438)	118.35	(443,476)	125.51
Expired during the year	-	-	(23,135)	150.10
Outstanding at year end	868,701	118.69	1,002,139	118.65
Vested and Exercisable at year end	868,701	118.69	806,487	118.63

Under ESOS 2006, as at 31/03/2018 the range of exercise prices for stock options outstanding was ₹ 118.35 to ₹ 118.73 (as at 31/03/2017 ₹ 118.35 to ₹ 118.73) whereas the weighted average remaining contractual life for the stock options outstanding was 2.83 years (as at 31/03/2017: 3.50 years).

(II) Employee Stock Option Scheme 2013 ("ESOS 2013"):

On 10/09/2013, the shareholders of the Company has approved another Employee Stock Option Scheme 2013 ("ESOS 2013"), under which the Company may grant up to 5,462,000 Options (comprising of Stock Options and/or Restricted Stock Units (RSU)) to the permanent employees in the management cadre and Managing and Whole time Directors of the Company and its subsidiary companies in India and abroad, in one or more tranches. The ESOS 2013 is administered by the Compensation Committee of the Board of Directors of the Company ("the Committee"). The stock options exercise price would be determined by the Committee whereas the RSUs exercise price shall be the face value of the equity shares of the Company as at the date of grant of RSUs. Each stock option and each RSU entitles the holders to apply for and be allotted one fully paid-up equity share of ₹ 1/- each of the Company upon payment of exercise price during exercise period. The stock options will vest in 4 equal annual instalments after completion of one year of the services from the date of grant, whereas RSU will vest upon completion of three years of services from the date of grant. The maximum period of exercise is 5 years from the date of vesting and these stock options/RSUs do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/expired stock options and RSUs are also available for grant.

In terms of ESOS 2013, till 31/03/2018 the Committee has granted 2,250,754 stock options and 2,252,254 RSUs (as at 31/03/2017: 2,250,754 stock options and 2,252,254 RSUs) to the eligible employees of the Company and some of its subsidiary companies. Further, 239,996 stock options and 248,954 RSUs (as at 31/03/2017: 235,611 stock options and 248,954 RSUs) have been forfeited/expired and are available for grant as per the term of the Scheme.

A summary of movement of stock options and RSUs and weighted-average exercise price (WAEP) is given below:

	As at							
	31/03/2018				31/03/2017			
	Stock Options		RSUs		Stock Options		RSUs	
	Number	WAEP	Number	WAEP	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	1,953,262	119.91	1,046,945	1.00	1,948,622	118.31	1,959,500	1.00
Granted during the year	-	-	-	-	76,930	167.15	76,982	1.00
Re-instated during the year	8,772	151.30	-	-	-	-	-	-
Forfeited during the year	(4,385)	119.45	-	-	(31,450)	137.21	(33,182)	1.00
Exercised during the year	(988,984)	120.64	(586,390)	1.00	(40,840)	119.45	(956,355)	1.00
Expired during the year	-	-	-	-	-	-	-	-
Outstanding at year end	968,665	119.45	460,555	1.00	1,953,262	119.91	1,046,945	1.00
Vested and Exercisable at year end	837,045	118.51	272,239	1.00	1,349,625	119.37	785,409	1.00

Under ESOS 2013, the range of exercise prices for stock options outstanding as at 31/03/2018 was ₹ 73.60 to ₹ 167.15 (as at 31/03/2017 ₹ 73.60 to ₹ 167.15), whereas exercise price in the case of RSUs was ₹ 1 (as at 31/03/2017 ₹ 1). The weighted average remaining contractual life for the stock options and RSUs outstanding as at 31/03/2018 was 3.96 years and 4.68 years, respectively (as at 31/03/2017: 4.29 years and 5.06 years, respectively).

No grants were made during the year (the fair value at the grant date of the Stock Option and RSU granted during the year ended 31/03/2017 was ₹ 96.94 and ₹ 163.40, respectively).The fair value has been carried out by an independent valuer by applying Black-Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk-free rate of interest. The assumptions used for fair valuation of awards are given below:

	Year ended			
	31/03/2018		31/03/2017	
	Tranche IV		Tranche III	
	Stock Option	RSU	Stock Option	RSU
Grant Date	-	-	21/12/2016	21/12/2016
Exercise Price (₹)	-	-	167.15	1.00
Life of Options Granted (years)	-	-	7.5 years	8 years
Share Price on Grant Date (₹)	-	-	167.15	167.15
Expected Volatility (%)	-	-	41.27%	43.14%
Expected dividend (%)	-	-	100%	100%
Risk Free Interest Rate (%)	-	-	8.00%	8.00%

The expected volatility was determined based on the historical share price volatility over the past period, depending on life of the options granted which is indicative of future periods, and which may not necessarily be the actual outcome.

Effect of Employee Share-based Payment Transactions on Profit or Loss for the Period and on Financial Position:

For the year ended 31/03/2018, the Company recognised total expenses of ₹ 1.95 crore (year ended 31/03/2017 ₹ 5.54 crore) related to equity-settled share based transactions. During the year ended 31/03/2018, the Company has allotted 1,708,812 fully paid-up equity shares of ₹ 1/- each of the Company (year ended 31/03/2017 : 1,440,671) on exercise of equity-settled share-based transactions, for which the Company has realised ₹ 13.57 crore (year ended 31/03/2017 ₹ 6.15 crore) as exercise prices. The weighted average share price at the date of exercise of options was ₹ 243.95 per share (year ended 31/03/2017 ₹ 165.93 per share).

42. Disclosure as required by Indian Accounting Standard (Ind AS) 19 on Employee Benefits

A. Defined Benefit Plans:

Defined benefit plans expose the Company to actuarial risks such as: Interest Rate Risk, Salary Risk and Demographic Risk.

i. Interest Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefit obligation will tend to increase.

ii. Salary Risk: Higher than expected increases in salary will increase the defined benefit obligation.

iii. Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(I) Gratuity Plans

The Company has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specified number of days (ranging from 15 days to 1 month) of last drawn salary depending upon the tenure of service for each year of completed service, subject to minimum service of five years payable at the time of separation upon superannuation or on exit otherwise. These defined benefit gratuity plans are governed by Payment of Gratuity Act, 1972.

(a) Change in Defined Benefit Obligations (DBO) over the year ended 31st March, 2018

(₹ Crore)

	Year ended	
	31/03/2018	**31/03/2017**
Defined Benefit Obligation at the beginning of the year	842.36	824.82
Current Service Cost	52.25	54.26
Interest Cost on the DBO	57.33	60.87
Actuarial (Gain)/Loss Experience	(26.85)	(32.47)
Actuarial (Gain)/Loss Demographics Assumption	(17.82)	-
Actuarial (Gain)/Loss Financial Assumption	34.55	(38.65)
Benefits Paid directly by the Company	(25.40)	(4.56)
Benefits Paid from Plan Assets	(21.18)	(21.91)
Defined Benefit Obligation at the end of the year	**895.24**	**842.36**
(b) Change in Fair Value Assets:		
Fair Value of Assets at the beginning of the year	610.45	527.83
Interest Income on Plan Assets	43.45	40.73
Employer's Contributions	41.63	52.42
Return on Plan Assets Greater/(Lesser) than Discount Rate	50.09	11.38
Benefits Paid	(21.18)	(21.91)
Fair Value of Assets at the end of the year	**724.44**	**610.45**
(c) Development of Net Balance Sheet Position:		
Defined Benefit Obligation - Funded	(819.77)	(766.37)
Fair Value of Plan Assets	724.44	610.45
Funded Status {Surplus/(Deficit)}	(95.33)	(155.92)
Defined Benefit Obligation - Unfunded	(75.47)	(75.99)
Net Defined Benefit Asset/(Liabilities) recognised in the Balance Sheet	**(170.80)**	**(231.91)**

(d) Reconciliation of Net Balance Sheet Position:

(₹ Crore)

	Year ended 31/03/2018	Year ended 31/03/2017
Net Defined Benefit Asset/(Liabilitie) at the beginning of the year	(231.91)	(296.99)
Service Cost	(52.25)	(54.26)
Net Interest on Net Defined Benefit Liabilitie/(Asset)	(13.89)	(20.14)
Amount recognised in OCI	60.22	82.49
Employer's Contributions	41.63	52.42
Benefit Paid directly by the Company	25.40	4.57
Net Defined Benefit Asset/(Liabilitie) at the end of the year	**(170.80)**	**(231.91)**
(e) Expenses recognised during the year 2017-18:		
Current Service Cost	52.25	54.26
Net Interest on Net Defined Benefit Liabilities/(Assets)	13.89	20.14
Net Gratuity Cost	**66.14**	**74.40**
(f) Other Comprehensive Income (OCI):		
Actuarial (Gain)/Loss due to DBO experience	(26.86)	(32.47)
Actuarial (Gain)/Loss due to DBO assumption changes	16.73	(38.65)
Actuarial (Gain)/Loss arising during the period	(10.13)	(71.12)
Return on Plan Assets (Greater)/Less than Discount Rate	(50.09)	(11.38)
Actuarial (Gain)/Loss recognised in OCI	**(60.22)**	**(82.50)**
(g) Defined Benefit Costs:		
Service Cost	52.25	54.26
Net Interest on Net Defined Benefit Liabilities/(assets)	13.89	20.14
Actuarial (Gain)/Loss recognised in OCI	(60.22)	(82.50)
Defined Benefit Cost	**5.92**	**(8.10)**
(h) Principal Actuarial Assumptions:		
Discount rate (based on the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities)	**7.5%**	**7.0%**
Salary Escalation Rate	**8.0%**	**7.0%**
Weighted-average duration of the Defined Benefit Obligation	**8 years**	**12 years**
Mortality Rate	**Indian Assured Lives Mortality 2006-08**	
(i) Current portion of DBO - (refer Note 21B)	(4.12)	(2.01)
Non-Current portion of DBO (refer Note 21A)	(166.68)	(229.90)
	(170.80)	**(231.91)**

(j) Sensitivity Analysis:

Sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet.

Discount Rate

	(₹ Crore)	
	Year ended	
Discount rate as at end of the year	31/03/2018	31/03/2017
Effect on Defined Benefit Obligation due to 1% Increase in Discount Rate	(66.86)	(70.12)
Effect on Defined Benefit Obligation due to 1% Decrease in Discount Rate	76.25	80.98
Salary Escalation Rate:		
Salary Escalation Rate as at end of the year		
Effect on Defined Benefit Obligation due to 1% Increase in Salary Escalation Rate	75.31	80.19
Effect on Defined Benefit Obligation due to 1% Decrease in Salary Escalation Rate	(67.18)	(70.75)

(k) Methodology for Defined Benefit Obligation:

The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's liabilities, including those related to death-in-service and incapacity benefits.

Under PUC method a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as of the beginning of the year for active members.

(l) The Expected Maturity Analysis of Undiscounted Gratuity is as follows:

	(₹ Crore)	
	Year ended	
	31/03/2018	31/03/2017
Within 1 year	48.19	33.76
From 1 Year to 2 Years	78.93	56.81
From 2 Years to 3 Years	82.44	65.92
From 3 Years to 4 Years	86.24	69.65
From 4 Years to 5 Years	90.63	72.68
From 5 Years to 10 Years	531.37	419.61
From more than 10 Years	2,206.25	1,725.53
	3,124.05	**2,443.96**

(m) Plan Assets Information:

Major categories of Plan Assets are as under:

Cash and Bank	2.43%	2.59%
Scheme of Insurance - Conventional Product	0.24%	78.39%
Scheme of Insurance - ULIP Product	97.33%	19.02%
	100.00%	**100.00%**

(n) Expected contributions to Post-employment Benefit Plan of Gratuity for the year ending 31st March, 2019, are ₹ 58.18 crore.

II Other Defined Benefit and contribution Plans

(a) Pension

The Company contributes a certain percentage of salary for all eligible employees in the managerial cadre towards Superannuation Funds with option to put certain portion in NPS and/or in funds managed by approved trusts of by Life Insurance Corporation of India. The amount charged to the Profit and Loss during the year is ₹ 23.40 crore (year ended 31/03/2017 ₹ 17.84 crore). Junior

Pension Plan, provided to certain employees, is in the nature of defined benefit plan which provides an annuity in the form of pension amount at retirement. Amount of actuarial gain/(loss) recognised in Other Comprehensive Income during the year is ₹ 0.41 crore (year ended 31/03/2017 ₹ 0.20 crore).

(b) Post-Retirement Medical Benefit:

The Company provides post retirement medical benefit to its certain employees. The scheme involves reimbursement of expenses towards medical treatment of self and dependents. The amount charged to the Profit and Loss during the year is ₹ 0.41 crore (year ended 31/03/2017 ₹ 0.38 crore) and amount of actuarial gain/(loss) recognised in Other Comprehensive Income during the year is ₹ 1.45 crore (year ended 31/03/2017 ₹ 1.84 crore).

(c) Leave Obligation:

The leave obligation cover the Company's liability for earned leave. The entire amount of the provision of ₹ 211.57 crore (year ended 31/03/2017 ₹ 186.59 crore) is presented as current, since the Company does not have an unconditional right to defer settlement for these obligations.

(d) Provident Fund:

The Company contributes towards Provident Fund, managed either by approved trusts or by the Central Government and debited to the Statement of Profit and Loss. In respect of provident fund management by the approved trust, the Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. The amount debited to the Statement of Profit and Loss during the year was ₹ 89.26 crore (year ended 31/03/2017 ₹ 58.72 crore).

Based on actuarial valuation, the Company has recognised obligation of ₹ 7.78 crores as at 31/03/2018 (year ended 31/03/2017 ₹ 6.62 crore) towards shortfall on the yield of the trust's investments over the administered interest rates.

The Company also contributes to Coal Mines Provident Fund (CMPF) in respect of employees working in coal mines.

Assumption use in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	As at	
	31/03/2018	**31/03/2017**
Discount Rate	7.50%	7.00%
Expected EPFO (Employees' Provident Fund Organisation) Return	8.55%	8.65%

43. Related Party Transactions

The following transactions were carried out with the Related Parties in the ordinary course of business:

(I) Subsidiaries, Associates and Joint Ventures

(₹ Crore)

	Year ended					
	31/03/2018			31/03/2017		
	Subsidiaries	**Associates**	**Joint Ventures**	**Subsidiaries**	**Associates**	**Joint Ventures**
1. **Sales and Conversion**	**30.32**	**-**	**-**	**43.40**	**-**	**-**
(a) Hindalco - Almex Aerospace Limited	30.03	-	-	20.63	-	-
(b) Novelis Inc. and its Subsidiaries	0.19	-	-	22.02	-	-
(c) Utkal Alumina International Limited - (I)	0.10	-	-	0.75	-	-
2. **Services Rendered**	**0.95**	**0.03**	**-**	**0.03**	**0.03**	**-**
(a) Dahej Harbour and Infrastructure Limited	0.33	-	-	0.03	-	-
(b) Utkal Alumina International Limited	0.62	-	-	-	-	-
(c) Idea Cellular Limited	-	0.03	-	-	0.03	-

(₹ Crore)

	Year ended					
	31/03/2018			31/03/2017		
	Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
3. **Interest and Dividend Received during the year**						
Interest received	**1.82**	**4.37**	**-**	**10.51**	**5.51**	**-**
(a) Idea Cellular Limited	-	0.92	-	-	0.95	-
(b) Aditya Birla Science & Technology Company Private Limited	-	3.45	-	-	4.56	-
(c) Hindalco - Almex Aerospace Limited	0.19	-	-	0.09	-	-
(d) Utkal Alumina International Limited	1.63	-	-	10.42	-	-
Dividend Received:	**20.00**	**-**	**-**	**45.00**	**13.71**	**-**
(a) Idea Cellular Limited	-	-	-	-	13.71	-
(b) Dahej Harbour and Infrastructure Limited	20.00	-	-	45.00	-	-
4. **Purchase of Materials, Capital Equipment and Others**	**3,010.87**	**-**	**-**	**2,211.07**	**-**	**-**
(a) Birla (Nifty) Pty Limited	-	-	-	218.15	-	-
(b) Hindalco - Almex Aerospace Limited	1.85	-	-	1.14	-	-
(c) Minerals & Minerals Limited	43.20	-	-	30.12	-	-
(d) Novelis Inc. and its Subsidiaries	3.80	-	-	1.45	-	-
(e) Utkal Alumina International Limited - (ii)	2,962.02	-	-	1,960.21	-	-
5. **Services Received**	**41.71**	**17.12**	**-**	**36.74**	**15.26**	**-**
(a) Idea Cellular Limited	-	3.89	-	-	3.16	-
(b) Aditya Birla Science & Technology Company Private Limited	-	13.23	-	-	12.10	-
(c) Dahej Harbour and Infrastructure Limited	39.04	-	-	34.17	-	-
(d) Novelis Inc. and its Subsidiaries	1.74	-	-	1.75	-	-
(e) Others	0.93	-	-	0.82	-	-
6. **Investments, Deposits, Loans and Advances Made during the year**	**2,574.63**	**-**	**-**	**1,007.45**	**-**	**-**
Deposits, Loans and Advances Given during the year	**100.00**	**-**	**-**	**740.00**	**-**	**-**
(a) Utkal Alumina International Limited	100.00			740.00		
Investments Made during the year	**2,474.63**	**-**	**-**	**267.45**	**-**	**-**
(a) A V Minerals (Netherlands) N.V.	192.35	-	-	266.83	-	-
(b) Suvas Holdings Limited	2.56	-	-	0.62	-	-
(c) Utkal Alumina International Limited	2,279.72	-	-	-	-	-
7. **Investments, Deposits, Loans and Advances Received Back during the year**	**100.00**	**4.90**	**-**	**743.22**	**12.81**	**-**
(a) Aditya Birla Science & Technology Company Private Limited	-	4.90	-	-	2.45	-
(b) Utkal Alumina International Limited	100.00	-	-	740.00	-	-
(c) Birla Resources Pty Limited - (iii)	-	-	-	3.22	-	
(d) Idea Cellular Limited	-	-	-	-	10.36	-
8. **Guarantees and Collateral Securities given**	**2.71**	**-**	**-**	**-**	**-**	**-**
(a) Suvas Holdings Limited	2.71	-	-	-	-	-

(₹ Crore)

	Year ended					
	31/03/2018			31/03/2017		
	Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
9. Guarantees and Collateral Securities Taken Back during the year	**178.37**	**-**	**-**	**30.72**	**-**	**-**
(a) Utkal Alumina International Limited	-	-	-	26.88	-	-
(b) Hindalco do Brasil Indústria e Comércio de Alumina Ltda.	178.37	-	-	3.84	-	-
10. Licence and Lease Arrangements	**0.01**	**-**	**-**	**0.01**	**-**	**-**
(a) Dahej Harbour and Infrastructure Limited	0.01	-	-	0.01	-	-
11. Outstanding Balances #						
(i) **Receivables**	**10.15**	**-**	**0.03**	**11.87**	**0.40**	**0.03**
(a) Idea Cellular Limited	-	-	-	-	0.40	-
(b) Aditya Birla Science & Technology Company Private Limited	-	-	-	-	0.00	-
(c) Hydromine Global Minerals GMBH Limited	-	-	0.03	-	-	0.03
(d) East Coast Bauxite Mining Company Private Limited	0.02	-	-	0.02	-	-
(e) Hindalco - Almex Aerospace Limited	2.38	-	-	1.64	-	-
(f) Minerals & Minerals Limited	7.29	-	-	9.49	-	-
(g) Utkal Alumina International Limited	0.22	-	-	-	-	-
(h) Others	0.24	-	-	0.72	-	-
(ii) **Payables**	**406.87**	**0.26**	**-**	**210.18**	**0.10**	**-**
(a) Idea Cellular Limited	-	-	-	-	0.10	-
(b) Dahej Harbour and Infrastructure Limited	0.34	-	-	2.20	-	-
(c) Novelis Inc. and its Subsidiaries	1.47	-	-	0.83	-	-
(d) Utkal Alumina International Limited	405.06	-	-	207.15	-	-
(e) Others	-	0.26	-	0.00	-	-
(iii) **Deposits, Loans and Advances**	**0.19**	**50.59**	**-**	**0.19**	**55.49**	**-**
(a) Aditya Birla Science & Technology Company Private Limited	-	50.59	-	-	55.49	-
(b) Lucknow Finance Company Limited	0.19	-	-	0.19		
(iv) **Guarantees and Collateral Securities Given**	**4,869.62**	**-**	**-**	**5,045.28**	**-**	**-**
(a) Hindalco do Brasil Indústria e Comércio de Alumina Ltda.	-	-	-	178.37	-	-
(b) Dahej Harbour and Infrastructure Limited	4.50	-	-	4.50	-	-
(c) Suvas Holdings Limited	12.62	-	-	9.91	-	-
(d) Utkal Alumina International Limited	4,852.50	-	-	4,852.50	-	-
(v) **Investments**						

For details of investments in Subsidiaries and Associates refer Notes 5 and 6.

All outstanding balances are unsecured and are payable in cash.

(₹ Crore)

	Year ended					
	31/03/2018			31/03/2017		
	Subsidiaries	**Associates**	**Joint Ventures**	**Subsidiaries**	**Associates**	**Joint Ventures**
12. **Other Capital Contribution - (iv)**	**77.67**	**-**	**-**	**77.67**	**-**	**-**
(a) Utkal Alumina International Limited	74.41	-	-	74.41	-	-
(b) A V Minerals (Netherlands) N.V.	3.24	-	-	3.24	-	-
(c) Suvas Holdings Limited	0.02	-	-	0.02	-	-

* For details of investments refer Notes 5 and 6.

(II) Trusts

Contribution to Trusts:

(a) Hindalco Employee's Gratuity Fund, Kolkata

(b) Hindalco Employee's Gratuity Fund, Renukoot

(c) Hindalco Employee's Provident Fund Institution, Renukoot

(d) Hindalco Superannuation Scheme, Renukoot

(e) Hindalco Industries Limited Employees' Provident Fund II

(f) Hindalco Industries Limited Senior Management Staff Pension Fund II

(g) Hindalco Industries Limited Office Employees' Pension Fund

For details of transaction with the trust refer Note 42.

Note:-

(i) Including Excise Duty (till 30/06/2017).

(ii) Excluding Excise Duty and GST.

(iii) Includes Foreign Exchange Gain/Loss on Return of Capital.

(iv) With respect to fair valuation of Financial Guarantees.

(III) Key Managerial Personnel

(₹ Crore)

	Year ended	
	31/03/2018	**31/03/2017**
Managerial Remuneration		
(a) Mr. D. Bhattacharya - Vice Chairman*	6.93	48.29
(b) Mr. Satish Pai - Managing Director **	20.97	17.51
(c) Mr. Praveen kumar Maheshwari - Whole-time Director & Chief Financial Officer **	4.08	3.68

* Includes pension of ₹ 4.02 crore (year ended 31/03/2017 ₹ Nil).

** Excluding gratuity, leave encashment provision and compensation under Employee Stock Option Scheme.

(IV) Directors' Remuneration

(a) Mr. Kumar Mangalam Birla	5.19	5.21
(b) Smt. Rajashree Birla	0.08	0.11
(c) Mr. D. Bhattacharya	0.12	0.11
(d) Mr. A.K. Agarwala	0.14	0.15
(e) Mr. M.M. Bhagat	0.20	0.21
(f) Mr. K.N. Bhandari	0.20	0.21
(g) Mr. Y.P. Dandiwala	0.15	0.16
(h) Mr. Ram Charan	0.09	0.03
(i) Mr. Girish Dave	0.10	0.07
(j) Mr. Jagdish Khattar	0.07	0.11
	6.34	**6.37**

(V) The Company is one of the promoter members of Aditya Birla Management Corporation Private Limited (ABMCPL), a Company limited by guarantee, which has been formed to provide common facilities and resources to its members, with a view to optimise the benefits of specialisation and minimise cost for each member. The Company is one of the participants in the common pool and shares the expenses incurred by ABMCPL and accounted for under appropriate heads. The share of expenses charged by ABMCPL during the year is ₹ 326.66 crore(year ended 31/03/2017 ₹ 263.05 crore) and net outstanding payable balance as at 31/03/2018 is ₹ 71.58 crore(as at 31/03/2017 ₹ 18.46 crore). The outstanding deposit with ABMCPL as at 31/03/2018 is ₹ 44.71 crore(as at 31/03/2017 ₹ 44.71 crore).

44. Contingent Liabilities and Commitments

(₹ Crore)

		As at	
		31/03/2018	**31/03/2017**
A.	**Contingent Liabilities**		
(a)	**Claims against Company not acknowledged as Debt:**		
	Following demands are disputed by the Company and are not provided for		
(i)	Demand for Stamp Duty by Collector (Stamp), Kanpur, Uttar Pradesh (U.P.) on merger of Copper Business of IndoGulf Corporation with the Company	252.96	252.96
	The matter is pending before the Hon’ble High Court of Allahabad. Moreover, the properties in question are located in the State of Gujarat and, thus, the Collector (Stamp), Kanpur, has no territorial jurisdiction to make such a demand. Further, the Company has already paid stamp duty in 2003-04 under the provisions of the Bombay Stamp Act, 1958, which can be setoff against stamp duty demand, if any, in U.P.		
(ii)	Demand towards drawal of energy during peak hours by Uttar Pradesh Power Corporation Limited (UPPCL)/Purvanchal Vidyut Vitran Nigam Limited (PVVNL).	80.81	64.50
	The dispute relates to the agreement entered with UPPCL for the period 2009-14. Demand was raised by UPPCL for drawal of banked energy during peak hours. The Hon’ble Supreme Court has stayed the demand and the matter is pending with Appellate Tribunal for Electricity (APTEL).		
(iii)	Demand towards excess production of Coal by Deputy Director of Mines (DDM), Sambalpur.	-	310.00
	Appropriate provision has been made pursuant to a recent Hon’ble Supreme Court judgement on similar matter to which the Company is not a party.		
(iv)	Retrospective Revision of Water Rates by UP Jal Vidyut Nigam Limited	4.08	4.08
	Writ petition pending with Lucknow Bench of Hon’ble Allahabad High Court. The demand for arrears stayed.		
(v)	Demand for Entry Tax relating to valuation dispute	28.05	28.05
	Appeals have been filed with Additional CCT, Sambalpur.		
(vi)	Interest demand on witholding of 50% payment of Entry Tax	27.56	-
	Appeal is pending before the Hon’ble High Court of Odhisa and stay has been granted.		

(₹ Crore)

		As at 31/03/2018	As at 31/03/2017
(vii)	Transit Fees on Coal (U.P. and M.P.)	68.65	250.02
	Contingency is w.r.t. transit fee on coal (other than through road transport). On the basis of Hon'ble Supreme Court order issued during the year, transit fees on Coal has been provided for coal transport through road.		
(viii)	Cess on Coal by Shaktinagar Special Area Development Authority	3.98	3.98
	The matter is pending before Nine Judges Bench of the Hon'ble Supreme Court.		
(ix)	Revision of surface rent on land by Government of Jharkhand	41.30	37.52
	The matter is pending before the Hon'ble Supreme Court.		
(x)	Demand for environment tax on royalty and development tax by the Collector, Chhattisgarh	11.29	9.76
	The matter is pending before the Hon'ble Supreme Court.		
(xi)	Demand from State and Central Sales Tax authorities for various years	19.96	19.96
	At different levels of appeal.		
(xii)	Disallowances of Cenvat Credit on inputs and capital goods and short payment of excise on additional consideration received from recipient of deemed exporter	25.77	8.75
	Matters are pending with CESTAT.		
(xiii)	Disallowances of Service Tax credit on input services at various locations	110.73	108.57
	These matters are pending with CESTAT authorities.		
(xiv)	Demand for recovery of Cenvat Credit availed on Service Tax paid on Goods Transport Agency (outward charges)	7.22	-
	The matter is pending with Commissioner (Appeals), Vadodara and Commissioner, Bharuch.		
(xv)	Excess rebate sanctioned to the extent of duty paid by supplementary invoice	-	5.08
	Favorable judgement in favour of the Company.		
(xvi)	Water Tariff revision demand for previous years	8.14	8.14
	The matter is pending in the Hon'ble High Court of Karnataka.		
(xvii)	Green Cess Provision Under Electricity Act Year-2012-13 to Year 2017-18	9.12	-
	The matter is pending at the Hon'ble Supreme Court.		
(xviii)	Other Contingent Liabilities in respect of Excise, Customs, Sales Tax, etc., each being for less than ₹ 1 crore	13.54	15.26
	The demands are in dispute at various legal forums.		
		713.16	**1,126.63**
(b)	**Other money for which Company is contingently liable:**		
(i)	Customs Duty on raw materials imported under Advance Licence, against which export obligation is to be fulfilled	10.28	100.69

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
B. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	339.59	369.52

(b) The Board of Directors of Idea Cellular Limited (Idea), an Associate of the Company has approved the amalgamation of Vodafone India Limited (VIL) and its wholly owned subsidiary Vodafone Mobile Services Limited (VMSL) with the Idea, subject to requisite regulatory and other approvals. As a member of promoter group of Idea, the Company has undertaken to indemnify (liable jointly and severally with other promoters of Idea) to the promoters of VIL and its wholly owned subsidiary VMSL upto USD 500 million, if Idea fails to meet some of its indemnity obligation under the implementation agreement for proposed amalgamation of VIL and VMSL with Idea.

(c) The Company has given the following undertakings in connection with the loan of Utkal Aluminium International Limited (UAIL), a wholly owned subsidiary:

(i) To hold minimum 51% equity shares in UAIL.

(ii) To ensure to meet the Financial Covenants, except Fixed Asset Coverage Ratio, as provided in the loan agreements.

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
(d) The Company has export obligation to be fulfilled under EPCG Scheme	5,563	6,988

(e) Corporate Guarantee of USD 215 million issued in favour of M/s. Volkswagen AG on behalf of M/s. Novelis Inc. to ensure Novelis will supply as per its future commitments to Volkswagen AG and its subsidiaries.

45. Provisions

The details of other provisions and its movement included in Note 21A and Note 21B are as under:

(₹ Crore)

	Assets Retirement obligations	Environmental Liabilities	Enterprise Social Commitments	Legal Cases	Renewable Power Obligations	Others	Total
Balance as at 1st April, 2016	**43.07**	**16.62**	**-**	**-**	**-**	**29.94**	**89.63**
Provision made during the year	38.67	8.60	142.49	-	157.21	4.62	351.59
Reclassified	-	-	-	-	249.57	-	249.57
Provision utilised during the year	0.28	0.19	-	-	12.51	-	12.98
Provision reversed during the year	-	7.38	-	-	-	-	7.38
Unwinding of discount	0.68	0.64	-	-	-	-	1.32
Balance as at 31st March, 2017	**82.14**	**18.29**	**142.49**	**-**	**394.27**	**34.56**	**671.75**
Provision made during the year	-	0.42	-	337.66	149.88	-	487.96
Provision utilised during the year	0.19	0.42	5.17	74.11	403.35	22.78	506.02
Provision reversed during the year	-	-	-	-	-	-	-
Unwinding of discount	4.66	0.64	8.55	-	-	-	13.85
Balance as at 31st March, 2018	**86.61**	**18.93**	**145.87**	**263.55**	**140.80**	**11.78**	**667.54**

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
Non-Current Portion	226.07	227.69
Current Portion	441.47	444.06
	667.54	**671.75**

The Company has made provisions towards asset retirement, environmental, social, legal and other obligations at various locations involving considerable uncertainties towards amount and timing of outflow of economic resources. The provisions are discounted over the management expected timing of related cash flows.

46. Operating Leases

The Company has entered into various leasing arrangements under operating lease:

As a Lessee:

(a) The Company has entered in operating leases for land, material handling facilities to material handling, storage, rental premise contracts under both cancellable and non-cancellable in nature. The rent for cancellable and non-cancellable operating leases included in the Statement of Profit and Loss for the year is ₹ 83.41 crore (year ended 31/03/2017 ₹ 74.35 crore).

(₹ Crore)

Details of future minimum lease payments	As at 31/03/2018	As at 31/03/2017
Future aggregate minimum lease payment under Non-cancellable Operating Leases:		
No later than 1 year	11.98	8.70
Later than 1 year but not later than 5 years	50.80	31.90
Later than 5 years	76.35	51.69
	139.13	**92.29**

(b) Operating Lease as Lessor

The Company has entered into operating leases for certain of its premises. All of these leases are cancellable in nature (refer Note 26).

47. Offsetting Financial Liabilities and Financial Assets

Financial instruments subject to offsetting , enforceable master netting arrangement and similar arrangements.

(₹ Crore)

	Effects on Balance Sheet			Related Amounts Not Offset		
As at 31/03/2018	**Gross Amount**	**Gross Amount set off in the Balance Sheet**	**Net Amount presented in the Balance Sheet**	**Amounts subject to Master Netting**	**Financial Instrument Collateral**	**Net Amount**
Financial Assets						
Derivatives	1,015.18	(22.42)	992.76	-	-	992.76
Cash and Cash Equivalents	1,809.45	-	1,809.45	-	-	1,809.45
Trade Receivables	1,737.25	-	1,737.25	-	-	1,737.25
Other Financial Assets	692.02	-	692.02	-	-	692.02
	5,253.90	(22.42)	5,231.48	-	-	5,231.48
Financial Liabilities						
Derivatives	708.68	(22.42)	686.26	-	(3.57)	682.69
Trade Payables	5,548.09		5,548.09	-	-	5,548.09
Other Financial Liabilities	1,527.71	-	1,527.71	-	-	1,527.71
	7,784.48	(22.42)	7,762.06	-	(3.57)	7,758.49

₹ in Crore

	Effects on Balance Sheet			Related Amounts Not Offset		
As at 31/03/2017	**Gross Amount**	**Gross Amount set off in the Balance Sheet**	**Net Amount presented in the Balance Sheet**	**Amounts subject to Master Netting**	**Financial Instrument Collateral**	**Net Amount**
Derivatives	1,004.82	(35.39)	969.43	-	-	969.43
Cash and Cash Equivalents	4,307.42	-	4,307.42	-	-	4,307.42
Trade Receivables	1,872.83	-	1,872.83	-	-	1,872.83
Other Financial Assets	527.85	-	527.85	-	-	527.85
	7,712.92	(35.39)	7,677.53	-	-	7,677.53
Financial Liabilities						
Derivatives	1,383.67	(35.39)	1,348.28	-	-	1,348.28
Trade Payables	4,891.29		4,891.29			4,891.29
Other financial Liabilities	6,275.47	-	6,275.47			6,275.47
	12,550.43	(35.39)	12,515.04	-	-	12,515.04

48. Financial Instruments: Fair Value Measurement

A. Accounting classifications fair values

(i) Following table shows the carrying amounts and fair values of Financial Assets and Financial liabilities:

(₹ Crore)

	As at 31/03/2018			As at 31/03/2017		
Financial Assets:	**Amortised Cost**	**FVTOCI**	**FVTPL**	**Amortised Cost**	**FVTOCI**	**FVTPL**
Investments in Associates						
Quoted Instruments		-	-	-	1,960.30	-
Unquoted Instruments		14.27	-	-	11.00	-
Investments in Equity Instruments			-	-		-
Quoted Equity Instruments	-	6,573.51	-	-	4,323.60	-
Unquoted Equity Instruments	-	24.16	-	-	23.59	-
Investments in Preference Shares	-	-	22.66	-	-	19.34
Investments in Debt Instruments						
Mutual Funds	-	-	3,086.80	-	-	7,572.05
Bonds and Debentures	-	-	620.91	-	-	840.08
Government Securities	-	86.02	-	-	87.58	208.77
Commercial Paper	-	-	-	-	-	163.15
Derivatives	-	-	992.76	-	-	969.43
Cash and Cash Equivalents						
Cash and Bank (refer Note 1 below)	243.81	-	-	145.20	-	-
Liquid Mutual Funds	-	-	1,565.64			4,162.22
Bank Balances other than Cash and Cash Equivalents (refer Note 1 below)	11.90	-	-	27.76	-	-
Trade Receivables (refer Note 1 below)	1,737.25	-	-	1,872.83	-	-
Loans (refer Note 1 below)	60.45	-	-	230.35	-	-
Other Financial Assets (refer Note 1 below)	692.02	-	-	527.85	-	-
	2,745.43	**6,697.96**	**6,288.77**	**2,803.99**	**6,406.07**	**13,935.04**

(₹ Crore)

Financial Liabilities:	As at 31/03/2018		As at 31/03/2017	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL
Borrowings				
Non-Convertible Debentures (NCDs)	5,989.00	-	5,987.33	-
Long-Term Borrowings	11,209.94	-	12,404.62	-
Short-Term Borrowings (refer Note 1 below)	3,092.96	-	4,229.98	-
Derivatives	-	686.26	-	1,348.28
Trade Payables (refer Note 1 below)	5,548.09	-	4,891.29	-
Other Financial Liabilities (refer Note 1 below)	1,527.71	-	6,275.47	-
	27,367.70	**686.26**	**33,788.69**	**1,348.28**

The Company had acquired certain equity instruments for purpose of holding for a longer duration and not for the purpose of selling in near term for short-term profit. Such instruments have been categorised as FVTOCI.

Note 1:

Fair values for these financial instruments have not been disclosed because their carrying amount are a reasonable approximation of their fair values.

(ii) Fair value disclosure of Financial Assets and Financial Liabilities measured at Amortised Cost:

(₹ Crore)

	As at 31/03/2018		As at 31/03/2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Borrowings				
Non-Convertible Debentures (NCDs)	5,989.00	6,799.59	5,987.33	6,285.47
Long-Term Borrowings **	11,176.35	11,261.63	16,899.02	17,111.53
	17,165.35	**18,061.22**	**22,886.35**	**23,397.00**
Financial Assets				
Loans - Non-Current	5.88	5.88	50.53	50.53
Deposits - Non-Current	204.13	204.13	195.30	195.30
	210.01	**210.01**	**245.83**	**245.83**

** Carrying amount includes current portion of long-term borrowings shown under other current financial liabilities (refer Note 20B) but excludes finance lease obligation and deferred payment liabilities.

Note 1:

Fair values for these financial instruments have not been disclosed because their carrying amount are a reasonable approximation of their fair values.

(iii) Finance Income and Finance Cost Instrument category-wise classification:

(₹ Crore)

	Year ended 31/03/2018			Year ended 31/03/2017		
	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
Income						
Interest Income *	92.85	6.18	90.33	127.70	6.20	164.26
Dividend Income **	-	25.51	0.02	-	36.25	0.05
	92.85	**31.69**	**90.35**	**127.70**	**42.45**	**164.31**
Expense						
Interest Expense ***	1,827.74	-	-	2,300.52	-	-
	1,827.74	**-**	**-**	**2,300.52**	**-**	**-**

* The above amount of interest income does not include interest received from Income Tax Department of ₹ 197.80 crore and ₹ 50.58 crore for the years ended 31/03/2018 and 31/03/2017, respectively.

** Dividend from Subsidiaries not included above for the year ended 31/03/2018 and 31/03/2017 is ₹ 20.00 crore and ₹ 45.00 crore, respectively.

*** The above amount of interest expense does not include interest pertaining to taxation and others finance costs of ₹ 72.80 crores and ₹ 22.34 crores for the year ended 31/03/2018 and 31/03/2017, respectively.

For amotised cost and FVTOCI instrument interest is recognised at effective interest rate

(iv) Derecognition of Investments in Equity Instruments designated at FVTOCI

(₹ Crore)

	As at 31/03/2018				As at 31/03/2017			
			Dividend Income				Dividend Income	
Investments in Equity Instruments	Fair value on date of derecognition	Cumulative gain or loss on disposal	On Investments derecognised during the period	On Investments held at the reporting date	Fair value on date of derecognition	Cumulative gain or loss on disposal	On Investments derecognised during the period	On Investments held at the reporting date
Quoted Equity Instruments	87.24	61.01	-	25.43	-	-	-	36.16
Unquoted Equity Instruments	0.14	0.04	-	0.08	-	-	-	0.09

During the year ended March 31, 2018, the Company sold investment in certain equity instruments measured at FVTOCI in line with treasury management policy.

B. Fair Value Hierarchy

The following table shows the details of financial assets and financial liabilities including their levels in the fair value hierarchy:

(i) Financial assets and financial liabilities measured as fair value - recurring fair value measurements:

(₹ Crore)

Financial Assets	As at 31/03/2018 Level 1	As at 31/03/2018 Level 2	As at 31/03/2018 Level 3	As at 31/03/2017 Level 1	As at 31/03/2017 Level 2	As at 31/03/2017 Level 3
Investments in Associates						
Quoted Instruments	-	-	-	1,960.30	-	-
Unquoted Instruments	-	-	14.27	-	-	11.00
	-	**-**	**14.27**	**1,960.30**	**-**	**11.00**
Investments in Equity Instruments						
Quoted Equity Instruments	6,573.51	-	-	4,323.60	-	-
Unquoted Equity Instruments	-	-	24.16	-	-	23.59
	6,573.51	**-**	**24.16**	**4,323.60**	**-**	**23.59**
Investment in Preference Shares	-	-	22.66	-	-	19.34
Investments in Debt Instruments						
Mutual Funds	3,086.80	-	-	7,572.04	-	-
Bonds and Debentures	-	375.08	245.83	96.24	576.94	166.90
Government Securities	-	62.76	23.26	174.70	121.65	-
Commercial Paper	-	-	-	-	-	163.15
	3,086.80	**437.84**	**269.09**	**7,842.98**	**698.59**	**330.05**
Derivatives	-	992.75	-	-	969.43	-
Cash and Cash Equivalents						
Liquid Mutual Funds	1,565.64	-	-	4,162.22	-	-
	1,565.64	**-**	**-**	**4,162.22**	**-**	**-**
	11,225.95	**1,430.59**	**330.18**	**18,289.10**	**1,668.02**	**383.98**
Financial Liabilities:						
Derivatives	-	686.25	-	-	1,348.28	-
	-	**686.25**	**-**	**-**	**1,348.28**	**-**

(ii) Fair value disclosure of Financial Assets and Financial Liabilities measured at Amortised Cost:

(₹ Crore)

	As at 31/03/2018			As at 31/03/2017		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Liabilities:						
Long-Term Borrowings	-	18,061.22	-	-	23,397.00	-
	-	**18,061.22**	**-**	**-**	**23,397.00**	**-**
Financial Assets:						
Loans and Advances, Non-Current			5.88			50.53
Deposits, Non-Current	-	-	204.13	-	-	195.30
	-	**-**	**210.01**	**-**	**-**	**245.83**

Level 1 Hierarchy includes financial instruments valued using quoted market prices. Listed equity instruments and traded debt instruments which are traded in the stock exchanges are valued using the closing price at the reporting date. Mutual funds are valued using the closing NAV.

Level 2 Hierarchy includes financial instruments that are not traded in active market. This includes OTC derivatives and debt instruments valued using observable market data such as yield, etc., of similar instruments traded in active market. All derivatives are reported at discounted values, hence, are included in level 2. Borrowings have been fair valued using credit adjusted interest rate pervailing on the reporting date.

Level 3 If one or more significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments and certain debt instruments which are valued using assumptions from market participants.

(iii) Disclosure of changes in Level 3 items for the period ended 31/03/2018 and 31/03/2017, respectively

(₹ Crore)

	Associates Unquoted	**Unquoted Equity Instruments**	**Unquoted Debt Instruments**	**Total**
As at 01/04/2016	**8.00**	**20.76**	**1,280.06**	**1,308.82**
Acquisitions	-	2.83	168.59	171.42
Sale	-	-	(1,174.12)	(1,174.12)
Gains/(Losses) recognised in Profit or Loss	-	-	-	-
Gains/(Losses) recognised in OCI	3.00	-	-	3.00
Transfer from Levels 1 and 2	-	-	161.46	161.46
Transfer to Levels 1 and 2	-	-	(86.60)	(86.60)
As at 31/03/2017	**11.00**	**23.59**	**349.39**	**383.98**
Acquisitions	-	-	24.91	24.91
Sale	-	(0.14)	(252.44)	(252.58)
Gains/(Losses) recognised in Profit or Loss	-	-	1.84	1.84
Gains/(Losses) recognised in OCI	3.27	0.71	-	3.98
Transfer from Levels 1 and 2	-	-	168.05	168.05
Transfer to Level 1 and 2	-	-	-	-
As at 31/03/2018	**14.27**	**24.16**	**291.75**	**330.18**
Unrealised Gain/(Loss) recognised in profit or loss relating to Assets and liabilities held at the end of reporting period:				
31/03/2018	-	-	(3.46)	(3.46)
31/03/2017	-	-	0.63	0.63

Transfers from Level 1 and 2 to Level 3 and out of Level 3 for unquoted debt instruments is based on unavailability/availability of market observable inputs as on the reporting date. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(iv) Sensitivity analysis of Level-3 Instruments:

(₹ Crore)

	Unquoted Associates		Unquoted Equity Instruments		Unquoted Debt Instruments	
	Impact on the Statement of Profit and Loss	Impact on OCI	Impact on the Statement of Profit and Loss	Impact on OCI	Impact on the Statement of Profit and Loss	Impact on OCI
Yield 0.5% change						
31/03/2018	-	-	-	-	2.58	0.69
31/03/2017	-	-	-	-	1.10	-
Price to Book Multiple 10% change						
31/03/2018	-	0.31	-	3.40	-	-
31/03/2017	-	1.03	-	-	-	-

(v) Valuation techniques used for valuation of instruments categorised as Level 3:

For valuation of investments in equity shares and associates which are unquoted, peer comparison has been performed wherever available. Valuation has been primarily done by considering the net worth of the Company and price to book multiple to arrive at the fair value. In cases, where income approach was feasible, valuation has been arrived using the earnings capitalisation method. For inputs that are not observable for these instruments, certain assumptions are made based on available information. The most significant of these assumptions are the discount rate and credit spreads used in the valuation process.

For valuation of investments in debt securities categorised as Level 3, market polls which represent indicative yields are used as assumptions by market participants when pricing the asset.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

49. Financial Instruments: Financial Risk Management

The Company's activities expose it to various risk such as market risk, liquidity risk and credit risk. This section explains the risks which the Company is exposed to and how it manages the risks.

A. Market Risk

(i) Market Risk: Commodity Price Risk

Hindalco's India operations consist of two businesses – Copper Business and Aluminium Business. The Copper Business works under a "Custom Smelting" model, wherein the focus is to improve the processing margin. The timing mis-match risk between the input and output price, which is linked to the same international pricing benchmark, is eliminated through use of derivatives. This off-set hedge model (through use of derivatives) is used to manage the timing mis-match risk for both Commodity (Copper and Precious Metals) and Currency Risk (primarily, USD/INR). The Copper Business also has a portion of View-Based exposure for both Commodity and Currency, beyond the above timing mis-match risk. Lower Copper Prices, Stronger USD/INR exchange rate and Higher "Other Input" Prices are the major price risks that adversely impact the business. Here, the Company may use derivative instruments, wherever available, to manage these pricing risks. A variety of factors, including the risk appetite of the business and price view, are considered while taking Hedging Decisions. Such View-based hedges are usually done for the next 1-8 quarters.

The Aluminium Business is a vertically integrated business model wherein the input and output pricing risks are independent of each other, i.e. – are on different pricing benchmarks, if any. Here, the Company may use derivative instruments, wherever available, to manage its pricing risks for both input and output products. Lower Aluminium Prices, Stronger USD/INR exchange rate and Higher Input Prices are the major price risks that adversely impact the Business. Hedging decisions are based on a variety of factors, including risk appetite of the business and price View. Such Hedge decisions are usually done for the next 1-12 quarters.

(a) The table below summaries gain/(loss) impact on of increase/decrease in the commodity price on the company's equity and profit for the year:

(₹ Crore)

		Year ended 31/03/2018		Year ended 31/03/2017	
Commodity Risk	**Increase in Price**	**Change in the Statement of Profit and Loss**	**Change in Other Components of Equity**	**Change in the Statement of Profit and Loss**	**Change in Other Components of Equity**
Aluminium	10%	(0.17)	(441.06)	0.64	(810.06)
Copper	10%	(261.76)	(7.62)	(269.73)	(9.85)
Gold	10%	(21.18)	(70.74)	(17.70)	(68.48)
Silver	10%	(3.27)	(18.81)	(2.96)	(24.80)
Furnace Oil	10%	-	-	1.47	-

(ii) Market Risk: Foreign Currency Risk

The Company may also have Foreign Currency Exchange Risk on procurement of Capital Equipment for its businesses. The Company manages this forex risk, using derivatives, wherever required, to mitigate or eliminate the risk. The Company may also have Foreign Currency Exchange Risk on Foreign Currency denominated Borrowings for its businesses. The Company manages this forex risk, using derivatives, wherever required, to mitigate or eliminate the risk.

