

Report on Corporate Governance as on 31st March 2018

I. GRASIM'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

II. BOARD OF DIRECTORS

Composition of Board of Directors (the Board)

As on 31st March 2018, your Company's Board comprises of 12 Directors, of which 6 are Independent Directors, 4 are Non-Executive Directors, and 2 are Executive Directors. All Independent Directors are free from any business or other relationship that could materially influence their judgement. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 (the Act), and the Listing Regulations. The Directors are professionals and have expertise in their respective functional areas.

The details of the Board of Directors of the Company as on 31st March 2018 are as under:

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

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

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

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

4. Including the Equity Shares held by HUF.

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

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

The brief profile of the present Directors on the Board is available on the website of your Company, www.grasim.com.

Role of the Board of Directors

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

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

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

Board Meetings

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

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

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

Meetings of Independent Directors

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

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

Code of Conduct

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

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

Training, Induction and Familiarisation Programme

Letters of appointment, stipulating the terms of appointment, role, rights and responsibilities are issued to the Independent Directors at the time of their appointment. In terms of the Listing Regulations, the terms and conditions of appointment of Independent Directors are placed on the website of the Company, viz., www.grasim.com. Your Company conducts introductory familiarisation programme, *inter alia* covering the nature of the industry in which the Company operates, business model of the Company, etc., when a new Independent Director joins the Board of the Company.

On an on-going basis, the Directors are familiarised with the Company's business, its operations, strategy, functions, policies and procedures at the Board and Committee meetings. Changes in regulatory framework and its impact on the operations of the Company are also presented at the Board/Committee meetings. The Directors are also appraised about risk assessment and minimisation procedures.

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

Performance Evaluation

A formal Evaluation Framework for evaluation of the Board's performance, performance of its Committees and individual Directors of the Company, including the Chairman of the Board, in terms of the requirement of the Act and the Listing Regulations, is in place. In terms of the Evaluation Framework, the Board has carried out the annual performance evaluation of its own performance, the directors individually and the working of its Committees. Criteria for evaluation *inter alia* includes, providing strategic perspective, Chairmanship of the Board and its Committees, attendance and preparedness for the meetings, contribution at the meetings, effective decision making and role of the Committees.

Prevention of Insider Trading

In compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), and to preserve the confidentiality and

prevent misuse of unpublished price sensitive information, your Company has formulated and adopted the Code of Conduct for Trading in Listed or Proposed to be Listed Securities of the Company (the Insider Trading Code). The main object of the Insider Trading Code is to communicate to all concerned a guideline, which they should imbibe and practice, both in letter and spirit, while trading in listed or proposed to be listed securities of the Company. The Code aims at preventing misuse of unpublished price-sensitive information. All Directors, Designated Employees and Connected Persons of your Company are covered under the Insider Trading Code and, *inter alia*, provide periodical disclosures, and obtain pre-clearance for trading in securities of your Company.

III. COMMITTEE OF THE BOARD

A. AUDIT COMMITTEE

Composition and Attendance during the Year

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

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

The composition, attendance and the meetings are given below:

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

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

The Whole-time Director and Chief Financial Officer is a permanent invitee to the Audit Committee Meetings. The Joint Statutory Auditors and the Internal Auditor of the Company are also invited to the Audit Committee Meetings. Representatives of Cost Auditors are invited to

the Audit Committee Meetings, whenever matters relating to the Cost Audit are considered.

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

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

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

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

Brief Description of Terms of Reference

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

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

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

The Audit Committee mandatorily reviews the following information:

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

Vigil Mechanism/Whistle Blower Policy

Your Company has a Whistle-Blower Policy that provides a formal vigil mechanism for Directors and employees to report genuine concerns about the unethical behaviour, actual or suspected frauds or violation of the Company's Code of Conduct or Ethics Policy. The said mechanism also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no

employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been uploaded on the website of the Company, www.grasim.com. The Policy is in line with the Company's Code of Conduct, Vision and Values & forms part of good Corporate Governance.

B. NOMINATION AND REMUNERATION COMMITTEE

Composition, Meetings, Attendance during the Year

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

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

The composition, attendance and meetings are given below:

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

The Company Secretary acts as the Secretary to the NRC.

