

Notes Forming Part of Financial Statements

NOTE: 1

SIGNIFICANT ACCOUNTING POLICIES:

I. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

II. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

III. TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible Fixed Assets, capital work-in-progress are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Each part of an item of property, plant and equipment, with a cost that is significant in relation to the total cost of the item, is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on Tangible Fixed Assets is provided on Straight-Line method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013, or estimated by the management. The Company has used the following useful life to provide depreciation on its fixed assets.

A: Assets where useful life is same as Schedule II

Assets	Useful Life as Prescribed by Schedule II of the Companies Act, 2013
1. Plant & Machinery:- Continuous Process Plant	25 Years
2. Buildings (other than factory buildings) RCC Frame Structure	60 Years
3. Factory Buildings	30 Years
4. Fences, Wells, Tube Wells	5 Years
5. Borewell (Pipes, Tubes and Other Fittings)	5 Years
6. Bridges, Culverts, Bunders, etc.	30 Years
7. Others (including temporary structure, etc.)	3 Years
8. Carpeted Roads – RCC	10 Years
9. Carpeted Roads – other than RCC	5 Years
10. Non-carpeted Roads	3 Years
11. General Laboratory Equipment	10 Years
12. Electrical Installations and Equipment (At Factory)	10 Years
13. Motors, Tractors, Harvesting Combines and Heavy Vehicles	8 Years

B: Assets where useful life differ from Schedule II

Assets	Useful Life as Prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
1. Plant & Machinery:		
1.1 :- Other than Continuous Process Plant (Single Shift)	15 Years	15 Years and 20 Years
1.2 :- Other than Continuous Process Plant (Double Shift)	Additional 50% depreciation over single shift (10 Years)	20 Years
1.3 :- Other than Continuous Process Plant (Triple Shift)	Additional 100% depreciation over single shift (7.5 Years)	10 Years and 15 Years
2. Thermal/Gas/Combined Cycle Power Generation Plant	40 Years	25 Years
3. Buildings (other than factory buildings) other than RCC Frame Structure	30 Years	60 Years
4. Office Electronic Equipment	5 Years	4 Years
5. Office Computers (end-user devices desktop, laptops)	3 Years	4 Years
6. Servers	6 Years	4 Years
7. Vehicles	8 Years to 10 Years	4 Years to 5 Years
8. Electrically-operated Vehicles	8 Years	5 Years
9. Furniture & Fixtures and Other Office Equipment	10 Years	5 Years to 7 Years

Useful life of assets different from prescribed in Schedule II has been estimated by the management supported by technical assessment.

C: Plant and Machinery

Separately identified Component of Plant and Machinery	2 to 25 Years
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D: Leasehold Assets

Leasehold Land	Period of Lease
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Fixed Assets, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Depreciation on the Fixed Assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding and in the case of capitalisation of Greenfield/Brownfield project, depreciation is charged from the date the project is ready to commence commercial production to the Statement of Profit and Loss.

IV. INTANGIBLE ASSETS AND AMORTISATION

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Assets	Estimated Useful Life
Brands/Trademarks	10 Years
Technical Know-how	7 Years
Computer Software	3 Years

V. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

VI. BORROWING COSTS

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

VII. TRANSLATION OF FOREIGN CURRENCY ITEMS

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. With respect to exchange difference arising on translation/settlement of long-term foreign currency items from 1st April, 2011, the Company has adopted the following policy:

- (i) Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- (ii) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long-term asset/liability.

Exchange difference on re-statement of all other monetary items is recognised in the Statement of Profit and Loss. Other non-monetary items like fixed assets are carried in terms of historical cost using the exchange rate at the date of transaction.

VIII. DERIVATIVE INSTRUMENTS

Premium/Discount, in respect of forward foreign exchange contract to hedge an underlying recorded asset or liability, is recognised over the life of the contracts. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the Statement of Profit and Loss in the year in which the exchange rates changes. Profit/Loss on cancellation/renewal of forward exchange contract is recognised as income/expense for the year.

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions, currency swap and interest rate swaps to hedge its risks associated with foreign currency fluctuations and interest rate and designates such contracts as cash flow hedge by applying the principles set out in the Accounting Standard-30 – Financial Instruments: Recognition and Measurement. All such forward contracts are used as risk management tools and not for speculative purposes.