(a) The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, is given below:

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
Currency Pair [Payable/(Receivable)]		
USD	499.93	452.13
EUR	58.73	29.36
GBP	2.50	1.97
SEK	0.04	0.26
NOK	1.03	1.08
SGD	0.14	-
CAD	0.63	0.36
AUD	0.49	0.48
CHF	0.98	1.03
JPY	0.55	0.09
AED	0.01	-
	565.03	**486.76**

(b) The table below summaries gain/(loss) impact on of increase/decrease in the exchange rates on the company's equity and profit for the year:

(₹ Crore)

Currency Risk	Increase in Rate/Price	Year ended 31/03/2018 Change in the Statement of Profit and Loss	Year ended 31/03/2018 Change in Other Components of Equity	Year ended 31/03/2017 Change in the Statement of Profit and Loss	Year ended 31/03/2017 Change in Other Components of Equity
USD	10%	(33.81)	(1,147.37)	(71.18)	1,396.77
EUR	10%	1.78	-	3.44	-
GBP	10%	(0.23)	-	(0.13)	-
SEK	10%	-	-	(0.02)	-
NOK	10%	(0.07)	-	(0.04)	-
SGD	10%	(0.01)	-	-	-
CAD	10%	(0.04)	-	(0.02)	-
AUD	10%	(0.02)	-	(0.03)	-
CHF	10%	(0.06)	-	(0.04)	-
JPY	10%	(0.04)	-	(0.01)	-
AED	10%	-	-	-	-

(iii) Market Risk: Other Price Risk

The Company's exposure to equity securities price risk arises from movement in market price of related securities classified either as fair value through OCI. The Company manages the price risk through diversified portfolio.

The table below summaries gain/(loss) impact on of increase/decrease in the equity share price on the Company's equity and profit for the year:

(₹ Crore)

Other Price Risk	Increase Rate/Price	Year ended 31/03/2018 Change in the Statement of Profit and Loss	Year ended 31/03/2018 Change in Other Components of Equity	Year ended 31/03/2017 Change in the Statement of Profit and Loss	Year ended 31/03/2017 Change in Other Components of Equity
Investments in Equity Securities	10%	-	657.35	-	432.36
Investments in Equity of Associates	10%	-	-	-	196.03

(iv) Market Risk: Interest Rate Risk

The Company is exposed to interest rate risk on financial liabilities such as borrowings, both short-term and long-term. It maintains a balance of fixed and floating interest rate borrowings, and the proportion is determined by current market interest rates, projected debt servicing capability and view on future interest rates. Such interest rate risk is actively evaluated and interest rate swap is taken whenever considered necessary.

The Company is also exposed to interest rate risk on its financial assets that include fixed deposits, bonds, debentures, commercial, other mutual funds and liquid investments comprising mainly mutual funds (which are part of cash and cash equivalents). Since all these are generally for short durations, the Company believes it has manageable and limited risk.

(a) The table below summaries gain/(loss) impact on of increase/decrease in the interest rates on the Company's equity and profit for the year:

(₹ Crore)

Interest Rate Risk	Increase in Rate/Price	Year ended 31/03/2018 Change in the Statement of Profit and Loss	Year ended 31/03/2018 Change in Other Components of Equity	Year ended 31/03/2017 Change in the Statement of Profit and Loss	Year ended 31/03/2017 Change in Other Components of Equity
Interest Rate on Floating Rate Borrowings	50 bps	(37.42)	-	(22.46)	-

B. Liquidity Risk

The Company determines its liquidity requirements in the short, medium and long term. This is done by drawing up cash forecast for short and medium term requirements and strategic financing plans for long-term needs.

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while, at the same time, maintaining adequate cash and cash equivalent position. The Management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds, not immediately required, are invested in certain products (including mutual fund), which provide flexibility to liquidate at short notice, and are included in current investments and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed at regular intervals.

The Company has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required.

(i) Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
Bank O/D and other facilities	1,679.50	1,579.52

Undrawn limit has been calculated based on the available drawing power and sanctioned amount at each reporting date.

(ii) Maturity Analysis

The Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and net settled derivative financial instruments. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ Crore)

Contractual Maturities of Financial Liabilities as at 31/03/2018	Less than 1 Year	1 Year to 2 Years	2 Years to 5 Years	More than 5 Years	Total
Non-Derivatives					
Borrowings*	4,560.03	1,456.97	11,537.07	13,413.78	30,967.85
Obligations under Finance Lease	5.36	5.19	15.41	12.11	38.07
Trade Payables	5,524.05	0.59	1.05	22.40	5,548.09
Other Financial Liabilities **	1,451.95	7.33	-	0.03	1,459.31
Finance Guarantee ***	16.42	-	-	2,435.18	2,451.60
	11,557.81	**1,470.08**	**11,553.53**	**15,883.50**	**40,464.92**

(₹ Crore)

Contractual Maturities of Financial Liabilities as at 31/03/2018	Less than 1 Year	1 Year to 2 Years	2 Years to 5 Years	More than 5 Years	Total
Derivatives (Net Settled)					
Commodity Forwards/Swaps	427.67	32.12	0.51	-	460.30
Fx Currency Forwards	1.89	-	-	-	1.89
Fx Swaps	191.32	32.75	-	-	224.07
	620.88	**64.87**	**0.51**	**-**	**686.26**

Contractual Maturities of Financial Liabilities as at 31/03/2017	Less than 1 Year	1 Year to 2 Years	2 Years to 5 Years	More than 5 Years	Total
Non-Derivatives					
Borrowings*	10,387.93	1,610.10	6,198.87	21,839.28	40,036.18
Obligations under Finance Lease	3.04	3.19	10.11	16.21	32.55
Trade Payables	4,890.84	0.13	0.32	-	4,891.29
Other Financial Liabilities **	1,669.10	10.93	-	0.03	1,680.06
Finance Guarantee ***	65.65	-	-	4,725.18	4,790.83
	17,016.56	**1,624.35**	**6,209.30**	**26,580.70**	**51,430.91**
Derivatives (Net Settled)					
Commodity Forwards/Swaps	927.94	317.44	27.04	-	1,272.42
Fx Currency Forwards	17.21	0.09	-	-	17.30
Fx Swaps	-	-	58.56	-	58.56
	945.15	**317.53**	**85.60**	**-**	**1,348.28**

* Includes principal and interest payments, short-term borrowings, current portion of debt, and excludes unamortised fees.

** Excludes financial guarantee liability contract which has been fair valued.

*** Guarantee given for loans as at 31/03/2018 ₹ 4,865.12 crore and 31/03/2017 ₹ 5,040.78 crore has been reported to the extent of loan amount outstanding as on 31/03/2018 ₹ 2,435.18 crore and 31/03/2017 ₹ 4,757.61 crore.

(C) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to a financial instrument fails to meet its contractual obligation.

Credit risk is managed on a group basis. The Company invests only in those instruments issued by high rated banks/institutions. For other financial assets, the Company assesses and manages credit risk based on the credit rating. The Company has assessed its other financial assets as high quality, negligible credit risk. The Company periodically monitors the recoverability and credit risks of its other financials assets including security deposits and other receivables. The Company evaluates 12-month expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers life time expected credit losses for the purpose of impairment provisioning.

Credit risk is managed on a group basis. The Company invests only in those instruments issued by high rated banks/institutions. For other financial assets, the Company assesses and manages credit risk based on the credit rating. The Company has assessed its other financial assets as high quality, negligible credit risk.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

(i) Summary of trade receivables and provision with ageing as at 31/03/2018

(₹ Crore)

Particulars	Not Due	Past Due 1 to 30 Days	31 to 60 Days	61 to 120 Days	121 to 180 Days	Over 180 Days	Total
Gross Carrying Amount - Domestic	1,108.71	57.02	45.17	39.52	87.63	100.88	1,438.93
Gross Carrying Amount - Export	287.30	44.85	1.37	0.47	0.04	0.88	334.91
Expected Loss Rate							**0.24%**
Expected Credit Loss Provision	0.16	0.48	0.68	0.86	0.23	1.76	4.17
Other Provisions e.g., specific Bad Debt Provision - Export	-	-	-	-	-	5.42	5.42
Other Provisions e.g., specific Bad Debt Provision - Domestic	-	-	-	-	-	27.00	27.00
Total Provision	0.16	0.48	0.68	0.86	0.23	34.19	36.61
Carrying Amount of Trade Receivables (Net of Impairment)	**1,395.85**	**101.39**	**45.86**	**39.13**	**87.44**	**67.58**	**1,737.25**

(ii) Summary of trade receivables and provision with ageing as at 31/03/2017

(₹ Crore)

Particulars	Not Due	Past Due 1 to 30 Days	31 to 60 Days	61 to 120 Days	121 to 180 Days	Over 180 Days	Total
Gross Carrying Amount - Domestic	1,322.76	8.48	45.20	42.05	111.83	108.10	1,638.42
Gross Carrying Amount - Export	210.62	19.80	1.43	2.05	38.11	2.53	274.54
Expected Loss Rate							0.27%
Expected Credit Loss Provision	0.60	0.28	0.06	0.19	-	3.93	5.06
Other Provisions e.g., specific Bad Debt Provision - Export	-	-	-	-	-	2.55	2.55
Other Provisions e.g., specific Bad Debt Provision - Domestic	-	-	-	-	-	32.52	32.52
Total Provision	0.60	0.28	0.06	0.19	-	39.00	40.14
Carrying Amount of Trade Receivables (Net of Impairment)	**1,532.78**	**28.00**	**46.57**	**43.91**	**149.94**	**71.63**	**1,872.83**

(iii) Reconciliation of Provision

	(₹ Crore)
Loss Allowance as at 31/03/2016	38.42
Changes in Loss Allowance	1.70
Loss Allowance as at 31/03/2017	40.12
Changes in Loss Allowance	(3.51)
Loss Allowance as at 31/03/2018	36.61

Of the trade receivables balance as at 31/03/2018, ₹ 185.10 crore (as at 31/03/2017 ₹ 287.46 crore) is due from a single customer being the Company's largest customer. There are no other customers who represent more than 10% of the total balance of trade receivables.

50. Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short-term and long-term. Net debt (total borrowings less current investment, and cash and cash equivalents) to equity ratio is used to monitor capital. No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.

	As at	
	31/03/2018	**31/03/2017**
Debt Equity Ratio	0.41	0.57

As at March 31, 2018 and March 31, 2017, the Company was in compliance with all of its debt covenants for borrowings.

51. Derivative Financial Instruments

The Company uses derivative financial instruments such as forwards, futures, swaps, options, etc., to hedge its risks associated with foreign exchange fluctuation. Risks associated with fluctuation in the price of the products (copper, aluminium, coal, furnace oil and precious metals) are minimised by undertaking appropriate derivative instruments. Derivatives embedded in other financial instruments are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts. In some cases, the embedded derivatives may be designated in a hedge relationship. The fair values of all such derivative financial instruments are recognised as assets or liabilities at the Balance Sheet date.

The Company also appiles hedge accounting using certain foreign currency non-derivative monetary items, which are used as hedging instruments for hedging foreign exchange risk.

(A) The Asset and Liability position of various outstanding derivative financial instruments is given below:

(₹ Crore)

		As at 31/03/2018			As at 31/03/2017		
	Nature of Risk being Hedged	**Liabilities**	**Assets**	**Net Fair Value**	**Liabilities**	**Assets**	**Net Fair Value**
Current							
Cash Flow Hedges							
Commodity Contracts	Price Risk Component	(317.55)	64.86	(252.69)	(859.09)	10.05	(849.04)
Foreign Currency Contracts	Exchange Rate Movement Risk	(192.79)	812.31	619.52	-	744.39	744.39
Fair Value Hedge							
Embedded Derivatives *	Risk of Change in Fair Value of Unpriced Inventory	(4.64)	154.52	149.88	(93.64)	24.74	(68.90)
Non-Designated Hedges							
Commodity Contracts		(110.12)	3.09	(107.03)	(68.84)	14.19	(54.65)
Foreign Currency Contracts		(0.42)	5.09	4.67	(17.22)	13.26	(3.96)
Total		**(625.52)**	**1,039.87**	**414.35**	**(1,038.79)**	**806.63**	**(232.16)**

(₹ Crore)

	Nature of Risk being Hedged	As at 31/03/2018 Liabilities	Assets	Net Fair Value	As at 31/03/2017 Liabilities	Assets	Net Fair Value
Non-Current							
Cash Flow Hedges							
Commodity Contracts	Price Risk Component	(32.62)	65.06	32.44	(344.49)	0.30	(344.19)
Foreign Currency Contracts	Exchange rate Movement Risk	(32.76)	42.31	9.55	(58.56)	187.20	128.64
Non-Designated Hedges							
Commodity Contracts		-	-	-	-	0.04	0.04
Foreign Currency Contracts		-	0.04	0.04	(0.08)	-	(0.08)
Total		**(65.38)**	**107.41**	**42.03**	**(403.13)**	**187.54**	**(215.59)**
Grand Total		**(690.90)**	**1,147.28**	**456.38**	**(1,441.92)**	**994.17**	**(447.75)**

* Fair Value of ₹ 149.88 crore (year ended 31/03/2017 ₹ (68.90) crore) is part of Trade Payables.

The maturity profile for Commodity and Forex Exchange Forwards ranges from April 2018 to March 2020. Foreign Exchange Swaps have a maturity profile from July 2018 to June 2020. Hedge Ratio of 1:1 is used by the Company.

Derivative assets are part of other financial assets included in notes 9A and 9B. Derivative liabilities are part of other financial liabilities included in Notes 20A and 20B.

(B) Outstanding position and fair value of various foreign exchange derivative financial instruments:

Foreign Currency Forwards	Currency Pair	As at 31/03/2018 Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ Crore)	As at 31/03/2017 Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ Crore)
Cash Flow Hedges							
Sell	USD_INR	71.30	866.07	360.00	72.03	1,375.65	598.83
Total			**866.07**	**360.00**		**1,375.65**	**598.83**
Non-Designated							
Buy	AUD_INR	50.40	0.03	-	-	-	-
Buy	CHF_INR	-	-	-	65.57	0.06	-
Buy	EUR_INR	80.06	10.63	1.48	75.41	12.02	(12.20)
Buy	GBP_INR	90.00	0.11	0.05	-	-	-
Buy	NOK_INR	-	-	-	7.67	0.68	(0.01)
Buy	USD_INR	65.43	122.80	0.86	66.95	144.85	(5.04)
Sell	USD_INR	65.98	120.11	2.32	68.24	44.09	13.21
Total			**253.68**	**4.71**		**201.70**	**(4.04)**
Foreign Currency Swaps							
Cash Flow Hedges							
Sell	USD_INR	63.96	938.04	269.07	63.96	938.04	274.20
Total			**938.04**	**269.07**		**938.04**	**274.20**

(C) Outstanding position and fair value of various foreign exchange non-derivative financial instruments used as heding instruments:

		As at 31/03/2018			As at 31/03/2017		
Foreign Currency Monetary Items	**Currency Pair**	**Average Exchange Rate**	**Notional Value (in Million)**	**Fair Value Gain/(Loss) (₹ Crore)**	**Average Exchange Rate**	**Notional Value (in Million)**	**Fair Value Gain/(Loss) (₹ Crore)**
Cash Flow Hedges							
Debt	USD_INR	64.52	468.77	(30.86)	67.58	641.61	181.19
Liability for Copper Concentrate	USD_INR	64.75	413.08	(14.49)	66.20	283.14	38.63
Total			**881.85**	**(45.35)**		**924.75**	**219.82**

(D) Outstanding position and fair value of various commodity derivative financial instruments:

(i) Outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2018:

		Average Price (USD/Unit)	**Quantity**	**Unit**	**Unit Notional Value (USD in Million)**	**Fair Value Gain/(Loss) (₹ Crore)**
Commodity Futures/Forwards						
Cash Flow Hedges						
Aluminium	Sell	1,966.54	524,000	MT	1,030.47	(212.36)
Copper	Sell	7,269.67	2,700	MT	19.63	8.86
Gold	Sell	1,303.21	126,148	TOZ	164.40	(24.07)
Silver	Sell	17.03	2,713,922	TOZ	46.21	7.32
Total						**(220.25)**
Non-Designated Hedges						
Aluminium	Buy	2,074.44	60,550	MT	125.61	(32.81)
Aluminium	Sell	1,853.83	60,450	MT	112.06	(54.01)
Copper	Buy	6,776.31	22,150	MT	150.10	(12.37)
Copper	Sell	6,575.51	4,175	MT	27.45	(3.05)
Gold	Buy	1,328.29	101,194	TOZ	134.42	(1.84)
Gold	Sell	1,314.30	81,373	TOZ	106.95	(5.71)
Silver	Buy	16.40	553,630	TOZ	9.08	(0.14)
Silver	Sell	16.72	553,630	TOZ	9.25	1.25
Total						**(108.68)**
Commodity Swaps						
Non-Designated Hedges						
Furnace Oil	Buy	277.33	3,000	MT	0.83	1.83
Furnace Oil	Sell	361.51	3,000	MT	1.08	(0.18)
Total						**1.65**

		Average Price (USD/Unit)	Quantity	Unit	Unit Notional Value (USD in Million)	Fair Value Gain/(Loss) (₹ Crore)
Embedded Derivatives						
Fair Value Hedges						
Copper	Sell	6,916.84	110,063	MT	761.29	150.14
Gold	Sell	1,326.24	57,285	TOZ	75.97	(0.74)
Silver	Sell	16.56	466,348	TOZ	7.72	0.48
Total						**149.88**

(ii) Outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2017:

		Average Price (USD/Unit)	Quantity	Unit	Notional value (USD in Million)	Fair Value Gain/(Loss) (₹ Crore)
Commodity Futures/Forwards						
Cash Flow Hedges						
Aluminium	Sell	1,796.26	979,150	MT	1,758.81	(1,137.29)
Copper	Sell	6,003.38	4,000	MT	24.01	3.82
Gold	Sell	1,198.83	129,341	TOZ	155.06	(44.96)
Silver	Sell	17.74	3,197,475	TOZ	56.74	(14.80)
Total						**(1,193.23)**
Non-Designated Hedges						
Aluminium	Buy	1,905.87	59,825	MT	114.02	19.25
Aluminium	Sell	1,724.98	58,725	MT	101.30	(87.74)
Copper	Buy	5,797.27	23,075	MT	133.77	4.05
Copper	Sell	5,845.82	10,125	MT	59.19	1.41
Gold	Buy	1,240.09	8,230	TOZ	10.21	0.54
Silver	Buy	17.99	58,318	TOZ	1.05	0.13
Total						**(62.36)**
Commodity Swaps						
Non-Designated Hedges						
Coal	Buy	44.92	32,505	MT	1.46	7.23
Coal	Sell	79.39	32,505	MT	2.58	0.03
Furnace Oil	Buy	286.00	12,000	MT	3.43	0.49
Total						**7.75**
Embedded Derivatives						
Fair Value Hedges						
Copper	Sell	5,772.36	122,147	MT	705.07	(50.61)
Gold	Sell	1,191.20	41,594	TOZ	49.55	(15.98)
Silver	Sell	17.48	438,491	TOZ	7.66	(2.31)
Total						**(68.90)**

(E) Details of amount held in OCI and the period during which these are going to be released and affecting the Statement of Profit & Loss:

(₹ Crore)

	As at 31/03/2018			As at 31/03/2017		
Cash Flow Hedges	Closing Value in Hedging Reserve	Release		Closing Value in Hedging Reserve	Release	
		In Less than 12 Months	After 12 Months		In Less than 12 Months	After 12 Months
	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
Commodity Forwards						
Aluminium	(210.83)	(270.25)	59.42	(1,134.91)	(820.97)	(313.94)
Copper	8.85	8.85	-	3.83	3.53	0.30
Gold	(23.88)	(23.88)	-	(44.93)	(44.93)	-
Silver	7.33	7.47	(0.14)	(14.73)	(12.39)	(2.34)
	(218.53)	**(277.81)**	**59.28**	**(1,190.74)**	**(874.76)**	**(315.98)**
Debt	(30.86)	(30.86)	-	181.19	181.19	-
Liability for Copper Concentrate	(9.58)	(9.58)	-	23.35	23.35	-
Foreign Currency Forwards						
USD_INR	360.53	317.69	42.84	598.80	411.58	187.22
Foreign Currency Swap						
USD_INR	(103.94)	(23.59)	(80.35)	(80.39)	-	(80.39)
	216.15	**253.66**	**(37.51)**	**722.95**	**616.12**	**106.83**
	(2.38)	**(24.15)**	**21.77**	**(467.79)**	**(258.64)**	**(209.15)**
Deferred Tax on above	0.84	8.44	(7.60)	161.90	89.51	72.39
Total	**(1.54)**	**(15.71)**	**14.17**	**(305.89)**	**(169.13)**	**(136.76)**
Foreign Currency Swap						
USD_INR	994.99	360.97	634.02	633.97	-	633.97
Deferred Tax on above	(347.68)	(126.14)	(221.54)	(219.40)	-	(219.40)
Total	**647.31**	**234.83**	**412.48**	**414.57**	**-**	**414.57**

(F) Gain/(Loss) recognised in OCI and recycled:

i. Amount of gain/(loss) recognised in Hedging Reserve and recycled during the year 2017-18:

(₹ Crore)

	Opening Balance	Net Amount Recognised	Recycled			Closing Balance Before Tax
			Net Amount to P&L	Net Amount Added to Non-Financial Assets	Total Amount Recycled	
Cash Flow Hedges						
Commodity	(1,190.74)	(312.30)	(1,284.51)	-	(1,284.51)	(218.53)
Forex	722.95	294.34	801.14	-	801.14	216.15
Total	**(467.79)**	**(17.96)**	**(483.37)**	**-**	**(483.37)**	**(2.38)**
Deferred Tax on above	**161.90**	**6.23**	**167.29**	**-**	**167.29**	**0.84**
Cost of Hedging Reserve						
Forex	633.97	361.02	-	-	-	994.99
Deferred Tax on above	**(219.40)**	**(128.28)**	**-**	**-**	**-**	**(347.68)**

ii. **Amount of gain/(loss) recognised in OCI and recycled during the year 2016-17:**

(₹ Crore)

		Recycled				
	Opening Balance	Net Amount Recognised	Net Amount to P&L	Net Amount Added to Non-Financial Assets	Total Amount recycled	Closing Balance Before Tax
Cash Flow Hedges						
Commodity	431.49	(1,687.30)	(65.07)	-	(65.07)	(1,190.74)
Forex	16.27	951.60	244.92	-	244.92	722.95
Total	**447.76**	**(735.70)**	**179.85**	**-**	**179.85**	**(467.79)**
Deferred Tax on above	**(154.96)**	**254.61**	**(62.25)**	**-**	**(62.25)**	**161.90**
Cost of Hedging						
Forex	80.33	553.64	-	-	-	633.97
Deferred Tax on above	**(27.80)**	**(191.60)**	**-**	**-**	**-**	**(219.40)**

(G) Amount of gain/(loss) recycled from Hedging Reserve and reference of the line item in the Statement of Profit and Loss where those amounts are included:

(₹ Crore)

			Year ended	
Note No.	Note Description	Note Line Item	31/03/2018	31/03/2017
25	Revenue from Operations	Aluminium and Aluminium Products	(617.49)	323.12
25	Revenue from Operations	Copper and Copper Products	200.44	(26.91)
25	Revenue from Operations	Precious Metals	(66.32)	(116.36)

The adjustment, as part of the carrying value of inventories arising on account of fair value hedges, is as follows:

(₹ Crore)

	Year ended	
Inventory Type	31/03/2018	31/03/2017
Copper	(148.61)	53.40
Gold	0.89	16.65
Silver	(0.49)	2.38
	(148.21)	**72.43**

(H) The Company's hedging policy only allows for effective hedge relationships to be established. The effective portion of hedge is taken to OCI while ineffective portion of hedge is recognised immediately to the Statement of Profit and Loss. The Company uses hypothetical derivative method to assess effectiveness. Ineffectiveness may arise if the terms of the hedging instrument and the hedged item differ or differences between the credit risk inherent within the hedged item and the hedging instrument.

The amount of gain/(loss) recognised in the Statement of Profit and Loss on account of hedge ineffectiveness for cash flow hedges for the period ended 31st March, 2018 and 31st March, 2017 is ₹ (20.78) crore and ₹ (167.11) crore, respectively, which forms part of Gain/Loss on fair value of derivatives under Note 35 for Other Expenses.

52. Additional Information

A. As per Section 135 of the Companies Act, 2015, a Corporate Social Responsibility Committee has been formed. As per the provisions of the Companies Act, 2013, amount not less than ₹ 26.70 crore (year ended 31/03/2017 ₹ 20.97 crore) should have been incurred during the year under CSR. The Company has incurred expenses amounting to ₹ 31.43 crore (year ended 31/03/2017: ₹ 28.36 crore), in line with the CSR policy, which is in conformity with the activities specified in Schedule VII of the Companies Act, 2013.

B. Details of loans given, investments made and guarantees given covered under Section 186(4) of the Companies Act, 2013:

i. Details of investments made have been given as part of Note '5', Investments in Subsidiaries, Note '6', Investments in Associates and Note '7B', Investments in Debt and Equity Instruments.

ii. Loans and Financial Guarantees given below:

(₹ Crore)

Name of the Company	Relationship	Nature of Transaction	As at 31/03/2018	As at 31/03/2017
Details of Loans				
Aditya Birla Science and Technology Company Private Limited	Associate	Inter-Corporate Deposit for Working Capital	50.59	55.49
Details of Guarantees				
Hindalco Do Brazil Industrial e Comercio de Alumina Ltda.	Subsidiary	Financial Guarantee	-	178.37
Suvas Holdings Limited	Subsidiary	Financial Guarantee	12.62	9.91
Utkal Alumina International Limited	Subsidiary	Financial Guarantee	4,852.50	4,852.50
Dahej Harbour and Infrastructure Limited	Subsidiary	Financial Guarantee	4.50	4.50

iii. Disclosure relating to the amount outstanding at year end and maximum outstanding during the year of loans and advances, in nature of loan, required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given below:

(₹ Crore)

Name of the Company	As at 31/03/2018	Maximum Outstanding during 2017-18	As at 31/03/2017	Maximum Outstanding during 2016-17
Associate:				
Aditya Birla Science and Technology Company Private Limited	50.59	55.49	55.49	57.94

C. Disclosure on Specified Bank Notes (SBNs)

	SBNs (₹)	Other Denomination (₹)	Total (₹)
Closing Cash on Hand as at 8th November, 2016*	7,921,500	1,409,232	9,330,732
Transactions between 9th November, 2016 and 30th December, 2016			
Add: Permitted Receipts	19,486,000	41,162,401	60,648,401
Less: Permitted Payments	3,000	15,255,272	15,258,272
Less: Amount Deposited in Banks	27,404,500	24,660,180	52,064,680
Closing Cash in Hand as at 30th December, 2016	**-**	**2,656,181**	**2,656,181**

* Includes cash balances lying with employees/branches on imprest basis.

53. During the financial year ended 31st March, 2018, the Company has reclassified/regrouped certain comparatives, in order to confirm with current year's presentation.

The key reclassification/regrouping included the following:

(i) Provisions amounting to ₹ 394.27 crore reclassified from Trade Payable to Current Provisions. Further, an amount of ₹ 36.69 crore has been reclassified from current provision to non-current provisions.

(ii) Other current assets related to tax amounting to ₹ 1,254.95 crore reclassified to non-current tax assets amounting to ₹ 1,567.68 crore and current income tax liabilities amounting to ₹ 312.83 crore.

As per our report annexed.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Sumit Seth
Partner
Membership No. 105869

Place : Mumbai
Dated : May 16, 2018

Praveen Kumar Maheshwari
Whole-Time Director &
Chief Financial Officer
DIN-00174361

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

Satish Pai – Managing Director
DIN-06646758

M.M. Bhagat – Director
DIN-00006245

To the Members of Hindalco Industries Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Hindalco Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its joint ventures and associate companies (refer Note 56 to the attached consolidated Ind AS financial statements), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act"), that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and changes in equity of the Group including its associate companies and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended), under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its associate companies and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate companies and joint ventures, respectively, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view, and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 8 and 10 of the Other Matters paragraph below, other than the unaudited financial statements/financial information as certified by the Management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate companies and joint ventures as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

8. We did not audit the financial statements of eight subsidiaries and consolidated financial information of one subsidiary, whose financial statements/financial information reflect total assets of ₹ 81,606.16 crore and net assets of ₹ 21,873.30 crore as at March 31, 2018, total revenue of ₹ 74,976.66 crore, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 6,385.99 crore and net cash flows amounting to ₹ 2,262.60 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 125.09 crore for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of two associate companies and one joint venture, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, associate companies and joint venture and our report in terms of Sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, associate companies and joint venture, is based solely on the reports of the other auditors.

9. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 0.01 crore and net assets of ₹ * as at March 31, 2018, total revenue, total comprehensive income (comprising of loss and other comprehensive income) and net cash out flows amounting to ₹ *, respectively, for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of total comprehensive income of ₹ Nil for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of one joint venture, whose financial information have not been audited by us. These financial statements/financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of Sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and joint venture is based solely on such unaudited financial statements/ financial information. In our opinion, and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

   * represents figures below the rounding convention used in this report

10. The financial statements of one subsidiary, located outside India, included in the consolidated Ind AS financial statements, which constitute total assets of ₹ 293.88 crore and net assets of ₹ 128.30 crore as at March 31, 2018, total revenue of ₹ 273.83 crore, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 161.03 crore and net cash flows amounting to ₹ 7.31 crore for the year then ended, have been prepared in accordance with the accounting principles generally accepted in its country, and have been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's Management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in its country to the accounting principles generally accepted

in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done, and the reports of the other auditors and the financial statements/financial information certified by the Management.

11. The consolidated Ind AS financial statements of the Group for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013, who, vide their report dated May 30, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

    (b) In our opinion, proper books of account as required by law have been kept by the Holding Company, its subsidiaries included in the Group, associate companies and joint venture incorporated in India, including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements, so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, associate companies and joint venture incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

    (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture incorporated in India, except one director of the Holding Company (who has resigned from the office subsequent to the year-end), none of the directors of the Holding Company, the aforesaid subsidiaries, associate companies and joint venture incorporated in India is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (g) With respect to the other matters to be included in the Auditors' 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 consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018, on the consolidated financial position of the Group, its associate companies and joint venture – Refer Note 50 to the consolidated Ind AS financial statements.

        ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2018 – Refer Notes 26, 27 and 28 to the consolidated Ind AS financial statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint venture incorporated in India during the year ended March 31, 2018, except for a sum of ₹ 0.07 crore.

iv. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Group, its associate companies and joint venture incorporated in India for the year ended March 31, 2018.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Sumit Seth
Partner
Membership Number: 105869

Place : Mumbai
Date : May 16, 2018

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Hindalco Industries Limited on the consolidated Ind AS financial statements as of and for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Hindalco Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate company and joint venture company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate company and joint venture company, to whom reporting under clause (i) of Sub-section 3 of Section 143 of the Act, in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets

of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate company and joint venture company, to whom reporting under clause (i) of Sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to eight subsidiaries companies, one associate company and one joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Sumit Seth
Partner
Membership Number: 105869

Place : Mumbai
Date : May 16, 2018

Consolidated Balance Sheet as at March 31, 2018

(₹ Crore)

	Note	As at 31/03/2018	As at 31/03/2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	6	63,886.59	63,951.15
Capital Work-in-Progress	6	1,982.98	1,740.88
Investment Property	7	23.72	24.29
Goodwill	8	17,829.44	17,134.96
Other Intangible Assets	9	3,348.68	3,576.40
Intangible Assets under Development	9	79.96	72.98
Investments Accounted for using Equity Method	56	14.69	1,566.26
Financial Assets:			
Non-Current Investments	10	6,863.14	4,639.46
Loans	11	77.48	151.15
Other Financial Assets	12	408.18	472.39
Non-Current Tax Assets (Net)	13	1,246.04	1,572.56
Deferred Tax Assets (Net)	14	643.30	849.79
Other Non-Current Assets	15	1,289.67	1,127.88
		97,693.87	**96,880.15**
Current Assets			
Inventories	16	21,631.39	18,291.36
Financial Assets:			
Current Investments	17	3,903.48	8,951.76
Trade Receivables	18	9,959.81	8,274.80
Cash and Cash Equivalents	19	8,044.94	8,233.40
Bank Balances other than Cash and Cash Equivalents	20	12.82	27.77
Loans	11	57.95	184.66
Other Financial Assets	12	2,982.49	2,432.56
Current Tax Assets (Net)	13	331.21	13.59
Other Current Assets	15	2,930.28	3,601.53
		49,854.37	50,011.43
Assets or Disposal Group classified as Held For Sale	21	108.88	102.60
		49,963.25	50,114.03
		147,657.12	**146,994.18**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	22	222.89	222.72
Other Equity	23	54,628.88	45,836.08
		54,851.77	46,058.80
Non-Controlling Interest		8.64	6.23
		54,860.41	**46,065.03**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities:			
Non-Current Borrowings	24	47,874.26	51,855.29
Trade Payables	25	24.04	0.45
Other Non-Current Financial Liabilities	26	178.82	545.43
Provisions	28	7,445.69	6,960.15
Deferred Tax Liabilities (Net)	14	3,776.57	2,881.93
Other Non-Current Liabilities	29	1,180.81	522.39
		60,480.19	**62,765.64**
Current Liabilities			
Financial Liabilities:			
Current Borrowings	30	3,398.16	6,595.93
Trade Payables	25	20,415.11	17,463.34
Other Current Financial Liabilities	27	4,570.63	10,091.26
Provisions	28	1,656.62	1,417.98
Current Tax Liabilities (Net)	13	954.60	1,199.29
Other Current Liabilities	29	1,321.37	1,395.66
		32,316.49	38,163.46
Liabilities directly associated with Disposal Group classified as Held For Sale	21	0.03	0.05
		32,316.52	38,163.51
		92,796.71	**100,929.15**
		147,657.12	**146,994.18**
Basis of Preparation and Significant Accounting Policies	2		

The accompanying Notes are an integral part of the Consolidated Financial Statements.
This is the Consolidated Balance Sheet referred in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Sumit Seth
Partner
Membership No. 105869

Place : Mumbai
Dated : May 16, 2018

For and on behalf of the Board of Hindalco Industries Limited

Praveen Kumar Maheshwari
Whole-time Director &
Chief Financial Officer
DIN-00174361

Anil Malik
Company Secretary

Satish Pai – Managing Director
DIN-06646758

M.M. Bhagat – Director
DIN-00006245

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ Crore)

	Note	Year ended 31/03/2018	Year ended 31/03/2017
INCOME			
Revenue from Operations	31	115,808.59	102,631.45
Other Income	32	1,104.57	1,111.00
Total Income		**116,913.16**	**103,742.45**
EXPENSES			
Cost of Materials Consumed	33	70,865.98	58,401.08
Purchases of Stock-in-Trade	34	4.92	89.11
Changes in Inventories of Finished Goods and Work-in-Progress	35	(1,991.42)	(2,828.83)
Excise Duty on Sales		636.90	2,447.67
Employee Benefits Expenses	36	8,644.78	8,546.01
Power and Fuel	37	8,584.12	8,523.07
Finance Costs	38	3,910.73	5,742.44
Depreciation and Amortization	39	4,506.24	4,457.24
Impairment Loss/(Reversal) (Net)	40	100.25	11.54
Other Expenses	41	15,142.69	15,005.45
Total Expenses		**110,405.19**	**100,394.78**
Profit/(Loss) before Share in Profit/(Loss) in Investments Accounted for using Equity Method		6,507.97	3,347.67
Share in Profit/(Loss) in Equity Accounted Investments (Net of Tax)	56	(125.09)	(25.14)
Profit/(Loss) before Exceptional Items and Tax from Continuing Operations		6,382.88	3,322.53
Exceptional Items (Net)	42	1,774.16	(7.64)
Profit/(Loss) before Tax from Continuing Operations		8,157.04	3,314.89
Income Tax Expenses:	43		
Current Tax		1,585.46	1,320.98
Deferred Tax		488.71	111.61
Profit/(Loss) for the year		6,082.87	1,882.30
Other Comprehensive Income:	44		
Items that will not be reclassified to Profit and Loss			
Actuarial Gain/(Loss) on Defined Benefit Obligations		105.79	395.24
Change in Fair Value of Financial Instruments through FVTOCI		580.60	1,378.87
Share in Joint Ventures/Associates		0.06	(0.61)
Income Tax Effect		(96.77)	(114.69)
Items that will be reclassified to Profit and Loss			
Change in Fair Value of Financial Instruments through FVTOCI		(1.56)	3.23
Cash Flow Hedge		1,471.17	(715.06)
Foreign Currency Translation Reserves		1,427.04	(1,232.74)
Income Tax Effect		(494.91)	267.78
Other Comprehensive Income/ (Loss) for the year (Net of Tax)		**2,991.42**	**(17.98)**
Total Comprehensive Income for the year		**9,074.29**	**1,864.32**
Profit/(Loss) attributable to:			
Owners of the Company		6,082.92	1,899.74
Non-Controlling Interests		(0.05)	(17.44)
Other Comprehensive Income/(Loss) attributable to:			
Owners of the Company		2,991.42	(12.34)
Non-Controlling Interests		-	(5.64)
Total Comprehensive Income/(Loss) attributable to:			
Owners of the Company		9,074.34	1,887.40
Non-Controlling Interests		(0.05)	(23.08)
Earnings/(Loss) Per Share:	45		
Basic (₹)		27.30	9.22
Diluted (₹)		27.29	9.21
Basis of Preparation and Significant Accounting Policies	2		

The accompanying Notes are an integral part of the Consolidated Financial Statements.
This is the Consolidated Statement of Profit and Loss referred in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Sumit Seth
Partner
Membership No. 105869

Place : Mumbai
Dated : May 16, 2018

For and on behalf of the Board of Hindalco Industries Limited

Praveen Kumar Maheshwari
Whole-time Director &
Chief Financial Officer
DIN-00174361

Anil Malik
Company Secretary

Satish Pai – Managing Director
DIN-06646758

M.M. Bhagat – Director
DIN-00006245

Consolidated Statement of Changes in Equity for the year ended 31st March, 2018

'A' Equity Share Capital

(₹ Crore)

Particulars	Note	Amount
Balance as at April 1, 2016	22	204.89
Changes in Equity share capital		17.83
Balance as at March 31, 2017	22	222.72
Changes in Equity share capital		0.17
Balance as at March 31, 2018	**22**	**222.89**

'B' Other Equity

(₹ Crore)

Particulars	Note	Share Application Money Pending Allotment	Equity Component of Other Financial Instruments	Reserves and Surplus: Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Debenture Redemption Reserve	Employee Stock Options Outstanding	Special Reserve	Business Reconstruction Reserve (BRR)	General Reserve	Retained Earnings	Other Reserves: Actuarial Gain/(Loss) on Defined Benefit Obligations	Gain/(Loss) on Equity Instruments FVTOCI	Gain/(Loss) on Debt Instruments FVTOCI	Effective Portion of Cash Flow Hedge	Cost of Hedging Reserve	Foreign Currency Translation Reserve	Attributable to Owners of the Company	Attributable to Non-Controlling Interests	Total Other Equity
Balance as at April 01, 2016			**2.76**	**503.22**	**103.67**	**5,519.79**	**603.06**	**44.10**	**13.62**	**5,799.30**	**21,370.36**	**2,477.50**	**-**	**2,863.49**	**(1.06)**	**397.26**	**52.53**	**652.09**	**40,401.69**	**381.34**	**40,783.03**
Profit/(Loss) for the period		-	-	-	-	-	-	-	-	-	-	1,899.74	-	-	-	-	-	-	1,899.74	(17.44)	1,882.30
Other Comprehensive Income for the period		-	-	-	-	-	-	-	-	-	-	-	281.28	1,381.20	4.06	(810.15)	362.04	(1,230.77)	(12.34)	(5.64)	(17.98)
Total Comprehensive Income for the period		-	-	-	-	-	-	-	-	-	-	**1,899.74**	**281.28**	**1,381.20**	**4.06**	**(810.15)**	**362.04**	**(1,230.77)**	**1,887.40**	**(23.08)**	**1,864.32**
Issue of Equity Share Capital		-	-	-	-	3,332.32	-	-	-	-	-	-	-	-	-	-	-	-	3,332.32	0.60	3,332.92
Share Issue Expenses		-	-	-	-	(42.67)	-	-	-	-	-	-	-	-	-	-	-	-	(42.67)	-	(42.67)
Share in Equity Accounted Entities		-	1.02	-	-	186.16	5.28	(0.08)	-	-	-	(79.22)	-	-	-	-	-	-	113.16	-	113.16
Employee Share-based Payments		-	-	-	-	19.03	-	(7.82)	-	-	0.36	-	-	-	-	-	-	-	11.57	-	11.57
Dividend Paid (including Dividend Distribution Tax)		-	-	-	-	-	-	-	-	-	-	(247.93)	-	-	-	-	-	-	(247.93)	-	(247.93)
Transfer from Retained Earnings		-	-	-	-	-	150.00	-	1.85	-	-	(151.85)	-	-	-	-	-	-	-	-	-
Transfer from OCI		-	-	-	-	-	-	-	-	-	-	281.28	(281.28)	-	-	-	-	-	-	-	-
Transfer to Non-Financial Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(50.72)	-	-	(50.72)	-	(50.72)
Currency Translation Adjustment		-	-	**(8.37)**	-	-	-	-	-	-	-	-	-	-	-	**(13.73)**	-	**428.24**	**406.14**	**(10.15)**	**395.99**
Disposal/Loss of Control		-	-	(347.49)	-	-	-	-	-	-	-	344.97	-	-	-	-	-	27.64	25.12	(342.48)	(317.36)
Balance as at March 31, 2017		**-**	**3.78**	**147.36**	**103.67**	**9,014.63**	**758.34**	**36.20**	**15.47**	**5,799.30**	**21,370.72**	**4,524.49**	**-**	**4,244.69**	**3.00**	**(477.34)**	**414.57**	**(122.80)**	**45,836.08**	**6.23**	**45,842.31**
Profit/(Loss) for the period	23	-	-	-	-	-	-	-	-	-	-	6,082.92	-	-	-	-	-	-	6,082.92	(0.05)	6,082.87
Other Comprehensive Income for the period		-	-	-	-	-	-	-	-	-	-	-	3.95	585.69	(1.00)	743.01	232.73	1,427.04	2,991.42	-	2,991.42
Total Comprehensive Income for the period		-	-	-	-	-	-	-	-	-	-	**6,082.92**	**3.95**	**585.69**	**(1.00)**	**743.01**	**232.73**	**1,427.04**	**9,074.34**	**(0.05)**	**9,074.29**
Issue of Equity Share Capital		0.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.16	2.46	2.62
Share in Equity Accounted Entities		-	-	-	-	(844.71)	(8.34)	(8.50)	-	-	(1.07)	862.62	-	-	-	-	-	-	-	-	-
Employee Share-based Transactions		-	-	-	-	27.25	-	(13.81)	-	-	-	-	-	-	-	-	-	-	13.44	-	13.44
Employee Share Options Expenses		-	-	-	-	-	-	1.94	-	-	-	-	-	-	-	-	-	-	1.94	-	1.94
Dividend Paid (including Dividend Distribution Tax)		-	-	-	-	-	-	-	-	-	-	(293.76)	-	-	-	-	-	-	(293.76)	-	(293.76)
Transfer from Retained Earnings		-	-	-	-	-	150.00	-	1.65	-	-	(151.65)	-	-	-	-	-	-	-	-	-
Transfer from OCI		-	-	-	-	-	-	-	-	-	-	**3.95**	**(3.95)**	-	-	-	-	-	-	-	-
Transfer to Non-Financial Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(7.05)**	-	-	**(7.05)**	-	**(7.05)**
Realised Gain/Loss on Equity FVTOCI transferred to Retained Earnings		-	-	-	-	-	-	-	-	-	-	**66.29**	-	**(66.29)**	-	-	-	-	-	-	-
Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	**3.73**	-	-	**3.73**	-	**3.73**
Balance as at March 31, 2018	**23**	**0.16**	**3.78**	**147.36**	**103.67**	**8,197.17**	**900.00**	**15.83**	**17.12**	**5,799.30**	**21,369.65**	**11,094.86**	**-**	**4,764.09**	**2.00**	**262.35**	**647.30**	**1,304.24**	**54,628.88**	**8.64**	**54,637.52**

Basis of Preparation and Significant Accounting Policies 2

The accompanying Notes are an integral part of the Consolidated Financial Statements.

This is the Consolidated Statement of Changes in Equity referred in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Sumit Seth
Partner
Membership No. 105869

Place : Mumbai
Dated : May 16, 2018

Praveen Kumar Maheshwari
Whole-time Director &
Chief Financial Officer
DIN-00174361

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

Satish Pai – Managing Director
DIN-06646758

M.M. Bhagat – Director
DIN-00006245

Consolidated Cash Flow Statement for the year ended March 31, 2018

(₹ Crore)

	Note	Year ended 31/03/2018	Year ended 31/03/2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before Tax from Continuing Operations		8,157.04	3,314.89
Adjustments for:			
Finance Costs	38	3,910.73	5,742.44
Depreciation and Amortization	39	4,506.24	4,457.24
Impairment Loss/(Reversal) (Net)	40	100.25	11.54
Employee Share-based Payment Expenses		1.94	5.57
Provisions Made/(Written Back) (Net)		(16.75)	52.04
Share in (Profit)/Loss in Equity Accounted Investments (Net of Tax)	56	125.09	25.14
Unrealised Foreign Exchange (Gain)/Loss (Net)		(7.58)	(36.70)
(Gain)/Loss on Derivative Transactions (Net)		(101.89)	155.12
(Gain)/Loss on Assets Held For Sale (Net)	41	0.89	(14.66)
(Gain)/Loss on Sale of Fixed Assets (Net)	32	65.15	63.83
Interest Income	32	(441.75)	(415.36)
Dividend Income	32	(41.13)	(38.42)
Gains/(Losses) on Investments Measured at Fair Value Through Profit and Loss (Net)	32	(414.89)	(554.90)
Realised Hedging Gain/(Loss) (Net)		361.74	279.70
Exceptional (Income)/Expenses (Net)		(2,087.56)	7.64
Other Non-operating (Income)/Expenses (Net)		(35.45)	22.62
Operating Profit before Working Capital Changes		14,082.07	13,077.73
Changes in Working Capital:			
(Increase)/Decrease in Inventories (Net)		(2,975.72)	(2,204.68)
(Increase)/Decrease in Trade and Other Receivables (Net)		(728.19)	(1,123.64)
Increase/(Decrease) in Trade and Other Payables (Net)		1,917.70	3,717.71
Cash Generation from Operation before Tax		12,295.86	13,467.12
(Payment)/Refund of Income Tax (Net)		(1,408.13)	(779.65)
Net Cash Generated/(Used) - Operating Activities		**10,887.73**	**12,687.47**
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Payments to acquire Property, Plant and Equipment and Intangible Assets		(3,000.75)	(2,937.62)
Proceeds from Disposal of Property, Plant and Equipment and Intangible Assets		45.06	68.03
Net Cash Inflow on Disposal of Subsidiaries		2,053.15	44.84
Return of Capital from Subsidiaries		-	3.21
(Purchase)/Sale of Other Investments (Net)		5,558.00	(417.64)
Loans Given/(Received Back) to employees and others (Net)		(132.51)	(45.38)
Interest Received		461.67	440.37
Dividend Received		41.13	55.66
Net Cash Generated/(Used) - Investing Activities		**5,025.75**	**(2,788.53)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Issue of Shares		16.19	3,314.07
Redemption of Debenture		(3.00)	(3.00)
Proceeds from Long-term Borrowings		6.55	30,932.55
Pre-payment of Long-term Borrowings		(7,965.34)	(30,055.00)
Repayment of Long-term Borrowings including Payment of Finance Lease Liabilities		(1,185.83)	(1,519.63)
Proceeds from/(Repayment of) Short-term Borrowings (Net)		(3,138.64)	(1,897.95)
Finance Costs Paid		(3,848.57)	(6,075.37)
Dividend Paid (including Dividend Distribution Tax)		(293.76)	(247.94)
Net Cash Generated/(Used) - Financing Activities		**(16,412.40)**	**(5,552.27)**
Net Increase/(Decrease) in Cash and Cash Equivalents		(498.92)	4,346.67
Add: Opening Cash and Cash Equivalents		8,221.95	4,261.60
Add: Cash and Cash Equivalents on Disposal		-	(298.90)
Add: Effect of exchange variation on Cash and Cash Equivalents		317.47	(87.42)
Closing Cash and Cash Equivalents		8,040.50	8,221.95
Reconciliation of Closing Cash and Cash Equivalents with Balance Sheet			
Cash and Cash Equivalents as per Balance Sheet	19	8,044.94	8,233.40
Less: Fair Value adjustments in Liquid Investments		(4.44)	(11.45)
Cash and Cash Equivalents as per Cash Flow Statement		8,040.50	8,221.95

(₹ Crore)

	Note	Year ended 31/03/2018	Year ended 31/03/2017
Basis of Preparation and Significant Accounting Policies	2		
Supplemental Information			
Non Cash Transactions from Investing and Financing Activities			
Acquisition of Property, Plant and Equipment (PPE) by means of Finance Lease		9.98	10.31
Acquisition of Property, Plant and Equipment (PPE) by means of Government Grant		678.02	-
Novation and Restructuring of Long term Borrowings		237.50	259.44
Refer Note 57 on Disposal of Subsidiaries and Note 56 on Investments in Associates, for Non-Cash Transactions.			