Brief Description of Terms of Reference

- (1) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- (2) Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
- (3) Devise a policy on diversity of the Board of Directors;
- (4) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- (5) To consider whether to extend or continue the term of appointment of Independent Directors,

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

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

Remuneration Policy

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

Remuneration of Directors

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

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

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

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

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

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

(₹ in Lakh)

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

1. Directors' Commission amount is exclusive of applicable tax, which shall be borne by the Company.
2. Commission is payable to LIC, and Sitting Fee is paid to Mr. N. Mohan Raj.

Notes:

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

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

(₹ in Lakh)

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

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

Employee Stock Options Scheme

a. ESOS-2006

During the year under review, NRC of the Board of Directors vested 10,660 Stock Options to the eligible employees, subject to the provisions of the ESOS-2006, statutory provisions, as may be applicable from time to time, and the rules and procedures set out by your Company in this regard. Further, the Stakeholders' Relationship Committee of the Board of Directors allotted 28,640 Equity Shares of ₹ 2/- of your Company to Options Grantees, pursuant to the exercise of the Stock Options under ESOS-2006.

b. ESOS-2013

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

During the year under review, the NRC of the Board of Directors vested 2,28,857 Stock Options and 21,624 RSUs to the eligible employees, subject to the provisions of the ESOS-2013, statutory provisions, as may be applicable from time to time, and the rules and procedures set out by your Company in this regard. Further, the Stakeholders' Relationship Committee of the Board of Directors allotted 43,020 Equity Shares of ₹ 2/- of your Company to Stock Options and RSUs Grantees, pursuant to the exercise of the Stock Options and RSUs under ESOS-2013.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition, Meetings and Attendance during the Year

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

During the year under review, 2 Stakeholders' Relationship Committee Meetings were held on 27th November, 2017 and 30th March, 2018.

The composition, attendance and meetings are given below:

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

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

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

Role

The Committee looks into:

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

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

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

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

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

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

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

The Company Secretary acts as the Secretary to the Committee.

E. RISK MANAGEMENT COMMITTEE

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

The terms of reference of the Risk Management Committee *inter alia* include implementation of Risk Management Framework for identification, assessing, monitoring, reviewing and mitigation of the risks associated with the Company.

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

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

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

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

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

F. FINANCE COMMITTEE

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

Brief Description of Terms of Reference

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

Composition and Attendance during the Year

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

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

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

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

G. MERGER COMMITTEE

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

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

H. ALLOTMENT COMMITTEE

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

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

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

I. GBTL DIVESTMENT COMMITTEE

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

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

V. GENERAL BODY MEETINGS

Details of the General Meetings

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

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

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

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

IV. SUBSIDIARY COMPANIES

Your Company does not have any material non-listed Indian subsidiary company as defined under the Listing Regulations. The Company has formulated a Policy for Determining Material Subsidiaries, which is disclosed on the Company's website, www.grasim.com.

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

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

POSTAL BALLOT

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

VI. MEANS OF COMMUNICATION

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

- Quarterly results:

- Results are normally published in:

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

- Results are displayed on our websites, www.grasim.com and www.adityabirla.com.
- All Official news releases and Presentations made to Institutional Investors/Analysts are also displayed on our websites.
- Disclosures pursuant to various provisions of Listing Regulations, as applicable, are promptly communicated to the Stock Exchanges where the shares of your Company are listed, and are displayed by them on their websites.

VII. DISCLOSURES

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

During the year under review, no material transactions with any related party, as defined under the Act and the Listing Regulations, have been entered into. All contracts/arrangements/transactions entered into by your Company with its related parties were on an arm's length basis and in the ordinary course of business. Attention of the members is drawn to Note 4.5 to the Standalone Financial Statements, forming part of the Annual Report, which set out the related party disclosures. The policy on Related Party Transactions, as approved by the Audit Committee and the Board is available on your Company's website, www.grasim.com.

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

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

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

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

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

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

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

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

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

(vi) Status of Compliance of Non-Mandatory Requirement

a. The Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance are made available to enable him to discharge his responsibilities.

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

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

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

VIII. REPORT ON CORPORATE GOVERNANCE

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

IX. COMPLIANCES

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

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

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

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

(v) CEO/CFO Certification:
The Managing Director and the Chief Financial Officer of your Company have issued the necessary certificate pursuant to the provisions of Listing Regulations, and the same is attached to this Report.