For the contracts designated as cash flow hedges, the effective portion of the fair value of forward contracts are recognised in Hedging Reserve (net of taxes) under Reserves and Surplus, and reclassified into, i.e., recognised in the Statement of Profit and Loss in the period or periods during which the underlying hedged item assumed affects profit or loss. The ineffective portion of the change in fair value of such instruments is recognised in the Statement of Profit and Loss in the period in which they arise. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, the hedge accounting is discontinued, and the fair value changes, arising from the forward contracts, are recognised in the Statement of Profit and Loss.

As per the Institute of Chartered Accountants of India (ICAI) announcement regarding accounting for derivative contracts, other than covered under AS-11 and designated contracts described above, these are mark-to-market on the portfolio basis and net loss after considering the offsetting effect on the underlying hedged item is charged to the income statement. Net gains are ignored.

IX. INVESTMENTS

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investments are recorded at cost on the date of purchase, which include acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at lower of cost and net realisable value. Long-term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

X. INVENTORIES

Raw materials, components, stores and spares, and packing material are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work-in-progress, finished goods and stock-in-trade are valued at lower of cost and net realisable value. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost of inventories is computed on a weighted-average basis.

Proceeds in respect of sale of raw materials/stores are credited to the respective heads. Obsolete, defective and unserviceable inventory are duly provided for.

Certified Emission Reductions (CERs) are valued at lower of cost and net realisable value. Cost includes consultant's fee and the cash payment made under the second levy to the concerned authorities for obtaining the credit of CERs.

XI. GOVERNMENT GRANTS

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attaching conditions will be complied with. Revenue grants are recognised in the Statement of Profit and Loss. Capital grants relating to specific Tangible/Intangible Assets are reduced from the gross value of the respective Tangible/Intangible Assets. Other capital grants in the nature of promoter's contribution are credited to capital reserve.

XII. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sale of goods are recorded net of trade discounts, rebates, Sales Tax, Value Added Tax and gross of Excise Duty.

Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of Service Tax.

Fertiliser price support under the Group Concession and other Scheme of Government of India is recognised based on the management's estimate taking into account known policy parameters and input price escalation/de-escalation.

Income from Certified Emission Reductions (CERs) is recognised on sale of CERs.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Dividend income on investments is accounted for when the right to receive the payment is established.

XIII. RETIREMENT AND OTHER EMPLOYEE BENEFITS

(a) Defined Contribution Plan

The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, ESI and Superannuation Schemes, which are recognised in the Statement of Profit and Loss on accrual basis.

(b) Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act, long-term compensated absences and pension are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short-term compensated absences, which are provided for based on estimates. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation.

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

XIV. EMPLOYEE STOCK OPTIONS

The stock options and stock appreciation rights (SAR) granted are accounted for as per the accounting treatment prescribed by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, issued by Securities and Exchange Board of India and the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI, whereby the intrinsic value of the option is recognised as employee compensation. The employee compensation is charged to the Statement of Profit and Loss on the straight-line basis over the vesting period of the option.

In respect of re-pricing of existing stock options, the incremental intrinsic value of the options is accounted as employee cost over the remaining vesting period.

In case of forfeiture stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred to the General Reserve.

XV. TAXATION

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain, that sufficient future taxable income will be available.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. At each Balance Sheet date, the Company reassesses the unrecognised deferred tax assets.

Minimum Alternative Tax (MAT) credit 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 in accordance with the recommendations contained in the Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

XVI. RESEARCH AND DEVELOPMENT

Revenue expenditure on research is expensed under the respective heads of the account in the period in which it is incurred.

Development expenditure is capitalised as an asset if the following conditions can be demonstrated:

- a) The technical feasibility of completing the asset so that it can be made available for use or sell.
- b) The Company has intention to complete the asset and use or sell it.
- c) The Company has the ability to sell the asset.
- d) The future economic benefits are probable.
- e) The Company has ability to measure the expenditure attributable to the asset during its development reliably.

Other development costs, which do not meet the above criteria, are expensed out during the period in which they are incurred.

XVII. FINANCE LEASE

As a Lessee:

Leases, where substantially all the risks and benefits incidental to ownership of the leased item are transferred to the Lessee, are classified as finance lease. The Company has capitalised the leased item at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Such assets are amortised over the period of lease or estimated life of such asset, whichever is less.

Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Lease management fees, lease charges and other initial direct costs are capitalised.