The accompanying Notes are an integral part of the Consolidated Financial Statements.
This is the Consolidated Cash Flow Statement referred in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

For and on behalf of the Board of Hindalco Industries Limited

Sumit Seth
Partner
Membership No. 105869

Praveen Kumar Maheshwari
Whole-time Director &
Chief Financial Officer
DIN-00174361

Satish Pai – Managing Director
DIN-06646758

Place : Mumbai
Dated : May 16, 2018

Anil Malik
Company Secretary

M.M. Bhagat – Director
DIN-00006245

Notes forming part of the Consolidated Financial Statements

1. Company Overview

Hindalco Industries Limited ("the Company/Parent") was incorporated in India in the year 1958 having its registered office at Ahura Centre, 1st Floor, B Wing, Mahakali Caves Road, Andheri (East), Mumbai – 400093.

The Company has two main stream of business, Aluminium and Copper.

In Aluminium, the Company caters to the entire value chain starting from mining of bauxite and coal through production of value-added products for various application.

The Company, along with its subsidiaries, has manufacturing operations in eleven countries, including India spread over four continents – North America, South America, Asia and Europe. Apart from primary aluminium, the Company produces aluminium sheet, extrusion and light gauge products for use in packaging market which includes beverage and food, can and foil products, as well as for use in automotive, electronics, architecture, transportation and industrial product markets.

The Company also has one of the largest single location Copper smelting facility in India.

The equity shares of the Company are listed on the Indian Stock Exchanges (National Stock Exchange and Bombay Stock Exchange) and GDRs are listed on the Luxemburg Stock Exchange.

2. Basis of Preparation and Significant Accounting Policies

I. Basis of Preparation

The Consolidated Financial Statements ("the financial statements") relate to the Company and its subsidiaries (collectively "the Group") and its interest in associates and joint ventures. The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards ("Ind-AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standard) Amendment Rules, 2016, and other accounting principles generally accepted in India.

The Group's consolidated financial statements for the year ended March 31, 2018 have been approved by the Board of Directors of the Company in their meeting held on May 16, 2018.

The financial statements have been prepared under the historical cost convention on accrual basis, except for the following assets and liabilities, which have been measured at fair value:

- Financial instruments - Measured at fair value;
- Assets held for sale - Measured at fair value less cost of sale;
- Plan assets under defined benefit plans - Measured at fair value; and
- Employee share-based payments - Measured at fair value

In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for employee share-based payments, leasing transactions and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 Inputs are unobservable inputs for the asset or liability.

In preparing the financial statements in conformity with Ind-AS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements, and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

The consolidated financial statements are presented in Indian Rupees (INR/₹), which is also the Parent's Functional Currency, and all values are rounded off to the nearest crore with two decimals, except when otherwise stated.

II. Significant Accounting Policies

A. Principles of Consolidation

Subsidiaries

Subsidiaries are the entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of subsidiary begins when the Group obtains control over the subsidiary, and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains the control until the date the Group ceases to control the subsidiary.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised profits on transactions between the Group companies are eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra-group transactions or undistributed earnings of the Group's entity included in the Consolidated Profit and Loss, if any.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Parent Company. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares additional financial information as of the same date as the financial statements of the Parent to enable the Parent to consolidate the financial information of the subsidiary, unless it is impractical to do so.

Non-controlling interest in the profit/loss and equity of the subsidiaries are shown separately in the Consolidated Statement of Profit and Loss and the Consolidated Balance Sheet, respectively.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. This results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

In case the Group ceases to consolidate a subsidiary because of a loss of control, any retained interest in the entity is remeasured to its fair value. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. When the Group loses control over a subsidiary, it derecognises the assets, including goodwill, and liabilities of the subsidiary, carrying amount of any non-controlling interests, cumulative translation differences recorded in equity and recognise resulting difference between the fair value of the investment retained and the consideration received, and total of amount derecognised as gain or loss attributable to the Parent. In addition, amounts, if any, previously recognised in Other Comprehensive Income in relation to that entity are reclassified to profit or loss as would be required if the Parent had directly disposed of the related assets or liabilities.

Interest in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies, generally accompanying a shareholding between 20% and 50% of the voting rights.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's interest in its associates or joint ventures is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. Under equity method, the investment in an associate or a joint venture is initially recognised at cost and adjusted thereafter to recognise the changes in the Group's share of net assets of the associate or joint venture, since the acquisition date. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as Goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognised in equity as Capital Reserve, in the period in which the investment is acquired.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in Other Comprehensive Income (OCI) is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of that changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealised gains or losses, resulting from transactions between the Group and the associate or joint venture, are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses of an associate or a joint venture equals or exceeds its interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profit equals the share of losses not recognised.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the impairment loss in the Statement of Profit and Loss. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases. Goodwill, relating to associate or joint venture is, included in the carrying amount of the investment, and is not tested for impairment individually.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate.

If ownership interest in an associate or a joint venture is reduced but significant influence or joint control is retained, the Group continues to use the equity method, and only proportionate share of the amount previously recognised in Other Comprehensive Income are reclassified to Consolidated Statement of Profit and Loss where appropriate.

When the Group classified its investments, or a portion thereof, in associate or joint venture as held for sale, it discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture and the fair value of retained investment and proceeds from disposal is recognised in the consolidated statement of Profit and Loss.

B. Business Combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group and fair value of any assets or liabilities resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities, i.e., deferred tax assets or liabilities, assets or liabilities related to employee benefits arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind AS.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquired entity over the acquisition-date fair value of the net identifiable assets acquired is recognised as goodwill. Any gain on a bargain purchase is recognised is in Other Comprehensive Income and accumulated in equity as Capital Reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase, otherwise the gain is recognised directly in equity as Capital Reserve.

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 remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of contingent consideration are recognised in profit or loss.

When a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit and loss or Other Comprehensive Income, as appropriate.

Where it is not possible to complete the determination of fair values by the end of the reporting period in which the combination occurs, a provisional assessment of fair values is made and any adjustments required to those provisional values, and the corresponding adjustments to goodwill, are finalised within 12 months of the acquisition date.

C. Interest in Joint Operations

A joint operation is a joint arrangement, whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind-AS, applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which the group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation, in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

D. Property, Plant and Equipment

Property, plant and equipment held for use in the production and/or supply of goods or services, or for administrative purposes, are stated in the Consolidated Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location, and present value of any obligatory decommissioning costs for its intended use. Costs may also include effective portion on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment recycled from hedge reserve as basis adjustment.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs and effective portion of cash flow hedges of foreign currency recycled from the hedge reserve as basis adjustment.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Group, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives, where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised. All other costs are expensed as incurred.

Capital Work-in-Progress

Capital work-in-progress assets in the course of construction for production and/or supply of goods or services or administrative purposes, or for the purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point, when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

Depreciation

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives or, in the case of leased assets (including leasehold improvements), over the lease term, if shorter. The lease period is considered by excluding any lease renewal options, unless the renewals are reasonably certain. Depreciation is recorded using the straight-line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately, if its useful life differs from the other components of the asset.

The useful life of the items of property, plant and equipment estimated by the management for the current and comparative period is in line with the useful life as per Schedule II of the Companies Act, 2013.

Freehold land is not depreciated.

Depreciation commences when the assets are ready for their intended use. Depreciated assets in property and accumulated depreciation accounts are retained fully until they are removed from service.

Disposal of Assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset, and is recognised in the Consolidated Statement of Profit and Loss.

E. Investment Property

Investment properties, held to earn rentals or for capital appreciation or both, are stated in the Consolidated Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property, and is recognised in the Consolidated Statement of Profit and Loss. Transfer to, or from, investment property is at the carrying amount of the property.

F. Intangible Assets (Other than Goodwill)

Intangible Assets Acquired Separately

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives other than Mining Rights. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-Generated Intangible Assets – Research and Development Expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the followings have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;

- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset is recognised. Where no internally-generated intangible asset can be recognised, development expenditure is charged to the Consolidated Statement of Profit and Loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible Assets Acquired in a Business Combination

Identified intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Mining Reserves, Resources and Rights

Mineral reserves, resources and rights (together mining rights), which can be reasonably valued, are recognised in the assessment of fair values on acquisition. Exploitable mineral rights are amortised using the unit of production basis over the commercially recoverable reserves. Mineral resources are included in amortisation calculations where there is a high degree of confidence that they will be extracted in an economic manner. Commercially recoverable reserves are proved and probable reserves. Changes in the commercial recoverable reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

Derecognition of Intangible Assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses, arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

G. Stripping Cost

Stripping costs incurred during the mining production phase are allocated between cost of inventory produced and the existing mine asset. The stripping ratio, as approved by the regulatory authority, for the life of the mine is obtained by dividing the estimated quantity of overburden by the estimated quantity of mineable coal/bauxite reserve to be extracted over the life of the mine. This ratio is periodically reviewed, and changes, if any, are accounted for prospectively.

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to ore provided all the following conditions are met:

- it is probable that the future economic benefit associated with the stripping activity will be realised;
- the component of the ore body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

The overburden removal costs are included in Mining Rights under intangible assets and amortised based on stripping ratio on the quantity of coal/bauxite excavated.

H. Non-Current Assets (or Disposal Groups) Held for Sale

Non-Current assets and disposal groups are classified as held for sale, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. The Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

I. Goodwill

Goodwill arising on acquisition is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination.

Cash-generating units, to which goodwill has been allocated, are tested for impairment annually, or more frequently, when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit *pro-rata* on the basis of the carrying amount of each asset in unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill, arising on the acquisition of an associate, is described above.

J. Impairment

Impairment of Tangible and Intangible Assets excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where 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.

Recoverable amount is the higher of fair value less costs to sell 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 Consolidated Statement of Profit and Loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that, the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) 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 Consolidated Statement of Profit and Loss.

Refer accounting policy on "Goodwill" for impairment of goodwill.

K. Foreign Currency Transactions and Translation

Transactions in foreign currencies are recorded by the Group entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss with the exception of the following:

- exchange differences on foreign currency borrowings relating to qualifying assets under construction are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedge accounting policies); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in Other Comprehensive Income and reclassified from Equity to the Consolidated Statement of Profit and Loss on repayment of the monetary items.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measures at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items, whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

For the purposes of presenting the consolidated financial statements, the assets, liabilities and equity (except retained earnings) of foreign operations are translated into Indian Rupees at the rate of exchange prevailing at the reporting date, and their income and expenses are translated at the exchange rates prevailing at the date of transactions. For practical reason, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income and accumulated in Equity. Accumulated exchange differences arising from translation and attributable to non-controlling interests are allocated to, and recognised as part of, non-controlling interests in the Consolidated Balance Sheet.

On the disposal of a foreign operation all of the exchange differences accumulated in OCI, relating to that particular foreign operation attributable to the owners of the Group, are recognised in the Consolidated Statement of Profit and Loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests, and are not recognised in the Consolidated Statement of Profit and Loss. For partial disposal of investments in associates or joint arrangements that do not result in the Group losing significant influence or joint control, the proportionate share of the accumulated exchange differences is recognised in the Consolidated Statement of Profit and Loss.

Any goodwill and fair value adjustments, arising in business combinations or acquisition of a foreign operation, are treated as assets and liabilities of the foreign operation, and translated at the exchange rates prevailing at the reporting date and resulting exchange differences are recognised in Other Comprehensive Income.

L. Provisions and Contingencies

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Onerous Contracts

Present obligations, arising under onerous contracts, are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Restructurings

A restructuring provision is recognised when there is a detailed formal plan for the restructuring, which has raised a valid expectation in those affected. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring.

Contingent Liabilities Acquired in a Business Combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind-AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with Ind-AS 18 - Revenue.

Restoration, rehabilitation and decommissioning

Close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of the estimated future costs of restoration to be incurred during the life of the mining operation and post-closure. Provisions for close-down and restoration costs do not include any additional obligations, which are expected to arise from future disturbance.

The initial close-down and restoration provision is capitalised. Subsequent movements in the close-down and restoration provisions for ongoing operations, including those resulting from new disturbance related to expansions or other activities qualifying for capitalisation, updated cost estimates, changes to the estimated lives of operations, changes to the timing of closure activities and revisions to discount rates, are also capitalised within “Property, Plant and Equipment”.

Environmental Liabilities

Environment liabilities are recognised when the Group becomes obliged, legally or constructively, to rectify environmental damage or perform remediation work.

Litigation

Provision is recognised once it has been established that the Group has a present obligation based on consideration of the information, which becomes available upto the date on which the Groups consolidated financial statements are finalised, and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

M. Leases

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as Lessor

Amounts due from lessee under finance leases are recorded as receivables at the amount of net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as Lessee

Assets held under finance leases are initially recognised at their fair values at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lesser is included in the Consolidated Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation, so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern, in which economic benefits from the leased asset are consumed. Variable increases in lease payments, which are not linked to an inflation price index, are recognised on a straight-line basis. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern, in which economic benefits from the leased asset are consumed.

N. Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of finished goods and work-in-progress includes raw materials, direct labour, other direct costs and related production overheads. Costs of inventories include the transfer from equity any gains/losses on qualifying cash flow hedges for foreign currency purchases of raw materials.

Cost is determined using the weighted-average cost basis. However, the same cost basis is applied to all inventories of a particular class. Inventories of stores and spare parts are valued at weighted-average cost basis after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

However, materials and other supplies held for use in the production of inventories (finished goods, work-in-progress) are not written down below the cost, if the finished products in which they will be used are expected to sell at or above cost.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

O. Trade Receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets, otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component (or when the entity applies the practical expedient) or pricing adjustments embedded in the contract.

Trade receivables, which arise from contracts where the sale price is provisional and revenue model has the character of a commodity derivative, are measured at fair value. The fair value is measured at forward rate and recognised as an adjustment to revenue.

Loss allowance for expected life time credit loss is recognised on initial recognition.

P. Financial Instruments

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract, whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value plus transaction costs, except for those financial assets, which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification of Financial Assets

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under Ind-AS 32 - Financial Instruments: Presentation). All other non-derivative financial assets are 'debt instruments'.

Financial Assets at Amortised Cost and the Effective Interest Method

Debt instruments are measured at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis in investment income.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL, if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Debt instruments are measured at FVTOCI, if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and selling assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the Consolidated Statement of Profit and Loss as investment income. When the debt instrument is derecognised the cumulative gain or loss previously recognised in Other Comprehensive income is reclassified to the Consolidated Statement of Profit and Loss as a reclassification adjustment.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI.

A financial asset is held for trading, if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together, and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the investments revaluation reserve is directly reclassified to retained earnings.

For equity instruments measured at fair value through Other Comprehensive Income no impairments are recognised in the Consolidated Statement of Profit and Loss.

Dividends on these investments in equity instruments are recognised in the Consolidated Statement of Profit and Loss in investment income when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Financial Assets at FVTPL

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through Other Comprehensive Income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Group designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the Consolidated Statement of Profit and Loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the Consolidated Statement of Profit and Loss in investment income when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

Impairment of Financial Assets

On initial recognition of the financial assets, a loss allowance for expected credit loss is recognised for debt instruments at amortised cost and FVTOCI. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in the Consolidated Statement of Profit and Loss.

Expected credit losses of a financial instrument is measured in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date, is recognised as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

Derecognition of Financial Assets

The Group derecognises a financial asset on trade date only 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 entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset, and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset other than in its entirety (e.g., when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other Comprehensive Income is recognised in the Consolidated Statement of Profit and Loss. A cumulative gain or loss that had been recognised in Other Comprehensive Income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial Liabilities and Equity Instruments Issued by the Group

Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (convertible instruments) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Financial Guarantee Contract Liabilities

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are

- the amount of the obligation under the contract, as determined in accordance with Ind-As 37 Provisions, Contingent Liabilities and Contingent Assets; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading, if:

- it has been acquired or incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may also be designated as at FVTPL upon initial recognition, if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind-AS 109, Financial Instruments, permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Consolidated Statement of Profit and Loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is recognised in Other Comprehensive Income.

The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any interest paid on the financial liability.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the Consolidated Balance Sheet when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Q. Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio).

The full fair value of a hedging derivative is classified as a non-current asset or liability when the residual maturity of the derivative is more than 12 months, and as a current asset or liability when the residual maturity of the derivative is less than 12 months.

Fair Value Hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Consolidated Statement of Profit and Loss, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item, arising from the hedged risk, is amortised to the Consolidated Statement of Profit and Loss from that date.

Cash Flow Hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss, and is included in the ‘other gains and losses’ line item.

Amounts previously recognised in Other Comprehensive Income and accumulated in equity are reclassified to the Consolidated Statement of Profit and Loss in the periods when the hedged item affects the Consolidated Statement of Profit and Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in Other Comprehensive Income and accumulated in equity 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, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in equity at that time remains in equity, and is recognised when the forecast transaction is ultimately recognised in the Consolidated Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Consolidated Statement of Profit and Loss.

Hedges of Net Investments in Foreign Operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in Other Comprehensive Income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to the Consolidated Statement of Profit and Loss on the disposal of the foreign operation.

R. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, short-term deposits and highly liquid investments with an original maturity of three months or less, which are readily convertible in cash and subject to insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts. In the Consolidated Balance Sheet, bank overdrafts are shown within borrowings in current liabilities.

S. Borrowing Costs

Borrowing costs, directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Group considers a period of 12 months or more as a substantial period of time.

Transaction costs in respect of long-term borrowings are amortised over the tenure of respective loans using effective interest method. All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss 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.

T. Accounting for Government Grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the Consolidated Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised in the Consolidated Balance Sheet by setting up the grant as deferred income.

Other government grants (grants related to income) are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they become receivable.

Grants related to income are presented under other income in the Consolidated Statement of Profit and Loss except for grants received in the form of rebate or exemption, which are deducted in reporting the related expense.

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.

Emission allowances are initially recognised as an intangible asset measured at fair value when the Group is granted the allowances and able to exercise control with a corresponding recognition of a grant at the same amount under deferred income. As carbon dioxide is emitted, the corresponding tons of emission allowances initially recognised under deferred income is reclassified and recognised in the Consolidated Statement of Profit and Loss.

Emission allowances are not amortised as their carrying value equals their residual value and, therefore, the depreciable basis zero, as their value is constant until delivery to the authorities. Emission allowances are subject to impairment test.

The provision for the liability to deliver allowances is recognised based on actual emission. The provision is measured at the carrying amount of allowances to the extent that the provision will be settled using allowances on hand with any excess emission being measured at the market value of the allowances at the period end. The Group records the expense in the Consolidated Statement of Profit and Loss under other expenses.

When the emission allowances for the carbon dioxide emitted are delivered to the authorities, the intangible asset as well as the corresponding provision are derecognised from the Consolidated Balance Sheet without any effect on the Consolidated Statement of Profit and Loss.

U. Employee Benefits

Retirement Benefit, Medical Costs and Termination Benefits

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement and medical plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. In countries where there is a deep market in high-quality corporate bonds, the market rate on those bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation are used.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the Consolidated Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and will not be reclassified to the Consolidated Statement of Profit and Loss. Past service cost is recognised in the Consolidated Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. 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
- remeasurement.

The Group presents the first two components of defined benefit costs in the Consolidated Statement of Profit and Loss in the line item employee benefits expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Short-term and Other Long-Term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees upto the reporting date. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit retirement plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Consolidated Statement of Profit and Loss in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

V. Employee Share-based Payments

Equity-Settled Transactions

Equity-settled share-based payments to employees are measured at the fair value of options at the grant date. The fair value of options at the grant is expensed over the vesting period with a corresponding increase in equity as “Employee Stock Options Outstanding”. In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested options are forfeited or expires unexercised, the related balance standing to the credit of the “Employee Stock Options Outstanding” are transferred to the “General Reserve”.

When the options are exercised, the Company issues new equity shares of the Company of ₹ 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account is credited to share capital (nominal value) and Securities Premium Account.

Cash-Settled Transactions

For Cash-settled share-based payments, a liability is measured for goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the Consolidated Statement of Profit and Loss.

W. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘Profit Before Tax’ as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Balance Sheet date in the countries where the Group’s entities operate and generate taxable income using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Consolidated Balance Sheet and the corresponding tax bases used in the computation of taxable profit. Where the local currency is not the functional currency, deferred tax is recognised on temporary difference arising from exchange rate changes between the closing rate and the historical purchase price of non-monetary assets translated at the exchange rate at the date of purchase, if those non-monetary assets have tax consequences. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the Group intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of credit to the Consolidated Statement of Profit and Loss and included in deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

Current and Deferred Tax for the Year

Current and deferred tax are recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

X. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognised in the financial statements, but disclosed where an inflow of economic benefit is probable.

Y. Revenue Recognition

The Group derives revenue principally from sale of speciality alumina, aluminium, aluminium value-added products, copper, precious metals, di-ammonium phosphate and other materials. The Group recognises revenue from sale of goods when the goods are delivered and titles have been passed at which time all the following conditions are satisfied:

(a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

(b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(c) the amount of revenue can be measured reliably;

(d) it is probable that the economic benefits associated with the transaction will flow to the Group; and

(e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from services recognised in the period in which services are rendered.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programms and contract signing bonuses.

Shipping and handling amounts invoiced to customers are included in revenue and the related shipping and handling costs incurred are included in freight expenses when the Group is acting as principal in the shipping and handling arrangement.

Revenue excludes taxes that are collected on behalf of Government Authorities.

For sales incentives to its customers, the Group makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions from revenue. In making these estimates, the Group considers historical results that have a predictive value of the amount that the Group expects for the transferred goods and services. The actual amounts may differ from these estimates and are accounted for prospectively.

Certain of the Group's sales contracts provide for provisional pricing based on the price on the London Metal Exchange Limited (LME) or London Bullion Markets Association (LBMA), as specified in the contract, when shipped. Final settlement of the prices is based on the applicable price for a specified future period. The Group's provisionally priced sales are marked-to-market using the relevant forward prices for the future period specified in the contract with a corresponding adjustment to revenue.

Revenue from irrevocable bill and hold/holding certificate contracts is recognised when it is probable that delivery will be made, goods have been identified and kept separately, are ready for delivery in the present condition and usual payment terms for such contracts applies. Under these arrangements, revenue is recognised once legal title has passed and all significant risks and rewards of ownership of the asset sold are transferred to the customer.

Export incentives and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received.

Claim on insurance companies, railway authorities and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Z. Dividend and Interest Income

Dividend income from investments is recognised when the Group's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

AA. Exceptional Items

Exceptional items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of 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 Group.

3. Measurement of Fair Value

A. Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

B. Marketable and Non-Marketable Equity Securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilising significant unobservable data, primarily cash flow-based models.

C. Derivatives

Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the Balance Sheet date. Options are valued using appropriate option pricing models, and credit spreads are applied where deemed to be significant.

D. Embedded Derivatives

Embedded derivatives that are separated from the host contract are valued by comparing the forward curve at contract inception to the forward curve as of the Balance Sheet date. Changes in the present value of the cash flows related to the embedded derivative are recognised in the Consolidated Balance Sheet and in the Consolidated Statement of Profit and Loss.

4. Critical Accounting Judgement and Key Sources of Estimation Uncertainty

The application of accounting policies requires the management to make estimates and judgements in determining certain revenues, expenses, assets and liabilities. The following paragraphs explain areas that are considered more critical, involving a higher degree of judgement and complexity.

(a) Business Combination

In a business combination consideration, assets and liabilities are recognised at estimated fair value and any excess purchase price included in goodwill. In the businesses in which the Group operates, fair values of individual assets and liabilities are normally not readily observable in active markets. This requires the use of valuation models to estimate the fair value of assets acquired and liabilities assumed. Such valuations are subject to numerous assumptions and thus uncertain.

(b) Joint Arrangements

We invest in certain joint ventures and consortiums which are accounted for as joint arrangements. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognizes assets, liabilities, income and expenses in relation to its interest in a joint operation. (refer Note 56C)

(c) Impairment of Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets of acquired companies. Goodwill is not amortised; instead, it is tested for impairment, at least, annually. The recoverable amount is determined based on value in use calculations which require the use of assumptions as directly observable market prices are generally not exist for the Group's assets. However, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Group for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential. (refer Note 8)

(d) Impairment of Non-Current Assets

Ind-AS 36 requires that the Group assesses conditions that could cause an asset or a Cash-Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include internal and external factors, such as the Group's market capitalisation, significant changes in the Group's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgement, including assessment of where active markets exist, and the level of inter-dependency of cash inflows. CGU is usually the individual plant, unless the asset or asset group is an integral part of a value chain where no independent prices for the intermediate products exist, a group of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant inter-dependencies.

In accordance with Ind-AS 36, certain intangible assets are reviewed at least annually for impairment. If a loss in value is indicated, the recoverable amount is estimated as the higher of the CGU's fair value less cost to sell, or its value in use. Directly observable market prices rarely exist for the Group's assets, however, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Group for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

Determination of the recoverable amount involves the Management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax, and legal systems. The Group uses internal business plans, quoted market prices and the Group's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed for a period of three to five years with projections thereafter. The Group does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes is considered.

(e) Employee Retirement Plans

The Group provides both defined benefit employee retirement plans and defined contribution plans. Measurement of pension and other superannuation costs and obligations under such plans require numerous assumptions and estimates that can have a significant impact on the recognised costs and obligation, such as future salary level, discount rate, attrition rate and mortality.

The Group provides defined benefit plans in several countries and in various economic environments. The discount rate is based on the yield on high quality corporate bonds. In geographies, when the Corporate Bond market is not developed, Government bond yield is considered as discount rate. Assumptions for salary increase in the remaining service period for active plan participants are based on expected salary increase for each country or economic area. Changes in these assumptions can influence the net asset or liability for the plan as well as the pension cost. (refer Note 48)

(f) Environmental Liabilities and Asset Retirement Obligations (ARO)

Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs. (refer Note 28)

(g) Taxes

The Group calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on the Management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability. (refer Note 14)

(h) Classification of Leases

The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at the end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

(i) Useful Lives of Depreciable/Amortisable Assets (Tangible and Intangible)

The Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

(j) Recoverability of Advances/Receivables

At each Balance Sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

(k) Fair Value Measurements

The Group applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Group's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(l) Contingent Assets and Liabilities, Uncertain Assets and Liabilities

Liabilities that are uncertain in timing or amount are recognised when a liability arises from a past event and an outflow of cash or other resources is probable and can be reasonably estimated. Contingent liabilities are possible obligations where a future event will determine whether the Group will be required to make a payment to settle the liability, or where the amount of the payment cannot be determined reliably. Material contingent liabilities are disclosed unless a future payment is considered remote. Evaluation of uncertain liabilities and contingent liabilities and assets requires judgement and assumptions regarding the probability of realisation and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts.

5. Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The rules notify the new revenue standard Ind AS-115, Revenue from Contracts with Customers, brings amendments to Ind AS-21, Foreign currency transactions and advance consideration, Ind AS-40, Investment Property - Transfers of investment property and Ind AS-12 Income taxes, regarding recognition of deferred tax assets on unrealised losses. The rules shall be effective from reporting periods beginning on or after April 1, 2018, and cannot be early adopted.

(a) Ind AS-115 - Revenue from Contracts with Customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles. Under the new standard, Revenue is recognised when a customer obtains control of a promised goods or services, and, thus has the ability to direct the use and obtain the benefits from the goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS-18, Revenue, and Ind AS-11, Construction contracts, and appendices related to these standards.

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Group is not able to reasonably estimate the impact that the new standard is expected to have on its financial statements. However, the Group does not except that adoption of Ind AS 115 is going to significantly change the timing of the Group's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers or in some cases delivered to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

(b) Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration

The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the Group initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

The Group intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from April 1, 2018).

(c) Amendments to Ind AS 40 Investment property - Transfers of investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction/ development and not only transfer of completed properties.

The Group has decided to apply the amendment prospectively to changes in use that occur after the date of initial application (i.e. April 1, 2018). The Group has evaluated the effect of this on the financial statements and the impact is not expected to be material.

(d) Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets as below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value but the entity expects to hold and collect the contractual cash flows and it is probable that recoverable value will be more than its carrying amount.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

The amendments to Ind AS 12 need to be applied retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

The Group shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8 with the corresponding impact recognised in opening retained earnings as at 1 April 2017, based on the relief provided by the standard. The Group has evaluated the effect of this on the financial statements and the impact is not expected to be material.

6. Property, Plant and Equipment and Capital Work-in-Progress

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
Cost	99,422.29	96,634.26
Less: Accumulated Depreciation and Impairment	(35,535.70)	(32,683.11)
Net Carrying Amount	63,886.59	63,951.15
Capital Work-in-Progress - (i)	1,982.98	1,740.88
	65,869.57	**65,692.03**

(₹ Crore)

	Freehold Land	Leasehold Improvements	Buildings	Plant and Equipment	Vehicles and Aircraft	Furniture and Fixtures	Railway Sidings	Office Equipment	Total
Cost									
As at April 01, 2016	**1,940.03**	**317.81**	**17,664.74**	**73,162.78**	**589.54**	**1,012.45**	**384.88**	**551.49**	**95,623.72**
Additions	33.85	4.51	858.45	3,817.00	55.58	85.92	103.98	30.38	4,989.67
Deduction/Adjustments	(41.06)	(5.37)	(128.08)	(2,211.77)	(53.58)	(30.30)	-	(12.98)	(2,483.14)
Exchange differences	(53.44)	(5.21)	(303.76)	(1,070.79)	(7.37)	(41.72)	-	(13.70)	(1,495.99)
As at March 31, 2017	**1,879.38**	**311.74**	**18,091.35**	**73,697.22**	**584.17**	**1,026.35**	**488.86**	**555.19**	**96,634.26**
Additions - (a) and (b)	823.52	0.06	572.40	3,352.77	52.40	94.98	-	40.64	4,936.77
Deduction/Adjustments	(318.97)	-	(699.00)	(2,863.42)	(16.98)	(105.39)	-	(9.60)	(4,013.36)
Exchange Differences	82.90	2.36	350.33	1,326.43	7.91	81.03	-	13.66	1,864.62
As at March 31, 2018	**2,466.83**	**314.16**	**18,315.08**	**75,513.00**	**627.50**	**1,096.97**	**488.86**	**599.89**	**99,422.29**
Accumulated Depreciation and Impairment									
As at April 01, 2016	**155.11**	**82.60**	**4,004.43**	**25,949.64**	**283.39**	**689.05**	**84.62**	**378.94**	**31,627.78**
Depreciation for the year	-	8.53	700.19	2,988.86	45.97	77.94	25.47	63.49	3,910.45
Impairment	-	-	-	6.42	-	-	-	-	6.42
Deduction/Adjustments	(4.31)	(1.12)	(82.62)	(1,974.84)	(31.84)	(27.56)	-	(7.58)	(2,129.87)
Exchange Differences	6.21	(2.20)	(124.45)	(568.30)	(4.66)	(27.71)	-	(10.56)	(731.67)
As at March 31, 2017	**157.01**	**87.81**	**4,497.55**	**26,401.78**	**292.86**	**711.72**	**110.09**	**424.29**	**32,683.11**
Depreciation for the year	-	8.80	727.75	3,018.20	46.20	74.20	27.82	56.70	3,959.67
Impairment	-	-	-	64.58	-	-	-	-	64.58
Deduction/Adjustments	-	-	(230.32)	(1,760.39)	(8.67)	(89.23)	-	(8.89)	(2,097.50)
Exchange differences	(4.57)	0.95	162.39	696.34	4.94	55.30	-	10.49	925.84
As at March 31, 2018	**152.44**	**97.56**	**5,157.37**	**28,420.51**	**335.33**	**751.99**	**137.91**	**482.59**	**35,535.70**
Net Carrying Amount									
As at March 31, 2017	1,722.37	223.93	13,593.80	47,295.44	291.31	314.63	378.77	130.90	63,951.15
As at March 31, 2018	2,314.39	216.60	13,157.71	47,092.49	292.17	344.98	350.95	117.30	63,886.59
Useful Life (Years)	Indefinite	7 - 99 Yrs	30 - 60 Yrs	2 - 40 Yrs	2 - 25 Yrs	3 - 10 Yrs	15 - 30 Yrs	2 - 25 Yrs	

(a) Disposal of the assets includes 100% of Ulsan Aluminium, Limited's (UAL) assets which are derecognised due to loss of control of the subsidiary during the year ended March 31, 2018. Further, for remaining 50.1% of stake retained in UAL, which is accounted as a business combination, those assets are again recognised as 'Additions' during the year ended March 31, 2018. (refer Note 57)

(b) Addition includes grant related to Export Promotion Capital Goods (EPCG) of ₹ 678.02 crore.

(c) Cost, accumulated depreciation and impairment, and net carrying amount of assets under finance lease included above in respective class of assets are given below. These assets are depreciated over their respective lease period or the useful life of the asset, whichever is lower.

(₹ Crore)

	Buildings		Plant and Equipment		Furniture and Fixtures		Office Equipment	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Cost	75.55	72.04	538.55	514.98	9.98	-	-	0.09
Accumulated Depreciation	(61.97)	(58.07)	(461.32)	(419.21)	(1.30)	-	-	(0.07)
Net Carrying Amount	13.58	13.97	77.23	95.77	8.68	-	-	0.02

(d) Group's share in jointly owned assets has been grouped together with the relevant class of property, plant and equipment. The cost and net carrying amounts included in relevant class of assets are given below:

(₹ Crore)

	Cost		Net carrying amount	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Freehold Land	51.56	52.46	51.56	52.46
Buildings	41.29	52.44	30.78	39.44
Plant and Equipment	41.24	41.24	1.90	2.05
Furniture and Fixtures	11.01	10.60	1.13	0.87
Vehicles and Aircraft	0.16	25.02	0.08	10.28
Office Equipment	9.75	11.30	1.02	1.36

(e) For assets pledged and hypothecated against borrowings, refer Note 24.

(f) For impairment charges or reversal, refer Note 40.

(g) For capital expenditures contracted but not incurred, refer to Note 51(a).

(h) In respect of future minimum lease payments and their present value of Property, Plant and Equipment taken under finance lease, refer Note 24(f).

(i) Capital Work-in-Progress (CWIP) comprises of various routine projects, and expansion spread over across the Group.

7. Investment Property

(₹ Crore)

	As at	
	31/03/2018	01/04/2017
Cost	34.29	34.29
Less: Accumulated Depreciation and Impairment	(10.57)	(10.00)
Net Carrying Amount	**23.72**	**24.29**

(₹ Crore)

	Freehold Land	Buildings	Total
Cost			
As at April 01, 2016	**0.59**	**33.70**	**34.29**
Additions	-	-	-
Deduction/Adjustments	-	-	-
As at March 31, 2017	**0.59**	**33.70**	**34.29**
Additions	-	-	-
Deduction/Adjustments	-	-	-
As at March 31, 2018	**0.59**	**33.70**	**34.29**
Accumulated Depreciation and Impairment			
As at April 01, 2016	**-**	**9.44**	**9.44**
Depreciation for the year	-	0.56	0.56
As at March 31, 2017	**-**	**10.00**	10.00
Depreciation for the year	-	0.57	0.57
As at March 31, 2018	**-**	**10.57**	**10.57**
Net Carrying Amount			
As at March 31, 2017	0.59	23.70	24.29
As at March 31, 2018	0.59	23.13	23.72
Useful Life (Years)	Indefinite	60 Yrs	

(a) Amount recognised in profit and loss for investment properties are as under:

(₹ Crore)

	Year ended	
	31/03/2018	31/03/20167
Rental Income	5.84	4.58
Less: Direct Operating Expenses, including repair and maintenance, generating rental income	(0.84)	(0.86)
Profit or Loss from Investment Properties before Depreciation	5.00	3.72
Less: Depreciation	(0.57)	(0.56)
Profit or Loss from Investment Properties	4.43	3.16

(b) All of the investment properties of the Group are held under freehold interest. Certain investment properties have restriction on title as they are pledged to secure long-term borrowings of the Group. (refer Note 24)

(c) The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(d) The fair value of the Group's investment properties as at March 31, 2018 and March 31, 2017, has been arrived at on the basis of valuation carried out at the respective dates by an external, independent valuer registered with the authority which governs the valuer in India. The fair value measurement for all the investment properties has been categorised as Level 1/Level 2 fair value based on the inputs to the valuation technique used. Considering the type of the assets, market approach (sales comparable method) to estimate the fair value of the subject properties is adopted.

i. Fair value of Investment Properties given below:

(₹ Crore)

	As at	
	31/03/2018	31/03/2017
Freehold Land	42.03	36.15
Buildings	99.44	96.26

ii. Fair value hierarchy of Investment Properties given below:

(₹ Crore)

	As at 31/03/2018		As at 31/03/2017	
	Level 1	Level 2	Level 1	Level 2
Freehold Land	-	42.03	0.63	35.52
Buildings	-	99.44	-	96.26

8. Goodwill

(₹ Crore)

	As at	
	31/03/2018	31/03/2017
Cost	17,829.44	17,134.96
Less: Accumulated Impairment	-	-
Net Carrying Amount	17,829.44	17,134.96

(₹ Crore)

	Year ended 31/03/2018			Year ended 31/03/2017		
	Cost	Accumulated Impairment	Net Carrying Amount	Cost	Accumulated Impairment	Net Carrying Amount
Opening - As at April 01	17,134.96	-	17,134.96	17,735.27	-	17,735.27
Additions - (a)	382.43	-	382.43	-	-	-
Deduction/Adjustments	(274.17)	-	(274.17)	-	-	-
Exchange Differences	586.22	-	586.22	(600.31)	-	(600.31)
Closing - As at March 31	17,829.44	-	17,829.44	17,134.96	-	17,134.96

(a) Goodwill attributable to 100% of Ulsan Aluminium, Limited's (UAL) assets is derecognised due to loss of control of the subsidiary during the year ended March 31, 2018. For remaining 50% of stake retained in UAL, which is accounted as business combination, additional goodwill is recognised as 'Additions' during the year ended March 31, 2018. (refer Note 57)

(b) Impairment Testing of Goodwill

Goodwill acquired in business combinations has been allocated to the following Cash-Generating Units (CGU) of Aluminium and Novelis segments. However, there were no goodwill acquired with regard to Copper segment.

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
Aluminium Segment		
Utkal Alumina International Limited (Utkal)	110.27	110.27
Minerals and Minerals Limited (M&M)	0.12	0.12
Novelis Segment		
Novelis - North America	6,955.10	6,927.87
Novelis - Europe	7,127.99	6,582.49
Novelis - South America	2,382.72	2,373.39
Novelis - North Asia	1,253.24	1,140.82
	17,829.44	**17,134.96**

Goodwill is not amortised, instead, it is tested for impairment annually or more frequently if indicators of impairment exist. The recoverable amount of a cash-generating unit (CGU) is determined based on value-in-use calculations which require the use of certain assumptions. The calculations use cash flow projections based on financial budgets approved by the management covering three to five years period depending upon segment/CGU's financial budgeting process. Cash flow beyond these financial budget period is extrapolated using the estimated growth rates.

The key assumptions used in the estimation of the recoverable amount of CGU's are set out below. The values assigned to the key assumptions represent the management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Aluminium Segment		Novelis Segment	
	31/03/2018	**31/03/2017**	**31/03/2018**	**31/03/2017**
Discount Rate - (i)	12.75%	12.75%	9.00%	11.66%
Terminal Growth Rate - (ii)	5.00%	4.51%	2.00%	1.50% to 2%

i. For Novelis segment, the recoverable amount for the year ended March 31, 2018 is determined based on fair value less cost to sell and the projected cash flows are discounted to the present value using a post tax weighted-average cost of capital (discount rate). The recoverable amount for the year ended March 31, 2017, is determined based on value in use and the projected cash flows were discounted to the present value using a pre-tax weighted-average cost of capital (discount rate).

   For Aluminium segment, the recoverable amount for the year ended March 31, 2018 and March 31, 2017, is determined based on value in use and the projected cash flows are discounted to the present value using pre-tax weighted average cost of capital (discount rate).

   The discount rate commensurate with the risk inherent in the projected cash flows and reflects the rate of return required by an investor in the current economic conditions.

ii. The Group use's specific revenue growth assumptions for each cash-generating unit based on history and economic conditions.

   As a result of goodwill impairment test for the year ended March 31, 2018 and year ended March 31, 2017, no goodwill impairment was identified as the recoverable value of the CGUs to whom goodwill was allocated exceeded their respective carrying amounts at all the periods reported above.

(c) Impact of possible changes in key assumptions

The Management believes that no reasonably possible change in any of the above key assumptions would cause the recoverable amount to fall below the carrying value of any of the CGU having allocated goodwill. The determination of fair value less costs of disposal for each of the CGUs uses Level 3 valuation techniques in March 31, 2018.

9. Other Intangible Assets and Intangible Assets under Development

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
Cost	7,808.07	7,382.43
Less: Accumulated Amortisation and Impairment	(4,459.39)	(3,806.03)
Net carrying amount	3,348.68	3,576.40
Intangible Assets under Development	79.96	72.98
	3,428.64	**3,649.38**

(₹ Crore)

	Trade Name	Technology and Software	Customer-related Intangible Assets	Favourable Contracts	Mining Rights	Right to Use	Carbon Emission Rights	Rehabilitation Assets	Total
Cost									
As at April 01, 2016	**969.82**	**2,802.17**	**2,974.85**	**819.53**	**2,095.73**	**80.98**	**225.42**	**160.55**	**10,129.05**
Additions	-	159.68	-	-	238.39	-	-	-	398.07
Deduction/Adjustments	-	(1.00)	-	(829.42)	(1,863.64)	-	(61.92)	(159.00)	(2,914.98)
Exchange differences	(19.85)	(97.46)	(106.30)	9.89	(11.71)	-	(2.73)	(1.55)	(229.71)
As at March 31, 2017	**949.97**	**2,863.39**	**2,868.55**	**-**	**458.77**	**80.98**	**160.77**	**-**	**7,382.43**
Additions	-	47.97	-	-	124.03	-	63.43	-	235.43
Deduction/Adjustments	-	(12.65)	-	-	-	-	-	-	(12.65)
Exchange Differences	3.65	103.06	98.03	-	(3.16)	-	1.28	-	202.86
As at March 31, 2018	**953.62**	**3,001.77**	**2,966.58**	**-**	**579.64**	**80.98**	**225.48**	**-**	**7,808.07**
Accumulated Amortisation and Impairment									
As at April 01, 2016	**445.40**	**1,587.92**	**1,314.14**	**769.00**	**1,888.21**	**46.91**	**-**	**160.55**	**6,212.13**
Amortisation for the year	47.74	253.34	149.23	51.22	42.53	2.73	-	-	546.79
Deduction/Adjustments	-	(0.93)	-	(829.48)	(1,829.85)	-	-	(159.00)	(2,819.26)
Exchange differences	(10.37)	(59.50)	(52.69)	9.26	(18.78)	-	-	(1.55)	(133.63)
As at March 31, 2017	**482.77**	**1,780.83**	**1,410.68**	**-**	**82.11**	**49.64**	**-**	**-**	**3,806.03**
Amortisation for the year	45.89	259.36	145.71	-	92.39	2.65	-	-	546.00
Deduction/Adjustments	-	(12.41)	-	-	-	-	-	-	(12.41)
Exchange differences	2.28	68.58	51.14	-	(2.23)	-	-	-	119.77
As at March 31, 2018	**530.94**	**2,096.36**	**1,607.53**	**-**	**172.27**	**52.29**	**-**	**-**	**4,459.39**
Net carrying amount									
As at March 31, 2017	467.20	1,082.56	1,457.87	-	376.66	31.34	160.77	-	3,576.40
As at March 31, 2018	422.68	905.41	1,359.05	-	407.37	28.69	225.48	-	3,348.68
Useful life (Years)	20 Yrs	4 - 10.6 Yrs	20 years	9.5 Yrs	5 - 50 Yrs	5 - 30 Yrs	1 - 7 Yrs	NA	

(a) Trademarks, customer-related intangible assets, and favourable contracts were established in purchase accounting during acquisition of Novelis Inc. by the Company, whereas Technology and software mainly related to products we licence and internally developed software.

(b) For impairment charges or reversal of above intangible assets and intangible assets under development refer Note 40.

10. Non-Current Investments

(Fully Paid-up, unless otherwise stated)

(₹ Crore)

	Face Value per Unit	Numbers - As at 31/03/2018	Numbers - As at 31/03/2017	Value - As at 31/03/2018	Value - As at 31/03/2017
Quoted Investments					
Investments in Equity Instruments at FVTOCI					
National Aluminium Company Limited	₹ 5	47,618,555	57,618,166	316.42	440.79
Aditya Birla Nuvo Limited - (b)	₹ 10	-	8,650,412	-	1,313.52
Grasim Industries Limited - (b)	₹ 2	28,464,653	15,489,035	2,991.35	1,624.80
UltraTech Cement Limited	₹ 10	1,258,515	1,258,515	497.11	501.49
IDEA Cellular Limited - (c)	₹ 10	228,340,226	-	1,733.10	-
Aditya Birla Fashion and Retail Limited	₹ 10	44,982,142	44,982,142	678.56	692.05
Gujarat Narmada Valley Fertilizers & Chemicals Limited	₹ 10	100	100	*	*
Gujarat State Fertilizers & Chemicals Limited	₹ 2	500	500	0.01	*
Southern Petrochemical Industries Limited	₹ 10	100	100	*	*
Madras Fertilizer Limited	₹ 10	100	100	*	*
Rashtriya Chemicals and Fertilizers Limited	₹ 10	100	100	*	*
Aditya Birla Capital Limited - (b)	₹ 10	39,850,514	-	581.62	-
				6,798.17	4,572.65
Unquoted Investments					
Investments in Equity Instruments at FVTOCI					
Sai Wardha Power Generation Limited	₹ 10	2,830,352	2,830,352	2.83	2.83
Aditya Birla Ports Limited	₹ 10	-	100,000	-	0.13
Birla International Limited	CHF 100	2,500	2,500	3.43	3.10
Bharuch-Dahej Railway Company Limited	₹ 10	13,530,000	13,530,000	17.90	17.53
Aditya Birla Power Company Limited	₹ 10	-	11,500	-	5.02
Birla Management Centre Services Limited	₹ 10	7,000	7,000	0.01	0.01
				24.17	28.62
Investment in Preference Shares at FVTPL					
Aditya Birla Health Services Limited - 5.25% Redeemable Cumulative	₹ 100	2,500,000	2,500,000	22.66	19.34
Birla Management Centre Services Limited - 9% Redeemable Cumulative	₹ 10	300	300	*	*
				22.66	19.34
Investments in Government Securities at FVTOCI					
6.83% Government of India Bond, 2039	-	2,000,000	2,000,000	18.14	18.85
				18.14	18.85
				64.97	66.81
				6,863.14	4,639.46

** Amount below ₹ 50,000*

(a) Aggregate amount of quoted and unquoted investments, market value of quoted investments and aggregate amount of impairment in value of Investments are given below:

	31/03/2018	31/03/2017
Aggregate Cost of Quoted Investments	539.42	337.31
Aggregate Market Value of Quoted Investments	6,798.17	4,572.65
Aggregate Cost of Unquoted Investments	62.02	62.12

(b) Aditya Birla Nuvo Limited (ABNL) got amalgamated with Grasim Industries Limited (Grasim). Upon amalgamation financial service business got de-merged from Grasim and transferred to Aditya Birla Financial Services Limited (ABFSL).

Pursuant to the scheme of amalgamation between ABNL and Grasim, having record date of July 06, 2017, the Group received 12,975,618 equity shares of Grasim in exchange of 8,650,412 equity shares held in ABNL on the record date.

Further, pursuant to the scheme of demerger of Aditya Birla Capital Limited (ABCL) (formally Aditya Birla Financial Services Limited) from Grasim, having record date July 20, 2017, the Group received 39,850,514 equity shares of ABCL for 28,464,653 equity shares held in Grasim on the record date.