Mumbai, 23rd May 2018

CODE OF CONDUCT

DECLARATION

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management for the year ended 31st March, 2018.

Mumbai
23rd May 2018

Dilip Gaur
Managing Director
[DIN: 02071393]

CEO/CFO CERTIFICATION

The Board of Directors
Grasim Industries Limited

We certify that:

- (a) We have reviewed the Financial Statements read with the Cash Flow Statement of Grasim Industries Limited (the Company) for the year 31st March 2018, and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting. We have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors, deficiencies in the design or operation of internal controls, if any, of which we are aware, and the steps taken or proposed to be taken to rectify the deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes in the internal control over financial reporting during the year;
 - (ii) significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the Notes to the Financial Statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or other employees having a significant role in the Company's internal control system over financial reporting.

For Grasim Industries Limited

Place: Mumbai
Date: 23rd May 2018

Dilip Gaur
Managing Director
[DIN: 02071393]

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

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

To
The Members of

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

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

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters and Restriction on Use

9. This Report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
10. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to the compliance with the relevant regulations of the Corporate Governance, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

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

Akeel Master
Partner
Membership No.: 046768

Mumbai
23rd May 2018

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

Vijay Maniar
Partner
Membership No.: 36738

Mumbai
23rd May 2018

Shareholder Information

1. Annual General Meeting

- | | |
|-----------------|--|
| – Date and Time | : Friday, 14th September, 2018 at 11.00 a.m. |
| – Venue | : Registered Office of the Company,
(Grasim Staff Club), Birlagram,
Nagda - 456 331, Madhya Pradesh, India |

2. Financial Calendar for reporting

- | | |
|--|------------------------------------|
| – Financial Year of the Company | : 1st April to 31st March |
| – Financial reporting for the quarter ending
30th June, 2018 | : On or before 14th August, 2018 |
| – Financial reporting for the quarter/half-year ending
30th September, 2018 | : On or before 14th November, 2018 |
| – Financial reporting for the quarter ending
31st December, 2018 | : On or before 14th February, 2019 |
| – Financial reporting for the quarter/year ending
31st March, 2019 | : May 2019 |
| – 72nd Annual General Meeting for the year ending
31st March, 2019 | : End of August 2019 |

3. Dates of Book Closure

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

4. Dividend Payment Date

On or after 17th September, 2018

5. Registered Office

Birlagram, Nagda - 456 331, Madhya Pradesh, India
Tel.: (07366) 246760246766, 255151
Fax: (07366) 244114/246024
E-mail: grasim.secretarial@adityabirla.com

6. Website

: www.grasim.com/www.adityabirla.com

7. Corporate ID Number (CIN)

: L17124MP1947PLC000410

8. Listing Details

a. Listing on Stock Exchanges:

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

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

- (b) **Name and Address of Trustees for the Debentureholders Debenture Trustee:** Wholesale Debt Market (WDM), segment of BSE
IDBI Trusteeship Services Limited
(for 31st Series Debentures)
Asian Building, Ground Floor
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400001
Tel.: 91 022 40807000; Fax: 91 022 40807080
E-mail: itsl@idbitrustee.com
- (c) **Overseas Depository for GDRs:** Citibank N.A.
Depository Receipt Services
388, Greenwich Street, 14th Floor, New York, NY – 10013
Tel: +212 – 723 – 4483; Fax: +212 – 723 – 8023
- (d) **Domestic Custodian of GDRs:** Citibank N.A.
Custody Services
FIFC, 11th Floor, C 54 & 55, Bandra – Kurla Complex
Bandra (East), Mumbai - 400 051
Tel.: 91-22-61757110; Fax: 91-22-26532205