XVIII. OPERATING LEASES

(a) As a Lessee:

Leases, where significant portion of risk and reward of ownership are retained by the Lessor, are classified as Operating Leases, and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

(b) As a Lessor:

The Company has leased certain tangible assets, and such leases, where the Company has substantially retained all the risks and rewards of ownership, are classified as operating leases. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term. Initial direct costs are recognised in the Statement of Profit and Loss.

XIX. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

XX. CASH FLOW STATEMENT

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

XXI. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

XXII. CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognised when there is a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

	Numbers	As at 31st March, 2016	₹ in Crores As at 31st March, 2015
NOTE: 2			
SHARE CAPITAL			
Authorised:			
Equity Shares of ₹ 10/- each	175,000,000 (175,000,000)	175.00	175.00
Redeemable Preference Shares of ₹ 100/- each	500,000 (500,000)	5.00	5.00
		180.00	180.00
Issued:			
EQUITY SHARE CAPITAL			
Equity Shares of ₹ 10/- each	130,279,180 (130,279,180)	130.28	130.28
		130.28	130.28
Subscribed and Paid-up:			
EQUITY SHARE CAPITAL			
Equity Shares of ₹ 10/- each, fully paid-up	130,222,858 (130,137,193)	130.22	130.14
		130.22	130.14

1) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Sr. No.	Description	As at 31st March, 2016		As at 31st March, 2015	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No. of Shares outstanding at the beginning of the period	130,137,193	—	130,084,972	10,000
2	Allotment of Shares on exercise of option by employee under ESOS	85,665	—	52,221	—
3	Redemption of Preference Shares	—	—	—	10,000
4	No. of Shares outstanding at the end of the period	130,222,858	—	130,137,193	—

2) Term/Right Attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential holders. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors has recommended Equity Dividend of ₹ 5.00 per share for the year ended 31st March, 2016 (Previous Year: ₹ 7.00 per share). The total cash outflows on account of the Equity Dividend would be ₹ 65.11 Crore (Previous Year: ₹ 91.10 Crore) and Dividend Distribution Tax thereon (Net of Tax Credit on dividend from subsidiary companies) would be ₹ 10.37 Crore (Previous Year: ₹ 18.55 Crore).

3) The Company does not have any Holding Company.

- 4) Equity Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of equity shares held are as under:

Sr. No.	Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	No. of Shares Held	% of Total Paid-up Equity Share Capital
1	IGH Holdings Private Limited	16,352,102	12.56%	16,352,102	12.57%
2	TGS Investment and Trade Private Limited	14,671,037	11.27%	13,506,736	10.38%
3	Umang Commercial Company Private Limited (formerly known as Umang Commercial Company Limited)	12,494,765	9.59%	12,494,765	9.60%
4	Trapti Trading & Investments Private Limited	9,423,935	7.24%	9,423,935	7.24%
5	Hindalco Industries Limited	8,650,412	6.64%	8,650,412	6.65%
6	Turquoise Investments and Finance Private Limited	6,885,421	5.29%	6,441,092	4.95%
7	Life Insurance Corporation of India	6,065,284	4.66%	7,276,236	5.59%

- 5) **Shares reserved for issue under options and contracts, including the terms and amounts:**

For details of Shares reserved for issue under the Employee Stock Options Plan (ESOP) of the Company refer Note: 40.

- 6) There are no Equity or Preference Shares issued as fully paid-up pursuant to any contract in consideration of other than cash or bought back during the preceding last five years.
- 7) Pursuant to the provisions of Section 126 of the Companies Act, 2013, the issue of following equity shares are kept in abeyance.

Sr. No.	Particulars	No. of Shares	
		As at 31st March, 2016	As at 31st March, 2015
1	Rights Issue (1994)	12,575	12,575
2	Bonus Share on Above	6,288	6,288
3	Rights Issue (2007)	22,460	22,460

- 8) Shares to be allotted upon exercise of ESOS Schemes 14,999 Shares (Previous Year: 100,664 Shares).
- 9) In the year 1997, the Company had forfeited 4,487 Shares held by 299 holders on account of non-payment of call money with interest on shares issued against each detachable warrant.
- 10) Equity Shares Nil (Previous Year: 3,168,459) are represented by Global Depository Receipts (GDRs). The GDR programme has since been terminated on 8th December, 2015. Each GDR was equivalent to underlying one equity share of the Company and, hence, upon termination of the GDR Programme, the paid-up equity share capital remains the same.
- 11) During the last five years there were no Bonus Shares were issued.
- 12) Figures in brackets represent the corresponding number of shares for Previous Year.