(c) Effective March 31, 2018, the Company has discontinued the accounting of its investment in Idea Celluar Limited (ICL) as 'Investment in Associates' as it no longer has significant influence over ICL. Accordingly, the Company has designated its investment in ICL as 'Fair Value through Other Comprehensive Income, (FVTOCI).

11. Loans

(Unsecured, Considered Good unless otherwise stated)

(₹ Crore)

	As at 31/03/2018		As at 31/03/2017	
	Non-Current	**Current**	**Non-Current**	**Current**
Security Deposits	66.64	-	96.29	-
Loans to Related Parties	-	50.59	44.86	10.63
Loans to Employees	9.01	7.03	8.58	8.70
Loans to Others	1.83	0.33	1.42	165.33
	77.48	**57.95**	**151.15**	**184.66**

12. Other Financial Assets

(Unsecured, Considered Good unless otherwise stated)

Derivative Assets - (refer Note 54)	118.23	1,923.16	201.50	1,512.99
Security Deposits				
Unsecured, Considered Good	139.43	35.56	138.69	111.96
Unsecured, Considered Doubtful	-	0.35	0.10	0.25
Less: Allowances for Doubtful Amount	-	(0.35)	(0.10)	(0.25)
Other Deposits	150.52	370.00	131.96	60.00
Accrued Interests	-	40.87	-	67.87
Project expenditure recoverable from Government	-	11.32	-	61.05
Other Receivables				
Unsecured, Considered Good	-	601.58	0.24	618.69
Unsecured, Considered Doubtful	-	40.13	-	35.26
Less: Allowances for Doubtful Amount	-	(40.13)	-	(35.26)
	408.18	**2,982.49**	**472.39**	**2,432.56**

13. Current Tax

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
A. Current Tax Assets (Net)		
Non-Current Tax Assets (Net)	1,246.04	1,572.56
Current Tax Assets (Net)	331.21	13.59
	1,577.25	**1,586.15**
B. Current Tax Liabilities (Net)		
Current Tax Liabilities	954.60	1,199.29
	954.60	**1,199.29**

14. Deferred Tax Balances

A. Deferred Tax Assets (Net)

Deferred Tax Assets (Net) arise from the following:

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
Deferred Tax Assets		
Provisions Not Currently Deductible for Tax Purposes	1,105.84	973.76
Depreciation and Amortization Expenses	79.58	85.50
Tax (Losses)/Benefit Carry Forward, Net	303.01	348.07
Inventory Valuation Reserves	58.92	24.10
Cash Flow Hedges	-	147.02
MAT Credit Entitlement	0.01	-
Fair Value Measurements of Financial Instruments	3.32	-
Other Temporary Differences	89.56	73.45
	1,640.24	**1,651.90**
Deferred Tax Liabilities		
Depreciation and Amortization Expenses	413.49	376.62
Inventory Valuation Reserves	232.95	188.47
Cash Flow Hedges	60.62	-
Other Temporary Differences	289.88	237.02
	996.94	**802.11**
	643.30	**849.79**

Major components of Deferred Tax Assets (Net) arising on account of temporary timing differences and movement thereof are given below:

(₹ Crore)

	As at 01/04/2016	Recognised in the Statement of Profit and Loss	Recognised in OCI	Recognised directly in Equity	Exchange Differences	As at 31/03/2017
Deferred Tax Assets						
Provisions Not Currently Deductible for Tax Purposes	1,074.16	(29.46)	(91.62)	-	20.68	973.76
Depreciation and Amortisation Expenses	136.03	(37.43)	-	-	(13.10)	85.50
Tax (Losses)/Benefits Carry Forward, Net	349.11	33.23	-	-	(34.27)	348.07
Inventory Valuation Reserves	24.10	(8.22)	-	-	8.22	24.10
Cash Flow Hedges	6.56	-	145.35	-	(4.89)	147.02
Other Temporary Differences	133.26	(58.56)	-	-	(1.25)	73.45
	1,723.22	**(100.44)**	**53.73**	**-**	**(24.61)**	**1,651.90**

(₹ Crore)

	As at 01/04/2016	Recognised in the Statement of Profit and Loss	Recognised in OCI	Recognised directly in Equity	Exchange Differences	As at 31/03/2017
Deferred Tax Liabilities						
Depreciation and Amortisation Expenses	465.30	(57.75)	-	-	(30.93)	376.62
Inventory Valuation Reserves	84.85	108.82	-	-	(5.20)	188.47
Other Temporary Differences	332.48	(74.38)	-	-	(21.08)	237.02
	882.63	**(23.31)**	**-**	**-**	**(57.21)**	**802.11**
	840.59	**(77.13)**	**53.73**	**-**	**32.60**	**849.79**

(₹ Crore)

	As at 1/04/2017	Recognised in the Statement of Profit and Loss	Recognised in OCI	Recognised directly in Equity	Exchange Differences	As at 31/03/2018
Deferred Tax Assets						
Provisions Not Currently deductible for Tax Purposes	973.76	205.53	(79.96)	-	6.51	1,105.84
Depreciation and Amortisation Expenses	85.50	(15.32)	-	-	9.40	79.58
Tax (Losses)/Benefit Carry Forward, Net	348.07	(99.84)	-	-	54.78	303.01
Inventory Valuation Reserves	24.10	51.09	-	-	(16.27)	58.92
Cash Flow Hedges	147.02	-	(146.11)	-	(0.91)	-
MAT Credit Entitlement	-	0.01	-	-	-	0.01
Fair Value Measurements of Financial Instruments	-	(0.67)	3.99	-	-	3.32
Other Temporary Differences	73.45	14.89	-	-	1.22	89.56
	1,651.90	155.69	(222.08)	-	54.73	1,640.24
Deferred Tax Liabilities						
Depreciation and Amortisation Expenses	376.62	(14.97)	-	-	51.84	413.49
Inventory Valuation Reserves	188.47	43.30	-	-	1.18	232.95
Cash Flow Hedges	-	-	60.01	-	0.61	60.62
Other Temporary Differences	237.02	40.00	-	-	12.86	289.88
	802.11	**68.33**	**60.01**	**-**	**66.49**	**996.94**
	849.79	**87.36**	**(282.09)**	**-**	**(11.76)**	**643.30**

B. Deferred Tax Liabilities (Net)

Deferred Tax Liabilities (Net) arise from the following:

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
Deferred Tax Liabilities		
Depreciation and Amortisation Expenses	7,906.91	7,562.05
Inventory Valuation Reserves	305.29	355.24
Exchange Differences on Foreign Operations	632.03	609.13
Fair Value Measurements of Financial Instruments	102.06	180.07
MAT Credit Entitlement	-	(0.01)
Deferred Tax on Undistributed Earnings of Equity Accounted Investees	-	97.01
Cash Flow Hedges	346.88	57.54
Other Temporary Differences	115.50	100.23
	9,408.67	8,961.26
Deferred Tax Assets		
Tax (Losses)/Benefits Carry Forward	2,630.77	3,325.88
Retirement Benefits and Compensated Absences	68.25	90.82
Cash Flow Hedges	-	-
Provisions Currently Not Deductable	982.56	1,406.02
MAT Credit Entitlement	1,627.53	1,140.46
Depreciation and Amortisation Expenses	2.75	19.44
Fair Value Measurements of Financial Instruments	-	-
Trade Name	90.65	96.71
Other Temporary Differences	229.59	-
	5,632.10	**6,079.33**
	3,776.57	**2,881.93**

Major components of Deferred Tax Liabilities (Net) arising on account of temporary timing differences and movement therein are given below:

(₹ Crore)

	As at 01/04/2016	Recognised in the Statement of Profit and Loss	Recognised in OCI	Recognised directly in Equity	Exchange Differences	As at 31/03/2017
Deferred Tax Liabilities						
Depreciation and Amortisation Expenses	6,945.58	666.43	-	-	(49.96)	7,562.05
Inventory Valuation Reserves	326.06	37.27	-	-	(8.09)	355.24
Exchange Differences on Foreign Operations	807.72	(187.72)	-	-	(10.87)	609.13
Fair Value Measurements of Financial Instruments	9.30	170.77	-	-	-	180.07
MAT Credit Entitlement	(7.66)	7.65	-	-	-	(0.01)
Deferred Tax on Undistributed Earnings of Equity Accounted Investees	121.13	(24.12)	-	-	-	97.01
Cash Flow Hedges	182.79	-	(125.25)	-	-	57.54
Other Temporary Differences	118.35	(16.98)	-	-	(1.14)	100.23
	8,503.27	653.30	(125.25)	-	(70.06)	8,961.26

(₹ Crore)

	As at 01/04/2016	Recognised in the Statement of Profit and Loss	Recognised in OCI	Recognised directly in Equity	Exchange Differences	As at 31/03/2017
Deferred Tax Assets						
Tax Losses/Benefits Carry Forward	3,259.33	68.90	-	-	(2.35)	3,325.88
Retirement Benefits and Compensated Absences	125.45	(5.37)	(29.26)	-	-	90.82
Cash Flow Hedges	-	-	-	-	-	-
Provisions Currently Not Deductable	1,350.92	89.28	-	-	(34.18)	1,406.02
MAT Credit Entitlement	725.87	414.59	-	-	-	1,140.46
Depreciation and Amortisation Expenses	0.96	19.86	-	-	(1.38)	19.44
Fair Value Measurements of Financial Instruments	(6.09)	2.92	3.17	-	-	-
Trade Name	110.00	(11.34)	-	-	(1.95)	96.71
Other Temporary Differences	(0.72)	24.10	0.20	-	(23.58)	-
	5,565.72	**602.94**	**(25.89)**	**-**	**(63.44)**	**6,079.33**
	2,937.55	**50.36**	**(99.36)**	**-**	**(6.62)**	**2,881.93**

(₹ Crore)

	As at 01/04/2017	Recognised in the Statement of Profit and Loss	Recognised in OCI	Recognised directly in Equity	Exchange Differences	As at 31/03/2018
Deferred Tax Liabilities						
Depreciation and Amortisation Expenses	7,562.05	339.74	-	-	5.12	7,906.91
Inventory Valuation Reserves	355.24	(50.82)	-	-	0.87	305.29
Exchange Differences on Foreign Operations	609.13	20.30	-	-	2.60	632.03
Fair Value Measurements of financial Instruments	180.07	(76.35)	(1.66)	-	-	102.06
MAT Credit Entitlement	(0.01)	0.01	-	-	-	-
Deferred Tax on Undistributed Earnings of Equity Accounted Investees	97.01	(97.01)	-	-	-	-
Cash Flow Hedges	57.54	-	289.34	-	-	346.88
Other Temporary Differences	100.23	14.89	-	-	0.38	115.50
	8,961.26	**150.76**	**287.68**	**-**	**8.97**	**9,408.67**

(₹ Crore)

	As at 01/04/2017	Recognised in the Statement of Profit and Loss	Recognised in OCI	Recognised directly in Equity	Exchange Differences	As at 31/03/2018
Deferred Tax Assets						
Tax (Losses)/Benefits Carry Forward	3,325.88	(695.53)	-	-	0.42	2,630.77
Employee's Separation and Retirement Expenses	90.82	(0.73)	(21.91)	-	0.07	68.25
Cash Flow Hedges	-	-	-	-	-	-
Provisions Currently Not Deductable	1,406.02	(422.73)	-	-	(0.73)	982.56
MAT Credit Entitlement	1,140.46	487.07	-	-	-	1,627.53
Depreciation and Amortisation Expenses	19.44	(16.60)	-	-	(0.09)	2.75
Fair Value measurements of Financial Instruments	-	-	-	-	-	-
Trade Name	96.71	(6.38)	-	-	0.32	90.65
Other Temporary Differences	-	229.59	-	-	-	229.59
	6,079.33	**(425.31)**	**(21.91)**	**-**	**(0.01)**	**5,632.10**
	2,881.93	**576.07**	**309.59**	**-**	**8.98**	**3,776.57**

C. Unrecognised Deferred Taxes

(a) As at March 31, 2018, the Group had cumulative earnings of approximately ₹ 19,870.93 crore in respect of subsidiaries for which we have not provided deferred tax liability as we believe that the reversal of such temporary difference is not probable in the foreseeable future.

(b) The following Deferred Tax Assets have not been recognised at the reporting date as it is not probable of recovery:

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
Unexpiring		
i. Unabsorbed Depreciation	4,342.07	4,245.70
ii. Tax Losses carry Forwards	42.15	8.00
iii. Unused Tax Credits	444.41	286.94
Expiring		
i. Carried Forward Tax Losses	4,077.50	4,074.01
Period of Expiry	FY 2018 - 2037	FY 2017-2037
ii. Unused tax Credits	332.52	295.71
Period of Expiry	FY 2018 - 2033	FY 2017-2033
iii. Tax losses on Long Term Capital Gains Carry Forward	264.57	238.94
Period of Expiry	FY 2018 - 2026	FY 2017 - 2026

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority. The Company has not recognised deferred tax on temporary differences relating to depreciation which originate and reverse during the tax holiday period.

15. Other Assets

(Unsecured, Considered Good unless otherwise stated)

(₹ Crore)

	As at 31/03/2018		As at 31/03/2017	
	Non-Current	Current	Non-Current	Current
Capital Advances	208.85	-	241.64	-
Trade Advances and Deposits	26.64	877.66	33.01	742.18
Prepaid Expenses	108.30	421.60	85.99	360.80
Prepaid Lease Rent for Leasehold Lands	687.16	15.59	691.94	18.91
Deposits with Government Authorities	-	45.56	-	164.00
Others - (a)				
Unsecured, Considered Good	258.72	1,569.87	75.30	2,315.64
Unsecured, Considered Doubtful	9.98	106.31	15.09	94.62
Less: Allowances for Doubtful Amount	(9.98)	(106.31)	(15.09)	(94.62)
	1,289.67	**2,930.28**	**1,127.88**	**3,601.53**

(a) Primarily include unutilised tax credits and claims with indirect tax authorities.

16. Inventories

(₹ Crore)

	As at	
	31/03/2018	31/03/2017
Raw Materials	5,529.94	4,422.64
Work-in-Process	10,620.22	8,948.86
Finished Goods	3,326.77	3,025.14
Stores and Spares	1,702.13	1,526.67
Coal and Fuel	452.13	366.91
Packing Materials	0.20	1.14
	21,631.39	**18,291.36**

(a) Above inventories include goods in transit of ₹ 3,057.55 crore (31/03/2017: ₹ 2,555.54 crore).

(b) Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and taken to profit and loss when the inventory is sold.

(c) The Group write downs inventories (net of reversal) to net realisable value amounted to ₹ 24.56 crore (31/03/2017: ₹ 7.87 crore). These were recognised as expense and included in 'Cost of Material Consumed' and 'Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade' in the Consolidated Statement of Profit and Loss.

17. Current Investments

(₹ Crore)

	As at	
	31/03/2018	31/03/2017
Investments in Debentures and Bonds at FVTPL	620.90	840.08
Investments in Commercial Papers at FVTPL	-	163.15
Investments in Government Securities at FVTPL	-	208.77
Investments in Government Securities at FVTOCI	67.89	68.73
Investments in Debt Schemes of Mutual Funds at FVTPL	3,214.69	7,671.03
	3,903.48	**8,951.76**

(a) Aggregate amount of quoted and unquoted investments, market value of quoted investments and aggregate amount of impairment in value of Investments are given below:

(₹ Crore)

	As at	
	31/03/2018	31/03/2017
Aggregate Cost of Quoted Investments	2,905.28	7,177.98
Aggregate Market Value of Quoted Investments	3,198.05	7,655.30
Aggregate Cost of Unquoted Investments	702.71	1,264.15

18. Trade Receivables

Trade Receivables		
Secured, Considered Good	20.91	27.29
Unsecured, Considered Good	9,943.08	8,252.58
Unsecured, Considered Doubtful	82.44	72.19
Less: Allowance for Doubtful Amount	(82.44)	(72.19)
	9,963.99	8,279.87
Expected Credit Loss on Trade Receivables	(4.18)	(5.07)
	9,959.81	**8,274.80**

(a) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivables are due from firms or private companies, respectively, in which any director is a partner, or director or member.

19. Cash and Cash Equivalents

(₹ Crore)

	As at	
Balance with Banks:	31/03/2018	31/03/2017
Deposits with initial maturity of less than three months	1,185.92	1,157.14
Current Accounts	5,183.68	2,884.31
Cheques and Drafts on Hand - (a)	16.36	17.11
Cash on Hand	0.39	0.49
Short-term Liquid Investments in Mutual Funds	1,658.59	4,174.35
	8,044.94	**8,233.40**

(a) Includes ₹ 9.4 crore (31/03/2017: ₹ 7.79 crore) remittance in transit.

(b) There is no repatriation restriction with regard to cash and cash equivalents as the end of reporting period and prior period.

20. Bank Balances other than Cash and Cash Equivalents

Earmarked Balances with Banks - (a)	11.83	17.78
Deposits with Banks initial maturity more than 3 months	0.99	9.99
	12.82	**27.77**

(a) Includes unclaimed dividend of ₹ 4.87 crore (31/03/2017: ₹ 8.75 crore).

21. Assets or Disposal Group classified as Held for Sale

A. Non-Current Assets or Disposal Group classified as Held For Sale

Non-Current Assets classified as held for sale - (refer Note 56E)	13.47	13.47
Assets of Disposal Group classified as held for sale - (refer Note 56C)	95.41	89.13
	108.88	**102.60**

B. Liability directly associated with Disposal Group classified as Held For Sale

Liabilities associated with Disposal Group classified as held for sale - (refer Note 56C)	0.03	0.05
	0.03	**0.05**

C. Details of Assets and Liabilities of Disposal Group classified as Held For Sale are given below:

(a) Assets of Disposal Group classified as Held For Sale:

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
Freehold Land	24.65	24.65
Plant and Equipment	42.60	31.97
Other Assets	28.16	32.51
	95.41	**89.13**

(b) Liabilities of Disposal Group classified as Held For Sale:

Liabilities Associated with Disposal Group Held For Sale	0.03	0.05
Total Liabilities	**0.03**	**0.05**

22. Equity Share Capital

Authorised:		
2,500,000,000 (31/03/2017: 2,500,000,000) Equity Shares of ₹ 1/- each	250.00	250.00
25,000,000 (31/03/2017: 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each	5.00	5.00
	255.00	**255.00**
Issued:		
2,245,516,548 (31/03/2017: 2,243,807,736) Equity Shares of ₹ 1/- each - (a)	224.55	224.38
	224.55	**224.38**
Subscribed and Paid-up:		
2,245,509,151 (31/03/2017: 2,243,800,339) Equity Shares of ₹ 1/- each fully paid-up	224.55	224.38
Less: Face Value of 546,249 (31/03/2017: 546,249) Equity Shares Forfeited	0.05	0.05
	224.50	224.33
Add: Forfeited Shares (Amount originally Paid-up)	0.02	0.02
	224.52	224.35
Less: 16,316,130 (31/03/2017: 16,316,130) Equity Shares held as Treasury Shares - (b)	1.63	1.63
	222.89	**222.72**

(a) Issued Equity Share Capital includes 7,397 Equity Shares (31/03/2017: 7,397) of ₹ 1/- each issued on Rights basis kept in abeyance due to legal case pending.

(b) Treasury shares are held by Trident Trust which represents 16,316,130 equity shares of ₹ 1/- each fully paid-up of the Company issued, pursuant to a Scheme of Arrangement approved by the Hon'ble High Courts of Bombay and of Allahabad, vide their Orders dated October 31, 2002, and November 18, 2002, respectively, to the Trident Trust, created wholly for the benefit of the Company, and is being managed by trustees appointed by it. The tenure of the Trust is upto January 23, 2024.

(c) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	Year ended 31/03/2018		Year ended 31/03/2017	
	Numbers	(₹ Crore)	Numbers	(₹ Crore)
Equity Shares Outstanding at the beginning of the period	2,226,937,960	222.72	2,048,669,630	204.89
Equity Shares Allotted in Qualified Institutional Placement	-	-	176,827,659	17.68
Equity Shares Allotted pursuant to Exercise of ESOP	1,708,812	0.17	1,440,671	0.15
Equity Shares Outstanding at the end of the period	**2,228,646,772**	**222.89**	**2,226,937,960**	**222.72**

(d) The Company has one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:

	As at 31/03/2018		As at 31/03/2017	
	Numbers of Shares Held	Percentage of Holding *	Numbers of Shares Held	Percentage of Holding *
IGH Holdings Private Limited	349,963,487	15.59%	349,963,487	15.60%
Turquoise Investment and Finance Pvt. Limited	124,012,468	5.52%	124,012,468	5.53%
Morgan Guaranty Trust Company of New York (represents GDRs)	151,820,799	6.76%	152,946,895	6.82%
Life Insurance Corporation of India and its Associate Funds	158,621,850	7.06%	205,527,350	9.16%

* Percentages have been calculated on the basis of total number of shares outstanding (before adjusting shares held by Trident Trust. Refer footnote (b) above).

(f) Shares reserved for issue under options:

The Company has reserved equity shares for issue under the Employee Stock Option Schemes. (refer Note 46)

(g) The Company during the preceding 5 years:

i. Has not allotted shares pursuant to contracts without payment received in cash.

ii. Has not issued shares by way of bonus shares.

iii. Has not bought back any shares.

(h) The Board of Directors of the Company has recommended final dividend of ₹ 1.20 per share aggregating to ₹ 269.40 crore for the year ended March 31, 2018. Dividend distribution tax on proposed final dividend is ₹ 54.85 crore.

23. Other Equity

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
Share Application Money Pending Allotment	**0.16**	**-**
Equity Component of Other Financial Instruments	**3.78**	**3.78**
Reserves and Surplus:		
Capital Reserve	147.36	147.36
Capital Redemption Reserve	103.67	103.67
Securities Premium Account	8,197.17	9,014.63
Debenture Redemption Reserve	900.00	758.34
Employees Stock Options Outstandings	15.83	36.20
Special Reserve	17.12	15.47
Business Reconstruction Reserve	5,799.30	5,799.30
General Reserve	21,369.65	21,370.72
Retained Earnings	11,094.86	4,524.49
	47,644.96	**41,770.18**
Other Reserves		
Actuarial Gain/(Loss) on Defined Benefit Obligations	-	-
Gain/(Loss) on Equity Instruments Fair Value through OCI	4,764.09	4,244.69
Gain/(Loss) on Debt Instruments Fair Value through OCI	2.00	3.00
Effective Portion of Cash Flow Hedge	262.35	(477.34)
Cost of Hedging Reserve	647.30	414.57
Foreign Currency Translation Reserve	1,304.24	(122.80)
	6,979.98	**4,062.12**
	54,628.88	**45,836.08**

(a) Brief description of items of other equity is given below:

i. Share Application Money pending Allotment

Share application money pending allotment represents amount received from employees, who has exercised Employee Stock Option Scheme (ESOS), for which shares are pending allotment as on Balance Sheet date.

ii. Capital Reserve

The Group has created capital reserve pursuant to past mergers and acquisitions.

iii. Capital Redemption Reserve

The Group has created capital redemption reserve as per the requirement of the Companies Act.

iv. Securities Premium Account

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Act.

v. Debenture Redemption Reserve

The Group is required to create a debenture redemption reserve out of the profits, which is available for payment of dividend, for the purpose of redemption of debentures.

vi. Employees Stock Options Outstandings

The Employee Stock Option Account is used to recognise the grant date fair value of options issued to employees under stock option schemes.

vii. Special Reserve

Certain subsidiaries of the Group are registered as non-banking financial company and as per requirement of Section 45-IC of the Reserve Bank of India Act, 1934, every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account, and before any dividend is declared.

viii. Business Reconstruction Reserve

The Company had formulated a scheme of financial restructuring under Sections 391 to 394 of the Companies Act, 1956 ("the Scheme"), between the Company and its equity shareholders, approved by the High Court of judicature of Bombay, to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account, titled as Business Reconstruction Reserve ("BRR"), was created during the year 2008-09 by transferring balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme.

Accordingly, the Company had transferred ₹ 8,647.37 crore from Securities Premium Account to BRR, and till March 31, 2017, ₹ 2,848.07 crore has been adjusted by the Company against BRR. During the year ended March 31, 2018, no expenses adjusted against BRR (31/03/2017: ₹ Nil).

ix. General Reserve

The Group has created this reserve by transferring certain amount out of the profit at the time of distribution of dividend.

x. Retained Earnings

Amount of retained earnings represents accumulated profits and losses of the Group as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserve as statutorily required and adjustment for realised gain/loss on derecognition of equity instruments measured at FVTOCI.

xi. Actuarial Gain/(Loss) on Defined Benefit Obligations

The Group transfers actuarial gain (loss) arising at the time of valuation of defined benefit obligations to "Actuarial Gain/(Loss)" component of Other Comprehensive Income (OCI).

xii. Gain/(Loss) on Equity and Debt Instruments Accounted as FVTOCI

The Group has elected to recognize changes in the fair value of certain investments in Other Comprehensive Income. These changes are accumulated within the FVTOCI equity investments reserve and FVTOCI debt investment reserve within equity.

xiii. Effective portion of Cash Flow Hedge

The Group uses hedging instruments as part of its risk management policy for commodity and foreign currency risk as described in Note 54.

xiv. Cost of Hedging Reserve

The Group designates the spot component of cross currency interest rate swap as hedging instruments in cash flow hedge relationship. The Group defers changes in the forward element of cross currency interest rate swap in the cost of hedging reserve. The deferred costs of hedging are included in the initial cost of the related hedged items when it is recognised or reclassified to the Consolidated Statement of Profit or Loss when the hedged item effects the Consolidated Statement of Profit or Loss.

xv. Foreign Currency Translation Reserve

Foreign Currency Translation reserve includes all resulting exchange differences arising from (a) translating the assets and liabilities of the Group's foreign operations into Indian Rupees using exchange rates prevailing at the end of each reporting period; and (b) translating income and expense items of the foreign operations at the average exchange rates for the period.

(b) Movement of each item of other equity is presented in the Consolidated Statement of Changes in Equity (SOCE).

24. Non-Current Borrowings

(₹ Crore)

	As at 31/03/2018			As at 31/03/2017		
	Non-Current Portion	Current Maturities *	Total	Non-Current Portion	Current Maturities *	Total
Secured						
Debentures - (a)	5,989.00	-	5,989.00	5,987.33	-	5,987.33
Term Loans:						
From Banks						
Rupee Term Loans - (b)	13,208.85	0.87	13,209.72	15,834.57	5,300.23	21,134.80
Foreign Currency Term Loans - (c)	10,973.59	732.40	11,705.99	11,574.86	-	11,574.86
From Other Parties						
Rupee Term Loans	-	-	-	90.10	-	90.10
Foreign Currency Term Loans	-	-	-	147.66	-	147.66
Finance Lease Obligations - (f)	76.66	58.50	135.16	113.69	66.00	179.69
	30,248.10	**791.77**	**31,039.87**	**33,748.21**	**5,366.23**	**39,114.44**
Unsecured						
Senior Notes - (d)	17,013.58	-	17,013.58	16,914.53	-	16,914.53
Term Loans:						
From Banks						
Foreign Currency Term Loans - (e)	611.71	9.83	621.54	1,191.68	-	1,191.68
Deferred Payment Liabilities	0.87	-	0.87	0.87	-	0.87
	17,626.16	**9.83**	**17,635.99**	**18,107.08**	**-**	**18,107.08**
	47,874.26	**801.60**	**48,675.86**	**51,855.29**	**5,366.23**	**57,221.52**

** Current maturities of long-term debt and finance lease obligations disclosed under the head "Other Financial Liabilities (Current)*

(a) Debentures comprise of the following:

(₹ Crore)

	Redemption Date	As at 31/03/2018 Gross Amount	As at 31/03/2018 Carrying Value	As at 31/03/2017 Gross Amount	As at 31/03/2017 Carrying Value
30,000 9.55% Redeemable Non-Convertible Debentures of ₹ 10 lakh each	April 25, 2022	3,000.00	2,996.99	3,000.00	2,996.60
15,000 9.55% Redeemable Non Convertible Debentures of ₹ 10 lakh each	June 27, 2022	1,500.00	1,495.21	1,500.00	1,494.41
15,000 9.60% Redeemable Non-Convertible Debentures of ₹ 10 lakh each	August 2, 2022	1,500.00	1,496.80	1,500.00	1,496.32
		6,000.00	5,989.00	6,000.00	5,987.33

All the above debentures are secured by all the moveable, both present and future (except moveable assets of Mahan Aluminium Project, Aditya Aluminium Project, Kalwa Plant, Silvassa Plant and Current Assets), and certain immoveable properties of the Company.

(b) Secured Rupee Term Loans from Banks comprise of Followings:

i. The term loans of ₹ 2,947.87 crore (carrying value ₹ 2,922.33 crore) are secured by a first ranking charge/mortgage/security interest in respect of all the moveable fixed assets and all the immoveable properties of Mahan Aluminium Project, both present and future. During the year, the Company has prepaid ₹ 3,504.51 crore of loan covering period from June 2017 to March 2026. This loan is to be repaid in 16 quarterly instalments commencing from June 2026. Further, the term loan of ₹ 90.23 crore from others has been novated with bank during the year ended March 31, 2018. The rate of interest of this loan is based on MCLR 3 months plus spread of 0.10%.

ii The term loans of ₹ 7,874.06 crore (carrying value ₹ 7,853.76 crore) is secured by a first ranking charge/mortgage/security interest in respect of all the moveable and immoveable fixed assets of Aditya Aluminium Project, both present and future. During the year, the Company has prepaid ₹ 1,181.11 crore of loan from banks and covering period from June 2020 to March 2022. The loan is to be repaid in 34 quarterly instalments commencing from June 2022. The rate of interest of this term loan is based on MCLR 3 months plus spread of 0.10%.

iii. The term loan of Group's subsidiary Utkal Alumina International Limited (Utkal) of ₹ 2,360.96 crore (carrying value ₹ 2,411.52 crore), are secured by (a) first ranking *pari passu* mortgage/Security Interest in respect of all the immoveable properties (excluding the forest land and land surrendered for rehabilitation and resettlement colony); (b) first ranking charge on moveable assets (including moveable machinery, machinery spares, tools and accessories), both present and future, pertaining to the project (c) second charge on the current assets of Utkal (excluding cash, cash equivalents and investments) both present and future; and (d) corporate guarantee of Hindalco Industries Limited.

These term loans are repayable in 60 quarterly instalments as per the agreed repayment schedule commenced from December 31, 2015. During the year ended March 31, 2018, Utkal has prepaid all instalments of the loan due up to June 30, 2025. The balance principal would be paid from September 30, 2025 as per earlier schedule in quarterly instalments upto September 30, 2030. The rate of interest of this rupee term loans is based on SBI/Axis Bank MCLR 3 months with spread of 0.10%.

iv. The term loan (RTL facilities) of Group's subsidiary Suvas Holdings Limited (Suvas) of ₹ 22.11 crore carries floating interest at Axis Bank Base Rate + 150 bps for Old and for New loan sanctioned during the year at MCLR plus +240 bps. The term loan is repayable in 44 re-structured revised quarterly instalments as per the agreed repayment schedule, and will be commenced from September 30, 2018. The repayment towards outstanding loan in each financial year in percentage is 3.51, 5.52, 6.52, 7.00, 7.52, 8.52, 10.00, 10.52, 12.00, 13.00, 13.00 and 2.89 of the loan amount. The loan is secured by (a) Exclusive charge by way of hypothecation of all the borrower's moveable assets including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, present and future intangible, goodwill, uncalled capital, present and future; (b) Exclusive charge on all book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, including CDM/REC revenue, MNRE Subsidy of the borrowers, present and future; (c) Exclusive charge on the Escrow Account, Debt Service Reserve Account and; (d) Exclusive charge by way of assignment/hypothecation or creation of security interest of - (i) All the rights, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents (including, but not limited to Power Purchase Agreements(PPA), Memorandum of Understanding (MOU) for sale of power, Package/Construction contracts, O&M related agreements, Land Sale/Lease Agreements, Service contracts etc.) all as amended, varied or supplemented from time to time. The assignments shall be duly acknowledged consented by the relevant counter-parties if required as per the relevant Project Document; (ii) All the rights, title, interest, benefits, claims and demands whatsoever of the Company in the permits, approvals and clearances pertaining to the Projects; (iii) All the rights, title, interest, benefits, claims and demands whatsoever of the Company in Letter of Credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents; and (iv) All insurance contracts/insurance proceeds; (e) Corporate guarantees of Hindalco Industries Limited and Laxmi Organic Industries Limited on several basis (f) Personal Guarantee of the following promoters; Mr. Rajeev Vasudeo Goenka, Mr Ravi Vasudeo Goenka. Personal Guarantee of Promoters shall fall off post COD.

(c) Secured Foreign Currency Term Loans from Banks comprise of the following:

i. Foreign Currency Term Loan from Bank of Tokyo Mitsubishi (BTMU)

Foreign currency term loan includes term loan from Bank of Tokyo Mitsubishi (BTMU) of USD 40 million (gross ₹ 260.46 crore, carrying value ₹ 255.03 crore) and USD 22.79 million (gross

₹ 148.40 crore, carrying value ₹ 145.23 crore). BTMU loan is secured by a *pari passu* first charge on all moveable fixed assets of Mahan Aluminium Project, both present and future. Both BTMU loans have a bullet repayment to be made at the end of the tenor, which is March 31, 2022 to June 30, 2022, respectively. The interest rate of this BTMU loans is LIBOR with spread of 1.35%.

ii. Brazil BNDES Loans

Novelis Brazil entered into loan agreements with Brazil's National Bank for Economic and Social Development (the BNDES loans) related to the plant expansion in Pindamonhangaba, Brazil (Pinda). As of March 31, 2018, there is USD 2 million of BNDES loans due within one year. The interest rate on the BNDS loans is 6.06%.

iii. Floating Rate Term Loan Facility

Novelis Inc. USD 1.8 billion five-year secured term loan credit facility (Term Loan Facility). As of March 31, 2018, USD 18 million of the Term Loan Facility is due within one year.

The Term Loan Facility matures on June 2, 2022, and is subject to 0.25% quarterly amortisation payments. The loans under the Term Loan Facility accrue interest at LIBOR plus 1.85%. The Term Loan Facility also requires customary mandatory repayments with excess cash flow, asset sale and casualty event proceeds and proceeds of prohibited indebtedness, all subject to customary exceptions. The Term Loan may be prepaid, in full or in part, at any time at the Company's election without penalty or premium. The Term Loan Facility allows for additional term loans, to be issued in an amount not to exceed USD 300 million (or its equivalent in other currencies), plus an unlimited amount if, after giving effect to such incurrences on a pro forma basis, the senior secured net leverage ratio does not exceed 3.00 to 1.00. The lenders under the Term Loan Facility have not committed to provide any such additional term loans.

In the year ended March 31, 2017, Novelis amended and extended the ABL Revolver. The facility is a senior secured revolver bearing an interest rate of LIBOR plus a spread of 1.25% to 1.75% or a prime rate plus a prime spread of 0.25% to 0.75%, based on excess availability. The ABL Revolver has a provision that allows the facility to be increased by an additional USD 500 million.

(d) Unsecured Senior Notes comprise of the following:

On August 29, 2016, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued USD 1.15 billion in aggregate principal amount of 6.25% Senior Notes Due 2024 (the 2024 Notes). The 2024 Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries. The interest rate on the 2024 Notes senior notes is 6.25%, and are due in August 2024.

On September 14, 2016, Novelis Corporation issued USD 1.5 billion in aggregate principal amount of 5.875% Senior Notes Due 2026 (the 2026 Notes, and together with the 2024 Notes, the Notes). The 2026 Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries. The interest rate on the 2026 Notes is 5.875%, and are due in September 2026.

(e) Unsecured Foreign Currency Term Loan from Banks comprise of the following:

Korean Bank Loans

As of March 31, 2018, Novelis Korea had USD 94 million (KRW 100 billion) of outstanding long-term loans with various banks due within one year. All loans have variable interest rates with base rates tied to Korea's 91-day CD rate plus an applicable spread ranging from 0.80% to 1.58%.

(f) Finance Lease Obligations

The Group has entered into various finance lease arrangements mainly for plant and equipment, furniture and fixtures for a term ranging from 3 to 25 years. The legal title to these items vests with their lessors. Some of the arrangements carries an option to the Group to purchase the underlying equipment at a certain point of time at a nominal price and in other arrangements, ownership of the asset is transferred to the Group without any additional payment at the end of the lease term. There are no restrictions imposed by lease arrangements, except for in the arrangement of taking Ammonia storage facility on lease, wherein there was a lock-in period of initial 6 years. There are no sub-lease arrangements entered into by the Group. Obligations under finance lease are secured against property, plant and equipment.

The Group's finance lease obligations, future minimum lease payments and their present value are following:

(₹ Crore)

	Minimum Lease Payments		Present Value of Lease Liabilities	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Not later than 1 year	66.33	77.45	58.50	66.00
Later than 1 year and not later than 5 years	72.74	111.73	64.56	97.48
Later than 5 years	16.14	22.13	12.10	16.21
Total Minimum Lease Payments	155.21	211.31	135.16	179.69
Less: Amount Representing Finance Charges	(20.05)	(31.62)	-	-
Present value of minimum lease payments	135.16	179.69	135.16	179.69

In the year ended March 31, 2018, Novelis agreed to acquire operating facilities and manufacturing assets at its Sierre, Switzerland Plant, that have historically been leased. A service company will be jointly owned and operated by the parties and Novelis will acquire from Constellium N.V. (Constellium) a 50% interest in the service company.

(g) Net Debt Reconciliation

(₹ Crore)

	Liabilities from Financing Activities			Financial Assets Used for Hedging	Total
	Non Current	Current	Finance Lease		
Balance as at 01/04/2017	57,987.27	6,605.25	179.69	2.42	64,774.63
Cash Flows (Net)	(8,194.76)	(4,027.32)	(61.18)	-	(12,283.26)
Acquisition - Finance Leases	-	-	9.98	-	9.98
Changes arising from obtaining or losing control of subsidiaries or other business	-	33.49	-	-	33.49
Foreign Exchange Adjustments	127.35	324.93	3.07	-	455.35
Fair Value Changes	(65.50)	-	-	(0.08)	(65.58)
Debt Issuance Costs and Amortisation (Net)	23.92	-	-	-	23.92
Interest Expenses *	3,124.60	530.28	11.76	-	3,666.64
Interest Paid *	(3,032.25)	(618.88)	(8.16)	0.08	(3,659.21)
Other Changes/Reclassification	(595.25)	561.69	-	-	(33.56)
Balance as at 31/03/2018	**49,375.38**	**3,409.44**	**135.16**	**2.42**	**52,922.40**

** Interest expenses and interest paid relates to borrowings and finance leases.*

25. Trade Payables

(₹ Crore)

	As at 31/03/2018		As at 31/03/2017	
	Non-Current	Current	Non-Current	Current
Trade Payables	24.04	20,415.11	0.45	17,463.34
	24.04	**20,415.11**	**0.45**	**17,463.34**

26. Other Non-Current Financial Liabilities

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
Derivative Liabilities	119.96	489.09
Capital Creditors	7.33	9.70
Security and Other Deposits	2.28	1.25
Others	49.25	45.39
	178.82	**545.43**

27. Other Current Financial Liabilities

	31/03/2018	31/03/2017
Current Maturities of Long-term Debts	743.10	5,300.23
Current Maturities of Finance Lease Obligations	58.50	66.00
Interest accrued but not due on Borrowings	846.83	955.77
Investor Education and Protection Fund - (a)		
Unpaid Dividends	5.08	8.93
Application Money received due for refund and interest accrued thereon	0.31	0.31
Unpaid Matured Debentures and Interest Accrued thereon	0.02	0.02
Derivative Liabilities	1,308.99	1,922.18
Derivatives Matured, pending settlement	269.17	321.30
Capital Creditors	1,217.69	1,404.58
Security and Other Deposits	28.04	28.07
Debentures - (b)	3.00	3.00
Others	89.90	80.87
	4,570.63	**10,091.26**

(a) These figures do not include any amount, due and outstanding, to be credited to "Investor Education and Protection Fund", except ₹ 0.07 crore (31/03/2017: ₹ 0.02 crore), which is held in abeyance due to legal cases pending.

(b) In terms of Debenture Subscription Agreement between Utkal Alumina International Limited ('UAIL'), subsidiary of the Group, and Orissa Mining Corporation Limited ('OMCL'), UAIL issued during the year, a Zero Coupon Unsecured Redeemable Non-Convertible Debentures of ₹ 3.00 core to OMCL towards its obligation to pay OMCL, an amount equivalent to 15% per annum on ₹ 20.00 crore as return upto March 31, 2018, which is due for redemption at par on September 30, 2018.

28. Provisions

(₹ Crore)

	As at 31/03/2018			As at 31/03/2017		
	Non-Current	Current	Total	Non-Current	Current	Total
Employee Benefits	6,130.64	832.14	6,962.78	5,772.82	656.35	6,429.17
Other Provisions						
Environmental Contingencies	20.04	29.95	49.99	34.29	9.13	43.42
Assets Retirement Obligations	416.10	-	416.10	235.95	36.69	272.64
Enterprise Social Responsibilities	133.33	12.54	145.87	127.26	15.23	142.49
Renewable Power Obligations	-	141.46	141.46	-	394.26	394.26
Legal Matters	507.12	324.76	831.88	517.81	60.78	578.59
Tax Contingencies	159.13	-	159.13	180.83	-	180.83
Others - (a)	79.33	315.77	395.10	91.19	245.54	336.73
	1,315.05	**824.48**	**2,139.53**	**1,187.33**	**761.63**	**1,948.96**
	7,445.69	**1,656.62**	**9,102.31**	**6,960.15**	**1,417.98**	**8,378.13**

(a) The Group have made provisions towards environmental, asset retirement, social responsibility, renewable power, restructuring, rehabilitation, carbon emission, legal and other obligations at various locations involving considerable uncertainties towards amount and timing of outflow of economic resources. The provisions are discounted over the Management expected timing of related cash flows.

(b) Movements in each class of provisions are set out below:

(₹ Crore)

	Environmental Contingencies	Assets Retirement Obligation	Enterprise Social Responsibility	Renewable Power Obligation	Legal Matters	Tax Contingencies	Others	Total
As at April 01, 2016	**44.31**	**207.11**	**-**	**-**	**530.74**	**183.83**	**517.83**	**1,483.82**
Additional Provisions Recognised	15.41	46.06	142.49	132.18	54.91	56.46	130.70	578.21
Reclassified	-	-	-	249.57	-	-	-	249.57
Amount Used	(9.37)	(0.28)	-	12.51	(61.92)	(25.00)	(127.66)	(211.72)
Amount Reversed	(7.39)	-	-	-	-	-	-	(7.39)
Unwinding of Discounts	0.87	9.53	-	-	-	-	2.08	12.48
Exchange Adjustment	(0.41)	10.22	-	-	54.86	(34.46)	11.26	41.47
Amount Reversed on Loss of Control	-	-	-	-	-	-	(197.43)	(197.43)
Others	-	-	-	-	-	-	(0.05)	(0.05)
As at March 31, 2017	**43.42**	**272.64**	**142.49**	**394.26**	**578.59**	**180.83**	**336.73**	**1,948.96**
Additional Provisions Recognised	11.72	114.08	-	150.55	418.38	41.84	251.48	988.05
Amount Used	(5.52)	(4.59)	(5.17)	(403.35)	(141.29)	(85.28)	(62.47)	(707.67)
Unwinding of Discounts	0.87	18.38	8.55	-	-	-	0.85	28.65
Exchange Adjustment	(0.50)	15.59	-	-	(23.80)	21.74	(126.32)	(113.29)
Other	-	-	-	-	-	-	(5.17)	(5.17)
As at March 31, 2018	**49.99**	**416.10**	**145.87**	**141.46**	**831.88**	**159.13**	**395.10**	**2,139.53**

29. Other Liabilities

(₹ Crore)

	As at 31/03/2018		As at 31/03/2017	
	Non-Current	Current	Non-Current	Current
Advance from Customers	-	263.42	-	280.01
Deferred Income	1,074.81	75.48	400.45	49.68
Statutory Dues Payables	6.02	839.65	7.11	937.69
Other Payables	99.98	142.82	114.83	128.28
	1,180.81	**1,321.37**	**522.39**	**1,395.66**

30. Current Borrowings

(₹ Crore)

	As at	
	31/03/2018	31/03/2017
Secured		
Loans from Banks		
Rupee Loans - (a) and (b)	50.13	242.84
Foreign Currency Loans - (c)	14.38	1,168.33
Loans from Others		
Foreign Currency Loans	5.50	2.09
	70.01	**1,413.26**

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
Unsecured		
Loans from Banks		
Rupee Loans	2.49	214.86
Foreign Currency Loans	3,321.38	4,964.31
Loans from Others		
Rupee Loans	0.10	-
Foreign Currency Loans	4.18	3.50
	3,328.15	**5,182.67**
	3,398.16	**6,595.93**

(a) Working Capital Loans for Aluminium Business, granted under the Consortium Lending Arrangement, are secured by a first *pari passu* charge on entire stocks of raw materials, work-in-process, finished goods, consumable stores and spares, and also book debts pertaining to the Company's Aluminium business, both present and future. Working Capital Loan of State Bank of India for the Copper business is secured by a first *pari passu* charge by way of hypothecation of stocks of raw materials, work-in-process, finished goods and consumable stores and spares, and also book debts and other moveable assets of Copper business, both present and future.

(b) Cash Credit Facilities for Utkal Alumina International Limited (Utkal) with banks are repayable on demand and carries floating interest rate at MCLR (ranging from 3 months to one year) + Spread (ranging from 25 to 55 bps). The facilities are availed under the consortium lending arrangement and are secured by (a) first *pari passu* charge by hypothecation of certain investments, entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares, stock-in-trade and book debts pertaining to the Utkal's business, both present and future, and (b) second charge on the fixed assets of Utkal.

(c) As of March 31, 2018, short term borrowings of Novelis Inc. consists of $ 2.2 million (₹ 14.38 crore) under ABL Revolver, $ 35.8 million (₹ 233.42 crore) in Novelis China loans (CNY 247 million), $ 5.49 million (₹ 35.55 crore) in Ulsan and $ .004 million (₹ 0.02 crore) in loans from other. Further, ₹ 324.30 crore of Novelis Do Brasil, which was outstanding as on March 31, 2017, was paid off during the year ended March 31, 2018.

31. Revenue from Operations

(₹ Crore)

	Year ended	
	31/03/2018	**31/03/2017**
Sale of Products - (a)	115,140.16	102,006.46
Sale of Services	44.36	39.87
Other Operating Revenues - (b)	624.07	585.12
	115,808.59	**102,631.45**

(a) Includes Excise Duty ₹ 636.90 crore till June 30, 2017 (31/03/2017: ₹ 2,447.67 crore). Subsequent to the introduction of Goods and Service Tax (GST) with effect from July 01, 2017, revenue is reported excluding GST.

(b) Includes Government Grant in the nature of Export Incentives and other benefits of ₹ 315.93 crore (31/03/2017: ₹ 288.16 crore).

32. Other Income

(₹ Crore)

	Year ended 31/03/2018	Year ended 31/03/2017
Interest Income		
On Non-Current Investments	1.37	2.53
On Current Investments	102.28	173.22
On Others	338.10	239.61
Dividend Income		
On Non-Current Investments	39.38	36.69
On Current Investments	1.75	1.73
Gains (Losses) on Financial Assets Measured at Fair Value through Profit and Loss (Net)		
On Sale of Financial Assets FVTPL	627.78	72.23
On Change of Fair value of Financial Assets FVTPL	(212.89)	482.67
Profit/(Loss) on Property, Plant and Equipment and Intangibles Assets sold/ Discarded (Net)	(65.15)	(63.83)
Rent Income	14.65	12.89
Liabilities no longer required written back	54.79	39.06
Government Grants - (a)	78.66	79.52
Other Non-Operating Income (Net) - (b)	123.85	34.68
	1,104.57	**1,111.00**

(a) Grant income relates to carbon emission credit allotments for certain operations in Europe and Asia, and grant income associated with fixed assets investments in North America, South America and Asia of the Group's subsidiary Novelis Inc.

(b) Includes gain on modification of borrowings of ₹ 65.50 crore (31/03/2017: ₹ Nil) resulting from change in amount and timing of expected cash flow payments on term loan.