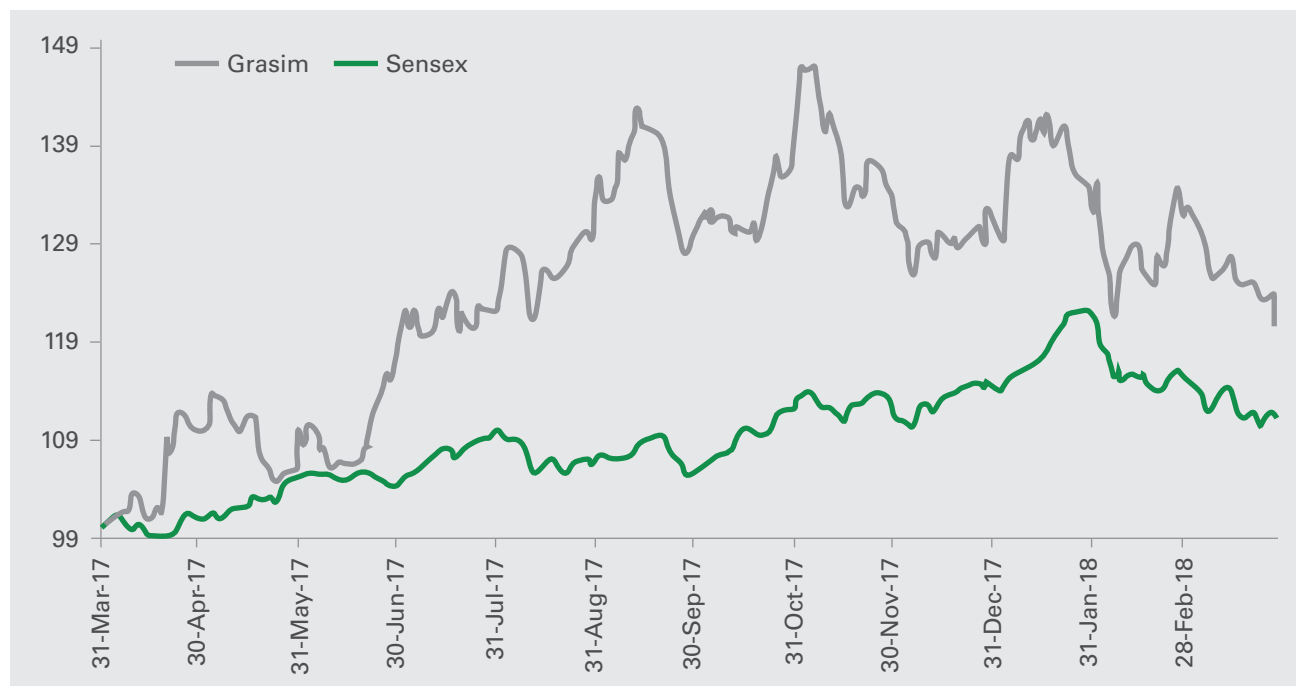
9. Stock Code:

	Stock Code	Reuters	Bloomberg
BSE	500300	GRAS.BO	GRASIM IB
NSE	GRASIM	GRAS.NS	GRASIM IS
LSE	-	GRAS.LU	GRAS LX
ISIN No. of Equity Shares	INE047A01021	-	-
ISIN No. of GDRs	US3887061030 CUSIP No. 388706103		

10. Market Price Data:

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

11. Stock Performance: Performance of Equity Share Price of the Company in comparison to the BSE Sensex:



12. Stock Performance and Returns:

Absolute Returns (In %)

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

Annualised Returns (In %)

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

13. Registrar and Transfer Agents:

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

Karvy Computershare Pvt. Ltd.
 Karvy Selenium Tower B, Plot No. 31 - 32,
 Financial District, Nanakramguda, Gachibowli,
 Hyderabad – 500 032
 Tel.: 040 6716222; Fax: 040 23001153
 E-mail ID: grasim.ris@karvy.com
 E-mail ID for Investor Complaints:
 grasimshares@adityabirla.com

14. Share Transfer System:

96.57% of the Equity Shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents may be sent at the office of Karvy Computershare Pvt. Ltd., the Registrar and Transfer Agent of the Company.

Share transfers in physical form are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. Officers of the Company have been authorised to approve transfers upto 500 shares in physical form under one transfer deed. One Director jointly with one Officer of the Company have been authorised to approve the transfers not exceeding 2,500 shares of ₹ 2/- each under one transfer deed. The Company obtains from a Company Secretary in Practice, half-yearly certificate of compliance as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Details of Share Transfer during the Financial Year 2017-18				
Transfer Period (in Days)	No. of Transfers	No. of Shares	%	Cumulative Total %
1 – 5	569	93,531	62.73	62.73
6 -15	338	39,689	37.27	100.00
Total	907	133,220	100.00	100.00

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

During the year, there were no major legal proceedings relating to transfer of shares.

