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 31/03/2018	Year ended 31/03/2017
(a) Income and Expenditure of Investment Property:		
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)

Fair Value of Investment Properties:	As at 31/03/2018	As at 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

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		Value As at	
		31/03/2018	31/03/2017	31/03/2018	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		Value As at	
		31/03/2018	31/03/2017	31/03/2018	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		Value As at	
		31/03/2018	31/03/2017	31/03/2018	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.

		Current
8B. Loans,		
(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.

	31/03/2018	31/03/2017
(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

	31/03/2018	31/03/2017
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

	31/03/2018	31/03/2017
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

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:

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)

Exceptional Income	61.25	144.93
Exceptional (Expenses)	(386.46)	(60.04)
	(325.21)	**84.89**

*** Details of Exceptional Income /(Expenses) as follows:**

(₹ Crore)

Nature	Brief Details	Year ended 31/03/2018	Year ended 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

	31/03/2018	31/03/2017
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 Subsidaries 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	As at 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	**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	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	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

As at 31/03/2017	Effects on Balance Sheet: Gross Amount	Effects on Balance Sheet: Gross Amount set off in the Balance Sheet	Effects on Balance Sheet: Net Amount presented in the Balance Sheet	Related Amounts Not Offset: Amounts subject to Master Netting	Related Amounts Not Offset: 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)

Financial Assets:	As at 31/03/2018: Amortised Cost	As at 31/03/2018: FVTOCI	As at 31/03/2018: FVTPL	As at 31/03/2017: Amortised Cost	As at 31/03/2017: FVTOCI	As at 31/03/2017: 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)

Investments in Equity Instruments	As at 31/03/2018				As at 31/03/2017			
			Dividend Income				Dividend Income	
	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			As at 31/03/2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	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	As at 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		Year ended 31/03/2017	
		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
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	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:

Foreign Currency Monetary Items	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							
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)

Cash Flow Hedges	As at 31/03/2018			As at 31/03/2017		
	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 impress 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