33. Cost of Materials Consumed

(₹ Crore)

	Year ended 31/03/2018	Year ended 31/03/2017
Raw Materials	70,864.81	58,397.63
Packing Materials	1.17	3.45
	70,865.98	**58,401.08**

34. Purchases of Stock-in-Trade

Material Purchased	4.92	89.11
	4.92	**89.11**

35. Changes in Inventories of Finished Goods and Work-in-Progress

Opening Stocks		
Work-in-Progress	8,948.86	6,510.56
Finished Goods	3,025.14	2,871.68
	11,974.00	**9,382.24**
Less: Closing Stocks		
Work-in-Progress	10,620.22	8,948.86
Finished Goods	3,326.77	3,025.14
	13,946.99	**11,974.00**
	(1,972.99)	(2,591.76)
Inventories of Disposed Operations	-	(88.27)
Change in Excise Duty on Stock (Net)	(55.52)	1.27
Currency Translation Adjustment (Net)	37.09	(150.07)
	(1,991.42)	**(2,828.83)**

36. Employee Benefits Expenses

(₹ Crore)

	Year ended 31/03/2018	Year ended 31/03/2017
Salaries and Wages	6,153.90	5,978.75
Contribution to Provident Fund and other Defined Contribution Funds	666.19	601.82
Gratuity and other Defined Benefit Plans	505.74	650.36
Employee Share-based Payment Expenses (refer Note 46)	140.43	139.86
Employee Welfare Expenses	1,191.98	1,186.76
	8,658.24	8,557.55
Less: Transferred to Capital Work-in-Progress/Intangible Assets under development	(13.46)	(11.54)
	8,644.78	**8,546.01**

37. Power and Fuel

Power and Fuel Expenses	8,584.12	8,530.86
Less: Transferred to Capital Work-in-Progress	-	(7.79)
	8,584.12	**8,523.07**

38. Finance Costs

Interest Expenses	3,744.58	4,693.88
(Gain)/Loss on Foreign Currency Transactions and Translation (Net)	0.90	1.00
Loss/(Gain) on Extinguishment of Debt	-	917.28
Other Borrowing Costs	180.74	141.74
	3,926.22	5,753.90
Less: Transferred to Capital Work-in-Progress - (a)	(15.49)	(11.46)
	3,910.73	**5,742.44**

(a) Weighted-average capitalisation rate applicable to the borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining a qualifying asset is ranging from 4.88% to 10.85%. (31/03/2017: 5.34% to 10.85%).

39. Depreciation and Amortisation

(₹ Crore)

	Year ended 31/03/2018	Year ended 31/03/2017
Depreciation of Property, Plant and Equipment	3,959.67	3,910.45
Depreciation of Investment Properties	0.57	0.56
Amortisation of Intangible Assets	546.00	546.79
	4,506.24	4,457.80
Less: Transferred to Capital Work-in-Progress	-	(0.56)
	4,506.24	**4,457.24**

40. Impairment Loss/(Reversal) (Net)

Impairment Loss	100.25	11.54
Impairment Reversal	-	-
Impairment Loss/(Reversal) (Net)	**100.25**	**11.54**

The Group assesses the recoverability of property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that we may not be able to recover the asset's carrying amount. Such events or circumstances include, but are not limited to, a significant decrease in the fair value of the underlying business or a change in utilisation of property and equipment and intangible assets.

If any indication exists and an impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and it will be its new cost basis. For a depreciable asset, the new cost basis will be depreciated over the remaining useful life of that asset. For an amortisable intangible asset, the new cost basis will be amortised over the remaining useful life of the asset.

Impairment loss calculations require the management to apply judgments in estimating future cash flows to determine asset fair values, including forecasting useful lives of the assets and selecting the discount rate that represents the risk inherent in future cash flows. Impairment charges are recorded in "Impairment Loss/(Reversal) (Net)" in the Consolidated Statement of Profit and Loss. For the year ended March 31, 2018, based on the impairment testing exercise perform by the Group for its various CGUs, Novelis Inc., a subsidiary of the Group, recorded impairment charges as under:

(a) ₹ 64.58 crore related to plant and equipment in the Gottingen, Germany facility. This was related to the production litho material line that was shut down.

(b) ₹ 30.50 crore related to intangible asset under development in Europe. This is related to the SAP software that would no longer be developed.

(c) ₹ 5.17 crore in CWIP items within projects related to Research and Development facility.

The recoverable value of all the impaired assets discussed above was nil.

For the year ended March 31, 2017, Novelis Inc. had recorded ₹ 11.54 crore as impairment loss related to its plant and equipment (including ₹ 5.12 crore towards Capital Work-in-Progress) in North America.

41. Other Expenses

(₹ Crore)

	Year ended	
	31/03/2018	**31/03/2017**
Consumption of Stores and Spares	2,620.45	2,693.66
Repairs to Buildings	207.81	201.91
Repairs to Machinery	1,701.74	1,711.46
Rates and Taxes	134.61	162.24
Rental Charges	295.56	286.13
Insurance Charges	168.35	204.64
Payments to Auditors	61.42	59.01
Research and Development	435.60	408.81
Freight and Forwarding Expenses (Net) - (a)	3,455.11	3,251.18
Allowance for Doubtful Debt, Loans, Advances and Receivables (Net)	27.67	56.54
Bad Debt, Loans, Advances and Receivables Written Off/(Written Back) (Net)	5.50	0.75
Donation - (b)	25.76	38.21
Directors' Fees and Commission	11.55	11.41
(Gain)/Loss on assets held for sale	0.89	(14.66)
(Gain)/Loss on Change in Fair Value of Derivatives (Net)	(204.43)	353.28
(Gain)/Loss on Foreign Currency Transactions and Translation (Net)	2.05	(49.98)
Cost of own Manufactured Products Capitalised/Used	(29.03)	(20.84)
Premium on Coal Extraction	761.10	661.47
Miscellaneous Expenses	5,535.40	5,095.79
	15,217.11	15,111.01
Less: Transferred to Capital Work-in-Progress/Intangible Assets under development	(74.42)	(105.56)
	15,142.69	**15,005.45**

(a) Freight and forwarding expenses are net of freight subsidy of ₹ 21.48 crore (year ended 31/03/2017: ₹ 45.88 crore) on sale of DAP.

(b) Donation includes ₹ 6.75 crore (31/03/2017: ₹ 4.00 crore) paid to AB General Electoral Trust (erstwhile General Electoral Trust) as political donation.

42. Exceptional Items (Net)

Exceptional Items consist of the followings:

(₹ Crore)

	Year ended	
	31/03/2018	**31/03/2017**
Exceptional Income	2,160.62	143.62
Exceptional Expenses	(386.46)	(151.26)
	1,774.16	**(7.64)**

Details of Exceptional Items are given below:

(a) Based on Honourable Supreme Court judgement dated October 13, 2017, and considering the prospective contribution required to be made to the DMF by the holder of a mining lease or a prospecting licence-cum-mining lease, in addition to the payment of royalty, an amount of ₹ 73.06 crore has been written back during the financial year 2017-18, which was provided/paid in earlier years relating to the period for which such levy was held invalid or not applicable. The corresponding provision for the financial year 2016-17 was ₹ 60.04 crore.

(b) During the year ended March 31, 2018, Novelis Korea Limited, a subsidiary of the Group, sold 49.9% of its shares resulting in the Group recognising a net gain of ₹ 1,782.46 crore on the transaction. (refer Note 57)

(c) The Group has discontinued the accounting of its Investment in Idea Cellular Limited (ICL) as 'Investment in Associates' effective March 31, 2018 and designated the investment in ICL as "Fair Value through Other Comprehensive Income (FVTOCI)". This change has resulted into a gain of ₹ 305.10 crore. (refer Note 56D)

(d) Based on the Honourable Supreme Court judegement dated August 2, 2017, in the matter of Common Cause V/s Union of India (to which the Company is not a party), provisional demands are raised on the Company for its bauxite mines. The Company has challenged the purported demand and obtained stay on the demands. As the matter is pending final determination and considering the implication of existing litigation, the Company has provided ₹ 219.69 crore during the financial year 2017-18.

(e) Based on the Honourable Supreme Court judgement dated September 15, 2017, in the matter of Transit Fee on forest produce (as applicable, amongst others, in the States of Uttar Pradesh and Madhya Pradesh), an amount of ₹ 139.35 crore has been provided during the financial year 2017-18 towards probable obligation that may arise.

(f) Based on the Honourable Supreme Court judgement dated September 22, 2017, in the matter of proportionate reduction in input tax credit in case of sale in course of inter-state trade, commerce and branch transfer under the Gujarat Value Added Tax Act, 2003, to which the Company is not a party, an amount of ₹ 27.42 crore related to earlier periods has been provided during the financial year 2017-18.

(g) During the year ended March 31, 2017, the Group has sold its entire holding in its subsidiary, Aditya Birla Minerals Limited, Australia (ABML), by accepting an off-market take-over offer from Metals X Limited. As per the offer, a part of the proceeds were realised in cash and the balance in the equity shares of Metals X Limited. The equity shares of Metals X Limited received as part of this transaction have also been liquidated. The resultant gain of ₹ 143.62 crore arising out of these transactions is accounted for as exceptional income.

(h) During the year ended March 31, 2017, Novelis Inc., wholly-owned subsidiary of the Company, has sold its 59.15% equity interest in Aluminium Company of Malaysia Berhad to Towerpack Sdn. Bhd. for USD 12 million. The transaction includes Novelis's interest in the Bukit Raja, Malaysia, facility, which processed aluminium within the construction/industrial and heavy and light gauge foil markets, and the wholly owned entity of Alcom Nikkei Specialty Coating Sdn. Berhad. The resultant loss arising out of these transactions is ₹ 91.22 crore.

43. Income Tax Expenses

The Group's income tax expenses and effective tax rate reconciliation are given below:

(a) Amount recognised in Statement of Profit and Loss

(₹ Crore)

	Year ended 31/03/2018	Year ended 31/03/2017
Current Tax		
Current Tax Expenses for the year	1,663.71	1,375.64
Adjustments for Current Tax of Prior Periods (Net)	(78.25)	(54.66)
	1,585.46	1,320.98
Deferred Tax		
Deferred Income Tax Expenses for the year	979.07	454.07
MAT Credit Entitlement	(490.36)	(407.34)
Adjustments for Deferred Tax of Prior Periods (Net)	-	64.88
	488.71	111.61
Total Income Tax Expenses	**2,074.17**	**1,432.59**

i. Applicable Indian Statutory Income Tax rate for the year ended March 31, 2018 and March 31, 2017, is 34.608%. However, the Company is required to pay Minimum Alternative Tax u/s 115JB of Income-tax Act 1961.

ii. The Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017. Among its numerous changes, the Act reduces the U.S. corporate rate from 35% to 21% effective January 1, 2018 for Novelis. The result is a blended U.S. corporate rate of 31.55% for fiscal year 2018. The impact of the lower statutory rate applied to year-to-date earnings has been recorded in the year ended March 31, 2018. Also recorded in the same year is an estimated non-cash income tax benefit of ₹ 306.64 crore for the remeasurement of deferred tax assets and liabilities to reflect the anticipated rate at which the deferred items will be realised.

(b) Reconciliation of Effective Tax Rate

(₹ Crore)

	Year ended 31/03/2018	Year ended 31/03/2017
Profit/(Loss) from Continuing Operations Before Tax	8,157.04	3,314.89
Indian Statutory Income Tax Rate (%)	34.608%	34.608%
Tax Expenses using the Company's Domestic Tax Rate	2,822.99	1,147.22
Tax Effect of Adjustments to reconcile Reported Income Tax Expense:		
Tax Credits and Other Concessions	(3.99)	(66.85)
Income Exempt From Tax	(53.23)	(204.63)
Expenses not Deductible in determining Taxable Profit	158.18	11.25
Tax on Income (domestic and foreign) at rates different from Statutory Income Tax Rate	(285.98)	90.43
Adjustments pertaining to Prior years	(71.83)	9.83
Changes in previously unrecognised tax loss, tax credit or temporary difference of a prior period	(206.62)	0.39
Uncertain Tax Positions	21.05	37.45
Share of Profit of Equity Accounted Investees	(97.01)	5.80
Differences in Tax Rates in Foreign Jurisdictions	(278.86)	8.11
Deferred Tax not Recognised on carry forward losses and benefits	193.62	530.25
Foreign Exchange Translation and remeasurement	62.32	(77.48)
Deferred Tax not recognised on assets	-	(67.16)
Others	(186.47)	7.98
Total Tax Expenses recognised in the Consolidated Statement of Profit and Loss	**2,074.17**	**1,432.59**

44. Other Comprehensive Income

The disaggregation of changes to Other Comprehensive Income (OCI) by each class is given below:

(₹ Crore)

	Year ended 31/03/2018			Year ended 31/03/2017		
	Gross	**Tax**	**Net**	**Gross**	**Tax**	**Net**
(a) **Items that will not be reclassified to Profit and Loss**						
Actuarial Gain/(Loss) on Defined Benefit Obligations	105.79	(101.84)	3.95	395.24	(117.21)	278.03
Gain/(Loss) on Equity Instruments FVTOCI	580.60	5.09	585.69	1,378.87	2.33	1,381.20
Share in Joint Ventures/ associates	0.06	(0.02)	0.04	(0.61)	0.19	(0.42)
	686.45	**(96.77)**	**589.68**	**1,773.50**	**(114.69)**	**1,658.81**
(b) **Items that will be reclassified to Profit and Loss**						
Gain/(Loss) on Debt Instruments FVTOCI	(1.56)	0.56	(1.00)	3.23	0.83	4.06
Effective Portion of Cash Flow Hedge	1,110.15	(367.18)	742.97	(1,268.70)	458.55	(810.15)
Cost of Hedging Reserve	361.02	(128.29)	232.73	553.64	(191.60)	362.04
Gain/(Loss) on Hedge of Net Investment	(110.81)	-	(110.81)	2.67	-	2.67
Foreign Currency Translation Reserve	1,537.85	-	1,537.85	(1,235.41)	-	(1,235.41)
	2,896.65	**(494.91)**	**2,401.74**	**(1,944.57)**	**267.78**	**(1,676.79)**
Total Other Comprehensive Income	**3,583.10**	**(591.68)**	**2,991.42**	**(171.07)**	**153.09**	**(17.98)**

45. Earnings/(Loss) Per Share (EPS)

(₹ Crore)

	Year ended	
	31/03/2018	**31/03/2017**
Profit/(Loss) from Continuing Operations		
As per the Consolidated Statement of Profit and Loss	6,082.87	1,882.30
Less: Non-Controlling Interests share in Profit/(Loss)	(0.05)	(17.44)
Profit/(Loss) from Continuing Operations attributable to Owners of the Company	6,082.92	1,899.74
Weighted-average number of shares used in the calculation of EPS:		
Weighted-average Number of Equity Shares for basic EPS	2,227,789,728	2,060,348,932
Dilutive impact of Employee Stock Options Scheme	1,292,718	1,463,706
Weighted-average Number of Equity Shares for diluted EPS	2,229,082,446	2,061,812,638
Face Value of Per Equity Share (₹)	1.00	1.00
Earnings/(Loss) Per Share from Continuing Operations		
Basic (₹)	27.30	9.22
Diluted (₹)	27.29	9.21

46. Employee share-based Payments

The Group has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Group, as well as to motivate them to contribute to its growth and profitability. The Group views employee stock options as instruments that would enable the employees to share the value they create for the Group in the years to come. At present, two employee share-based payment schemes are in operation at Hindalco Industries Limited, the Parent, whereas three employee share-based payment schemes are in operation at Novelis Inc., a subsidiary of the Group. Details of these employee share-based schemes are given below:

A. Employee Share-based Payments at Parent

Employee Stock Option Scheme 2006 ("ESOS 2006"):

The shareholders of the Company have approved on 23/01/2007 an Employee Stock Option Scheme 2006 ("ESOS 2006"), formulated by the Company, under which the Company may issue 3,475,000 stock options to its permanent employees in the management cadre, whether working in India or out of India, including Managing and the Whole-time Directors of the Company, in one or more tranches. The ESOS 2006 is administrated by the Compensation Committee of the Board of Directors of the Company ("the Committee"). Each stock option, when exercised, would be converted into one fully paid-up equity share of ₹ 1/- each of the Company. The stock options will vest in 4 equal annual instalments after completion of one year of service from the date of grant. The exercise price shall be average price of the equity shares of the Company in the immediate preceding seven-day period on the date prior to the date on which the ESOS compensation committee finalises the specific numbers of Options to be granted to the employees discounted by such percentage not exceeding 30% (thirty percent) to be determined by ESOS Compensation Committee in the best interest of the various stake holders in the prevailing market conditions. The maximum period of exercise is 5 years from the date of vesting and these stock options do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/expired stock options are also available for grant. Further, on 23/09/2011 the ESOS 2006 has been partially modified and by which the Company may issue 6,475,000 stock options to its eligible employees.

Under the ESOS 2006, till 31/03/2018 the Committee has granted 4,328,159 stock options (31/03/2017: 4,328,159 stock options) to its eligible employees, out of which 1,819,941 stock options (31/03/2017: 1,819,941 stock options) have been forfeited/expired and are available for grant as per term of the Scheme. A summary of movement of the stock options and weighted average exercise price (WAEP) is given below:

	Year ended 31/03/2018		Year ended 31/03/2017	
	Number	**WAEP (₹)**	**Number**	**WAEP (₹)**
Outstanding at beginning of the year	1,002,139	118.65	1,491,260	120.87
Granted during the year	-	-	-	-
Forfeited during the year	-	-	(22,510)	98.30
Exercised during the year	(133,438)	118.35	(443,476)	125.51
Expired during the year	-	-	(23,135)	150.10
Outstanding at year end	868,701	118.69	1,002,139	118.65
Vested and Exercisable at year end	868,701	118.69	806,487	118.63

Under ESOS 2006, as at 31/03/2018 the range of exercise prices for stock options outstanding was ₹ 118.35 to ₹ 118.73 (31/03/2017: ₹ 118.35 to ₹ 118.73) whereas the weighted average remaining contractual life for the stock options outstanding was 2.83 years (31/03/2017: 3.50 years).

Employee Stock Option Scheme 2013 ("ESOS 2013"):

On 10/09/2013, the shareholders of the Company have approved another Employee Stock Option Scheme 2013 ("ESOS 2013"), under which the Company may grant upto 5,462,000 Options (comprising of Stock Options and/or Restricted Stock Units (RSU)) to the permanent employees in the management cadre and Managing and Whole-time Directors of the Company and its subsidiary companies in India and abroad, in one or more tranches. The ESOS 2013 is administered by the Compensation Committee of the Board of Directors of the Company ("the Committee"). The stock options exercise price would be determined by the Committee whereas the RSUs exercise price shall be the face value of the equity shares of the Company as at the date of grant of RSUs. Each stock option and each RSU entitles the holders to apply for and be allotted one fully paid-up equity share of ₹ 1/- each of the Company upon payment of exercise price during exercise period. The stock options will vest in 4 equal annual instalments after completion of one year of the services from the date of grant, whereas RSU will vest upon completion of three years of services from the date of grant. The maximum period of exercise is 5 years from the date of vesting and these stock option/RSU do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/expired stock options and RSUs are also available for grant.

In terms of ESOS 2013, till 31/03/2018 the Committee has granted 2,250,754 stock options and 2,252,254 RSUs (31/03/2017: 2,250,754 stock options and 2,252,254 RSUs) to the eligible employees of the Company and some of its subsidiary companies. Further, 239,996 stock options and 248,954 RSUs (31/03/2017: 235,611 stock options and 248,954 RSUs) have been forfeited/expired, and are available for grant as per the term of the Scheme. A summary of movement of stock options and RSUs and weighted-average exercise price (WAEP) is given below:

	Year ended 31/03/2018				Year ended 31/03/2017			
	Stock Options		RSUs		Stock Options		RSUs	
	Number	WAEP (₹)	Number	WAEP (₹)	Number	WAEP (₹)	Number	WAEP (₹)
Outstanding at the beginning of the year	1,953,262	119.91	1,046,945	1.00	1,948,622	118.31	1,959,500	1.00
Granted during the year	-	-	-	-	76,930	167.15	76,982	1.00
Forfeited during the year	(4,385)	119.45	-	1.00	(31,450)	137.21	(33,182)	1.00
Re-instated during the year	8,772	151.30	-	-	-	-	-	-
Exercised during the year	(988,984)	120.64	(586,390)	1.00	(40,840)	119.45	(956,355)	1.00
Expired during the year	-	-	-	-	-	-	-	-
Outstanding at year end	968,665	119.16	460,555	1.00	1,953,262	119.91	1,046,945	1.00
Vested and Exercisable at year end	837,045	118.51	272,239	1.00	1,349,625	119.37	785,409	1.00

Under ESOS 2013, the range of exercise prices for stock options outstanding as at 31/03/2018 was ₹ 73.60 to ₹ 167.15 (31/03/2017: ₹ 73.60 to ₹ 167.15), whereas exercise price in the case of RSUs was ₹ 1 (31/03/2017: ₹ 1). The weighted average remaining contractual life for the stock options and RSUs outstanding as at 31/03/2018 was 3.96 years and 4.68 years, respectively (31/03/2017: 4.29 years and 5.06 years, respectively).

The Company has not granted any stock option or RSU to any of the employee during the year ended 31/03/2018. However, the fair value of stock option and RSU granted during year ended March 31, 2017, was ₹ 96.94 and ₹ 163.40 respectively. The fair value has been carried out by an independent valuer by applying Black-Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk-free rate of interest. The assumptions used for fair valuation of awards are given below:

	Year ended 31/03/2017	
	Tranche III	
	Stock Option	RSU
Grant Date	21/12/2016	21/12/2016
Exercise Price (₹)	167.15	1.00
Life of Options Granted (years)	7.5 years	8 years
Share Price on Grant Date (₹)	167.15	167.15
Expected Volatility (%)	41.27%	43.14%
Expected Dividend (%)	100%	100%
Risk Free Interest Rate (%)	8.00%	8.00%

The expected dividend is based on last year data, and is not necessarily indicative. The expected volatility was determined based on the historical share price volatility over the past period depending on life of the options granted, which is indicative of future periods and which may not necessarily be the actual outcome.

B. Employee Share-based Payments Schemes at Novelis Inc. ("Novelis"), a Subsidiary of the Group:

The Novelis's Board of Directors has authorised long-term incentive plans (LTIPs), under which Hindalco Stock Appreciation Rights (Hindalco SARs), Novelis Stock Appreciation Rights (Novelis SARs), Phantom Restricted Stock Units (Phantom RSUs) and Novelis Performance Units (Novelis PUs) are granted to certain executive officers and key employees. The Hindalco and Novelis SARs vest at the rate of 25% or 33% per year, subject to the achievement of an annual performance target, and expire seven years from their original grant date. The performance criterion for vesting of the Hindalco and Novelis SARs is based on the actual overall Novelis operating EBITDA, compared to the target established and approved each fiscal year. The minimum threshold for vesting each year is 75% of each annual target operating EBITDA. Each Hindalco SAR is to be settled in cash based on the difference between the market value of one Hindalco share on the date of grant and the market value on the date of exercise. Each Novelis SAR is to be settled in cash based on the difference between the fair value of one Novelis phantom share on the original date of grant and the fair value of a phantom share on the date of exercise. The amount of cash paid to settle Hindalco and Novelis SARs is limited to two-and-a-half or three times the target payout, depending on the plan year. The Hindalco and Novelis SARs do not transfer any shareholder rights of Hindalco or Novelis to a participant. The Hindalco and Novelis SARs are classified as liability awards and are remeasured at each reporting period until the SARs are settled or cancelled. Novelis expenses each fiscal year's SAR tranche(s) over the employee requisite service period, which results in the expense being recorded on an accelerated basis.

The Phantom RSUs are based on Hindalco's stock price. The Phantom RSUs vest either in full three years from the grant date or 33% per year over three years, subject to continued employment with Novelis, but are not subject to performance criteria. Each Phantom RSU is to be settled in cash equal to the market value of one Hindalco share. The payout on the Phantom RSUs is limited to three times the market value of one Hindalco share measured on the original date of grant. The Phantom RSUs are classified as liability awards and expensed over the employee requisite service period based on the Hindalco stock price as of each Balance Sheet date.

In May 2016, the Novelis's Board of Directors approved the issuance of Novelis PUs which have a fixed USD100 value per unit, and will vest in full three years from the grant date, subject to specific performance criteria compared to the established target. The Novelis PUs awards are not based on the Hindalco or Novelis stock prices and, therefore, are accounted for in accordance with Ind-AS 19 - Employee Benefits.

	Year ended 31/03/2018		Year ended 31/03/2017	
	Number	**WAEP (₹)**	**Number**	**WAEP (₹)**
(a) *Hindalco Stock Appreciation Rights (Hindalco SARs)*				
Outstanding at the beginning of the year	15,161,233	122.16	21,493,712	124.05
Granted during the year	2,324,230	186.11	3,687,728	93.59
Forfeited during the year	(358,965)	131.94	(2,844,311)	117.00
Exercised during the year	(5,928,524)	123.54	(7,175,896)	118.92
Expired during the year	-	-	-	-
Outstanding at year end	11,197,974	134.32	15,161,233	122.16
Vested and Exercisable at year end	2,923,178	134.62	4,422,990	139.54
(b) *Novelis Stock Appreciation Rights (Novelis SARs)*				
Outstanding at the beginning of the year	108,549	5,420.12	1,341,883	5,300.38
Granted during the year	-	-	-	-
Forfeited during the year	(7,518)	5,623.77	(1,220,595)	5,353.93
Exercised during the year	(8,808)	4,095.42	(12,739)	4,318.09
Expired during the year	-	-	-	-
Outstanding at year end	92,223	5,546.45	108,549	5,420.12
Vested and Exercisable at year end	71,153	5,744.62	65,185	5,635.63

(c) *Phantom Restricted Stock Units (Phantom RSUs)*

	Year ended 31/03/2018		Year ended 31/03/2017	
	Number	WAEP (₹)	Number	WAEP (₹)
Outstanding at the beginning of the year	7,712,984	-	4,582,725	-
Granted during the year	2,594,805	-	5,382,251	-
Forfeited during the year	(367,480)	-	(877,115)	-
Exercised during the year	(2,826,252)	-	(1,374,877)	-
Expired during the year	-	-	-	-
Outstanding at year end	7,114,057	-	7,712,984	-

(d) *Particulars of Share Based Payments*

i. Information of carrying amount and intrinsic value of liabilities are given below:

(₹ Crore)

	As at 31/03/2018		As at 31/03/2017	
	Total Carrying Amount at the end of the period for Liabilities	Total Intrinsic Value at the end of the period of Liabilities (Vested Portion)	Total Carrying Amount at the end of the period for Liabilities	Total Intrinsic Value at the end of the period of Liabilities (Vested Portion)
Hindalco SAR	62.78	89.00	80.96	27.97
Novelis SAR	0.85	0.19	1.19	0.43
Phantom RSU	112.56	-	75.77	-
	176.19	89.19	157.92	28.40

ii. Information of number of options exercised and the weighted-average exercise price are given below:

	As at 31/03/2018		As at 31/03/2017	
	Number of Options Exercised	Weighted average Exercise Price	Number of Options Exercised	Weighted average Exercise Price
Hindalco SAR (price in ₹)	5,928,524	123.54	7,175,896	118.92
Novelis SAR (price in ₹)	8,808	4,095.42	12,739	4,318.09
Phantom RSU (price in ₹)	2,826,252	-	1,374,877	-

(e) *Inputs to the model used to determine fair value are as under:*

	Year ended 31/03/2018		Year ended 31/03/2017	
	Hindalco SAR	Novelis SAR	Hindalco SAR	Novelis SAR
Risk-free Interest Rate (%)	6.14% - 7.67%	1.71% - 2.55%	5.82% - 6.99%	0.78%-1.95%
Dividend Yield (%)	0.53%	-	0.51%	-
Volatility (%)	29% - 42%	22% - 25%	35% - 44%	25%-28%
Source of Historical Volatility	Hindalco historical volatility	Comparable companies	Hindalco historical volatility	Comparable companies
Model Used	Monte Carlo Simulation Model	Monte Carlo Simulation Model	Monte Carlo Simulation Model	Monte Carlo Simulation Model

C. Effect of Employee Share-based Payment Transactions on Profit or Loss for the year and on financial position:

During the year ended 31/03/2018, the Company has allotted 1,708,812 fully paid-up equity share of ₹ 1/- each of the Company (previous year 1,440,671) on exercise of equity settled options for which the Company has realised ₹ 13.57 crore (previous year ₹ 6.15 crore) as exercise prices. The weighted-average share price at the date of exercise of options was ₹ 243.95 per share (previous year ₹ 165.93 per share).

For the year ended 31/03/2018, the Group recognised expenses of ₹ 1.94 crore (31/03/2017: ₹ 5.57 crore) related to equity-settled share-based transactions, whereas ₹ 138.49 crore as expenses (31/03/2017: ₹ 134.29 crore) towards cash-settled share-based transactions accounted for as part of employee benefits expenses. (refer Note 36)

47. Segment Information:

The Group has three reportable segments, viz., Aluminium, Copper and Novelis, which have been identified taking into account the business activities it engages in and geographical areas and regulatory environments in which it operates. No operating segments have been aggregated to form these reportable segments. Description of each of the reporting segments is as under:

i. Aluminium Segment: This part of business manufactures and sells Hydrate and Alumina, Aluminium and Aluminium Products.

ii. Copper Segment: This part of business manufactures and sells Copper Cathode, Continuous Cast Copper Rods, Sulphuric Acid, DAP & Complexes, Gold, Silver and other precious metals.

iii. Novelis Segment: This represents Novelis Inc., a wholly owned foreign subsidiary, engaged in producing and selling aluminium sheet and light gauge products, and operating in all four major industrialized continents: North America, South America, Europe and Asia, identified as separate reportable segment based on its geographical area and regulatory environment.

The chief operating decision maker (CODM) primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis.

A. Segment Profit or Loss:

Segment's performance are measured based on Segment EBITDA. Segment EBITDA is defined as "Earnings from Continuing Operations before Finance Costs, Exceptional Items, Tax Expenses, Depreciation and Amortisation, Impairment of Non-Current Assets, Investment income, Fair value gains or losses on financial assets and share in profit/loss in equity accounted entities but after allocation of Corporate Expenses". Segment EBITDA are as follows:

(₹ Crore)

	Year ended	
	31/03/2018	**31/03/2017**
Aluminium	4,692.12	4,032.61
Copper	1,594.36	1,437.90
Novelis	7,902.55	7,194.36
Total Segment EBIDTA	**14,189.03**	**12,664.87**
Segment EBITDA reconciles to Profit/(Loss) Before Tax from Continuing Operations as follows:		
Total Segment EBIDTA	14,189.03	12,664.87
Unrealised Profit of Inter-segment Sales	-	0.36
Finance Costs	(3,910.73)	(5,742.44)
Depreciation and Amortisation	(4,506.24)	(4,457.24)
Impairment Loss/(Reversal) (Net)	(100.25)	(11.54)
Exceptional Items (Net)	1,774.16	(7.64)
Share in Profit/(Loss) of Associates	(125.09)	(25.14)
Investment and Treasury Income	976.41	347.79
Fair Value Gain/(Loss) on Financial Assets	(212.89)	482.67
Other Unallocated Income/(Expenses) (Net)	72.64	63.20
Profit/(Loss) Before Tax from Continuing Operations	**8,157.04**	**3,314.89**

Following amounts are either included in the measure of segment profit or loss reviewed by the CODM or are regularly provided to the CODM:

(₹ Crore)

	Year ended 31/03/2018			Year ended 31/03/2017		
	Aluminium	**Copper**	**Novelis**	**Aluminium**	**Copper**	**Novelis**
Interest Income - (a)	31.53	47.46	55.26	64.56	45.50	68.16
Depreciation and Amortisation - (b)	1,770.47	159.26	2,556.30	1,592.99	167.35	2,679.06
Impairment Loss/(Reversal) of Non-Current Assets (Net) - (b)	-	-	100.24	-	-	11.54

(a) Represents interest income from customers/security deposits, etc., which are included in the measure of segment profit or loss.

(b) Does not included in the measure of segment profit or loss but provided to the CODM.

B Segment Revenue:

The segment revenue is measured in the same way as in the Consolidated Statement of Profit and Loss. Sales between operating segments are eliminated on consolidation. Segment revenue and reconciliation of the same with total revenue as follows:

(₹ Crore)

	Year ended 31/03/2018			Year ended 31/03/2017		
	Segment Revenue	**Inter-segment Revenue**	**Revenue from External Customers**	**Segment Revenue**	**Inter-segment Revenue**	**Revenue from External Customers**
Aluminium	21,395.95	1.38	21,394.57	20,602.30	22.85	20,579.45
Copper	22,415.63	7.75	22,407.88	19,448.27	8.03	19,440.24
Novelis	72,006.14	-	72,006.14	62,611.76	-	62,611.76
Total	**115,817.72**	**9.13**	**115,808.59**	**102,662.33**	**30.88**	**102,631.45**

Revenue of approximately ₹ 2,619.47 crore (31/03/2017: ₹ 4,359.88 crore) included in revenue from Copper Segment are arose from a single external customer, which is more than 10% of the Copper Segment's total revenue during the reported period.

Novelis's ten largest customers accounted for approximately 63% of Novelis segment's total "Revenue from Operations" for the year ended March 31, 2018 and 2017, respectively, out of which two major customers contribute to 22% (₹ 15,959.92 crore) (31/03/2017: 30% (₹ 19,195.04 crore)) and 11% (₹ 7,657.96 crore) (31/03/2017: 4% (₹ 2,559.34 crore)) of the Novelis segment's total "Revenue from Operations", respectively.

The Company's operations are located in India. The amount of its revenue from external customers analysed by the country in which customers are located, irrespective of origin of the goods or services, are given below:

(₹ Crore)

	Year ended	
	31/03/2018	**31/03/2017**
India	24,473.80	23,296.31
Outside India	91,334.79	79,335.14
	115,808.59	**102,631.45**

C. Segment Assets:

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. However, certain assets like investments, investment accounted for using equity method, loans, assets classified as held for sale, current and deferred tax assets are not considered to be segment assets as they are managed at corporate level. Further, corporate administrative assets of an entity having operation, which are part of more than one reporting segments, are not allocated to individual segments as they also managed at corporate levels and does not linked to any specific segment.

In case of Novelis segment, all the assets of Novelis Inc. are considered as part of segment assets as it solely represents Novelis Inc. a separate legal entity as separate segment.

Segment assets and reconciliation of the same with total assets as follows:

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
Aluminium	50,574.80	51,676.19
Copper	9,282.55	9,018.72
Novelis	72,767.95	65,914.20
Total Segment Assets	132,625.30	126,609.11
Investment Property	23.72	24.29
Investments (Non-Current and Current)	10,766.62	13,591.22
Equity Accounted Entities	14.69	1,566.26
Other Corporate Assets	4,226.79	5,203.30
Total Assets	**147,657.12**	**146,994.18**

During the year ended 31/03/2018, capital expenditure relating to Aluminium, Copper and Novelis segments are ₹ 1,516.29 crore, ₹ 236.50 crore and ₹ 1,919.10 crore, respectively (31/03/2017: Aluminium ₹ 905.41 crore, Copper ₹ 227.44 crore and Novelis ₹ 1,583.13 crore).

The total of non-current assets, excluding financial assets, investments accounted for using equity method, and current and deferred tax assets analysed by the country, in which assets are located, are given below:

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
India	43,543.24	43,613.63
Outside India	44,897.80	44,014.91
	88,441.04	**87,628.54**

D. Segment Liabilities:

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment. In measurement of Aluminium and Copper segment's liabilities, items like borrowings, current and deferred tax liabilities, liabilities associated with assets classified as held for sale, etc., are considered to be segment liabilities as they are managed at corporate level. Further, corporate administrative liabilities of an entity having operation, which are part of more than one reporting segments, are not allocated to individual segments as they also managed at corporate levels, and does not linked to any specific segment.

In case of Novelis segment, all the liabilities of Novelis Inc., except borrowings, are considered as part of segment liabilities as it solely represents Novelis Inc. a separate legal entity as separate segment.

Segment liabilities and reconciliation of the same with total liabilities as follows:

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
Aluminium	5,864.64	5,904.40
Copper	3,986.23	3,633.71
Novelis	27,603.86	24,375.41
Total Segment Liabilities	37,454.73	33,913.52
Borrowings (Non-Current and Current, including Current Maturity)	52,074.02	63,817.45
Other Corporate Liabilities	3,267.96	3,198.18
Total Liabilities	**92,796.71**	**100,929.15**

48. Employee Benefits Obligations

A. Defined Benefit Plans

Defined benefit plans expose the Group to actuarial risks such as Interest Rate Risk, Salary Risk and Demographic Risk.

i. Interest Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefit obligation will tend to increase.

ii. Salary Risk: Higher than expected increases in salary will increase the defined benefit obligation.

iii. Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(a) Gratuity Plans

The Group has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specified number of days (ranging from 15 days to 1 month) of last drawn salary depending upon the tenure of service for each year of completed service, subject to minimum service of five years, payable at the time of separation upon superannuation or on exit otherwise. These defined benefit gratuity plans are governed by Payment of Gratuity Act, 1972.

(₹ Crore)

		Year ended	
		31/03/2018	**31/03/2017**
i.	**Change in Defined Benefit Obligation (DBO)**		
	Defined Benefit Obligations at beginning of the year	849.60	831.88
	Current Service Costs	53.42	55.35
	Interest Costs on the DBO	57.84	61.34
	Actuarial (Gain)/Loss Experience	(26.80)	(31.94)
	Actuarial (Gain)/Loss Demographic Assumption	(18.41)	-
	Actuarial (Gain)/Loss Financial Assumption	34.94	(39.14)
	Benefits Paid directly by the Company	(25.42)	(4.56)
	Benefits Paid from Plan Assets	(21.22)	(23.33)
	Defined Benefit Obligation at the end of the year	**903.95**	**849.60**
ii.	**Change in Fair Value Assets**		
	Fair Value of Assets at the beginning of the year	616.84	533.34
	Interest Income on Plan Assets	43.98	41.15
	Employer's Contributions	44.22	54.01
	Return on Plan Assets Greater/(Lesser) than Discount Rate	49.91	11.67
	Benefits Paid	(21.22)	(23.33)
	Fair Value of Assets at the end of the year	**733.73**	**616.84**
iii.	**Development of Net Balance Sheet Position**		
	Defined Benefit Obligations	(903.95)	(849.60)
	Fair Value of Plan Assets	733.73	616.84
	Net Defined Benefit Assets/(Liabilities)	**(170.22)**	**(232.76)**

(₹ Crore)

		Year ended 31/03/2018	Year ended 31/03/2017
iv.	**Reconciliation of Net Balance Sheet Position**		
	Net Defined Benefit Assets/(Liabilities) at the beginning of the year	(232.76)	(298.53)
	Service costs	(53.42)	(55.35)
	Net Interest on Net Defined Benefit Liability/(Assets)	(13.86)	(20.19)
	Amount Recognised in OCI	60.17	82.75
	Employer's Contributions	44.23	54.00
	Benefit Paid directly by the Company	25.42	4.56
	Net Defined Benefit Assets/(Liabilities) at the end of the year	(170.22)	(232.76)
v.	**Expense Recognised during the year**		
	Current Service Costs	53.42	55.35
	Net Interest on Net Defined Benefit Liabilities/(Asset)	13.86	20.19
	Net Gratuity Costs	67.28	75.54
vi.	**Other Comprehensive Income(OCI)**		
	Actuarial (Gain)/Loss Due to DBO Experience	(26.80)	(31.94)
	Actuarial (Gain)/Loss due to DBO Financial Demographic Assumption Changes	16.53	(39.14)
	Actuarial (Gain)/Loss arising during the period	(10.27)	(71.08)
	Return on Plan Assets (Greater)/Less than Discount Rate	(49.91)	(11.67)
	Actuarial (Gain)/Loss Recognised in OCI	(60.18)	(82.75)
vii.	**Defined Benefit Costs**		
	Service Costs	53.42	55.35
	Net Interest on Net Defined Benefit Liabilities/(Assets)	13.86	20.19
	Actuarial (Gain)/Loss Recognised in OCI	(60.17)	(82.75)
	Defined Benefit Costs	7.11	(7.21)
viii.	**Principal Actuarial Assumptions**		
	Discount Rate (based on the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities)	7.50%	7.00%
	Salary Escalation Rate	8.00%	7.00%
	Weighted-average Duration of the Defined Benefit obligations	8 Years	9 Years
	Mortality Rate	Indian Assured Lives	

(₹ Crore)

		As at 31/03/2018	As at 31/03/2017
ix.	**Non-Current and Current Portion of Defined Benefit Obligations**		
	Current Portion	(5.14)	-
	Non-Current Portion	(165.09)	(232.76)
		(170.23)	(232.76)

x. Sensitivity Analyses

Sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Consolidated Balance Sheet.

(₹ Crore)

	Year ended	
	31/03/2018	**31/03/2017**
Discount Rate		
Discount Rate as at the End of the year	7.50%	7.00%
Effect on Defined Benefit Obligation due to 1% Increase in Discount Rate	(67.61)	(70.97)
Effect on Defined Benefit Obligation due to 1% Decrease in Discount Rate	77.13	82.01
Salary Escalation Rate		
Salary Escalation Rate as at end of the year	8.00%	7.00%
Effect on Defined Benefit Obligation due to 1% Increase in Salary Escalation Rate	76.18	81.22
Effect on Defined Benefit Obligation due to 1% Decrease in Salary Escalation Rate	(67.94)	(71.61)

xi. Methodology for Defined Benefit obligations:

The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's liabilities, including those related to death-in-service and incapacity benefits.

xii. Expected Benefit Payments

(₹ Crore)

	Year ended	
	31/03/2018	**31/03/2017**
Within 1 year	48.78	33.87
from 1 year to 2 years	79.73	57.11
from 2 years to 3 years	83.08	66.34
from 3 years to 4 years	86.85	69.88
from 4 years to 5 years	91.87	72.84
from 5 years to 10 years	539.29	444.79
from more than 10 years	2,275.32	1,725.53
	3,204.92	2,470.36

xiii. Plan Assets Information

Major Categories of Plan Assets are as under:

Cash and Bank	2.59%	2.59%
Scheme of Insurance - Conventional Product	78.39%	78.39%
Scheme of Insurance - ULIP Product	19.02%	19.02%
	100.00%	100.00%

xiv. Expected Contributions to Post-employment Benefit Plan of Gratuity for the year ending March 31, 2019, are ₹ 62.94 crore.

(b) Pension and Post-Employment Medical Benefits of Novelis Inc, the Group's overseas subsidiary

Obligations related to the Group's overseas operations, relate to: (1) funded defined benefit pension plans in the U.S., Canada, Switzerland, and the U.K.; (2) unfunded defined benefit pension plans in Germany; (3) unfunded lump sum indemnities payable upon retirement to employees in France, Malaysia and Italy; and (4) partially funded lump sum indemnities in South Korea. These defined benefit plans provide a benefit to eligible employees based on plan provisions, including, but not limited to, years of service, compensation, or other vesting criteria. Each of the funded pension plans is governed by an Investment Fiduciary. Other post-retirement obligations include unfunded health care and life insurance benefits provided to eligible retired employees in the U.S., Canada and Brazil.

(₹ Crore)

		Year ended	
		31/03/2018	31/03/2017
i.	**Change in Obligations over the period**		
	Present Value of Defined Benefit Obligations at the beginning of the year	12,642.48	13,032.70
	Exchange (Gain)/Loss on Translation	755.73	(676.16)
	Current Service Costs	306.47	338.04
	Interest Costs	386.91	400.30
	Curtailment Cost/(Credits)	(6.52)	-
	Settlement Cost/(Credits)	(155.72)	-
	Plans Assumed on Acquisitions	71.98	(10.53)
	Plan Participants Contribution	29.17	30.34
	Plan Amendments	(31.09)	11.79
	Net Actuarial(Gain)/Loss	101.85	103.86
	Benefits Paid	(423.36)	(592.84)
	Other	-	4.98
	Present Value of Defined Benefit Obligations at the end of the year	**13,677.90**	**12,642.48**

During the year, a major obligation was established for Novelis non union medical plan for North America region resulting in past service cost of ₹ 23.37 crore (USD 3.65 million), further our European entity Novelis AG recorded an amendment gain amounting to ₹ 54.46 crore (USD 8.5 million) because of change in the terms of the plan.

		31/03/2018	31/03/2017
ii.	**Change in Plan Assets (Reconciliation of Opening and Closing Balance)**		
	Fair Value of Plan Assets at the beginning of the year	7,187.39	7,233.51
	Exchange Gain/(Loss) on Translation	327.26	(490.45)
	Plans Assumed on Acquisitions	61.57	-
	Plan Settlements	(155.72)	-
	Remeasurements	248.22	417.99
	Interest Income	228.08	239.39
	Employers' Contributions	454.29	349.45
	Plan Participant's Contribution	29.17	30.34
	Benefits Paid	(423.36)	(592.84)
	Fair Value of Assets at the end of the year	**7,956.90**	**7,187.39**
iii.	**Reconciliation of Fair Value of Assets and Obligations**		
	Fair Value of Plan Assets at the end of the year	7,956.90	7,187.39
	Present Value of Defined Benefit Obligations at the end of the year	13,677.90	12,642.48
	Amount Recognised in the Consolidated Balance Sheet	**5,721.00**	**5,455.09**
iv.	**Expenses recognised during the year**		
	Current Service Cost	306.47	338.04
	Past Service Cost/Curtailment Costs	(37.61)	12.20
	Interest Cost (Net)	158.84	160.91
	Immediate Recognition of (Gains)/Losses-other Long-term Benefit Plans	-	20.17
	Administration Cost and Taxes	-	5.15
		427.70	**536.47**

(₹ Crore)

		Year Ended	
		31/03/2018	**31/03/2017**
v.	**Remeasurement of Net Defined Benefit Liabilities/(Assets)**		
	Actuarial (Gains) and Losses arising from Changes in Demographic Assumptions	(0.82)	(9.24)
	Actuarial (Gains) and Losses arising from Changes in Financial Assumptions	130.67	106.22
	Actuarial (Gains) and Losses arising from Changes in Experience Adjustments	(28.00)	(84.25)
	Remeasurement of Net Defined Benefit Liability	101.85	12.73
	Remeasurement Return on Plan Assets excluding amount included in Interest Income	(248.22)	(417.99)
	Exchange Gain/(Loss)	102.67	91.13
		(43.70)	**(314.13)**
vi.	**Composition of Plan Assets**		
	Equity	2,444.19	2,112.33
	Fixed Income	4,339.93	3,527.72
	Real Estate	216.35	201.35
	Cash and Cash Equivalents	412.22	1,009.41
	Investments Measured at Net Asset Value	544.21	336.58

vii. Sensitivity Analysis for each Significant Actuarial Assumption

(₹ Crore)

	As at 31/03/2018		As at 31/03/2017	
	Approximate (Increase)/ Decrease		Approximate (Increase)/ Decrease	
	Defined Benefits Obligations	Post-Employment Medical Benefits	Defined Benefits Obligations	Post-Employment Medical Benefits
Discount Rate				
Increase of 1 percentage	1,778.66	70.49	1,678.26	63.23
Decrease of 1 percentage	(2,226.11)	(77.59)	(2,088.81)	(76.02)
Salary Growth Rate				
Increase of 1 percentage	(398.85)	-	(398.39)	-
Decrease of 1 percentage	360.29	-	362.98	-
Expected Future Lifetimes (in years) for Employees				
Participants assumed to have the mortality rates of individuals, who are one year older	(289.70)	(2.71)	(263.37)	(5.48)
Participants assumed to have the mortality rates of individuals, who are one year younger	284.68	3.50	260.42	4.80
Medical Cost-trend Rates				
Increase of 1 percentage	-	(46.92)	-	(48.04)
Decrease of 1 percentage	-	46.79	-	41.63

viii. The Principal Actuarial Assumptions at the reporting dates (expressed as weighted averages) for Defined Benefit Plans

	As at	
	31/03/2018	31/03/2017
Discount Rate	1.39% - 3.85%	1.74% - 4.16%
Salary Growth Rate	2.59% - 4.00%	2.56% - 3.81%
Expected Future Lifetimes (in years) for Employees		
Pensioners	24.00	24.00
Current Employees	31.66	32.00

ix. The Principal Actuarial Assumptions at the reporting dates (expressed as weighted averages) for Post Employment Medical Benefits

	As at	
	31/03/2018	31/03/2017
Long-term Increase in Health Costs	2.31% - 5.29%	3.95% - 6.05%
Discount Rate	3.79% - 9.40%	2.66% -10.40%

x. Weighted Average Duration of the Defined Benefit Obligation in years

	As at	
	31/03/2018	31/03/2017
Weighted-average duration of the defined benefit obligations in years	10 - 18 yrs	10.58-17.94 yrs

xi. Expected maturity analysis of undiscounted Defined Benefit Plans and Post-Employment Medical Benefit Plans

(₹ Crore)

	As at 31/03/2018				As at 31/03/2017			
	Within 1 year	Between 1-2 years	Between 2-5 years	5 to 10 years	Within 1 year	Between 1-2 years	Between 2-5 years	5 to 10 years
Defined Benefit Plan	578.65	1,074.03	2,274.24	3,229.28	555.11	1,028.08	2,018.01	3,101.88
Post Employment Medical Benefit Plants	38.25	67.94	156.75	237.16	33.61	60.38	136.74	227.41

xii. Expected contributions to the Defined Benefit Plans for the year ended March 31, 2019, are ₹ 216.85 crore.