15. Investor Services:

Complaints received during the year ended 31st March, 2018:

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

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

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

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

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

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

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

18. Dematerialisation of Shares and Liquidity:

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

• National Securities Depository Ltd. (NSDL)	:	94.71%
• Central Depository Services (India) Ltd. (CDSL)	:	1.86%
Total		96.57%

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

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

20. Outstanding GDRs/Warrants and Convertible Bonds:

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

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

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

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

22. Secretarial Audit:

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

23. Corporate Office and Plant Locations

Corporate Office:

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

Plant Locations:

Fibre and Pulp Plants:

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

Chemical Plants:

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

Epoxy Plant:

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

Textile Plants:

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

Viscose Filament Yarn Plants:

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

Insulator Plants:

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

Fertiliser Plant:

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

For Secretarial Matters and Investor Grievances : Karvy Computershare Private Limited

Registrar & Transfer Agents (RTA)

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

Tel.: (040) 6716222

Fax: (040) 23001153

E-mail ID: grasim.ris@karvy.com

E-mail ID for Investor Complaints: grasimshares@adityabirla.com

25. Corporate Benefits to Investors

Dividend declared during/for the last 10 years:

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

*Per Equity Share of ₹ 2/- each.

26. Other Useful Information for Shareholders

Process for Important Investor Services

Share Transfer/Dematerialisation

Share transfer request for physical shares is acted upon within 15 days from the date of their receipt at the Share Department of the Company. In case no response is received from the Company within 30 days of lodgement of transfer request, the lodger should immediately write to the Company/RTA of the Company with full details, so that necessary action can be taken to safeguard the interest of the concerned against any possible loss/interception during postal transit.

Dematerialisation requests, duly completed, in all respects are normally processed within 7 days from the date of receipt at the Company/RTA.

Shareholders are requested to note that if the physical documents, viz., Dematerialisation Request Form (DRF), Share Certificates, etc., are not received from their concerned Depository Participants (DPs) by the Company within a period of 15 days from the date of generation of the Dematerialisation Request Number (DRN) for dematerialisation, the DRN will be treated as rejected/cancelled. This step is being taken on the advice of National Securities Depository Limited (NSDL), so that no demat request remains pending beyond a period of 21 days.

In accordance with the provisions of Section 56(1) of the Companies Act, 2013, shares are required to be lodged within a period of 60 days from the date of execution of instrument of transfer. For expeditious

transfer of shares in physical form, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.

Permanent Account Number (PAN)

Members, who hold shares in physical form, are advised that SEBI has made it mandatory that a self-attested copy of the PAN card of the transferee(s), member(s), surviving joint holders/legal heirs be furnished to the Company while making request for transfer, deletion of name of deceased joint holder, transposition of names and transmission of shares, as the case may be.

Nomination Facility for Shareholding

Section 72 of the Companies Act, 2013, extends nomination facility to individuals holding shares in physical form. Shareholders, in particular, those holding shares in single name, may avail the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form, which can be downloaded from the website of the Company or obtained from the Share Department of the Company/RTA by sending a written request through any mode, including e-mail, on shareproservices.com.

Change of Address and Furnishing of Bank Details

Shareholders holding shares in physical form should notify to the RTA, change in their address with Pin Code number and Bank Account details by written request under the signatures of sole/first joint holder.

Beneficial Owners of shares in demat form should send their instructions regarding change of address, bank details, nomination, power of attorney, change in e-mail address, etc., directly to their DP as the said records are maintained by the DPs.

To prevent fraudulent encashment of dividend warrants, Shareholders, who hold shares in physical form, should provide their Bank Account details to the RTA, while those Shareholders, who hold shares in dematerialised form, should provide their Bank Account details to their DP, for printing of the same on the dividend warrants.

Registering of E-mail Address:

Shareholders, who have not yet registered their e-mail address for availing the facility of e-communication, are requested to register the same with the RTA (in case the shares are held in physical form) or their DP (in case the shares are held in dematerialised form) so as to enable the Company to serve them fast.

Loss of Shares

In case of loss/misplacement of shares, investors should immediately lodge an FIR/Complaint with the police and inform to the Company/RTA along with original or certified copy of FIR/Acknowledged copy of Police Complaint along with a self-attested copy of their PAN card.