	As at 31st March, 2016	₹ in Crores As at 31st March, 2015
NOTE: 3		
RESERVES AND SURPLUS		
1) Capital Reserve		
Opening Balance as per last audited Financial Statement	266.62	266.62
Deduction:		
Amalgamation of Subsidiaries - Refer Note: 43	91.37	—
Demerger of Madura Division - Refer Note: 38A	122.05	—
	53.20	266.62
2) Capital Redemption Reserve		
Opening Balance as per last audited Financial Statement	8.56	8.46
Addition:		
Transfer from Surplus in the Statement of Profit and Loss on Redemption of Preference Shares	—	0.10
	8.56	8.56
3) Securities Premium Account		
Opening Balance as per last audited Financial Statement	3,983.89	3,979.14
Addition:		
ESOP Exercised	7.05	3.54
Transfer from Stock Options Outstanding Account on Exercise of Options	1.43	1.21
	3,992.37	3,983.89
4) Debenture Redemption Reserve		
Opening Balance as per last audited Financial Statement	44.58	22.08
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	35.00	22.50
	79.58	44.58
5) Share Options Outstanding Account		
Opening Balance as per last audited Financial Statement	6.64	4.09
Addition:		
Charge for the Year	4.85	3.76
Deduction:		
Transfer to Securities Premium Account on Exercise of Options	1.43	1.21
	10.06	6.64
6) Other Reserves		
i) General Reserve*		
Opening Balance as per last audited Financial Statement	3,662.53	3,475.04
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	200.00	200.00
Deduction:		
Transitional Provision of Schedule II Impact (Net of Deferred Tax Amounting of ₹ 6.44 Crore)	—	12.51
	3,862.53	3,662.53

	As at 31st March, 2016	As at 31st March, 2015
₹ in Crores		
ii) Hedging Reserve**		
Opening Balance as per last audited Financial Statement	(1.95)	(0.43)
Addition:		
Gain/(Loss) recognised during the year (Net)	4.37	(2.08)
Deduction:		
Gain/(Loss) recycled during the year (Net)	2.66	(0.56)
Transfer on demerger of Madura Division	0.29	—
	(0.53)	(1.95)
Total Other Reserves	3,862.00	3,660.58
7) Surplus in the Statement of Profit and Loss		
Opening Balance as per last audited Financial Statement	417.98	222.56
Addition:		
Profit for the Year	360.02	527.69
Amalgamation of Subsidiaries - Refer Note: 43	(44.27)	—
Less: Appropriations		
Transfer to Debenture Redemption Reserve	35.00	22.50
Transfer to General Reserve	200.00	200.00
Transfer to Capital Redemption Reserve	—	0.10
Proposed Dividend on Equity Shares	65.11	91.10
Equity Dividend relating to Previous Period	0.02	0.02
Interim Dividend on Preference Shares	—	β
Corporate Tax on Proposed Dividend***	10.37	18.55
Corporate Tax on Interim Dividend	—	β
	423.23	417.98
Total Reserves and Surplus	8,429.00	8,388.85

* General Reserve is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard. The General Reserve is a free reserve and can be utilised in accordance with the provisions of the Companies Act, 2013.

** For the forward contracts designated as cash flow hedges, the effective portion of the fair value of forward contracts are recognised in Hedging Reserve under Reserves and Surplus.

*** Net of Tax Credit on dividend from subsidiary companies.

	As at 31st March, 2016	As at 31st March, 2015
₹ in Crores		
NOTE: 4A		
LONG-TERM BORROWINGS		
SECURED		
Rupee Term Loans from		
Banks	89.19	142.33
Financial Institutions	8.96	42.24
Foreign Currency Loans from Banks	173.84	267.05
Finance Lease Liabilities	0.39	0.59
	272.38	452.21
UNSECURED		
Debentures	800.00	800.00
Foreign Currency Loans from Banks	198.74	228.25
	998.74	1,028.25
	1,271.12	1,480.46

₹ in Crores

NOTE: 4B**SHORT-TERM BORROWINGS****SECURED**

Loan Repayable on Demand from Banks

	As at 31st March, 2016	As at 31st March, 2015
	510.13	585.54
	510.13	585.54

UNSECURED

Loan Repayable on Demand from Banks

865.33

1,000.93

Other Loans and Advances

Commercial Papers*

989.12

372.90

1,854.45**1,373.83****2,364.58****1,959.37**

* Maximum balance outstanding during the year

1,740.72

1,491.22

* Commercial Papers are shown net of unamortised discounting charges.