B. Other Defined Benefit and Contribution Plans

(a) Pension

The Group contributes a certain percentage of salary for all eligible employees in India in the managerial cadre towards Superannuation Funds with option to put certain portion in NPS and/or in funds managed by approved trusts of by Life Insurance Corporation of India. The amount charged to the Profit and Loss during the year is ₹ 16.46 crore (31/03/2017 : ₹ 15.15 crore) and amount of actuarial gain/(loss) recognised in Other Comprehensive Income during the year is ₹ 0.41 crore (31/02/2017 ₹ 0.20 crore).

(b) Post-Retirement Medical Benefits

The Group provides post-retirement medical benefits to its certain employees in India. The scheme involves reimbursement of expenses towards medical treatment of self and dependents. The amount charged to the Profit and Loss during the year is ₹ 0.41 crore (31/03/2017 : ₹ 0.38 crore) and amount of actuarial gain/(loss) recognised in Other Comprehensive Income during the year is ₹ 1.45 crore (31/03/2017 : ₹ (1.84) crore).

(c) Provident Fund

The Group contributes 12% of salary for all eligible employees in India towards Provident Fund, managed either by approved trusts or by the Central Government, and debited to the Consolidated statement of Profit and Loss. In respect of provident fund management by the approved trust, the Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. The amount debited to the Consolidated Statement of Profit and Loss during the year was ₹ 99.39 crore (31/03/2017: ₹ 67.95 crore).

Based on actuarial valuation, the Group has recognised obligation of ₹ 7.78 crore as at March 31, 2018 (31/03/2017: ₹ 6.62 crore) towards shortfall on the yield of the trust's investments over the administered interest rates.

Assumption use in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	As at	
	31/03/2018	**31/03/2017**
Discount Rate	7.50%	7.00%
Expected EPFO (Employees' Provident Fund Organisation) Return	8.55%	8.65%

The Group also contributes to Coal Mines Provident Fund (CMPF) in respect of employees working in coal mines.

49. Operating Lease

The Group obtained certain land, buildings and equipment under non-cancelable operating leases expiring at various dates. Operating leases generally have one to ten-year terms, with one or more renewal options, with terms to be negotiated at the time of renewal. Various facility leases include provisions for rent escalation to recognise increased operating costs or require us to pay certain maintenance and utility costs. During the year ended March 31, 2018, the Group has paid ₹ 295.56 crore (31/03/2017: ₹ 286.13 crore) towards minimum lease payment. The future aggregate minimum lease payments under non-cancellable operating leases are as follow:

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
Not later than 1 year	220.77	215.93
Later than 1 year and not later than 5 years	493.98	453.55
Later than 5 years	233.41	264.03
	948.16	933.51

50. Contingent Liabilities

The Group are party to, and may in the future be involved in, or subject to, disputes, claims and proceedings arising in the ordinary course of our business, including some we assert against others, such as environmental, health and safety, product liability, employee, tax, personal injury and other matters. The Group has established a liability with respect to contingencies for which a loss is probable and estimable. While the ultimate resolution of and liability and costs related to these matters cannot be determined with certainty, the Management does not believe any of these pending actions, individually or in the aggregate, will materially impact our operations or materially affect our financial condition or liquidity.

The Group's estimates involve significant judgement, and, therefore, the estimate will change from time to time and actual losses may differ from the current estimate. The Management review the status of, and estimated liability related to, pending claims and civil actions on a quarterly basis. The evaluation model includes all asserted and unasserted claims that can be reasonably identified including claims relating to our responsibility for compliance with environmental, health and safety laws and regulations in the jurisdictions in which we operate or formerly operated. The estimated costs in respect of such reported liabilities are not offset by amounts related to insurance or indemnification arrangements, unless otherwise noted.

The amounts for which the Group is contingently liable are given below:

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
(a) Claims against the Company not acknowledged as Debt	1,496.12	1,008.03
(Disputed demands for excise duty, customs duty, sales tax, stamp duty, etc., and other matters not acknowledged as debts, pending at various appellate authorities)		
(b) Other money for which the Company is contingently liable:		
i. Customs Duty on Raw Materials imported under Advance Licence, against which export obligation is to be fulfilled	10.28	100.69
ii. For contingent liabilities relating to associates and joint ventures, if any, are given in Notes 56D and 56E.		

51. Commitments

The Group's commitments with regard to various items in respect of:

(₹ Crore)

	As at 31/03/2018	As at 31/03/2017
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	442.41	401.87
(b) The Company has an export obligation to be fulfilled under EPCG Scheme	5,563.25	6,987.75
(c) Purchase commitments in relation to Materials and Services	34,958.66	34,815.36

(d) The Company has given the following undertakings in connection with the loan of Utkal Aluminium International Limited (UAIL), a wholly owned subsidiary:

i. To hold minimum 51% equity shares in UAIL.

ii. To ensure to meet the Financial Covenants, except Fixed Asset Coverage Ratio, as provided in the loan agreements.

(e) Corporate Guarantee of USD 215 million issued in favour of M/s. Volkswagen AG on behalf of M/s. Novelis Inc. to ensure Novelis will supply as per its future commitments to Volkswagen AG and its subsidiaries.

(f) The Board of Directors of Idea Cellular Limited (Idea) have approved the amalgamation of Vodafone India Limited (VIL) and its wholly owned subsidiary Vodafone Mobile Services Limited (VMSL) with Idea, subject to requisite regulatory and other approvals. As a member of promoter group of Idea, the Company has undertaken to indemnify (liable jointly and severally with other promoters of Idea) to the promoters of VIL and its wholly owned subsidiary VMSL upto USD 500 million, if Idea fails to meet some of its indemnity obligation under the implementation agreement for proposed amalgamation of VIL and VMSL with Idea.

52. Capital Management

The Group's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders, but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short-term and long-term. Net debt (total borrowings less current investment, and cash and cash equivalents) to equity ratio is used to monitor capital. No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

As at March 31, 2018 and March 31, 2017, the Group was in compliance with all of its debt covenants for borrowings.

53. Financial Instruments

A Fair Value Measurements

(a) The following table shows the carrying amount and fair values of financial assets and financial liabilities by category.

(₹ Crore)

	As at 31/03/2018			As at 31/03/2017		
	Amortised Cost	Fair Value through OCI	Fair Value through P&L	Amortised Cost	Fair Value through OCI	Fair Value through P&L
Financial Assets						
Investments in Equity Instruments						
Quoted Equity Instruments	-	6,798.17	-	-	4,572.65	-
Unquoted Equity Instruments	-	24.17	-	-	28.62	-
Investments in Preference Shares	-	-	22.66	-	-	19.34
Investments in Debt Instruments						
Mutual Funds	-	-	3,214.69	-	-	7,671.03
Bonds and Debentures	-	-	620.90	-	-	840.08
Government Securities	-	86.03	-	-	87.58	208.77
Commercial Paper	-	-	-	-	-	163.15
Derivatives	-	-	2,041.39	-	-	1,714.49
Cash and Cash Equivalents						
Cash and Bank *	6,386.35	-	-	4,059.05	-	-
Liquid Mutual Funds	-	-	1,658.59	-	-	4,174.35
Bank Balances other than Cash and Cash Equivalents *	12.82	-	-	27.77	-	-
Trade Receivables *	9,959.81	-	-	8,274.80	-	-
Loans *	135.43	-	-	335.81	-	-
Other Financial assets *	1,349.28	-	-	1,190.31	-	0.15
Total Financial Assets	**17,843.69**	**6,908.37**	**7,558.23**	**13,887.74**	**4,688.85**	**14,791.36**
Financial Liabilities						
Borrowings						
Long-term Borrowings	47,874.26	-	-	51,855.29	-	-
Short-term Borrowings *	3,398.16	-	-	6,595.93	-	-
Derivatives	-	-	1,428.95	-	-	2,411.27
Trade Payables *	20,439.15	-	-	17,463.79	-	-
Other Financial Liabilities *	3,320.50	-	-	8,225.42	-	-
Total Financial Liabilities	**75,032.07**	**-**	**1,428.95**	**84,140.43**	**-**	**2,411.27**

(b) The following table shows fair value for financial assets and financial liabilities measured at amortised cost.

(₹ Crore)

	As at 31/03/2018		As at 31/03/2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Loans and Deposits	367.43	367.43	422.04	422.04
Total Financial Assets	**367.43**	**367.43**	**422.04**	**422.04**
Financial Liabilities				
Long term Borrowings **	48,539.83	50,266.76	57,040.96	59,346.80
Total Financial Liabilities	**48,539.83**	**50,266.76**	**57,040.96**	**59,346.80**

* Fair values for these financial instruments have not been disclosed because their carrying amount are a reasonable approximation of their fair values.

** Carrying amount includes current portion of debt shown under other current financial liabilities but excludes finance lease obligation and deferred payment liabilities.

The Company had acquired certain equity instruments for the purpose of holding for a longer duration and not for the purpose of selling in near term for short-term profit. Such instruments have been categorised as FVTOCI.

B. Fair Value Hierarchy

The following table shows the details of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(a) Financial assets and liabilities measured at fair value - Recurring fair value

(₹ Crore)

	As at 31/03/2018			As at 31/03/2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments in Equity Instruments						
Quoted Equity Instruments	6,798.17	-	-	4,572.65	-	-
Unquoted Equity Instruments	-	-	24.17	-	-	28.62
Investments in Preference Shares	-	-	22.66	-	-	19.34
Investments in Debt Instruments						
Mutual Funds	3,214.69	-	-	7,671.03	-	-
Bonds and Debentures	-	375.07	245.83	96.24	576.94	166.90
Government Securities	-	62.77	23.26	174.70	121.65	-
Commercial Paper	-	-	-	-	-	163.15
Derivatives	-	2,041.39	-	-	1,714.49	-
Cash and Cash Equivalents						
Liquid Mutual Funds	1,658.59	-	-	4,174.35	-	-
Other Financial Assets	-	-	-	-	0.15	-
Total Financial Assets	**11,671.45**	**2,479.23**	**315.92**	**16,688.97**	**2,413.23**	**378.01**
Financial Liabilities						
Derivatives	-	1,383.73	45.22	-	2,355.94	55.33
Total Financial Liabilities	**-**	**1,383.73**	**45.22**	**-**	**2,355.94**	**55.33**

(b) Financial Assets and Liabilities Measured at Amortised Cost for which fair value disclosure is given

(₹ Crore)

	As at 31/03/2018			As at 31/03/2017		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Assets						
Loans and Deposits	-	-	367.43	-	-	422.04
Total Financial Assets	**-**	**-**	**367.43**	**-**	**-**	**422.04**
Financial Liabilities						
Long-term Borrowings	-	47,815.36	2,451.40	-	54,510.71	4,836.09
Total Financial Liabilities	**-**	**47,815.36**	**2,451.40**	**-**	**54,510.71**	**4,836.09**

Level 1: Level 1 hierarchy includes financial instruments valued using quoted market prices. Listed equity instruments and traded debt instruments, which are traded in the stock exchanges, are valued using the closing price at the reporting date. Mutual funds are valued using the closing NAV.

Level 2: Level 2 hierarchy includes financial instruments that are not traded in active market. This includes OTC derivatives and debt instruments valued using observable market data such as yield etc. of similar instruments traded in active market. Borrowings have been fair valued using credit adjusted interest rate prevailing on the reporting date.

Level 3: If one or more significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments and certain debt instruments, which are valued using assumptions from market participants. Valuations for certain derivatives, for which forward prices are not observable, have been valued using forward prices for a nearby geographical market and adjusted for historical spreads between cash prices of the two the markets.

Valuation techniques used for valuation of instruments categorised as level 3:

For valuation of investments in equity shares and associates, which are unquoted, peer comparison has been performed wherever available. Valuation has been primarily done by considering the net worth of the Company, and price to book multiple to arrive at the fair value. In cases, where income approach was feasible, valuation has been arrived using the earnings capitalisation method. For inputs that are not observable for these instruments, certain assumptions are made based on available information. The most significant of these assumptions are the discount rate and credit spreads used in the valuation process.

For valuation of investments in debt securities categorised as Level 3, market polls, which represent indicative yields, are used as assumptions by market participants when pricing the asset.

54. Financial Risk Management and Derivative Financial Instruments

A. Financial Risk Management

The Group's activities exposes it to various risks such as market risk, liquidity risk and credit risk. This section explains the risks which the Group is exposed to and how it manages the risks.

(a) Credit Risk

Credit risks is the risk of financial loss to the Group if a customer or counter-party to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's receivables from customers.

Credit risk is managed on a group basis. The Company invests only in those instruments issued by high rated banks/institutions. For other financial assets, the Company assesses and manages credit risk based on the credit rating. The Company has assessed its other financial assets as high quality, negligible credit risk. The Company periodically monitors the recoverability and credit risks of its other financials assets, including security deposits and other receivables. The Company evaluates 12-month expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers life-time expected credit losses for the purpose of impairment provisioning.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

(b) Market Risk

i. Commodity Price Risk

Hindalco's India Operations consist of two businesses – Copper Business and Aluminium Business. The Copper Business works under a "Custom Smelting" model, wherein the focus is to improve the processing margin. The timing mis-match risk between the input and output price, which is linked to the same international pricing benchmark, is eliminated through use of derivatives. This off-set hedge model (through use of derivatives) is used to manage the timing mis-match risk for both Commodity (Copper and Precious Metals) and Currency Risk (primarily, USD/Re). The Copper Business also has a portion of View-Based exposure for both Commodity and Currency, beyond the above timing mis-match risk. Lower Copper Prices, Stronger USD/Re exchange rate and Higher "Other Input" Prices are the major price risks that adversely impact the Business. Here, the Group may use derivative instruments, wherever available, to manage these pricing risks. A variety of factors, including the Risk Appetite of the Business and Price view, are considered while taking Hedge Decisions. Such View-based Hedges are usually done for the next 1-8 quarters.

The Aluminium Business is a vertically integrated business model wherein the input and output pricing risks are independent of each other, i.e.–are on different pricing benchmarks, if any. Here, the Group may use derivative instruments, wherever available, to manage its pricing risks for both input and output products. Lower Aluminium Prices, Stronger USD/Re exchange rate and Higher Input Prices are the major price risks that adversely impact the Business. Hedge Decisions are based on a variety of factors, including Risk Appetite of the Business and Price View. Such Hedge Decisions are usually done for the next 1-12 quarters.

Novelis business model is conducted under a conversion model which allows to pass through increases or decreases in the price of aluminium to is customers. Derivative instruments are used to preserve conversion margins and manage timing differences associated with metal price lag related to base aluminium price. Novelis also uses several sources of energy such as natural gas, electricity, fuel oil and transport oil in manufacturing and delivery of its products.

The table below summarises the gain/(loss) impact on account of increase/decrease in the commodity prices on the Group's equity and profit for the period.

(₹ Crore)

		Year ended 31/03/2018		Year ended 31/03/2017	
	Increase in Rate/Price	Change in the Statement of Profit & Loss	Change in Other Components of Equity	Change in the Statement of Profit & Loss	Change in Other Components of Equity
Aluminium	10%	(64.13)	(971.23)	87.28	(310.82)
Copper	10%	(261.76)	(7.62)	(269.73)	(9.85)
Gold	10%	(21.18)	(70.74)	(17.70)	(68.48)
Silver	10%	(3.27)	(18.81)	(2.96)	(24.80)
Furnace Oil	10%	-	-	1.47	-
Electricity	10%	-	23.63	-	29.91
Natural Gas	10%	0.78	33.50	1.09	12.09
Diesel Fuel	10%	9.49	-	14.34	-

ii. Foreign Currency Risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR), have an impact on operating results. In addition to foreign exchange flow from exports, the commodity prices in the domestic market are derived based on the landed cost of imports where LME prices and USD/

INR exchange rate are main factors. The Group manages this forex risk, using derivatives, wherever required, to mitigate or eliminate the risk.

The Group also has Foreign Currency Exchange Risk on procurement of Capital Equipment and on foreign currency denominated borrowings for its Businesses. The Group manages this forex risk, using derivatives, wherever required, to mitigate or eliminate the risk.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR , is as follows:

(₹ Crore)

	As at	
Currency [Payables/(Receivables)]	**31/03/2018**	**31/03/2017**
USD	679.51	728.58
EUR	39.10	47.41
GBP	(56.87)	(108.40)
SEK	0.12	0.29
NOK	1.03	1.08
SGD	0.14	-
CAD	21.61	9.02
AUD	0.56	0.60
CHF	(103.04)	123.14
JPY	0.55	2.39
AED	0.01	-
ZAR	0.36	-
DKK	-	(0.10)
BRL	86.74	-
Total	**669.82**	**804.01**

The table below summarises the gain/(loss) impact on account of increase/decrease in the exchange rates on the Group's equity and profit for the period.

(₹ Crore)

		Year ended 31/03/2018		Year ended 31/03/2017	
Currency Pair	**Increase in Rate/Price**	**Change in the Statement of Profit & Loss**	**Change in Other Components of Equity**	**Change in the Statement of Profit & Loss**	**Change in Other Components of Equity**
USD_INR	10%	(41.26)	(1,147.37)	(43.54)	1,396.77
EUR_INR	10%	1.86	-	3.46	-
GBP_INR	10%	(0.23)	-	(0.13)	-
SEK_INR	10%	-	-	(0.02)	-
NOK_INR	10%	(0.07)	-	(0.04)	-
SGD_INR	10%	(0.01)	-	-	-
CAD_INR	10%	(0.04)	-	(0.02)	-
AUD_INR	10%	(0.02)	-	(0.03)	-
CHF_INR	10%	(0.06)	-	(0.04)	-
JPY_INR	10%	(0.04)	-	(0.01)	-

(₹ Crore)

Currency Pair	Increase in Rate/Price	Year ended 31/03/2018 Change in the Statement of Profit & Loss	Year ended 31/03/2018 Change in Other Components of Equity	Year ended 31/03/2017 Change in the Statement of Profit & Loss	Year ended 31/03/2017 Change in Other Components of Equity
ZAR_INR	10%	0.03	-	-	-
EUR_USD	10%	160.96	27.59	296.64	6.46
BRL_USD	10%	12.84	87.46	95.45	52.65
KRW_USD	10%	107.86	145.28	135.30	135.68
CAD_USD	10%	6.58	18.13	11.26	16.70
GBP_USD	10%	(6.26)	-	108.24	-
CHF_USD	10%	(6.48)	(1.76)	265.92	56.85
CNY_USD	10%	(69.15)	-	51.58	-
GBP_CHF	10%	1.50	-	5.66	-
EUR_CHF	10%	304.73	76.96	45.60	64.06
EUR_GBP	10%	137.10	-	39.36	-
EUR_CNY	10%	0.01	-	0.62	-
CNY_KRW	10%	-	-	0.03	-
JPY_KRW	10%	0.59	-	0.46	-
AUD_USD	10%	-	-	0.01	-
DKK_USD	10%	(0.01)	-	(0.01)	-

iii. Interest Rate Risk

The Group is exposed to interest rate risk on financial liabilities such as borrowings, both short-term and long-term. It maintains a balance of fixed and floating interest rate borrowings, and the proportion is determined by current market interest rates, projected debt servicing capability and view on future interest rates. Such interest rate risk is actively evaluated and interest rate swap is taken whenever considered necessary.

The Group is also exposed to interest rate risk on its financial assets that include fixed deposits, bonds, debentures, commerical, other mutual funds and liquid investments comprising mainly mutual funds (which are part of cash and cash equivalents). Since all these are generally for short durations, the Company believes it has manageable and limited risk.

The table below summarises the (gain)/loss impact on account of decrease/increase in the benchmark interest rates on the Group's equity and profit for the period.

(₹ Crore)

	Increase in Rate/Price	Year ended 31/03/2018 Change in the Statement of Profit & Loss	Year ended 31/03/2018 Change in Other Components of Equity	Year ended 31/03/2017 Change in the Statement of Profit & Loss	Year ended 31/03/2017 Change in Other Components of Equity
Interest Rate Borrowings	50 bps	(165.41)	-	(171.63)	-
Interest Rate Swaps	100 bps	-	-	-	5.14

iv. Other Price Risk

The Group's exposure to equity securities price risk arises from movement in market price of related securities classified either as fair value through OCI or as fair value through profit and loss. The Group manages the price risk through diversified portfolio.

The table below summarises the gain/(loss) impact on account of increase/decrease in the equity share prices on the Group's equity and profit for the period.

(₹ Crore)

Other Price Risk	Increase in Rate/Price	Year ended 31/03/2018 Change in the Statement of Profit & Loss	Year ended 31/03/2018 Change in Other Components of Equity	Year ended 31/03/2017 Change in the Statement of Profit & Loss	Year ended 31/03/2017 Change in Other Components of Equity
Investment in Equity securities	10%	-	679.82	-	457.26

(c) Liquidity Risk

The Group determines its liquidity requirements in the short, medium and long-term. This is done by drawing up cash forecast for short and medium term requirements and strategic financing plans for long-term needs.

The Group manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while, at the same time, maintaining adequate cash and cash equivalent position. The Management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain products (including mutual fund), which provide flexibility to liquidate at short notice, and are included in current investments, and cash and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed at regular intervals.

The Group has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required.

Maturity Analysis

The table below shows the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and net settled derivative financial instruments. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ Crore)

Contractual Maturities of Financial Liabilities as at March 31, 2018	Less than 1 Year	1-2 Years	2- 5 Years	More Than 5 Years	Total
Non-Derivatives					
Borrowings*	7,347.83	3,278.59	25,813.18	34,750.97	71,190.57
Obligations Under Finance Lease	58.51	49.14	15.41	12.10	135.16
Trade Payables	20,415.12	0.59	1.05	22.39	20,439.15
Other Financial Liabilities	2,460.04	7.35	-	51.51	2,518.90
Total Non-Derivative liabilities	**30,281.50**	**3,335.67**	**25,829.64**	**34,836.97**	**94,283.78**
Derivatives	1,308.99	89.16	30.80	-	1,428.95
Total Derivative Liabilities	**1,308.99**	**89.16**	**30.80**	**-**	**1,428.95**
Contractual Maturities of Financial Liabilities as at March 31, 2017					
Non-Derivatives					
Borrowings*	15,460.36	4,235.27	12,782.49	59,277.81	91,755.93
Obligations under Finance Lease	66.00	87.37	10.11	16.21	179.69
Trade Payables	17,463.34	0.13	0.32	-	17,463.79
Other Financial Liabilities	2,802.85	10.93	-	45.41	2,859.19
Total Non Derivative Liabilities	**35,792.55**	**4,333.70**	**12,792.92**	**59,339.43**	**112,258.60**
Derivatives	1,922.18	317.52	171.57	-	2,411.27
Total Derivative Liabilities	**1,922.18**	**317.52**	**171.57**	**-**	**2,411.27**

* Includes Principal and interest payments, short-term borrowings, current portion of debt, and excludes unamortised fees.

B. Derivative Financial Instruments

(a) The Asset and Liability position of various outstanding derivative financial instruments is given below:

(₹ Crore)

	Nature of Risk being Hedged	As at 31/03/2018 Liability	As at 31/03/2018 Asset	As at 31/03/2017 Liability	As at 31/03/2017 Asset
Current					
Cash Flow Hedges					
– Commodity Contracts	Price Risk	(338.08)	477.21	(1,306.81)	14.84
– Interest Rate Contracts	Exchange Rate movement Risk	(0.05)	-	(1.78)	-
– Foreign Currency Contracts	Currency Risk	(235.60)	843.05	(2.98)	910.85
Fair Value Hedges					
– Embedded Derivatives		(4.64)	154.52	(93.64)	24.74
Non-Designated Hedges					
– Commodity Contracts	Price Risk	(524.26)	499.02	(508.04)	383.21
– Foreign Currency Contracts	Exchange rate movement risk	(211.00)	103.88	(102.57)	204.09
Total		(1,313.63)	2,077.68	(2,015.82)	1,537.73
Non-Current					
Cash Flow Hedges					
– Commodity Contracts	Price Risk	(76.65)	72.45	(402.15)	0.38
– Interest Rate Contracts	Exchange Rate Movement Risk	-	-	(0.08)	-
– Foreign Currency Contracts	Currency Risk	(35.75)	43.79	(77.77)	194.57
Non-Designated Hedges					
– Commodity Contracts		(2.83)	1.95	(9.01)	6.55
– Foreign Currency Contracts		(4.73)	0.04	(0.08)	-
Total		(119.96)	118.23	(489.09)	201.50
Grand Total		**(1,433.59)**	**2,195.91**	**(2,504.91)**	**1,739.23**

Fair Value of Embeded Derivatives of ₹ 149.88 crore (31/03/2017: ₹ (68.90) crore), accounted for as part of Trade Payables.

(b) Outstanding position and fair value of various foreign exchange derivative financial instruments:

(₹ Crore)

		Currency Pair	As at 31/03/2018 Average Exchange Rate	As at 31/03/2018 Notional Value (in Million)	As at 31/03/2018 Fair Value Gain/(Loss) (₹ Crore)	As at 31/03/2017 Average Exchange Rate	As at 31/03/2017 Notional Value (in Million)	As at 31/03/2017 Fair Value Gain/(Loss) (₹ Crore)
Foreign Currency Forwards								
Cash Flow Hedges								
	Buy	CHF_EUR	0.88	97.00	(18.58)	0.93	90.81	2.23
	Buy	USD_CHF	0.94	3.00	(0.15)	1.00	3.13	0.19
	Buy	BRL_USD	0.30	157.00	(5.75)	0.29	159.48	72.40
	Buy	EUR_USD	1.22	11.00	(1.39)	1.37	3.90	0.67
	Buy	USD_CAD	1.28	31.00	(1.21)	1.34	29.09	1.65
	Buy	USD_KRW	1,070.72	200.00	13.50	1,185.41	178.25	74.49
	Sell	USD_INR	71.30	866.07	360.00	72.03	1,375.65	598.84
Total					**346.42**			**750.47**

(₹ Crore)

	Currency Pair	As at 31/03/2018 Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ Crore)	As at 31/03/2017 Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ Crore)
Foreign Currency Swaps							
Cash Flow Hedges							
Sell	USD_INR	63.96	938.04	269.07	63.96	938.04	274.20
Total				**269.07**			**274.20**
Non-Designated							
Buy	AUD_INR	50.40	0.03	-	-	-	-
Buy	CHF_INR	-	-	-	65.57	0.06	-
Buy	EUR_INR	80.06	10.63	1.48	75.41	12.02	(12.20)
Buy	GBP_INR	90.00	0.11	0.04	-	-	-
Buy	NOK_INR	-	-	-	7.67	0.68	(0.01)
Buy	USD_INR	65.43	126.47	0.35	66.95	144.85	(5.04)
Buy	GBP_EUR	1.12	212.00	12.72	1.17	64.57	1.92
Buy	USD_KRW	1,070.38	150.00	4.53	1,156.07	171.93	14.82
Buy	USD_EUR	0.82	64.00	(8.02)	0.89	172.28	2.61
Buy	GBP_USD	0.72	19.00	(2.84)	0.48	1.25	(0.77)
Buy	USD_CHF	1.03	29.00	(1.39)	1.03	13.53	(2.04)
Buy	CAD_USD	0.74	15.00	4.75	0.80	17.50	(6.52)
Buy	USD_BRL	3.13	39.00	(21.36)	3.90	69.21	98.10
Buy	JPY_KRW	0.10	1.00	0.03	0.10	0.38	(0.01)
Buy	CHF_GBP	0.74	2.00	(0.07)	0.80	9.28	(0.17)
Buy	CHF_EUR	0.87	399.00	(63.20)	0.70	92.64	(1.51)
Buy	CNY_USD	0.15	90.00	(40.87)	0.14	68.69	(1.33)
Buy	CNY_KRW	-	-	-	0.01	0.05	0.02
Buy	CNY_EUR	0.13	4.00	(0.28)	0.14	1.02	0.36
Sell	USD_INR	65.98	120.11	2.32	68.24	44.09	13.21
Total				**(111.81)**			**101.44**

(c) Outstanding position and fair value of various foreign exchange non-derivative financial instruments used as heding instruments:

(₹ Crore)

	Currency Pair	As at 31/03/2018 Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ Crore)	As at 31/03/2017 Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ Crore)
Foreign Currency Monetary Items							
Cash Flow Hedges							
Debt	USD_INR	64.52	468.77	(30.86)	67.58	641.61	181.19
Liabilities for Copper Concentrate	USD_INR	64.75	413.08	(14.49)	66.20	283.14	38.63
				(45.35)			**219.82**

(d) Outstanding position and fair value of various commodity derivative financial instruments

(i) Outstanding position and fair value of various commodity derivative financial instruments as at March 31, 2018:

(₹ Crore)

		Average Price (USD/Unit)	Quantity	Unit	Notional Value (USD in Million)	Fair Value Gain/(Loss) (₹ Crore)
Commodity Futures/Forwards						
Cash Flow Hedges						
Aluminium	Sell	1,975.80	966,666	MT	1,909.94	196.73
Gold	Sell	1,303.23	126,148	TOZ	164.40	(24.07)
Silver	Sell	17.03	2,713,922	TOZ	46.21	7.32
Copper	Sell	7,270.37	2,700	MT	19.63	8.85
Natural Gas	Buy	2.90	20,280,000	MMBtu	58.73	(8.69)
Electricity	Buy	46.85	747,186	Mwh	35.01	(45.21)
Total						**134.93**
Non-Designated						
Aluminium	Buy	2,027.21	131,299	MT	266.17	(29.16)
Aluminium	Sell	1,630.37	185,144	MT	301.85	14.03
Copper	Buy	6,776.52	22,150	MT	150.10	(12.37)
Copper	Sell	6,574.85	4,175	MT	27.45	(3.05)
Gold	Buy	1,328.29	101,194	TOZ	134.42	(1.84)
Gold	Sell	1,314.30	81,373	TOZ	106.95	(5.71)
Silver	Buy	16.40	553,630	TOZ	9.08	(0.14)
Silver	Sell	16.72	553,630	TOZ	9.25	1.26
Diesel Fuel	Buy	2.71	4,956,000	Gallons	13.44	9.88
Natural Gas	Buy	2.94	480,000	MMBtu	1.41	(0.67)
Total						**(27.77)**
Commodity Swaps						
Non-Designated Hedges						
Furnace Oil	Buy	277.33	3,000	MT	0.83	1.83
Furnace Oil	Sell	361.51	3,000	MT	1.08	(0.18)
Total						**1.65**
Embedded Derivatives						
Fair Value Hedges						
Copper	Sell	6,916.84	110,063	MT	761.29	150.14
Gold	Sell	1,326.24	57,285	TOZ	75.97	(0.74)
Silver	Sell	16.56	466,348	TOZ	7.72	0.48
Total						**149.88**

(ii) Outstanding position and fair value of various commodity derivative financial instruments as at March 31, 2017:

(₹ Crore)

		Average Price (USD/Unit)	Quantity	Unit	Notional Value (USD in Million)	Fair Value Gain/(Loss) (₹ Crore)
Commodity Futures/ Forwards						
Cash Flow Hedges						
Aluminium	Sell	1,840.78	1,370,155	MT	2,522.15	(1,586.36)
Gold	Sell	1,198.85	129,341	TOZ	155.06	(44.96)
Silver	Sell	17.75	3,197,475	TOZ	56.74	(14.80)
Copper	Sell	6,002.50	4,000	MT	24.01	3.82
Natural Gas	Buy	3.17	6,210,000	MMBtu	19.68	3.90
Electricity	Buy	46.85	1,291,584	Mwh	60.51	(55.34)
Total						**(1,693.74)**
Non-Designated						
Aluminium	Buy	1,931.58	134,153	MT	259.13	119.08
Aluminium	Sell	1,768.32	222,088	MT	392.72	(258.07)
Copper	Buy	5,797.18	23,075	MT	133.77	4.05
Copper	Sell	5,845.93	10,125	MT	59.19	1.41
Gold	Sell	1,240.09	8,230	TOZ	10.21	0.54
Silver	Sell	17.99	58,318	TOZ	1.05	0.11
Diesel Fuel	Buy	2.66	8,316,000	Gallons	22.12	(2.04)
Natural Gas	Buy	3.21	540,000	MMBtu	1.74	(0.12)
Total						**(135.04)**
Commodity Swaps						
Non-Designated Hedges						
Coal	Buy	44.92	32,505	MT	1.46	7.23
Coal	Sell	79.39	32,505	MT	2.58	0.03
Furnace Oil	Buy	286.00	12,000	MT	3.43	0.49
Total						**7.75**
Embedded Derivatives						
Fair Value Hedges						
Copper	Sell	5,772.36	122,147	MT	705.07	(50.61)
Gold	Sell	1,191.20	41,594	TOZ	49.55	(15.98)
Silver	Sell	17.48	438,491	TOZ	7.66	(2.31)
Total						**(68.90)**

(e) The following table presents the outstanding position and fair value of various interest rate derivative financial instruments:

		As at 31/03/2018			As at 31/03/2017		
Interest Rate Swaps	**Fixed Leg**	**Average Eexchange rate**	**Notional Value (in Million)**	**Fair Value Gain/(Loss) (₹ Crore)**	**Average exchange rate**	**Notional Value (in Million)**	**Fair Value Gain/(Loss) (₹ Crore)**
Cash Flow Hedges							
3M-CD-3200	Pay fixed	3.35%	28.13	(0.05)	2.92%	118.72	(1.86)
Total				**(0.05)**			**(1.86)**

(f) The following table presents details of amount held in Effective portion of Cash Flow Hedge and the period during which these are going to be released and affecting Statement of Profit and Loss.

(₹ Crore)

		As at 31/03/2018	Release		As at 31/03/2017	Release	
Cash Flow Hedges		**As at March 31, 2018**	**In Less than 12 Months**	**After 12 Months**	**As at March 31, 2017**	**In Less than 12 Months**	**After 12 Months**
Hedge Instrument Type	**Products/ Currency Pair**	**Gain/(Loss)**	**Gain/(Loss)**	**Gain/(Loss)**	**Gain/(Loss)**	**Gain/(Loss)**	**Gain/ (Loss)**
Commodity Forwards	Aluminium	182.83	123.11	59.72	(1,559.32)	(1,243.39)	(315.93)
	Gold	(23.88)	(23.88)	-	(44.93)	(44.93)	-
	Silver	7.33	7.47	(0.14)	(14.73)	(12.39)	(2.34)
	Copper	8.85	8.85	-	3.83	3.53	0.30
	Electricity	(50.43)	(12.87)	(37.56)	(60.48)	(12.10)	(48.38)
	Natural Gas	(12.96)	(5.41)	(7.55)	4.20	2.86	1.34
	Total	**111.74**	**97.27**	**14.47**	**(1,671.43)**	**(1,306.42)**	**(365.01)**
Debt		(30.86)	(30.86)	-	181.19	181.19	-
Liabilities for Copper		(9.58)	(9.58)	-	23.35	23.35	-
Currency Forwards	USD_INR	360.51	317.69	42.82	598.80	411.58	187.22
	USD_EUR	(2.35)	(5.58)	3.23	(0.76)	(1.16)	0.40
	USD_BRL	3.06	1.08	1.98	94.56	76.81	17.75
	USD_CAD	(1.21)	(0.97)	(0.24)	1.65	1.56	0.09
	EUR_KRW	-	(0.26)	0.26	(8.75)	(0.50)	(8.25)
	USD_KRW	14.79	15.44	(0.65)	73.97	75.17	(1.20)
	EUR_CHF	(19.97)	(20.96)	0.99	3.20	3.37	(0.17)
	USD_CHF	(0.06)	(0.06)	-	0.10	0.10	-
Currency Swaps	USD_INR	(103.94)	(23.59)	(80.35)	(80.39)	-	(80.39)
	Total	210.39	242.35	(31.96)	886.92	771.47	115.45
Interest Rate Swaps	3M-CD-3200	(0.03)	(0.05)	0.02	(1.75)	(1.79)	0.04
	Total	**(0.03)**	**(0.05)**	**0.02**	**(1.75)**	**(1.79)**	**0.04**
	Grand Total	**322.10**	**339.57**	**(17.47)**	**(786.26)**	**(536.74)**	**(249.52)**
Deferred Tax on above		**(59.75)**	**(82.27)**	**22.52**	**308.92**	**218.64**	**90.28**
Total		**262.35**	**257.30**	**5.05**	**(477.34)**	**(318.10)**	**(159.24)**

(₹ Crore)

Cost of Hedging		As at 31/03/2018			As at 31/03/2017		
			Release			Release	
	Products/	As at March 31, 2018	In Less than 12 Months	After 12 Months	As at March 31, 2017	In Less than 12 Months	After 12 Months
Hedge Instrument Type	Currency Pair	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
Currency Swaps	USD_INR	994.99	360.97	634.02	633.97	-	633.97
Deferred Tax on above		(347.69)	(126.14)	(221.55)	(219.40)	-	(219.40)
		647.30	**234.83**	**412.47**	**414.57**	**-**	**414.57**

(g) The following tables presents the amount of gain/(loss) recognised in Effective portion of Cash Flow Hedge and recycled during the year 2017-18:

(₹ Crore)

Cash Flow Hedges	Opening Balance	Net Amount Recognised	Recycled: Net Amount to P&L	Recycled: Amount Added to Non-Financial Assets	Recycled: Total Amount Recycled	CTA	As at 31/03/2018
Commodity	(1,671.43)	(210.57)	(1,987.31)	(0.11)	(1,987.42)	6.32	111.74
Forex	886.92	264.44	932.74	7.14	939.88	(1.09)	210.39
Interest	(1.75)	(0.43)	(2.15)	-	(2.15)	-	(0.03)
Total	(786.26)	53.44	(1,056.72)	7.03	(1,049.69)	5.23	322.10
Deferred Tax on above	308.92	(68.07)	300.60	-	300.60	-	(59.75)

(₹ Crore)

Cost of Hedging	Opening Balance	Net Amount Recognised	Recycled: Net Amount to P&L	Recycled: Amount Added to Non-Financial Assets	Recycled: Total Amount Recycled	CTA	As at 31/03/2018
Forex	633.97	361.02	-	-	-	-	994.99
Deferred Tax on above	(219.40)	(128.29)	-	-	-	-	(347.69)

The following tables presents the amount of gain/(loss) recognised in Effective portion of Cash Flow Hedge and recycled during the year 2016-17:

(₹ Crore)

Cash Flow Hedges	Opening Balance	Net Amount Recognised	Recycled: Net Amount to P&L	Recycled: Amount Added to Non-Financial Assets	Recycled: Total Amount Recycled	CTA	As at 31/03/2017
Commodity	469.39	(2,619.30)	(499.45)	6.07	(493.38)	(14.90)	(1,671.43)
Forex	80.80	1,260.13	415.37	44.64	460.01	6.00	886.92
Interest	(4.33)	0.45	(2.27)	-	(2.27)	(0.14)	(1.75)
Total	545.86	(1,358.72)	(86.35)	50.71	(35.64)	(9.04)	(786.26)
Deferred Tax on above	(148.60)	481.91	24.39	-	24.39	-	308.92

(₹ Crore)

Cost of Hedging	Opening Balance	Net Amount recognised	Recycled: Net Amount to P&L	Recycled: Amount added to Non-Financial Assets	Recycled: Total Amount Recycled	CTA	As at 31/03/2017
Forex	80.33	553.64	-	-	-	-	633.97
Deferred Tax on above	(27.80)	(191.60)	-	-	-	-	(219.40)

(h) The following table presents the amount of gain/(loss) recycled from Effective portion of Cash Flow Hedge and reference of the line item in the Statement of Profit and Loss where those amounts are included:

(₹ Crore)

	Year ended 31/03/2018	Year ended 31/03/2017
Revenue from Operations	(1,113.72)	(143.02)
Cost of Materials Consumed	58.24	76.30
Depreciation and Amortisation	(6.90)	(8.84)
Finance Costs	(2.08)	(2.21)
Other Expenses	7.74	(8.58)

(i) The adjustment as part of the carrying value of inventories arising on account of fair value hedges is as follows:

Copper	(148.61)	53.40
Gold	0.89	16.65
Silver	(0.49)	2.38
Total	**(148.21)**	**72.43**

55. Offsetting

Financial instruments subject to offsetting, enforceable master netting arrangement and similar arrangement.

(₹ Crore)

i. As at March 31, 2018:

	Effects on Balance Sheet: Gross Amount	Effects on Balance Sheet: Gross Amount set off in the Balance sheet	Effects on Balance Sheet: Net Amount in the Balance Sheet	Related Amounts Not Offset: Amounts subject to Master Netting	Related Amounts Not Offset: Financial Instrument Collateral	Related Amounts Not Offset: Net Amount
Financial Assets						
Derivatives	2,063.81	(22.42)	2,041.39	(371.33)	-	1,670.06
Cash and Cash Equivalents	8,044.94	-	8,044.94	-	-	8,044.94
Trade Receivables	9,959.81	-	9,959.81	-	-	9,959.81
Other Financial Assets	1,349.28	-	1,349.28	-	-	1,349.28
Total Financial Assets	**21,417.84**	**(22.42)**	**21,395.42**	**(371.33)**	**-**	**21,024.09**
Financial Liabilities						
Derivatives	1,451.37	(22.42)	1,428.95	(371.33)	(3.57)	1,054.05
Trade Payables	20,439.15	-	20,439.15	-	-	20,439.15
Other financial Liabilities	3,320.50	-	3,320.50	-	-	3,320.50
Total Financial Liabilities	**25,211.02**	**(22.42)**	**25,188.60**	**(371.33)**	**(3.57)**	**24,813.70**

(₹ Crore)

ii. As at March 31, 2017:

	Effects on Balance Sheet			Related Amounts Not Offset		
	Gross Amount	**Gross Amount set off in the Balance Sheet**	**Net Amount in the Balance Sheet**	**Amounts subject to Master Netting**	**Financial Instrument Collateral**	**Net Amount**
Financial Assets						
Derivatives	1,749.87	(35.39)	1,714.48	(300.50)	-	1,413.98
Cash and Cash Equivalents	8,233.40	-	8,233.40	-	-	8,233.40
Trade Receivables	8,274.80	-	8,274.80	-	-	8,274.80
Other Financial Assets	1,190.46	-	1,190.46	-	-	1,190.46
Total Financial Assets	19,448.52	(35.39)	19,413.13	(300.50)	-	19,112.63
Financial Liabilities						
Derivatives	2,446.66	(35.39)	2,411.27	(300.50)	-	2,110.77
Trade Payables	17,463.79	-	17,463.79	-	-	17,463.79
Other Financial Liabilities	8,225.42	-	8,225.42	-	-	8,225.42
Total Financial Liabilities	**28,135.87**	**(35.39)**	**28,100.48**	**(300.50)**	**-**	**27,799.98**

56. Interest in Other Entities

A. Subsidiaries:

The Group's wholly-owned subsidiaries along with country of incorporation, place of operation and principal activities are set out below.

Name of Entity	Principal Activity	Country of Incorporation	Place of Operation
Minerals & Minerals Limited	Mining	India	India
Renukeshwar Investments & Finance Limited	Investment	India	India
Renuka Investments & Finance Limited	Investment	India	India
Lucknow Finance Company Limited	Investment	India	India
Dahej Harbour and Infrastructure Limited	Cargo Services	India	India
Utkal Alumina International Limited	Manufacturing	India	India
Utkal Alumina Technical & General Services Limited $	Technical Services	India	India
Mauda Energy Limited $	Power Generation	India	India
Hindalco Guinea SARL $	Dormant	South Africa	South Africa
A V Minerals (Netherlands) N.V.	Investment	Netherlands	Netherlands
Hindalco Do Brasil Industria Comercia de Alumina Ltda	Subsidiary	Brazil	Brazil
A V Metals Inc.	Investment	Canada	Canada
Novelis Inc.	Manufacturing	Canada	Canada
Albrasilis - Aluminio do Brasil Industria e Comercio Ltda.	Manufacturing	Brazil	Brazil
Novelis do Brasil Ltda.	Manufacturing	Brazil	Brazil
Brecha Energetica Ltda.	Dormant	Brazil	Brazil
Brito Energetica Ltda.	Dormant	Brazil	Brazil
4260848 Canada Inc.	Manufacturing	Canada	Canada
4260856 Canada Inc.	Manufacturing	Canada	Canada
8018227 Canada Inc	Manufacturing	Canada	Canada

Name of Entity	Principal Activity	Country of Incorporation	Place of Operation
8018243 Canada Limited	Manufacturing	Canada	Canada
Novelis (China) Aluminum Products Co. Limited	Manufacturing	China	China
Novelis (Sanghai) Aluminum Trading Company	Manufacturing	China	China
Novelis Lamines France SAS	Distribution Services	France	France
Novelis PAE SAS	Engineering	France	France
Novelis Aluminium Beteiligungs GmbH	Manufacturing	Germany	Germany
Novelis Deutschland GmbH	Manufacturing	Germany	Germany
Novelis Sheet Ingot GmbH	Manufacturing	Germany	Germany
Novelis Aluminium Holding Company	Intermediate Subsidiary	Ireland	Ireland
Novelis Italia SpA	Manufacturing	Italy	Italy
Novelis (India) Infotech Ltd.	Information Technology	India	India
Novelis de Mexico SA de CV	Dormant	Mexico	Mexico
Novelis Korea Ltd.	Manufacturing	South Korea	South Korea
Novelis AG	Manufacturing	Switzerland	Switzerland
Novelis Switzerland SA	Manufacturing	Switzerland	Switzerland
Novelis Europe Holdings Limited	Intermediate Subsidiary	UK	UK
Novelis UK Ltd.	Manufacturing	UK	UK
Aluminum Upstream Holdings LLC	Dormant	USA	USA
Eurofoil, Inc. (USA)	Dormant	USA	USA
Novelis Corporation	Manufacturing	USA	USA
Novelis Services Limited	Management Company	UK	UK
Novelis PAE Corporation	Dormant	USA	USA
Novelis South America Holdings LLC	Intermediate Subsidiary	USA	USA
Novelis Acquisitions LLC	Manufacturing	USA	USA
Novelis Holdings Inc.	Intermediate Subsidiary	USA	USA
Novelis Delaware LLC	Manufacturing	USA	USA
Novelis Services (North America) Inc.	Cash Management	USA	USA
Novelis Vietnam Company Limited	Manufacturing	Vietnam	Vietnam
Novelis MEA Limited	Import and export	UAE	UAE
Novelis Asia Holdings (Singapore) Pte. Limited	Dormant	Singapore	Singapore

$ De-registration application filed.

B. Non-Controlling Interests (NCI)

The Group has the following non-wholly owned subsidiaries:

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest Held by the Group 31/03/2018	31/03/2017
Suvas Holdings Limited	Power Generation	India	51.00%	51.00%
Hindalco-Almex Aerospace Limited	Manufacturing	India	97.18%	97.18%
East Coast Bauxite Mining Company Private Limited	Mining	India	74.00%	74.00%

None of above non-wholly owned subsidiary is material to the Group, therefore financial information about these non-wholly owned subsidiaries are not disclosed separately.

C. Joint Operations

The Group is engaged in various arrangements on a joint basis with other companies. In assessing whether joint control exists for these arrangements, Management evaluates the structures and legal framework, and contracts governing the arrangement combined with an assessment of which decisions that significantly influence the return from the arrangement. The Group assesses whether joint arrangements are joint operations where the Group has rights to the assets and obligations for the liabilities related to the arrangement, or a joint venture where the Group has an interest in the net assets of the joint arrangement. Accordingly, the Group has identified the following joint arrangements as joint operations:

Name of the Joint Operations	Principal Activities	Country of Incorporation	Group's Proportion of Ownership Interest and Voting Power	
			31/03/2018	31/03/2017
Mahan Coal Limited - (a)	Mining	India	50.00%	50.00%
Tubed Coal Mines Limited - (a)	Mining	India	60.00%	60.00%
Aluminium Norf GmbH - (b)	Rolling and Recycling	Germany	50.00%	50.00%
Logan Aluminium Inc. - (b)	Rolling and Finishing	USA	40.00%	40.00%
Ulsan Aluminium Limited - (b)	Rolling and Recycling	South Korea	50.00%	-

(a) Mahan Coal Limited and Tubed Coal Mines Limited have been classified as discontinued operations, since going concern concept is vitiated following deallocation of coal blocks earlier allotted to them and accounted for and presented accordingly.