Correspondence with the Company

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

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

Shareholders can send such correspondence, which do not require signature verification for processing, through E-mail on grasim.shareproservices.com.

Non-Resident Shareholders

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

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

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

Unclaimed Shares/Dividend

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

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

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

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

Unpaid and unclaimed dividend upto the year ended 31st March, 2010, have already been transferred to the said Fund. Shareholders, who have so far not encashed the dividend warrant(s) for the year ended 31st March, 2011, or any subsequent years, are requested to make their claims to the Share Department at the Registered Office of the Company at Nagda.

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

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

Payment of Dividend through Electronic Mode

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

Shareholders, who have not yet opted for remittance of Dividends through electronic mode and wish to avail the same, are requested to provide the following bank details by a letter signed by the sole/first joint holder along with a cancelled copy of your cheque leaf-

- Name of the Bank with its Branch and complete Address;
- Bank Account Number (SB/CC/Current); and
- 9-digit MICR Code (Magnetic Ink Character Recognition) appearing on the MICR cheque issued by your bank to you
- **In case you are holding shares in dematerialised form:**
To your Depository Participant (DP) quoting reference of your DP ID and Client ID
- **In case you are holding shares in physical mode, quoting reference of your Ledger Folio No.**
To the RTA at the address mentioned above.

In case you have already registered your bank details and you wish to change the NECS/ECS mandate, then please write to your DP for shares held in demat form or to the Share Department of the Company for shares held in physical form by informing your revised bank details.

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

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

Unclaimed Shares in Physical Form

Schedule VI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, provides the manner of dealing with the shares issued in physical form pursuant to a public issue or any other issue, and which remains unclaimed, with the Company. In compliance with the provisions of the said Clause, the Company has

sent three reminders under Registered Post to the shareholders, whose share certificates were returned undelivered and are lying unclaimed so far.

In terms of Schedule VI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has initiated appropriate

steps on unclaimed shares by transferring and dematerialising them into one folio in the name of "Grasim Industries Limited Unclaimed Share Suspense Account". In case your shares are lying unclaimed with the Company, you are requested to claim the same. The voting rights on the said shares shall remain frozen till the rightful owner of such shares claims the shares.

Disclosure pursuant to Schedule VI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 1st April, 2017	8,326 shareholders holding 645,291 equity shares of the Company
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	21 shareholders holding 4,450 equity shares of the Company
Number of shareholders to whom shares were transferred from suspense account during the year	21 shareholders holding 4,450 equity shares of the Company
Number of shareholders whose shares were transferred to IEPF account pursuant to the MCA Circular dated 5th September, 2016	6,217 shareholders holding 378,836 equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 31st March, 2018	2,071 shareholders holding 239,425 equity shares of the Company

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

Transfer of Shares in Physical Form

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

Company's Website

You are requested to visit the Company's website, www.grasim.com/www.adityabirla.com for -

- information on investor services being offered by the Company;
- downloading of various forms/formats, viz., Nomination Form, ECS Mandate Form, Affidavits, Indemnity Bonds, etc.; and

- registering your e-mail ID with the Company to receive Notices of General Meetings/other Notices, Audited Financial Statements, Annual Report, etc., henceforth electronically.

Service of Documents in Electronic Form (Green Initiative in Corporate Governance)

In order to conserve paper and environment, the Ministry of Corporate Affairs (MCA), Government of India, has allowed and envisaged the companies to send Notices of General Meetings/other Notices, Audited Financial Statements, Board's Report, Auditors' Report, etc., henceforth to their shareholders electronically, as a part of its green initiative in corporate governance.

Keeping in view, the aforesaid green initiative of MCA, your Company shall send the Annual Report to its shareholders in electronic form, at the e-mail address provided by them and made available to it by the Depositories. In case of any change in your e-mail address, you are requested

to please inform the same to your Depository (in case you hold the shares in dematerialised form) or to the Company (in case you hold the shares in physical form).

Shareholders can avail e-communication facility by registering their e-mail address with the Company by sending the request on e-mail to grasimshares@adityabirla.com or by logging on to the Company's website, www.grasim.com.

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

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

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

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

Feedback:

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

Link for Green Initiative:

https://www.grasim.com/investors/green_initiative/green_initiative_corporate_governance.aspx