(b) Novelis Inc, a subsidiary of the Group, is engaged in following arrangements that are concluded to be joint operations.

i. Aluminium Norf GmbH ("Alunorf"), a large rolling mill in Germany, is a joint operation between Novelis and Hydro Aluminium Deutschland GmbH ("Hydro"). Both Novelis and Hydro hold a 50% interest in equity, profits and losses, shareholder voting and management control. Novelis shares control of the management of Alunorf with Hydro through a jointly-controlled shareholders' committee and supervisory board. Management of Alunorf is led jointly by two managing executives, one nominated by Novelis and one nominated by Hydro. The primary objective of Alunorf is to provide tolling services (output) exclusively to Novelis and Hydro as the total output capacity is allocated between Novelis and Hydro. This indicates that both Novelis and Hydro get substantially all of the economic benefits from the assets of the joint arrangement. The major or sole sources of cash inflows for Alunorf are Novelis and Hydro, who are legally obliged to cover production costs.

ii. Logan Aluminium Inc. ("Logan"), an aluminum rolling mill in Kentucky, is a joint operation between Novelis and Tri-Arrows Aluminium Inc. ("Tri-Arrows"). Logan processes metals exclusively received from Novelis and Tri-Arrows and charges the respective partner a fee to cover expenses. This indicates that both Novelis and Tri-Arrows get substantially all of the economic benefits from the assets of the joint arrangement. Logan is thinly capitalised and relies on the regular reimbursement of costs and expenses by Novelis and Tri-Arrows to fund its operations, indicating that Novelis and Tri-Arrows have an obligation for the liabilities of the arrangement. Other than these contractually required reimbursements, Novelis does not provide other material support to Logan. Logan's creditors do not have recourse to our general credit. Novelis has a 40% voting interest; however, our participating interest in operations ranges from greater that 50% to approximately 55%, depending on output. Novelis has joint ability to make decisions regarding Logan's production operations and take our share of production and associated costs.

iii. In May 2017, Novelis Korea Ltd., a subsidiary of Novelis Inc., entered into definitive agreements with Kobe Steel Ltd. ("Kobe"), an unrelated party, under which Novelis Korea and Kobe Steel Ltd. will jointly own and operate the Ulsan manufacturing plant currently owned by Novelis Korea. In April 2017, Novelis Korea formed a new wholly owned subsidiary, Ulsan Aluminium, Ltd. (UAL). In September 2017, the transaction closed and Novelis Korea sold 49.9% of its shares in UAL to Kobe. The primary objective of UAL is to provide output exclusively to Novelis and Kobe as the total output capacity is allocated between Novelis and Kobe. This indicates that both Novelis and Kobe get substantially all of the economic benefits from the assets of the joint arrangement. The major or sole sources of cash inflows for UAL are Novelis and Kobe, who are legally obliged to cover production costs. We have joint ability to make decisions regarding UAL's production operations and take our share of production and associated costs.

The primary objective of UAL is to provide output exclusively to Novelis and Kobe as the total output capacity is allocated between Novelis and Kobe. This indicates that both Novelis and Kobe get substantially all of the economic benefits from the assets of the joint arrangement. The major or sole sources of cash inflows for UAL are Novelis and Kobe, who are legally obliged to cover production costs. We have joint ability to make decisions regarding UAL's production operations and take our share of production and associated costs. We have a 49.1% voting interest; however, our participating interest in operation ranges from greater that 50% to approximately 100% depending on output. We have joint ability to make decisions regarding Logan's production operations and take our share of production and associated costs. (refer Note 57)

D. Investments in Associates:

Details of Associates of the Group are set out below. The country of incorporation is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The Group's interests in these entities are accounted for using equity method in the consolidated financial statements.

Name of Entity	Country of Incorporation	Proportion of Ownership Interests (%)		Carrying Amount (₹ Crore)	
		31/03/2018	31/03/2017	31/03/2018	31/03/2017
Aditya Birla Science & Technology Company Pvt. Limited (ABSTCPL)	India	49.00%	49.00%	14.69	13.56
IDEA Cellular Limited (ICL) #	India	-	6.33%	-	1,552.70

(a) Summarised financial information in respect of the Group's associates are set out below. These information are based on their Ind-AS financial statements after alignment of Group's accounting policies.

(₹ Crore)

	As at 31/03/2018		As at 31/03/2017	
	ABSTCPL	ICL	ABSTCPL	ICL
Summarised Balance Sheet				
Total Assets	147.76	-	150.53	96,704.69
Total Liabilities	117.79	-	122.85	71,972.45
Net Assets	29.97	-	27.68	24,732.24
Group's Share of Net Assets of Associates	14.69	-	13.56	1,566.40
Dividend Received	-	-	-	13.70
Carrying Amount	14.69	-	13.56	1,552.70
Contingent Liabilities				
Share of Contingent Liabilities of the Associates	3.25	-	0.28	1,027.32

(₹ Crore)

	Year ended 31/03/2018		Year ended 31/03/2017	
	ABSTCPL	**ICL #**	**ABSTCPL**	**ICL**
Summarised Statement of Profit and Loss				
Total Revenues	56.54	28,242.00	56.36	35,575.74
Total Profit/(Loss) for the year	2.22	(4,168.20)	0.36	(399.70)
Other Comprehensive Income for the year	0.07	28.30	(0.29)	(4.33)
Group's Share of Profit/(Loss) of Associates	1.09	(218.33)	0.18	(25.31)
Group's Share of Other Comprehensive Income of Associates	0.03	-	(0.14)	(0.27)
Reconciliation to Carrying Amounts				
Opening Net Assets	27.68	24,732.24	25.52	23,550.49
Profit/(Loss) for the year	2.22	(4,168.20)	0.36	(399.70)
Other Comprehensive Income	0.07	-	(0.29)	(4.33)
Amounts Directly Recognised in Equity	-	6,698.36	2.09	1,585.78
Closing Net Assets	29.97	27,262.40	27.68	24,732.24
Group's Share (%)	49.00%	5.24%	49.00%	6.33%
Group's share (Amount)	14.69	1,428.00	13.56	1,566.40
Dividend Received	-	-	-	(13.70)
Carrying Amount	14.69	1,428.00	13.56	1,552.70

During the year ended March 31, 2018, Idea Cellular Limited (ICL) had issued additional shares to its investors which has resulted in dilution of the Group's interest ICL from 6.33% to 5.23%. This dilution of interest in ICL resulted in gain of ₹ 92.15 crore, which has been recorded in the Consolidated Statement of Profit and Loss account as part of "Share in Profit/(Loss) in Equity Accounted Investments (Net of Tax)". Further, effective March 31, 2018, the Group has discontinued the equity accounting for its investment in ICL as 'Investment in Associates' as it no longer has significant influence over ICL. Accordingly, the Group has designated its investment in ICL as 'Fair Value through Other Comprehensive Income (FVTOCI)' and recognised a gain of ₹ 305.10 crore, which has been recorded as exceptional income. (refer Note 42)

E. Interests in Joint Ventures:

Details of Joint Ventures of the Group are set out below. The joint ventures listed below have share capital consisting solely equity shares, which are directly held by the Group. The country of incorporation is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held. No entity listed below is listed on any public stock exchange.

	Country of Incorporation	Proportion of Ownership Interests		Carrying Amount (₹ Crore)	
		31/03/2018	**31/03/2017**	**31/03/2018**	**31/03/2017**
MNH Shakti Limited (MNH Shakti)	India	15.00%	15.00%	12.77	12.77
Hydromine Global Minerals (GmbH) Limited (Hydromine)	British Virgin Islands	45.00%	45.00%	0.70	0.70

MNH Shakti and Hydromine have been classified as Held For Sale. Accordingly, equity accounting for consolidation of MNH Shakti and Hydromine has been discontinued from the said dates. The investments in both the joint ventures are carried at fair value and presented as part of "Not-Current Assets classified as Held For Sale/Distribution to Owners" in the Consolidated Balance Sheet.

57. Disposal of Subsidiaries

In May 2017, Novelis Korea Ltd., a subsidiary of Novelis Inc., entered into definitive agreements with Kobe Steel Ltd. ("Kobe"), an unrelated party, under which Novelis Korea and Kobe Steel Ltd. will jointly own and operate the Ulsan manufacturing plant, currently owned by Novelis Korea. In April 2017, Novelis Korea formed a new wholly owned subsidiary, Ulsan Aluminium, Ltd. (UAL). In September 2017, the transaction closed and Novelis Korea sold 49.9% of its shares in UAL to Kobe for the purchase price of ₹ 2,053.15 crore. In this transaction, the Group recognised a net gain of ₹ 1,782.46 crore on the transaction, pre-tax, consisting of: (1) ₹ 915.35 crore gain related to the difference between the fair value of the consideration received and the carrying amount of the former subsidiary's assets (including goodwill of ₹ 274.14 crore) and liabilities; (2) ₹ 952.94 crore gain related to the remeasurement of the retained share in UAL; and (3) ₹ 85.83 crore transaction fees. The net gain of ₹ 1,782.46 crore is recognised as 'exceptional income' in Consolidated Statement of Profit and Loss. The fair value of the retained investment was determined using the third party purchase price determined in an arm's length transaction (i.e., fair value). Pursuant to loss of control in UAL, 100% of UAL's assets (including goodwill) are first de-recognised and for remaining 50.1% stake retained, being accounted as business combination, those assets are again recognised as 'additions'.

Gain/(Loss) on disposal of UAL and analysis of assets and liabilities as at date of disposal over which control was lost given below:

	(₹ Crore)
Gain/(Loss) on Disposal of Subsidiary	
Consideration Received	2,053.15
Net Assets over which control was lost	(1,090.20)
Deferred Income	(38.06)
Selling Costs	(85.83)
Foreign Currency Translation	(9.54)
Gain/(loss) on disposal	829.52
Fair Value of Net Assets Retained in UAL	1,679.84
Goodwill Created	382.43
Carrying Value of Net Assets Retained in UAL	(1,094.58)
Presentational Foreign Currency Translation	(14.75)
Gain on remeasurement of the retained interest in the Net Assets of UAL	952.94
Total Gain on Disposal of Subsidiary	**1,782.46**
Analysis of Assets and Liabilities as at date of disposal over which control was lost	
ASSETS	
Non-Current Assets	
Property, Plant and Equipment	
Land	319.74
Buildings	451.56
Plant and Equipment	1,089.96
Vehicles and Aircraft	0.52
Furniture and Fixtures	15.14
Office Equipment	0.60
Capital Work-in-Progress	27.96
Goodwill	274.14
Other Intangible Assets	0.54
Other Non-Current Assets	4.62
Total Assets	**2,184.78**
Less: Carrying Value of Net Assets Retained in UAL	(1,094.58)
Net assets over which control was lost	**1,090.20**

On September 30, 2016, we sold our 59.15% equity interest in Aluminium Company of Malaysia Berhad (ALCOM), a previously consolidated subsidiary, to Towerpack Sdn. Bhd. for USD 12 million. The transaction includes our interest in the Bukit Raja, Malaysia, facility, which processed aluminum within the construction/ industrial and heavy and light gauge foil markets, and the wholly-owned entity Alcom Nikkei Specialty Coatings Sdn. Berhad.

(₹ Crore)

Gain/(Loss) on Disposal of Subsidiary	
Consideration Received	76.79
Net Assets over which control was lost	(275.14)
Deferred Income	135.88
Selling Costs	(9.76)
Foreign Currency Translation	(18.99)
Gain/(loss) on Disposal	(91.22)

58. Related Party Transactions

The Group's related parties principally consist of its associates, joint ventures, trusts and its key managerial personnel. The Group routinely enters into transactions for sale and purchase of products and rendering and receiving services with these related parties. Transactions and balances between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions and balances between the Group and other related parties, included in the financial statements, are disclosed below.

A. Associates and Joint Ventures:

(a) Transactions

(₹ Crore)

		Year ended 31/03/2018		Year ended 31/03/2017	
		Associates	Joint Ventures	Associates	Joint Ventures
i.	**Services Rendered**	**0.03**	**-**	**0.03**	**-**
	Idea Cellular Limited	0.03	-	0.03	-
ii.	**Interest and dividend Received**	**4.37**	**-**	**19.21**	**-**
	Idea Cellular Limited	0.92	-	14.65	-
	Aditya Birla Science & Technology Company Pvt. Ltd.	3.45	-	4.56	-
iii.	**Services Received**	**17.14**	**-**	**15.26**	**-**
	Idea Cellular Limited	3.91	-	3.16	-
	Aditya Birla Science & Technology Company Pvt. Ltd.	13.23	-	12.10	-
iv.	**Deposits, Loans and Advances Received Back during the year**	**4.90**	**-**	**2.45**	**-**
	Aditya Birla Science & Technology Company Pvt. Ltd.	4.90	-	2.45	-

(b) Outstanding Balances

(₹ Crore)

		As at 31/03/2018		As at 31/03/2017	
		Associates	Joint Ventures	Associates	Joint Ventures
i.	**Receivables**	**-**	**0.03**	**0.40**	**0.03**
	Idea Cellular Limited	-	-	0.40	-
	Hydromine Global Minerals GmbH Limited	-	0.03	-	0.03
ii.	**Payables**	**0.26**	**-**	**0.10**	**-**
	Idea Cellular Limited	-	-	0.10	-
	Aditya Birla Science & Technology Company Pvt.Ltd.	0.26	-	-	-
iii.	**Deposits, Loans and Advances**	**50.59**	**-**	**55.49**	**-**
	Aditya Birla Science & Technology Company Pvt. Ltd.	50.59	-	55.49	-

All outstanding balances are unsecured and are repayable in cash.

B. Trusts

(a) Name of Trusts

Hindalco Employees' Gratuity Fund, Kolkata
Hindalco Employees' Gratuity Fund, Renukoot
Hindalco Employees' Provident Fund Institution, Renukoot
Hindalco Superannuation Scheme, Renukoot
Hindalco Industries Limited Employees' Provident Fund II
Hindalco Industries Limited Senior Management Staff Pension Fund II
Hindalco Industries Limited Office Employees' Pension Fund

For details of transaction with the trust refer Note 48.

C. Key Managerial Personnel

(₹ Crore)

	Year ended	
	31/03/2018	**31/03/2017**
(a) Managerial Remuneration	**31.98**	**69.48**
Mr. D. Bhattacharya - Vice Chairman*	6.93	48.29
Mr. Satish Pai - Managing Director **	20.97	17.51
Mr. Praveen Kumar Maheshwari - Whole-time Director & Chief Financial Officer **	4.08	3.68

* Includes Pension of ₹ 4.02 crore (31/03/2017: ₹ Nil)

** Excluding gratuity, leave encashment provision and compensation under Employee Stock Option Scheme

(b) Directors' Remuneration	**9.48**	**9.47**
Mr. Kumar Mangalam Birla	5.19	5.21
Smt. Rajashree Birla	0.08	0.11
Mr. A.K. Agarwala	1.11	1.16
Mr. D. Bhattacharya	1.15	1.15
Mr. M.M. Bhagat	0.24	0.23
Mr. K.N. Bhandari	0.21	0.21
Mr. Y.P. Dandiwala	0.17	0.17
Mr. Ram Charan	0.09	0.03
Mr. Jagdish Khattar	0.08	0.12
Mr. Girish Dave	0.10	0.07
Mr. Satish Pai (As a Director of Novelis Inc.)	1.06	1.01

(c) Outstanding Balances

(₹ Crore)

	As at	
	31/03/2018	**31/03/2017**
Payables		
Directors' Remuneration Payables	0.01	0.01

D. The Company is one of the promoter members of Aditya Birla Management Corporation Private Limited (ABMCPL), a Company limited by guarantee which has been formed to provide common facilities and resources to its members, with a view to optimise the benefits of specialisation and minimise cost for each member. The Company is one of the participants in the common pool and shares the expenses incurred by ABMCPL and accounted for under appropriate heads. The share of expenses charged by ABMCPL during the year ended March 31, 2018 is ₹ 341.77 crore (31/03/2017: ₹ 278.08 crore) and net outstanding payable balance as at March 31, 2018 is ₹ 71.58 crore (31/03/2017: ₹ 18.46 crore).

59. During the year ended March 31, 2018, the Group has reclassified/regrouped certain comparatives in order to confirm with current year's presentation. The key reclassification/regrouping included the following:

(a) Provisions amounting to ₹ 394.27 crore reclassified from Trade Payable to Current Provisions. Further, an amount of ₹ 36.69 crore has been reclassified from current provision to non-current provisions.

(b) Other current assets related to tax amounting to ₹ 1,254.95 crore reclassified to non-current tax assets amounting to ₹ 1,567.68 crore and current income tax liabilities amounting to ₹ 312.83 crore.

(c) Right to use asset amounting to ₹ 151.15 crore along with its accumulated depreciation amounting to ₹ 116.41 crore reclassified from intangible assets to property, plant and equipment.

(d) Currents asset amounting to ₹ 170.95 crore reclassified from Other Current Liabilities to Other Current Assets.

60. Additional information required under Schedule III of the Companies Act, 2013

A. Information regarding subsidiaries, associates and joint ventures included in the consolidated financial statements for the year ended March 31, 2018:

	Net Assets i.e., Total Assets minus total Liabilities	Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ Crore)	As % of Consolidated Profit/(Loss)	Amount (₹ Crore)	As % of Other Comprehensive Income	Amount (₹ Crore)	As % of Total Comprehensive Income	Amount (₹ Crore)
Parent:								
Hindalco Industries Limited	90.14%	49,450.74	23.62%	1,436.49	32.00%	957.15	26.38%	2,393.64
Subsidiaries:								
Indian:								
Minerals & Minerals Limited	0.01%	7.01	0.09%	5.31	0.00%	-	0.06%	5.31
Utkal Alumina International Limited	10.29%	5,645.44	9.23%	561.29	0.00%	0.09	6.19%	561.38
Utkal Alumina Technical & General Services Limited	0.00%	-	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
Suvas Holdings Limited	0.02%	13.04	0.00%	(0.25)	0.00%	-	0.00%	(0.25)
Renuka Investments & Finance Limited	0.32%	178.14	0.14%	8.26	-0.26%	(7.70)	0.01%	0.56
Renukeshwar Investments & Finance Limited	0.19%	106.50	0.11%	6.45	-0.38%	(11.37)	-0.05%	(4.92)
Dahej Harbour and Infrastructure Limited	0.18%	99.10	0.66%	39.93	0.00%	-	0.44%	39.93
Lucknow Finance Company Limited	0.03%	19.18	0.03%	1.59	0.00%	-	0.02%	1.59
Hindalco-Almex Aerospace Limited	0.15%	79.76	0.04%	2.69	0.00%	(0.12)	0.03%	2.57
East Coast Bauxite Mining Company Private Ltd.	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	-
Mauda Energy Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign:								
A V Minerals (Netherlands) N.V.	19.94%	10,937.62	-0.01%	(0.70)	-0.03%	(0.90)	-0.02%	(1.60)
A V Metals Inc.	18.56%	10,181.78	0.00%	0.01	0.00%	(0.10)	0.00%	(0.09)
Novelis Inc. (Consolidated)	28.87%	15,837.28	65.41%	3,978.69	60.07%	1,796.81	63.65%	5,775.50
Hindalco Do Brasil Industria Comercia de Alumina Ltda.	0.23%	128.29	-2.47%	(149.96)	-0.37%	(11.07)	-1.77%	(161.03)
Hindalco Guinea SARL	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-Controlling Interest	0.02%	8.64	0.00%	(0.05)	0.00%	-	0.00%	(0.05)
Associates:								
Indian:								
Idea Cellular Limited (refer Note 56D)	0.00%	-	-2.07%	(126.18)	0.00%	-	-1.39%	(126.18)
Aditya Birla Science and Technology Company Private Limited	0.03%	14.69	0.02%	1.09	0.00%	0.04	0.01%	1.13
	168.99%	92,707.19	94.77%	5,764.62	91.02%	2,722.83	93.53%	8,487.45
Consolidation Adjustments	-68.99%	(37,846.78)	5.23%	318.25	8.98%	268.59	6.47%	586.84
	100.00%	54,860.41	100.00%	6,082.87	100.00%	2,991.42	100.00%	9,074.29

B. Information regarding subsidiaries, associates and joint ventures included in the consolidated financial statements for the year ended March 31, 2017:

	Net Assets i.e., Total Assets minus Total Liabilities		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ Crore)	As % of Consolidated Profit/(Loss)	Amount (₹ Crore)	As % of Other Comprehensive Income	Amount (₹ Crore)	As % of Total Comprehensive Income	Amount (₹ Crore)
Parent:								
Hindalco Industries Limited	102.75%	47,332.56	82.71%	1,556.89	-2980.65%	535.92	112.26%	2,092.81
Subsidiaries:								
Indian:								
Minerals & Minerals Limited	0.00%	1.71	0.03%	0.55	0.00%	-	0.03%	0.55
Utkal Alumina International Limited	6.09%	2,804.35	-6.07%	(114.18)	-1.28%	0.23	-6.11%	(113.95)
Utkal Alumina Technical & General Services Limited	0.00%	0.04	0.00%	-	0.00%	-	0.00%	-
Suvas Holdings Limited	0.02%	8.28	0.00%	0.03	0.00%	-	0.00%	0.03
Renuka Investments & Finance Limited	0.39%	177.58	0.49%	9.26	-375.64%	67.54	4.12%	76.80
Renukeshwar Investments & Finance Limited	0.24%	111.42	0.35%	6.54	-263.68%	47.41	2.89%	53.95
Dahej Harbour and Infrastructure Limited	0.18%	83.24	1.64%	30.89	-0.17%	0.03	1.66%	30.92
Lucknow Finance Company Limited	0.04%	17.59	0.10%	1.81	-0.06%	0.01	0.10%	1.82
Hindalco-Almex Aerospace Limited	0.17%	77.18	0.12%	2.18	0.11%	(0.02)	0.12%	2.16
East Coast Bauxite Mining Company Private Ltd	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	-
Mauda Energy Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign:								
Birla Resources Pty. Limited	0.00%	-	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Aditya Birla Minerals Limited (Consolidated)	0.00%	-	-2.73%	(51.48)	-94.94%	17.07	-1.85%	(34.41)
A V Minerals (Netherlands) N.V.	23.23%	10,702.21	-0.03%	(0.53)	1249.17%	(224.60)	-12.08%	(225.13)
A V Metals Inc.	22.02%	10,141.89	0.00%	-	1213.18%	(218.13)	-11.70%	(218.13)
Novelis Inc. (Consolidated)	21.76%	10,024.79	34.59%	651.08	4339.43%	(780.23)	-6.93%	(129.15)
Hindalco Do Brasil Industria Comercia de Alumina Ltda.	0.20%	93.18	-6.74%	(126.91)	40.93%	(7.36)	-7.20%	(134.27)
Hindalco Guinea SARL	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-Controlling Interest	0.01%	6.23	-0.93%	(17.44)	31.37%	(5.64)	-1.24%	(23.08)
Associates								
Indian:								
Idea Cellular Limited	3.37%	1,552.70	-1.34%	(25.31)	1.50%	(0.27)	-1.37%	(25.58)
Aditya Birla Science and Technology Company Private Limited	0.03%	13.56	0.01%	0.18	17.46%	(3.14)	-0.16%	(2.96)
	180.50%	83,148.50	102.19%	1,923.55	3176.75%	(571.18)	72.54%	1,352.37
Consolidation Adjustments	-80.50%	(37,083.47)	-2.19%	(41.25)	-3076.75%	553.20	27.46%	511.95
	100.00%	46,065.03	100.00%	1,882.30	100.00%	(17.98)	100.00%	1,864.32

C. MNH Shakti Limited, an Indian joint venture, and Hydromine Global Minerals (GmbH) Limited, a foreign joint venture, of the Group have been classified as Held for Sale. As a result of the same, equity accounting for these joint ventures has been discontinued and the investments in these joint ventures are carried at fair value.

As per our report annexed.
For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

For and on behalf of the Board of Hindalco Industries Limited

Sumit Seth
Partner
Membership No. 105869

Praveen Kumar Maheshwari
Whole-time Director &
Chief Financial Officer
DIN-00174361

Satish Pai – Managing Director
DIN-06646758

Place : Mumbai
Dated : May 16, 2018

Anil Malik
Company Secretary

M.M. Bhagat – Director
DIN-00006245

Annexure-VIII

Form AOC-1

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" - Subsidiaries

Figures INR in Crore & Foreign Currency in Million

Sr. No.	Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debenture, Bonds & Others	Turnover/ Revenues	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend	% of Share Holding
1	Minerals and Minerals Limited	India	INR	0.05	6.96	19.97	12.96	-	43.32	7.20	1.89	5.31		100
2	Renuka Investments and Finance Limited	India	INR	9.25	168.89	178.79	0.65	171.13	10.06	9.75	1.49	8.26		100
3	Renukeshwar Investments and Finance Limted	India	INR	4.80	101.70	106.50	0.00	105.24	6.73	6.71	0.25	6.45		100
4	Suvas Holdings Limited	India	INR	13.31	(0.27)	35.59	22.55	0.00	0.05	(0.24)	0.01	(0.25)		51
5	Utkal Alumina International Limited	India	INR	6,251.48	(606.04)	8,424.25	2,778.80	0.00	2,884.11	579.51	18.22	561.29		100
6	Hindalco-Almex Aerospace Limited	India	INR	88.56	(8.80)	88.61	8.86	16.63	64.54	3.36	0.67	2.69		97.18
7	Lucknow Finance Company Limited	India	INR	9.90	9.28	20.12	0.94	10.41	2.83	1.79	0.20	1.59		100
8	Dahej Harbour and Infrastructure Limited	India	INR	50.00	49.10	115.24	16.14	49.14	82.34	52.49	12.56	39.93		100
9	East Coast Bauxite Mining Co.Pvt.Ltd.	India	INR	0.01	(0.03)	0.01	0.03	0.00	0.00	(0.00)	0.00	(0.00)		74
10	Tubed Coal Mines Limited[%]	India	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		60
11	Mauda Entergy Limited	India	INR	0.18	(0.18)	0.00	0.00	0.00	0.00	0.00	0.00	0.00		100
12	Utkal Alumina Technical and General Services Ltd.[@]	India	INR	0.05	(0.05)	0.00	0.00	0.00	0.00	(0.04)	0.00	(0.04)		100
13	A V Minerals (Netherlands) N.V.*	Netherlands	INR	11,167.46	(229.84)	10,937.62	0.00	10,937.16	0.00	(0.70)	0.00	(0.70)		100
			USD	1,715.04	(35.30)	1,679.74	0.00	1,679.67	0.00	(0.11)	0.00	(0.11)		
14	A V Metals Inc.[#*]	Canada	INR	0.00	10,181.78	10,181.79	0.01	10,181.79	0.00	0.01	0.00	0.01		100
			USD	0.00	1,563.66	1,563.66	0.00	1,563.66	0.00	0.00	0.00	0.00		
15	Novelis Inc.[##*]	Canada	INR	10,288.16	(6,575.78)	16,778.68	13,075.80	0.00	4,397.55	2,312.19	(45.82)	2,266.37	0.00	100
			USD	1,580.00	(1,009.87)	2,576.78	2,008.11	0.00	682.24	358.72	(7.11)	351.61	0.00	
16	4260848 Canada Inc.*	Canada	INR	798.59	(536.53)	262.06	-	-	-	58.26	(5.89)	64.15	-	100
			USD	122.64	(82.40)	40.25	-	0.00	-	9.04	(0.91)	9.95	0.00	
17	4260856 Canada Inc.*	Canada	INR	1,197.92	(814.52)	383.40	-	-	-	0.09	(0.01)	0.10	-	100
			USD	183.97	(125.09)	58.88	-	0.00	0.00	0.01	(0.00)	0.01	0.00	
18	Novelis South America Holdings LLC*	USA	INR		-	-	-	-	-	-	-	-	-	100
			USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
19	Novelis (India) Infotech Ltd.*	India	INR	1.00	1.36	2.43	0.07	-	0.09	0.09	0.03	0.06	-	100
			USD											
20	Novelis Corporation (Texas)*	USA	INR		(6,790.45)	19,601.20	26,501.56	0.00	28,818.47	1,218.44	297.84	1,516.27	0.00	100
			USD		(1,042.84)	3,010.24	4,069.96	0.00	4,470.94	189.03	46.21	235.24	0.00	
21	Novelis de Mexico SA de CV*	Mexico	INR	0.04	(0.04)	-	-	-	-	-	-	-	-	100
			USD	0.01	(0.01)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
22	Novelis do Brasil Ltda.*	Brazil	INR	1,888.49	2,992.64	10,788.04	5,906.92	-	12,381.74	1,560.99	(522.27)	1,038.72	-	100
			Reais	958.53	1,518.95	5,475.62	2,998.14	0.00	6,178.60	778.95	(260.62)	518.33	0.00	
23	Novelis Korea Limited*	Korea	INR	107.50	3,015.98	10,060.94	6,937.46	-	12,717.14	1,301.57	396.79	904.78	-	100
			Won	17,536.00	492,003.00	1,641,262.00	1,131,723.00	0.00	2,102,007.00	215,135.00	65,585.00	149,550.00	0.00	
24	Novelis UK Ltd.*	England	INR	1,334.90	670.39	3,037.60	1,032.31		3,923.62	25.33	4.60	20.73	0.00	59
			Pounds	146.09	73.37	332.43	112.97		458.85	2.96	0.54	2.42	0.00	
25	Novelis Services Limited*	England	INR	1,308.88	1,436.61	2,783.23	37.74		673.78	419.71	95.66	324.05	0.00	59
			USD	201.01	220.63	427.43	5.80		104.53	65.11	14.84	50.27	0.00	
26	Novelis Deutschland GmbH*	Germany	INR	894.44	110.44	6,069.01	5,064.14	-	23,771.01	113.25		113.25	-	100
			Euro	111.50	13.77	756.56	631.29	0.00	3,150.59	15.01		15.01	0.00	
27	Novelis Aluminium Beteiligungs GmbH*	Germany	INR	0.20	0.18	0.38	-	-	-	(0.0009)	-	(0.00)	-	100
			Euro	0.03	0.02	0.05	0.00	0.00	0.00	(0.00)	0.00	(0.00)	0.00	
28	Novelis Switzerland SA*	Switzerland	INR	34.16	2,742.86	3,856.28	1,079.26	-	5,440.03	393.99	73.24	320.76	-	100
			Francs	5.00	401.48	564.45	157.97	0.00	818.88	59.31	11.02	48.28	0.00	
29	Novelis Lamines France SAS*	France	INR	24.87	24.97	51.39	1.55	-	4.24	(0.02)	0.08	(0.10)	-	100
			Euro	3.10	3.11	6.41	0.19	0.00	0.56	(0.00)	0.01	(0.01)	0.00	
30	Novelis Italia SPA*	Italy	INR	770.10	(256.06)	1,060.63	1,060.63	-	1,314.64	(9.26)	(1.66)	(10.92)	-	100
			Euro	96.00	(31.92)	132.22	132.22	0.00	174.24	(1.23)	(0.22)	(1.45)	0.00	
31	Novelis Aluminium Holding Company*	Ireland	INR	1,741.51	575.17	6,981.94	4,665.25	-	131.22	(92.80)	(67.59)	(160.39)	-	100
			Euro	217.10	71.70	870.37	581.57	0.00	17.39	(12.30)	(8.96)	(21.26)	0.00	
32	Novelis PAE SAS*	France	INR	32.41	81.13	316.54	203.00	-	82.58	(36.13)	(3.13)	(33.00)	-	100
			Euro	4.04	10.11	39.46	25.31	0.00	10.95	(4.79)	(0.41)	(4.37)	0.00	
33	Novelis Europe Holdings Ltd.*	Wales	INR	319.70	2,072.17	5,090.90	2,699.04		9.48	(306.14)	0.00	(306.14)	0.00	100
			USD	49.10	318.23	781.83	414.50		1.47	(47.50)	0.00	(47.50)	0.00	

Figures INR in Crore & Foreign Currency in Million

Sr. No.	Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debenture, Bonds & Others	Turnover/ Revenues	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend	% of Share Holding
34	Novelis AG (Switzerland)*	Switzerland	INR	6.83	1,181.67	6,244.80	5,056.30	-	5,097.54	(122.91)	(1.04)	(123.95)	-	100
			Francs	1.00	172.96	914.06	740.10	0.00	767.33	(18.50)	(0.16)	(18.66)	0.00	
35	Novelis Holdings Inc.*	USA	INR	-	1,919.15	1,950.78	31.62	-	-	98.53	335.67	(237.13)	-	100
			USD	0.00	294.73	299.59	4.86	0.00	0.00	15.29	52.08	(36.79)	0.00	
36	8018227 Canada Inc.*	USA	INR	-	(425.60)	1,651.75	2,077.35	-	-	(76.26)	(6.88)	(69.38)	-	100
			USD	0.00	(65.36)	253.67	319.03	0.00	0.00	(11.83)	(1.07)	(10.76)	0.00	
37	Novelis Acquisitions LLC*	USA	INR	-	-	-	-	-	-	-	-	-	-	100
			USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
38	Novelis Sheet Ingot GmbH*	Germany	INR	160.44	-	1,429.64	1,269.20	-	637.14	(30.19)	-	(30.19)	-	100
			Euro	20.00	0.00	178.22	158.22	0.00	84.45	(4.00)	0.00	(4.00)	0.00	
39	Novelis MEA Ltd.*	UAE	INR	5.94	399.58	805.55	400.03		2,330.00	133.47	0.00	133.47	0.00	40
			USD	0.91	61.37	123.71	61.43		361.48	20.71	0.00	20.71	0.00	
40	Novelis (Shanghai) Aluminum Trading Co., Ltd.*	China	INR	22.98	88.79	124.55	12.78		59.91	0.33	(0.24)	0.09	0.00	100
			CNY	22.14	85.57	120.03	12.32	0.00	61.53	0.34	(0.24)	0.10	0.00	
41	Novelis (China) Aluminium Products Co., Ltd.*	China	INR	368.47	(34.53)	1,472.72	1,138.78		1,239.60	149.20	(37.30)	111.90	0.00	100
			CNY	355.12	(33.27)	1,419.35	1,097.51	0.00	1,273.13	153.24	(38.31)	114.93	0.00	
42	Novelis Vietnam Company Limited*	Vietnam	INR	5.93	31.81	48.37	10.62	0.00	(0.03)	(12.21)	0.05	(12.15)	0.00	100
			Dong	20,820.00	111,626.57	169,708.61	37,262.05	0.00	(105.28)	(43,590.97)	185.02	(43,405.95)	0.00	
43	Novelis Services (North America) Inc.*	USA	INR	-	-	0.02	0.02	-	-	-	-	-	-	100
			USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
44	Brecha Energetica Ltda.*	Brazil	INR	0.002	-	0.002	-	-	-	-	-	-	-	99
			Reais	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
45	Novelis Global Employment Organization Inc.*	USA	INR	2.116	(0.54)	9.22	7.64	-	-	0.002	0.20	(0.20)	-	100
			USD	0.33	(0.08)	1.42	1.17	0.00	0.00	0.00	0.03	(0.03)	0.00	
46	Logan Aluminum, Inc.*$	USA	INR	0.00001	(552.57)	2,093.62	2,646.19	-	2,944.16	3.18	177.01	(173.84)	-	40
			USD	0.00	(84.86)	321.53	406.39	0.00	456.76	0.49	27.46	(26.97)	0.00	
47	Ulsan Aluminum Ltd.*$		INR	0.15	2,177.16	3,619.14	1,441.82	0.00	2,460.46	23.29	5.27	18.02	0.00	50.1
			Won	25.05	355,165.34	590,397.50	235,207.11	0.00	406,686.84	3,850.40	871.47	2,978.93	0.00	
48	Hindalco Guinea SARL	South Africa	INR	0.01	(0.01)	0.01	0.01	0.00	0.00	(0.00)	0.00	(0.00)		100
			USD	0.00	(0.00)	0.00	0.00	0.00	0.00	(0.00)	0.00	(0.00)		
49	Hindalco Do Brazil Industria Comercia de Alumina LTDA	Brazil	INR	730.40	(602.11)	293.87	165.58	0.00	275.99	(149.96)	0.00	(149.96)		100
			Reais	370.73	(305.61)	149.16	84.04	0.00	137.72	(74.83)	0.00	(74.83)		

Deutsche Aluminium Verpackung Recycling GmbH	*Not consolidated with 20% ownership*
France Aluminium Recyclage SA	*Not consolidated with 30% ownership*

Subsidiary of AV Minerals (Netherlands) N.V.

Subsidiary of AV Metals Inc.

@ Subsidiary of Utkal Alumina International Limited

% Held for sale

$ Joint Operations

* Balance sheet items are translated at closing exchange rate and Profit/(Loss) items are translated at average exchange rate.

List of Subsidiaries which have been liquidated/amalgamated/sold during FY 17-18
NA

From Ccy	To Ccy	Avg spot rate for the year	Closing rate for 31st March 2018
AUD	INR	49.8779	50.0279
BRL	INR	20.0397	19.7020
CAD	INR	50.2751	50.5159
CHF	INR	66.4324	68.3192
CNY	INR	9.7367	10.3764
EUR	INR	75.4494	80.2184
GBP	INR	85.5101	91.3759
JPY	INR	0.5819	0.6129
NOK	INR	7.9475	8.3023
SEK	INR	7.7370	7.8085
SGD	INR	47.5398	49.6701
USD	INR	64.4573	65.1150

From Ccy	To Ccy	Avg spot rate for the year	Closing rate for 31st March 2018
BRL	USD	0.3109	0.3026
CHF	USD	1.0307	1.0492
CNY	USD	0.1511	0.1594
EUR	USD	1.1706	1.2320
GBP	USD	1.3266	1.4033
JPY	USD	0.0090	0.0094
SEK	USD	0.1200	0.1199
SGD	USD	0.7376	0.7628

	Name of subsidiaries which are yet to commence operations
1	Mauda Energy Limited
2	East Coast Bauxite Company Private Limited
3	Utkal Alumina Technical and General Services Ltd
4	Hindalco Guinea SARL

PART-"B" STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

Sr. No.	Name of Associates/Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Networth to Shareholding as per latest audited balance sheet (₹ in crore)	Profit/Loss for the year			
			Number	Amount of investment (Carrying Value) in Associates/ Joint Venture (₹ in crore)	Extent of Holding% attributable		Considered in consolidation (₹ in crore)	Not considered in consolidation (₹ in crore)	Description of how there is significant influence	Reason why the associate/joint venture is not considered
Associates										
1	Aditya Birla Science and Technology Company Private Limited	31-Mar-18	9,800,000	9.80	49.00	2.39	0.53	-	Note A	
2	Idea Cellular Limited*	31-Mar-18	-	-	5.24	-	(660.90)	-	Note A	
3	Aluminium Norf GmbH	31-Dec-17	1	41,511.00	50.00	83,022.00	4,651.00	-		Joint operation
4	Deutsche Aluminium Verpackung Recycling GmbH	31-Dec-17	1	92.10	30.00	77.60	(0.44)	-		Immaterial Financial
5	France Aluminium Recyclage SA	31-Dec-17	3000	31.40	20.00	157.00	9.18	-		Immaterial Financial
Joint Ventures										
1	Mahan Coal Limited [@]	31-Mar-18	95,250,000	73.25	50.00	73.60	1.33	-	Note A	Joint operation
2	Hydromine Global Minerals (GMBH) Limited [$]	31-Mar-18	6,465,000	1	45.00	30.45	-	(0.14)	Note A	Discontinued Operation
3	MNH Shakti Limited [$]	31-Mar-18	12,765,000	13	15.00	12.69	-	-	Note A	Discontinued Operation

Note A: There is significant influence due to percentage holding of share capital

* No significant influence as at March 31, 2018 - Refer Note 56 D of the Consolidated Financial Statements

[@] Held for sale as on 31st March, 2018.

[$] Held for sale as on 31st March, 2018 and accordingly equity accounting has been discontinued.

For and on behalf of the Board of Hindalco Industries Limited

Praveen Kumar Maheshwari
Whole-time Director &
Chief Financial Officer
DIN-00174361

Satish Pai – Managing Director
DIN-06646758

Place : Mumbai
Dated : May 16, 2018

Anil Malik
Company Secretary

M.M. Bhagat – Director
DIN-00006245

$	–	United States Dollar
/T	–	per Tonne
/t	–	per tonne
ABG	–	Aditya Birla Group
Al/AL	–	Aluminium
BEE	–	Bureau of Energy Efficiency
Bn	–	Billion
CAGR	–	Compounded Annual Growth Rate
CCR	–	Continuous Cast Copper Rods
CII	–	Confederation of Indian Industry
CIL	–	Coal India Limited
CSR	–	Corporate Social Responsibility
Cu	–	Copper
CY	–	Calendar Year
DAP	–	Di Ammonium Phosphate
EBITDA	–	Earnings Before Interest, Tax, Depreciation and Amortisation
EV	–	Electric Vehicles
FICCI	–	Federation of Indian Chambers of Commerce & Industry
FRP	–	Flat Rolled Products
FY	–	Financial Year
GHG	–	Green House Gas
GJ/t	–	GigaJoule
GW	–	Giga Watt
HIL	–	Hindalco Industries Limited
HR	–	Human Resource
IIT	–	Indian Institute of Technology
kA	–	Kilo Ampere
Kt	–	Kilo Tonnes
LME	–	London Metal Exchange
LTISR	–	Loss Time Injury Severity Rate
M^3/t	–	Cubic Meters per tonne
Mn	–	Million
MnT	–	Million Tonnes
Mt	–	Million Tonnes
MW	–	Mega Watt
PAT	–	Profit After Tax
PBT	–	Profit Before Tax
Q	–	Quarter
R&D	–	Research & Development
SWOT	–	Strength, Weakness, Opportunities and Threats
Tc/Rc	–	Treatment Charge and Refining Charge
US	–	The United States of America
VAP	–	Value Added Player

Notes

Notes

Hindalco Industries Limited

Registered Office:
Ahura Centre, 1st Floor, B Wing,
Mahakali Caves Road, Andheri (East),
Mumbai-400 093.

Tel: (91-22) 6691 7000

Fax: (91-22) 6691 7001

E-mail: hilinvestors@adityabirla.com

Website: www.hindalco.com

CIN No. L27020MH1958PLC011238

concept, content and design at AICL (hello@aicl.in)

HINDALCO INDUSTRIES LIMITED

CIN: L27020MH1958PLC011238

Registered Office: Ahura Centre, 1st Floor, B Wing, Mahakali Caves Road, Andheri (East), Mumbai-400 093.
Tel: (91-22) 6691 7000, Fax: (91-22) 6691 7001, E-mail: hilinvestors@adityabirla.com, website: www.hindalco.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Fifty-Ninth** Annual General Meeting of the Shareholders of Hindalco Industries Limited will be held at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Prabhadevi, Mumbai-400025, on **Friday, 21st September, 2018 at 3:00 p.m.** to transact, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended 31st March, 2018 and the Report of the Directors and the Auditors thereon.
2. To declare and sanction the payment of Dividend on equity shares of the Company for the financial year 2017-2018.
3. To appoint a Director in place of Mr. Kumar Mangalam Birla (DIN: 00012813), who retires from office by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

4. **To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2019 and in this regard to consider and if thought fit, to pass with or without modification the following resolution, which will be proposed as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration not exceeding ₹ 15,00,000 (Rupees Fifteen Lakhs only) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31st March, 2019 to be paid to M/s Nanabhoy & Co., Cost Accountants, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, be and is hereby ratified and confirmed.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **To approve the appointment of Mrs. Alka Bharucha (DIN: 00114067) who was appointed as an Independent Director on the Board of the Company, under Section 149, read with the Rules made thereunder and Schedule IV of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in that behalf, to consider and if thought fit to pass with or without modification the following resolution, which will be proposed as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder and pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment thereof), the appointment of Mrs. Alka Bharucha (DIN:00114067), as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years, from 11th July, 2018 to 10th July, 2023 be and is hereby approved."

6. **To approve the offer or invitation to subscribe to Non-Convertible Debentures on a private placement basis and in this regard to consider and if thought fit, to pass with or without modification the following resolution which will be proposed as a Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 42 and 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any other applicable Rules/Regulations(including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) to offer, invite subscription for or issue Non-Convertible Debentures ("NCDs"), secured or unsecured, during a period of one year from the date of this Annual General Meeting until 20th September, 2019, in one or more series/ tranches, aggregating upto an amount not exceeding ₹ 6000 Crore (Rupees Six Thousand Crore only), on a private placement basis, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised to finalise and execute all deeds, documents and writings as may be necessary, desirable or expedient, and to do all acts and take all such steps as may be necessary and to delegate all or any of these powers to any Director(s) or officer(s) to give effect to this resolution."

7. **To approve the continuation of directorship of Mr. A.K. Agarwala (DIN: 00023684) as a Director of the Company and for the purpose, to pass with or without**

modification the following resolution, which will be proposed as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force) or any other applicable law and in partial modification of the resolution of the shareholders of the Company passed in the 58th Annual General Meeting held on 13th September, 2017, the continuation of Directorship of Mr. A.K. Agarwala (DIN:00023684) for the existing term of his office, be and is hereby approved."

8. **To approve the continuation of directorship of Mr. Girish Dave (DIN: 00036455) as an Independent Director of the Company and for the purpose, to pass with or without modification the following resolution, which will be proposed as a Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force) or any other applicable law and in partial modification of the resolution of the shareholders of the Company passed in the 57th Annual General Meeting held on 14th September, 2016, the continuation of Directorship of Mr. Girish Dave (DIN:00036455) for the existing term of his office as an Independent Director, be and is hereby approved."

9. **To approve the continuation of directorship of Mr. M.M. Bhagat (DIN: 00006245) as an Independent Director of the Company and for the purpose, to pass with or without modification the following resolution, which will be proposed as a Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force) or any other applicable law and in partial modification of the resolution of the shareholders of the Company passed in the 55th Annual General Meeting held on 24th September, 2014, the continuation of Directorship of Mr. M.M. Bhagat (DIN:00006245) for the existing term of his office as an Independent Director, be and is hereby approved."

10. **To approve the continuation of directorship of Mr. K.N. Bhandari (DIN: 00026078) as an Independent Director of the Company and for the purpose, to pass with or without modification the following resolution, which will be proposed as a Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force) or any other applicable law and in partial modification of the resolution of the shareholders of the Company passed in the 55th Annual General Meeting held on 24th September, 2014, the continuation of Directorship of Mr. K.N. Bhandari (DIN:00026078) for the existing term of his office as an Independent Director, be and is hereby approved."

11. **To approve the continuation of directorship of Mr. Ram Charan (DIN: 03464530) as an Independent Director of the Company and for the purpose, to pass with or without modification the following resolution, which will be proposed as a Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force) or any other applicable law and in partial modification of the resolution of the shareholders of the Company passed in the 55th Annual General Meeting held on 24th September, 2014, the continuation of Directorship of Mr. Ram Charan (DIN:03464530) for the existing term of his office as an Independent Director, be and is hereby approved."

12. **To approve and adopt Hindalco Industries Limited Employee Stock Option Scheme 2018 and to consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of Section 67 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the "SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, any rules, guidelines and regulations issued by the Reserve Bank of India or any other regulatory or governmental authority and any other applicable laws for the time being in force and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any duly constituted committee, including the Nomination and Remuneration Committee constituted by the Board to exercise its powers conferred by this Resolution) consent of the members be and is hereby accorded to the Board to introduce and implement the Hindalco Industries Limited Employee Stock Option Scheme 2018' (the "Scheme 2018"), the salient features of which are furnished in the explanatory statement to the Notice, the same being implemented through Trust to be setup.

    RESOLVED FURTHER THAT consent be and is hereby accorded to the Board to create, grant, offer, issue and allot at any time, to or for the benefit of, such persons who are in permanent employment of the Company and its subsidiary companies, in the management cadre, whether working in India or outside India, including any managing or whole time directors of the Company, its subsidiary companies (selected on the basis of criteria decided by the Board or Nomination and Remuneration Committee thereof) under the Scheme 2018, such number of stock options (comprising of options and/ or restricted stock units, as the case may be) (the "Stock Options") exercisable into not more than 1,39,57,302 equity shares of ₹ 1 each (the "Equity Shares") being 0.62% of the paid-up equity share capital of the Company as on 31st March, 2018 (or such other number adjusted in terms of Scheme 2018 as per applicable law), at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI SBEB Regulations or other provisions of the law as may be prevailing at that time.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other reorganisation of capital structure of the Company, as applicable from time to time, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure a fair and reasonable adjustment to the Stock Options granted earlier. Further, the above ceiling of 0.62% i.e., 1,39,57,302 Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued.

RESOLVED FURTHER THAT in case the Equity Shares are either sub-divided or consolidated, then the number of Equity Shares to be transferred on exercise of Stock Options and the exercise price of Stock Options shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 1 per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted stock options under the Scheme 2018.

RESOLVED FURTHER THAT the Board is authorised to formulate, evolve, decide upon and implement the Scheme 2018 and determine the detailed terms and conditions of the aforementioned Scheme 2018 including but not limited to the quantum of the Stock Options to be granted per employee in each tranche, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Stock Options, to such employees and directors of the Company and its subsidiary companies, at par or at such other price, at such time and on such terms and conditions as set out in the Scheme 2018 and as the Board may in its absolute discretion think fit, subject to applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the Scheme 2018 at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the Scheme 2018, as it may deem fit, from time to time or to suspend, withdraw or revive the Scheme 2018 from time to time in conformity with the provisions of the Companies Act, 2013 (including any rules or regulations made thereunder), the SEBI SBEB Regulations and other applicable laws unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted Stock Options under the Scheme 2018.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, as may, at its absolute discretion, deems necessary including authorising or directing the appointment of various intermediaries, experts, professionals, independent agencies and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Scheme 2018, as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals, if any, required by the Securities and Exchange Board of India / the stock exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of directors, with power to further delegate such powers to any executives/ officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard."

13. To approve the Extension of Benefits of the Hindalco Industries Limited Employee Stock Option Scheme 2018 to the permanent employees in the management cadre, including managing and whole-time directors, of subsidiary companies of the Company and to consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 67 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the "SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, any rules, guidelines and regulations issued by the Reserve Bank of India or any other regulatory or governmental authority and any other applicable laws for the time being in force and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any duly constituted committee, including the Nomination and Remuneration Committee constituted by the Board to exercise its powers conferred by this Resolution) consent be and is hereby accorded to the Board to extend the benefits and coverage of the Scheme 2018 (referred to in the Resolutions under Item No. 12 of this Notice) to such persons who are in permanent employment of any present and future subsidiary companies of the Company in the management cadre, whether working in India or outside India, including any Managing or Whole time directors (selected on the basis of criteria decided by the Board or Nomination and

Remuneration Committee thereof) under the Scheme 2018 in the manner mentioned in the Resolutions under Item No. 12 of this Notice on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI SBEB Regulations or other provisions of the law as may be prevailing at that time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper to settle any questions, difficulties or doubts that may arise in this regard."

14. To approve (a) the use of the trust route for the implementation of the Hindalco Industries Limited Employee Stock Option Scheme 2018 ("Scheme 2018); (b) secondary acquisition of the equity shares of the Company by the ESOS trust to be set up; and (c) grant of financial assistance/provision of money by the Company to the ESOS trust to fund the acquisition of its equity shares, in terms of the Scheme 2018 and to consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 67 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the "SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, any rules, guidelines and regulations issued by the Reserve Bank of India or any other regulatory or governmental authority and any other applicable laws for the time being in force and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any duly constituted committee, including the Nomination and Remuneration Committee constituted by the Board to exercise its powers conferred by this Resolution)consent of the members be and is hereby accorded to the Board to:

(a) implement the Hindalco Industries Limited Employee Stock Option Scheme 2018 ("Scheme 2018") through the ESOS trust to be setup for this purpose in accordance with the SEBI SBEB Regulations;

(b) acquire, hold and deal in such number of equity shares of the Company acquired from the secondary market through the trust that may be set up in this regard (the "ESOS Trust"), not exceeding 1,39,57,302 fully paid-up equity shares of the Company of face value of ₹ 1 each (the "Equity Shares"), being below the ceiling of 5% of the paid-up equity share capital of the Company as on March 31, 2018, as prescribed under the SEBI SBEB Regulations, for the purpose of implementation of the Scheme 2018, or for any other purpose(s) as contemplated under and in due compliance with the provisions of the SEBI SBEB Regulations;

(c) extend an interest free and / or on such terms and conditions as may be decided by the Board the financial assistance/provision of money to the ESOS Trust up to ₹ 408,00,00,000 (Rupees Four Hundred Eight Crore), for acquisition of upto 1,39,57,302 Equity Shares from the secondary market through the stock exchanges, representing 0.62% of the paid-up equity capital of the Company for the purpose of implementation of the Scheme 2018, in accordance with the Companies Act, 2013 and the Rules made thereunder and the SEBI SBEB Regulations.

RESOLVED FURTHER THAT the Equity Shares that can be acquired from the secondary market in any financial year by the Trust shall not exceed 2% of the paid-up equity share capital (or such other limit as may be prescribed under the SBEB Regulations from time to time) as at the end of the financial year preceding the date of the intended acquisition.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other reorganisation of capital structure of the Company, the number of Equity Shares of the Company to be acquired from the secondary market by the ESOS Trust shall be appropriately adjusted and to give effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure a fair and reasonable adjustment to the Stock Options granted earlier. Further, the above ceiling of 0.62% Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of directors, with power to further delegate such powers to any executives/officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard."

By Order of the Board of Directors
For Hindalco Industries Limited

Place: Mumbai — Anil Malik
Date : 11th July, 2018 — Company Secretary

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is enclosed.

2. Corporate Members intending to send their authorised representatives to attend and vote at the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. In the Annual General Meeting held on 13th September, 2017, the shareholders have appointed M/s Price Waterhouse & Co, Chartered Accountants LLP as the Statutory Auditors for a period of five years i.e to hold office from the conclusion of the Annual General Meeting held on 13th September,2017 till the conclusion of the Sixty third Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting, if required, till the Sixty-second Annual General Meeting and at such remuneration as may be mutually agreed between the Board of Directors and the Auditors from time to time.

   The requirement to place the matter relating to appointment of Auditors for ratification by the members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of the Auditors, who were appointed in the Annual General Meeting held on 13th September, 2017.

4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of item nos. 4 to 14 of the Notice set above, is annexed hereto.

5. The Register of Members and Transfer Books in respect of Equity Shares of the Company will remain closed from Saturday, the 15th September, 2018 to Friday, the 21st September, 2018 (both days inclusive) for the purpose of payment of dividend.

6. The dividend as recommended by the Board, if approved at the meeting, will be paid on or after 21st September, 2018 to the members or their mandates whose names are registered in the Company's Register of Members, as under:

   a) To all Beneficial Owners in respect of shares held in dematerialized form, as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 14th September, 2018;

   b) To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 14th September, 2018.

   Equity shares that may be allotted upon the exercise of stock options granted under the Employee Stock Option Schemes before the book closure date shall rank *pari passu* with the existing equity shares and shall be entitled to receive the dividend, if approved at the meeting.

7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations,power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company.

8. I. The Company has listed its Shares at:

   a) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

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

   II. The Company has listed its Debentures at:

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

   The listing fees of these Exchanges have been paid in time.

9. As per the requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015 and Secretarial Standards, for appointment/reappointment of the Directors, a statement containing details of the concerned Director is provided herewith. The Director has furnished the requisite declarations for their appointment/re-appointment.

10. All the documents referred to in the accompanying Notice and Explanatory Statement are available for inspection at the Registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11:00 a.m. and 1:00 p.m. up to the date of the Annual General Meeting.

11. The Notice of the Annual General Meeting along with the Annual Report 2017-18 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company, and depositories viz. NSDL/CDSL unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies of the Abridged Annual Report are being sent by the permitted mode. Such members holding shares in physical mode are requested to register their e-mail IDs with the Company and members holding shares in demat mode are requested to register their e-mail IDs with their respective Depository Participants (DPs).

12. In terms of the provisions of Section 136(1) of the Companies Act, 2013, Rule 10 of the Companies (Accounts) Rules, 2014 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations", the Board of Directors has decided to circulate the Abridged Annual Report containing the salient features of the balance sheet and statement of profit and loss and other documents to the shareholders for the Financial Year 2017-18 under the relevant laws.

    The Abridged Annual Report is being circulated to the members excluding the 'Dividend Policy', 'Annual Report on CSR Activities', 'Remuneration Philosophy/Policy', 'Secretarial Audit Report', 'Extract of Annual Return', Full Report on Corporate Governance and Shareholders' Information'.

Members who desire to obtain the full version of the Annual Report may write to the Company Secretary at the registered office. Full version of the Annual Report is also available on the Company's website www.hindalco.com.

13. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules,2014,the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in this Notice. The instructions for remote e-voting are enclosed with this Notice.

14. Members are requested to make all correspondence in connection with the shares held by them by addressing letters directly to the Company quoting their Folio number or their Client ID number with DP ID number, as the case may be.

15. Pursuant to the provisions of Section 124 of the Companies Act, 2013 the unpaid/unclaimed dividend for the financial year 2009 – 2010 has been transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

    In terms of the provisions of Section 124(5) of the Act, dividend which remains unpaid / unclaimed for a period of seven years from the date of declaration will be transferred to the IEPF.

    Further, in terms of the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), equity shares in respect of which dividend has not been paid or claimed for seven consecutive years or more from the date of declaration will also be transferred to an account viz. "Investor Education and Protection Fund Authority Ministry of Corporate Affairs", which is operated by the IEPF Authority pursuant to the IEPF Rules.

    Shareholders, who have so far not encashed their dividend relating to the financial year 2010-11 are requested to do so by 20th October, 2018, by writing to the Secretarial Department at the Registered Office of the Company, failing which the dividend and the equity shares relating thereto will be transferred to the. "Investor Education and Protection Fund Authority Ministry of Corporate Affairs".

    In compliance with the aforesaid Rules, the Company has already transferred equity shares for which dividend remain unpaid/unclaimed for a period of seven years from the date of declaration to the Investor Education and Protection Fund Authority Ministry of Corporate Affairs, after providing necessary intimations to the relevant shareholders. Details of unpaid/unclaimed dividend and such equity shares are uploaded on the website of the Company as well as that of the Ministry of Corporate Affairs, Government of India ("MCA"). No claim shall lie against the Company in respect of unclaimed dividend amount and equity shares transferred to the Investor Education and Protection Fund Authority Ministry of Corporate Affairs, respectively, pursuant to the IEPF Rules. Members can however claim both the unclaimed dividend amount and the equity shares from the IEPF Authority by making applications in the manner provided in the IEPF Rules.

16. Shareholders are requested to read the "Shareholders' Information" Section of the Annual Report for useful information.

17. The route map of the venue of the meeting is given in the Notice. The prominent landmark for the venue is that it is near Siddhivinayak Temple.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013.

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Nanabhoy & Co, Cost Accountants, Mumbai, to conduct the audit of the cost records of the Company for the financial year ending 31st March,2019.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the accompanying Notice, for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2019.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

None of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the resolution.

Item No. 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 11th July, 2018, have appointed Mrs. Alka Bharucha as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years till 10th July, 2023, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

The Company has received a declaration from Mrs. Bharucha confirming that she meets the criteria of independence as prescribed under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mrs. Bharucha is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

In the opinion of the Board, Mrs. Bharucha fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management.

Mrs. Bharucha began her career with M/s Mulla & Mulla & Craigie Blunt & Caroe, Advocates, Solicitors & Notaries, and joined Amarchand & Mangaldas as a partner in 1992. In 2008, she co-founded Bharucha & Partners which, since inception, has been ranked by RSG Consulting, London among the top fifteen law firms in India. Mrs. Bharucha chairs the transactions practice at Bharucha & Partners.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for the appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day up to the date of this Annual General Meeting and is also available on the website of the Company www.hindalco.com.

The brief resume in relation to the experience, functional expertise, memberships on other Companies' Boards and

Committees in respect of the appointment of Mrs. Bharucha as the Independent Director, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out in this Notice.

Mrs. Bharucha is not related to any other Director and Key Managerial Personnel of the Company.

The Board is of the opinion that it will be beneficial to the Company to avail of her services as an Independent Director of the Company and recommends the Ordinary resolution as set out in Item No.5 of the Notice for approval of the shareholders.

Save and except Mrs. Alka Bharucha and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel, and their relatives, are in any way, concerned or interested, in the said resolution. The resolution as set out in item No. 5 of this Notice is accordingly commended for your approval by the Board.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 6

Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed, inter alia, under Section 42 of the Companies Act, 2013, deals with private placement of securities by a company. Section 42 of the Companies Act, 2013 read with the aforesaid Rule 14 requires that any offer or invitation for subscription to redeemable Non-Convertible Debentures (NCDs) and issuance on a private placement basis, is to be approved by the members by way of a special resolution. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe to NCDs on private placement basis, the company shall obtain previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year. In order to augment resources for inter alia, the ongoing capital expenditure and/or refinancing/repayment/prepayment of existing loans/ debentures and/or for general corporate purposes, the Company may offer or invite subscription for secured / unsecured redeemable NCDs, in one or more series/ tranches on private placement, issuable/redeemable at par/ discount/premium.

The Articles of Associations of the Company is available for inspection at the registered office of the Company.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 6 of the Notice. This resolution enables the Board of Directors of the Company (which term shall include any Committee of the Board) to offer or invite subscription to NCDs, on such terms and conditions, including the issue price of the NCDs, upto an amount not exceeding ₹ 6000 Crore (Rupees Six Thousand Crore only), from time to time, until 20th September, 2019. The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

None of the Directors/Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in the said resolution, except to the extent of the NCDs that may be subscribed to by them or their relatives or companies/firms in which they are interested.

Item No 7 to 11

As per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, notified on 9th May, 2018, approval of the shareholders by way of a special resolution is required for continuation of directorship of the non-executive directors of the Company who have attained the age of 75 years.

Our non-executive Directors, Mr. A.K Agarwala, Mr. Girish Dave, Mr. M.M. Bhagat, Mr. K.N. Bhandari and Mr. Ram Charan will have attained the age of 75 years on 1st April, 2019.

Mr. A.K. Agarwala, is a Non-Executive Director of our Company and was appointed on the Board in 1998. He was a Whole time Director of the Company. He is a Trustee of G.D. Birla Medical Research and Education Foundation and the Vaibhav Medical and Education Foundation. He has held the post of the President of the Aluminium Association of India in the past.

Mr. Girish Dave, a partner in M/s Dave & Girish & Co.,was appointed as an Independent Director by the Board of Directors of the Company at its meeting held on 28th May, 2016 and approved by shareholders in the Annual General Meeting held on 14th September, 2016, under Section 149 and Schedule IV of the Companies Act, 2013 for a term of five years till 27th May, 2021. Mr. Girish Dave is a lawyer by profession. He has varied and extensive experience in Financial, Banking and Project Finance and has been an advisor to most Foreign Banks in India. Mr. Dave is a member of The Bombay Bar Association, The Bar Council of Maharashtra & Goa, The International Bar Association, American Bar Association, Alliance of Business Lawyers, and the International Business Law Consortium.

Mr. M.M. Bhagat was appointed as an Independent Director under Section 149 and Schedule IV of the Companies Act, 2013 in the Annual General Meeting held on 24th September, 2014 for a term of five years i.e. to hold office till the Annual General Meeting to be held in the calendar year 2019. Mr. M.M. Bhagat holds a Bachelors Degree in Commerce and has passed Part-I of Fellowship Exams of Chartered Insurance Institute, London. Mr. Bhagat is an Insurance Consultant and had served as Chairman and Managing Director of United India Insurance Company Limited.

Mr. K.N. Bhandari was appointed as an Independent Director under Section 149 and Schedule IV of the Companies Act, 2013 in the Annual General Meeting held on 24th September, 2014 for a term of five years i.e. to hold office till the Annual General Meeting to be held in the calendar year 2019. Mr. K.N. Bhandari holds a Bachelors Degree in Arts and Law. Mr. Bhandari expertises in Insurance and had served as Chairman cum Managing Director of New India Assurance Company Limited.

Mr. Ram Charan was appointed as an Independent Director under Section 149 and Schedule IV of the Companies Act, 2013 in the Annual General Meeting held on 24th September, 2014 for a term of five years i.e. to hold office till the Annual General Meeting to be held in the calendar year 2019. Mr. Ram Charan has an acclaimed engineering degree and holds MBA degree and is a Doctorate from Harvard Business School.

The brief resume of the aforesaid directors is part of the notice of the meeting.

All incumbents are in good physical condition and of sound and alert mind and the Board is confident about them being able to function and discharge their duties in an able and competent manner. Considering their seniority, expertise and vast experience in their respective fields, which has benefited the Company immensely, the Board recommends their continuation as directors till their current terms end.

Except Mr. A.K. Agarwala, Mr. Girish Dave, Mr. M.M. Bhagat, Mr. K.N. Bhandari and Mr. Ram Charan and their relatives none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in the said resolutions.

Item No. 12 and 13

Approval of Hindalco Industries Limited Employee Stock Option Scheme 2018 and to Approve the Extension of Benefits of the Hindalco Industries Limited Employee Stock Option Scheme 2018 to the permanent employees in the management cadre, including managing and whole-time directors, of the Subsidiary Companies of the Company:

Stock options in the hands of the employees have long been recognised as an effective instrument to align the interests of the employees with that of the Company and its shareholders, providing an opportunity to the employees to share in the growth of the Company and to create wealth in the hands of the employees.

Accordingly, the Company intends to reward, attract, motivate and retain employees and directors of the Company, its subsidiary companies for their high level of individual performance and for their efforts to improve the financial performance of the Company.

The eligible employees shall be granted employee stock options in the form of options ("Options") and/ or Restricted Stock Units ("RSUs") which will be exercisable into equity shares of ₹ 1 each of the Company (the "Equity Shares") upon such terms and conditions applicable to the Options and RSUs, as the case may be. Towards this end, the Company has proposed to approve and adopt the 'Hindalco Industries Limited Employee Stock Option Scheme 2018' (hereinafter referred to as the "Scheme 2018"). The Board of Directors of the Company through a resolution dated 11th July, 2018 approved the broad framework of the Scheme 2018.

The Members are informed that the Company intends to offer not more than 1,39,57,302 Equity Shares under the Scheme 2018 by way of grant of Options and RSUs. Options and RSUs are collectively referred to as "Stock Options". The Scheme 2018 will be administered by the Nomination and Remuneration Committee of the Board constituted pursuant to the provisions of Section 178 of the Companies Act, 2013, through a trust, viz. the Hindalco Employees Welfare Trust to be setup for this purpose.

To promote the culture of employee ownership, approval of Members is also being sought for grant of Stock Options to certain employees and directors of the Company and subsidiary companies.

The Scheme 2018 is being formulated in accordance with the Securities and Exchange Board of India Share Based Employee Benefits Regulations, 2014 ("SEBI SBEB Regulations"). Relevant details with respect to the aforementioned Scheme 2018 are as follows:

(i) Total number of Options and RSUs (collectively, the "Stock Options") to be granted

The total number of Stock Options that may in the aggregate be granted shall be such number that would entitle the grantees to acquire, in one or more tranches, such equity shares of the Company not exceeding 1,39,57,302 equity shares of ₹ 1 each (the "Equity Shares") being 0.62% of the paid-up equity share capital of the Company. The aggregate number of Stock Options proposed to be granted under the Scheme 2018, shall not be exercisable into more than 0.62% of the overall ceiling of Equity Shares (as stated in Resolutions under No. 12 of the Notice) to be issued under the Scheme 2018 (which number shall be adjusted in lieu of adjustments/ re-organisation of capital structure of the Company from time to time).

Upon exercise, each Stock Option entitles the relevant grantee to one Equity Share (i.e. one Option will entitle the grantee to one Equity Share and one RSU will entitle the grantee to one Equity Share).

In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division split or consolidation and others, a fair and reasonable adjustment needs to be made to the Stock Options granted. Accordingly, if any additional Equity Shares are granted by the Company to the grantees for making such fair and reasonable adjustment, the ceiling of 0.62% shall be deemed to be increased to the extent of such additional Equity Shares issued.

Stock Options not vested due to non-fulfilment of the vesting conditions, vested Stock Options which the grantees expressly refuse to exercise, Stock Options (vested and not exercised and unvested) which have been surrendered and any Stock Options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these Stock Options or the underlying Equity Shares will be available for grant under the present Scheme 2018 or under a new scheme, subject to compliance with applicable laws.

(ii) Identification of classes of employees entitled to participate in the Scheme 2018

Persons who are permanent employees of the Company in the management cadre, working in or out of India, including managing or whole time directors of the Company, and that of the subsidiary companies, will be entitled to participate in the Scheme 2018, subject to fulfilment of the eligibility criteria as may be specified in terms of the SEBI SBEB Regulations or as may be decided by the Board or the Nomination and Remuneration Committee, from time to time.

The following category of employees/directors shall not be eligible to participate in the Scheme 2018:

(a) a promoter or a person belonging to the promoter group;

(b) an independent director;

(c) a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company.

(iii) Requirements of vesting and period of vesting

The Board or the Nomination and Remuneration Committee may, at its discretion, lay down certain criteria including, but not limited to, the performance metrics on the achievement of which the granted Stock Options would vest and which may be specified in the respective grant letters or the vesting letters to be issued in this regard. The detailed terms and conditions relating to such criteria for vesting, the period over which and the proportion in which the Stock Options granted would vest would be subject to the minimum and maximum vesting period as specified below:

Vesting period for Options: The Options would vest not earlier than one year and not later than four years from the date of grant of Options or such other period as may be determined by the Nomination and Remuneration Committee. The vesting schedule (i.e. exact proportion in which and the exact period over which the Options would vest) would be determined by the Nomination and Remuneration Committee, subject to the minimum vesting period of one year from the date of grant of Options. The Options granted under the Scheme 2018 shall vest in one or more tranches.

Vesting period for RSUs: The RSUs would vest not earlier than one year and not later than three years from the date of grant of RSUs or such other period as may be determined by the Nomination and Remuneration Committee. The vesting schedule (i.e. exact proportion in which and the exact period over which the RSUs would vest) would be determined by the Nomination and Remuneration Committee, subject to the minimum vesting period of one year from the date of grant of RSUs. The RSUs granted under the Scheme 2018 shall vest in one or more tranches.

(iv) Exercise price or pricing formula

Exercise price for Options: The Equity Shares to be transferred pursuant to the exercise of options would be transferred at the market price of the equity shares as at the date of grant of the options or at such other price as may be decided by the Board and/or Nomination and Remuneration Committee from time-to-time in accordance with the SEBI SBEB Regulations. Provided that the exercise price per Option shall not be less than the face value of the equity share of the Company.

Exercise price for RSUs: Upon exercise of the RSUs the Equity Shares may be transferred at face value of the equity share of the Company or at such price as may be determined by the Board and/or Nomination and Remuneration Committee. Provided that the exercise price per RSU shall not be less than the face value of the equity share of the Company.

(v) Exercise period or process of exercise

The exercise period would commence from the date of vesting and will expire on completion of five years from the date of vesting of Stock Options or such other period as maybe determined by the Board or the Nomination and Remuneration Committee.

During the exercise period relating to each vesting, vested Options and vested RSUs can be exercised in one or more tranches, such that each tranche will be a minimum of 500 Options or 100 RSUs, as the case may be, except in cases where the number of vested Options is less than 500 or where the number of outstanding vested RSUs is less than 100.

The Stock Options will be exercisable by the Employees through a written application to the Company accompanied by payment of the exercise price in such manner and on execution of such documents, as may be prescribed by the Board or the Nomination and Remuneration Committee from time to time. The Stock Options will lapse if not exercised within the specified exercise period.

(vi) The Appraisal process for determining the eligibility of employees

The appraisal process for determining the eligibility of the employee will be specified by the Board or the Nomination and Remuneration Committee, and will be based on criteria, such as role/criticality of the employee, length of service with the Company, work performance, technical knowledge, managerial level, future potential and such other criteria that may be determined by the Board or the Nomination and Remuneration Committee, as applicable, at its sole discretion.

The Board or the Nomination and Remuneration Committee may decide to extend the benefits of the Scheme 2018 to new entrants or to existing employees on such basis as it may deem fit, in accordance with applicable law.

(vii) Disclosure and accounting policies

The Company shall comply with such applicable disclosure and accounting policies as prescribed by the SEBI SBEB Regulations and those prescribed by the concerned authorities from time to time.

(viii) Maximum number of Stock Options to be issued per employee and in aggregate

The maximum number of Stock Options to be granted to any employee shall be decided by the Board or Nomination and Remuneration Committee. However, the number of Stock Options that may be granted to a single employee under the Scheme 2018 shall not exceed 0.5% of the paid up equity share capital at the time of grant of Stock Options (which shall be adjusted in lieu of adjustments/ re-organisation of capital structure of the Company from time to time).

The aggregate of all such Stock Options shall not result into more than 1,39,57,302 Equity Shares which shall be adjusted in lieu of corporate actions, adjustments/ re-organisation of capital structure of the Company from time to time.

(ix) Implementation and Administration

The Scheme shall be administered by the Nomination and Remuneration Committee through a trust, as the Board or the Nomination and Remuneration Committee deem fit. Further, secondary acquisition of the Equity Shares from the stock exchanges, for the purposes of implementing the Scheme 2018 would only be undertaken by the ESOS Trust. The Company believes that the implementation of the Scheme 2018 through secondary market acquisition is in the best interest of the Company and its shareholders and it will not create any dilution in their shareholding besides being easier and efficient in implementation. The ESOS Trust shall be authorised to acquire equity shares of the Company from the secondary market. The Company proposes to provide financial assistance to the ESOS Trust for this purpose, in accordance with applicable laws.

(x) Whether the Scheme 2018 involves new issue of Equity Shares by the Company or secondary acquisition or both

The Scheme 2018 will only involve secondary acquisition of Equity Shares by the ESOS Trust through the recognised stock exchanges. The secondary acquisition of Equity Shares will be undertaken in compliance with the SEBI SBEB Regulations and other applicable laws.

(xi) The amount of financial assistance/provision of money to be provided for the implementation of the Scheme 2018 by the Company to the trust, its tenure, utilisation, repayment terms.

The Company shall make interest free financial assistance/ provision of money, from time to time, for an amount up to ₹ 408,00,00,000 (Rupees Four Hundred Eight Crore) to fund the acquisition of Equity Shares by the ESOS Trust from the stock exchanges through secondary acquisition, in terms of the Scheme 2018. Further financial assistance/ provision of money, if any, to be provided to the ESOS Trust by the Company in pursuance of the Scheme 2018, on account of increase in the price of the Equity Shares, will be extended in accordance with applicable laws. The Exercise price received from the employees upon exercise of Stock Options shall be used for the purposes of repayment to the Company.

(xii) Maximum percentage of secondary acquisition (subject to the limits specified under the SEBI SBEB Regulations) that can be made by the trust for the purposes of the Scheme 2018

In terms of the Scheme 2018 and in accordance with SEBI SBEB Regulations, the ESOS Trust that may be set up for the implementation of the Scheme 2018 may acquire Equity Shares through secondary acquisition such that secondary acquisition in a financial year shall not exceed 2% of the paid-up equity share capital of the Company as at the end of the previous financial year. As at 31st March, 2018, 2% of the paid-up equity share capital of the Company comprised 4,48,99,258 Equity Shares. Further, in terms of the SEBI SBEB Regulations, the total Equity Shares to be held by the trust shall not exceed 5% of the paid up equity capital as at the end of the financial year immediately prior to the year in which the shareholder approval is obtained. As at 31st March, 2018, 5% of the paid-up equity share capital of the Company comprised 11,22,48,145 Equity Shares.

(xiii) Method of Stock Options' valuation

To calculate the employee compensation cost, the Company shall use the Fair Value Method for valuation of the Options granted or such valuation method as may be prescribed from time to time in accordance with applicable laws.

In the event the Company undertakes valuation as per the intrinsic value method, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the fair value of the Stock Options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on Earnings per Share of the Company shall also be disclosed in the Directors' Report.

(xiv) Transferability of Stock Options

The Stock Options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of a Stock Option holder while in employment, the right to exercise all the Stock Options granted to him till such date shall be transferred to his legal heirs or nominees, as prescribed.

(xv) Other Terms

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary or modify the terms of the Scheme 2018 in accordance with the regulations and guidelines prescribed by Securities and Exchange Board of India, including in terms of the SBEB Regulations or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the employees who have been granted stock options under the Scheme 2018.

SEBI SBEB Regulations also require separate approval of Members by way of special resolution to grant stock options to the employees of the Company's subsidiary company(ies). Accordingly, a separate resolution under Item No. 13 is proposed, to extend the benefits of Scheme 2018 to the employees of the Company's subsidiary company(ies), as may be decided by the Nomination and Remuneration Committee from time to time, under applicable laws.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the Equity Shares that may be offered to them under the Scheme 2018. The Stock Options to be granted under the Scheme 2018 shall not be treated as an offer or invitation made to the public for subscription in the securities of the Company.

Item No. 14

To Approve the use of the trust route for the implementation of the Hindalco Industries Ltd Employee Stock Option Scheme 2018 and secondary acquisition of the equity shares of the Company by the trust:

As indicated in the explanatory statement pertaining to Item No. 12 and Item No. 13, the Board of Directors of the Company through a resolution dated July 11, 2018 approved the broad framework of the Hindalco Industries Limited Employee Stock Option Scheme 2018 (the "Scheme 2018"). Further, the Scheme 2018 shall be administered by the Nomination and Remuneration Committee through a trust. Further, in terms of the Scheme and in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended (the "SEBI SBEB Regulations"), the trust may acquire Equity Shares through secondary acquisition such that secondary acquisition in a financial year shall not exceed 2% of the paid-up equity share capital of the Company as at the end of the previous financial year. As at March 31, 2018, 2% of the paid-up equity share capital of the Company comprised 4,48,99,258 Equity Shares. Further, in terms of the SEBI SBEB Regulations, the total Equity Shares to be held by the trust shall not exceed 5% of the paid up equity capital as at the end of the financial year immediately prior to the year in which the shareholder approval is obtained. As at March 31, 2018, 5% of the paid-up equity share capital of the Company comprised 11,22,48,145 Equity Shares.

In accordance with the SEBI SBEB Regulations, a separate resolution is required to be passed as a special resolution by Members of the Company, if the implementation of the Scheme 2018 involves setting up of a trust, secondary acquisition of Equity Shares and provision of money whether by way of a loan or otherwise. Therefore, a separate resolution is proposed for secondary acquisition of Equity Shares for the implementation of the Scheme 2018 through a trust to be setup for this purpose, and provision of money for such acquisition in accordance with applicable laws.

Upon approval of the Members and after complying with the procedural and statutory formalities, the ESOS Trust is empowered to acquire in one or more tranches, up to 1,39,57,302 equity shares of the Company from the secondary market through the stock exchanges, representing 0.62% of the paid-up equity share capital of the Company for the implementation of the Scheme 2018.

The Company proposes to make financial assistance/provision of money to the ESOS Trust up to ₹ 408,00,00,000 (Rupees Four Hundred Eight Crore to undertake the secondary acquisition. The financial assistance shall be a interest free and will be utilised for implementation of the Scheme 2018. As and when the exercise price is recovered from the employees, from time to time, upon exercise of options, the Trust shall repay the said financial assistance/provision of money to the Company.

The relevant disclosures, as required under Section 67 read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 are as follows:

a) **The class of employees for whose benefit the Scheme is being implemented and money is being provided for subscription to shares:**

Refer point (ii) in Explanatory Statement relating to Item No. 12 and 13 above.

b) **The particulars of the trustee in whose favour such shares are to be registered:**

Same as (c) below.

c) **The particulars of ESOS trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel:**

Name of the ESOS Trust: Hindalco Employees Welfare Trust

Address of the Trust:

C/o Hindalco Industries Limited
Birla Centurion, 6th Floor,
Pandurang Budhkar Road,
Worli, Mumbai - 400 030.

Particulars of the Trustees are given below:

Sr. No.	Name	Address	Occupation	Nationality
1	Mr. S.K. Chatterjee	Ahura Centre, 2nd Floor, B-Wing Mahakali Caves Road, Andheri East, Mumbai - 400 093	Service	Indian
2	Mr. Mukesh Agarwal	Ahura Centre, 2nd Floor, B-Wing Mahakali Caves Road, Andheri East, Mumbai - 400 093	Service	Indian
3	Mr. Parag Paranjpe	Aditya Birla Centre 3rd Floor A-Wing S.K. Ahire Marg, Worli, Mumbai - 400 030	Service	Indian
4	Mr. Jayant Jain	One Indiabulls Centre Tower-1, 7th Floor, Jupiter Mills Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013	Service	Indian

None of the above Trustees and their respective relatives are related to Promoters, Directors or Key Managerial Personnel of the Company. Subject to the compliance of the provisions of applicable law, the aforesaid Trustees may be changed at any time. In accordance with the SEBI SBEB Regulations, none of the trustees hold 10% or more beneficial interest in the Company.

d. **Any interest of the Key Managerial Personnel, Directors or Promoters in such Scheme or Trust and effect thereof**

Promoters are not interested in the Scheme or the Trust. Directors and KMP's may be deemed to be interested to the extent of Equity Shares as may be offered to them under the Scheme.

e. **The detailed particulars of benefits which will accrue to the employees from the implementation of the Scheme:**

The Employees can exercise options granted to them to get Equity Shares.

f. **Details about who would exercise and how the voting rights in respect of the shares to be acquired under the Scheme would be exercised:**

The SEBI SBEB Regulations provides that the Trustee of an ESOS Trust, which is governed under the SEBI SBEB Regulations, shall not vote in respect of the shares held by such Trust, so as to avoid any misuse arising out of exercising such voting rights.

In line with the requirements of the SEBI SBEB Regulations, the trustees shall not exercise voting rights in respect of the Equity Shares held by the ESOS Trust pursuant to the Scheme 2018.

Regulation 6 of the SEBI SBEB Regulations requires that any scheme for offering Options to the employees must be approved by the members by way of a Special Resolution. Accordingly, the resolution set as Item No. 12, 13 and 14 is being placed for the approval of the members pursuant to the provisions of the Companies Act, 2013 and Regulation 6 of the SEBI SBEB Regulations and all other applicable provisions of law for the time being in force.

As per Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 all fees/compensation (including stock options) paid to non–executive directors, including independent directors, shall require previous approval of shareholders in general meeting. Since it is proposed to grant options to Directors of the Company whether Whole-Time Directors or not, (but excluding Promoter, Promoter Group, Independent Directors, and a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company) resolution set out in Item No. 13 are placed for approval of the members.

None of the Directors of the Company are in any way, concerned or interested in the resolution and in appointment of Trustee, except to the extent of the Equity Shares that may be offered to them under the Scheme 2018. The Stock Options to be granted under the Scheme 2018 shall not be treated as an offer or invitation made to the public for subscription in the securities of the Company.

The Board recommends Resolutions No. 12, 13 and 14 for approval of the Members of the Company.

By Order of the Board of Directors
For Hindalco Industries Limited

Place: Mumbai
Date : 11th July, 2018

Anil Malik
Company Secretary

Details of Directors seeking appointment/reappointment/continuation of directorship in Annual General Meeting to be held on 21st September, 2018.

A. Brief resume including qualification, experience and expertise in specific functional area:

a. Mr. Kumar Mangalam Birla:

Mr. Kumar Mangalam Birla has served as the Chairman of the Board of the Company since 1995. He also serves as chairman of other Aditya Birla Group companies including Grasim, UltraTech Cement and Idea Cellular. Additionally, Mr. Birla is the Chancellor of the Birla Institute of Technology & Science, Pilani and the Chairman of the Board of Governors of the Indian Institute of Management, Ahmedabad and Indian Institute of Technology. He is a member of the London Business School's Asia Pacific Advisory Board. Mr. Birla's past affiliations include service on the boards of Maruti Udyog Limited and Tata Iron and Steel Co. Limited. In the past he served as a part time non-official director of the Central Board of Reserve Bank of India.

Mr. Birla earned a Bachelor of Commerce from University of Bombay in 1989 and Masters in Business Administration from London Business School in 1992.

b. Mrs. Alka Bharucha

Ms. Alka Bharucha has been the Founding Partner at Bharucha & Partners since March 2008. Prior to this role, Ms. Bharucha served at Amarchand & Mangaldas as partner from 1992 to February 2008. She began her career with Mulla & Mulla & Craigie Blunt & Caroe.

Ms. Bharucha earned her B.A. (Hons.) in 1976 and LL.B in 1979 from the University of Bombay. She graduated with a LL.M degree from The London School of Economics and Political Science in 1981. Ms. Bharucha is a member of Bar Council of Maharashtra and Goa, The Bombay Incorporated Law Society, the Law Society of England and an Advocate on Record of the Supreme Court of India.

c. Mr. K.N. Bhandari

Mr. Kailash Nath Bhandari has served as a Non-Executive director of the Company since 2002. Prior to joining Hindalco, Mr. Bhandari served as Chairman cum Managing Director of New India Assurance Company Ltd. from 2000 to 2002. Prior to his service at New India, Mr. Bhandari served as Chairman cum Managing Director of United India Insurance Company Ltd. from 1998 to 2000. He has served as a director of General Insurance Corporation of India, Loss Prevention Association of India Ltd., and Ken India Insurance Co. Ltd. Mr. Bhandari formerly served as Secretary General of General Insurance Council of India.

Mr. Bhandari received a Bachelor of Arts degree from Jodhpur University in 1960, and an LL.B. from Jodhpur University in1962.

d. Mr. A.K. Agarwala:

Mr. Askaran Agarwala has served as a Director of the Company since September 1998. He was Chairman of the Business Review Council of the Aditya Birla Group from October 2003 to March 2010. Prior to that, Mr. Agarwala served as President of Hindalco from 1982 to October 2003. Mr. Agarwala also serves on the boards of several other Aditya Birla Group companies. He is a trustee of several organizations including Sarla Basant Birla Param Bhakti Trust, Aditya Vikram Birla Memorial Trust, the Aditya Birla Foundation and the Hellen Keller Institute of the Deaf and Blind.

Mr. Agarwala holds a degree in Commerce and Law from Calcutta University and is a Fellow Member of the Institute of Chartered Accountants of India.

e. Mr. Girish Dave

Mr. Girish Dave has served as a Non-Executive director of the Company since 2016. Mr. Dave started his independent practice in Mumbai in 1980, thereafter Mr. Dave became one of the partners in Dave & Girish & Co. Advocates (Law Firm) in 1992. Mr. Dave was a member of the State Bar Council of Gujarat and is a member of the State Bar Council of Maharashtra & Goa, Bombay Bar Association and International Bar Association (U.S.A.). In the past, Mr. Dave had served as a law officer in Reserve Bank of India, State Bank of India and Grindlays Bank Plc, Merchant Banking Division in Bombay. He was also legal consultant of Housing Development Finance Corporation Limited .

Mr. Dave received a Master's degree in Commerce from MJ College of Commerce, Bhavnagar, Gujarat in 1962 and an LL.B. from HJ Law College, Bhavnagar, Gujarat in 1964.

f. Mr. M.M. Bhagat

Mr. Madhukar Manilal Bhagat has served as a Non-Executive director of the Company since 1996. Mr. Bhagat served as Chairman and Managing Director of United India Insurance Co. Ltd upto 1993.

Mr. Bhagat graduated from Calcutta University in 1954 with a Bachelor's degree in Commerce. Mr. Bhagat is qualified as an Associate in the general branch of the Chartered Insurance Institute, London and is an associate of the Insurance Institute of India.

g. Mr. Ram Charan

Mr. Ram Charan has served as a Non-Executive director of the Company since 2011. Mr. Ram Charan served as President at Charan Associates Inc. from 1978 to present.

Mr. Ram Charan received an engineering degree from Banaras University in India in 1959 and MBA and doctorate degrees from Harvard Business School, where he graduated with high distinction in 1965 and was a Baker Scholar. He then served on the faculties of Harvard Business School from 1967-1973 and Northwestern University from 1973-1976 before pursuing consulting full-time.

B. Other details:

Name of Director	Mr. Kumar Mangalam Birla	Ms. Alka Bharucha	Mr. K.N. Bhandari
Date of Birth	14/06/1967	06/03/1957	01/03/1942
Age	51 years	61 years	76 years
Date of Appointment	16/11/1992	11/07/2018	30/01/2006
Expertise in specific functional areas	Industrialist	Solicitor	Insurance
Qualifications	C.A, M.B.A	B.A(Hons), LL.B , LL.M	B.A, LL.B
No of Board meetings attended in FY 18	4	**NA	5
List of outside Directorships held Excluding Alternate Directorship and Private Companies.	1. UltraTech Cement Ltd 2. Aditya Birla Capital Ltd 3. Aditya Birla Sunlife AMC Ltd 4. Century Textiles and Industries Ltd 5. Grasim Industries Ltd 6. Aditya Birla Sunlife Insurance Co. Ltd 7. Idea Cellular Ltd 8. Pilani Investment and Industries Corporation Ltd.	1. Aditya Birla Finance Ltd 2. UltraTech Cement Ltd 3. Honda Cars India Ltd 4. Honda SIEL Power Products Limited 5. KPIT Technologies Ltd 6. Orient Electric Ltd 7. Aditya Birla Sunlife AMC Ltd	1. Agriculture Insurance Company of India Ltd 2. Andhra Cements Ltd 3. Shristi Infrastructure Development Corporation Ltd. 4. Saurashtra Cement Ltd. 5. Gujarat Sidhee Cement Ltd. 6. Magma HDI General Insurance Co. Ltd 7. Jaiprakash Power Ventures Ltd 8. Jaiprakash Associates Ltd 9. Suvas Holdings Ltd
***Chairman/ Member of the Committee of the Board of Directors of the company**	Nil	Nil	1. Audit Committee (Member) 2. Stakeholders Relationship Committee (Chairman)
***Chairman/ Member of the Committee of the Board of Directors of other companies in which he/ she is a Director.**			
a. Audit Committee	–	1. UltraTech Cement Ltd Member 2. Honda SIEL Power Products Limited Member 3. Honda Cars India Ltd Chairperson 4. Orient Electric Ltd Member	1. Andhra Cements Ltd- Chairman 2. Agriculture Ins Co of India Ltd- Chairman 3. Shristi Infrastructure Development Corporation Ltd- Member 4. Jaiprakash Associates Ltd Chairman 5. Saurashtra Cement Ltd Member 6. Suvas Holdings Ltd Chairman 7. Magma HDI General Insurance Co. Ltd Member
b. Stakeholders' Relationship Committee	–	1. Orient Electric Ltd Chairperson	1. Shristi Infrastructure Development Corporation Ltd- Member 2. Magma HDI General Insurance Co. Ltd Member
No. of Shares Held in the Company as on 31st March, 2018	***9,01,635	–	5,071
Relationship with Other Directors and Key Managerial Personnel	Son of Mrs. Rajashree Birla	–	–

*Note: Pursuant to SEBI (Listing Regulations and Disclosures Requirement) Regulations, 2016 only two Committees viz. Audit Committee and Stakeholders' Relationship Committee are considered.

** Mrs. Alka Bharucha is appointed as Independent Director w.e.f. 11th July, 2018.

*** Including Shares held as Father and Natural Guardian of Ms. Ananyashree Birla. Additionally, he holds 6,48,632 equity shares as Karta of Aditya Vikram Kumar Mangalam Birla HUF.

Name of Director	Mr. A.K. Agarwala	Mr. Girish Dave	Mr. M.M. Bhagat	Mr. Ram Charan
Date of Birth	01/07/1933	12/07/1938	21/08/1933	25/12/1939
Age	85 years	80 years	85 years	78 years
Date of Appointment	11/09/1998	28/05/2016	15/03/1996	12/02/2011
Expertise in specific functional areas	Industry and Finance	Advocate and Corporate Advisor	Insurance Consultant	Management Consultant
Qualifications	B.Com, CA, LL.B	M.Com, LL.B, CAIIB	B.Com, ACII (London)	BE, MBA, Doctorate from Harvard Business School
No of Board meetings attended in FY 18	5	5	5	4
List of outside Directorships held Excluding Alternate Directorship and Private Companies.	1. Tanfac Industries Ltd 2. Udyog Services Ltd 3. Aditya Birla Insurance Brokers Ltd 4. Aditya Birla Power Company Ltd 5. Aditya Birla Health Services Ltd	1. PCS Technology Ltd 2. Vinati Organics Ltd 3. UltraTech Cement Ltd 4. Aditya Birla Retail Ltd.	1. Aditya Birla Insurance Brokers Ltd 2. Zenith Exports Ltd 3. VCK Share & Stock Broking Services Ltd 4. VCK Capital Market Services Ltd 5. Utkal Alumina International Ltd 6. Hindalco-Almex Aerospace Ltd	1. Renew Power Ltd
***Chairman/ Member of the Committee of the Board of Directors of the company**	–	–	1. Audit Committee (Chairman) 2. Stakeholders Relationship Committee (Member)	–
***Chairman/ Member of the Committee of the Board of Directors of other companies in which he/ she is a Director.**				
a. Audit Committee	–	1. Aditya Birla Retail Ltd. - Chairman 2. UltraTech Cement Ltd. - Member 3. Vinati Organics Ltd. - Member 4. PCS Technology Ltd. - Member	1. Utkal Alumina International Ltd - Chairman 2. Hindalco-Almex Aerospace Ltd - Chairman	–
b. Stakeholders' Relationship Committee	–	1. UltraTech Cement Ltd. - Member	–	–
No. of Shares Held in the Company as on 31st March, 2018	1,16,148	–	4,100	–
Relationship with Other Directors, Manager and Key Managerial Personnel	–	–	–	–

*Note: Pursuant to SEBI (Listing Regulations and Disclosures Requirement) Regulations, 2016 only two Committees viz. Audit Committee and Stakeholders' Relationship Committee are considered.

ADITYA BIRLA
HINDALCO

HINDALCO INDUSTRIES LIMITED

CIN: L27020MH1958PLC011238

Registered Office: Ahura Centre, 1st Floor, B Wing, Mahakali Caves Road, Andheri (East), Mumbai- 400 093

Tel: (91-22) 6691 7000, Fax: (91-22) 6691 7001, E-mail: hilinvestors@adityabirla.com, website: www.hindalco.com

Form No. MGT-11

PROXY FORM

ANNUAL GENERAL MEETING TO BE HELD ON 21ST SEPTEMBER, 2018 AT 3:00 P.M.

Name of the Member(s)			
Registered Address:			
E Mail Id :			
Folio No. /Client Id:		DP ID	

I/ We, being the member(s) holding ____________ shares of the company, hereby appoint:

1. ____________ of ____________ having e-mail id ____________ or failing him/her

2. ____________ of ____________ having e-mail id ____________ or failing him/her

3. ____________ of ____________ having e-mail id ____________

As my/our proxy to attend and vote(on a poll) for me/us and on our/my behalf at the Annual General Meeting of the Company to be held on Friday, the 21st, September, 2018 at 3:00 P.M. at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Prabhadevi, Mumbai- 400025, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional	
		For*	Against*
1	Adoption of the Audited financial statements (including Audited Consolidated Financial Statements) for the financial year ended 31st March, 2018, the Reports of Directors' and Auditors' thereon.		
2	Declaration of Dividend		
3	Re-appointment of Mr. Kumar Mangalam Birla, Director retiring by rotation.		
4	Ratification of the remuneration of the Cost Auditors viz. M/s Nanabhoy & Co. for the financial year ending 31st March, 2019.		
5	Appointment of Ms. Alka Bharucha as an Independent Director		
6	Approval for offer or invitation to subscribe to Non-Convertible Debentures on a private placement basis		
7	Approval for continuation of directorship of Mr. A.K. Agarwala		
8	Approval for continuation of directorship of Mr. Girish Dave		
9	Approval for continuation of directorship of Mr. M.M. Bhagat		
10	Approval for continuation of directorship of Mr. K.N. Bhandari		
11	Approval for continuation of directorship of Mr. Ram Charan		
12	Approve and adopt Hindalco Industries Limited Employee Stock Option Scheme 2018		
13	Approve the Extension of Benefits of the Hindalco Industries Limited Employee Stock Option Scheme 2018 to the permanent employees in the management cadre, including managing and whole-time directors of the subsidiary companies of the Company		
14	Approve (a) the use of the trust route for the implementation of the Hindalco Industries Limited Employee Stock Option Scheme 2018 ("Scheme 2018); (b) secondary acquisition of the equity shares of the Company by the ESOS trust to be set up; and (c) grant of financial assistance/provision of money by the Company to the ESOS trust to fund the acquisition of its equity shares, in terms of the Scheme 2018.		

Signed this ____________ day of ____________ 2018

Affix ₹ 1
Revenue
Stamp

Signature of shareholder: ____________

Signature of Proxy holder(s): (1) ____________ (2) ____________(3) ____________

*Please put a "X" in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'against' column blank against the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Tear Here

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. For the Resolutions, Explanatory Statement and notes please refer to the Notice of the Annual General Meeting.
6. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
7. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
8. Please complete all details including details of member(s) in the above box before submission.

Route Map for the venue of the Annual General Meeting.