NOTE: 4A and 4B

		As at 31st March, 2016		As at 31st March, 2015	
(I)	SECURED LONG-TERM BORROWINGS:	Current	Non-Current	Current	Non-Current
(A)	Rupee Term Loan from Banks				
i)	Term loan secured by way of first pari passu charge created by mortgage of the immovable properties of the Company situated at Veraval and Rishra (Textile Division), and hypothecation of movables (save and except book debts) situated at these locations, subject to prior charge(s) created on certain assets in favour of a Financial Institution and on Bankers Goods in favour of the Company's Bankers for working capital borrowings. Repayment Terms: 17 half-yearly instalments from 1st July, 2007. First four instalments of ₹ 0.25 Crore each, next 4 instalments of ₹ 0.50 Crore each, next 4 instalments of ₹ 1.50 Crore each and next 5 instalments of ₹ 3.20 Crore each.	—	—	3.20	—
ii)	Term loan secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Garment Export Plants at Kasaba Hobli, Karnataka and hypothecation of movable fixed assets of the Company at these plants.** Repayment Terms: 17 half-yearly instalments from 29th December, 2008. First four instalments of ₹ 0.16 Crore each, next 4 instalments of ₹ 0.32 Crore each, next 4 instalments of ₹ 0.96 Crore each and next 5 instalments of ₹ 2.05 Crore each.	—	—	4.10	4.09
iii)	Term loan secured by way of first pari passu charge created by hypothecation of movable fixed assets of the Company's Madura Garment Export Plant at Kasaba Hobli, Karnataka.** Repayment Terms: 32 quarterly instalments from 1st January, 2010. First instalment of ₹ 0.16 Crore, next 4 instalments of ₹ 0.04 Crore each, next 8 instalments of ₹ 0.08 Crore each, next 8 instalments of ₹ 0.24 Crore each, next 8 instalments of ₹ 0.51 Crore each and next 3 instalments of ₹ 0.34 Crore each.	—	—	1.53	3.07

₹ in Crores

		As at 31st March, 2016		As at 31st March, 2015	
		Current	Non-Current	Current	Non-Current
iv)	Term Loan secured by way of first pari passu charge created by hypothecation of movable plant and machinery of the Company's Madura Clothing Plant at Marasur Village, Karnataka.** Repayment Terms: 17 half-yearly instalments from 27th September, 2009. First four instalments of ₹ 0.04 Crore each, next 4 instalments of ₹ 0.08 Crore each, next 4 instalments of ₹ 0.24 Crore each and next 5 instalments of ₹ 0.51 Crore each.	—	—	1.02	1.54
v)	Term Loan secured by way of first pari passu charge created by hypothecation of movable plant and machinery of the Company's Madura Clothing Plant at Marasur Village, Karnataka. ** Repayment Terms: 17 half-yearly instalments from 4th September, 2010. First four instalments of ₹ 0.12 Crore each, next 4 instalments of ₹ 0.24 Crore each, next 4 instalments of ₹ 0.72 Crore each and next 5 instalments of ₹ 1.54 Crore each.	—	—	1.44	7.68
vi)	Term loan secured by way of first pari passu charge created by hypothecation of the entire movable properties (save and except current assets and assets on which an exclusive charge has been created in favour of Exim Bank) of the Company's Rayon Division Plant at Veraval and Textile Division Plant at Rishra. Repayment Terms: 10 half-yearly instalments from 31st May, 2014. First three instalments of ₹ 0.40 Crore each, next 3 instalments of ₹ 0.80 Crore each and next 4 instalments of ₹ 7.85 Crore each. (Note: Entire Outstanding loan was prepaid on 8th January, 2016)	—	—	1.20	33.00
vii)	Term loan secured by way of first pari passu charge created by hypothecation of the entire movable properties (save and except current assets and assets on which an exclusive charge has been created in favour of Exim Bank) of the Company's Rayon Division Plant at Veraval and Textile Division Plant at Rishra. Repayment Terms: 10 half-yearly instalments from 29th July, 2015. First three instalments of ₹ 0.74 Crore each, next 3 instalments of ₹ 1.48 Crore each and next 4 instalments of ₹ 4.83 Crore each.	2.23	22.29	1.49	24.51
viii)	Term loan secured by way of first pari passu charge created by hypothecation of the entire movable properties of the Company's Rayon Division Plant at Veraval and Textile Division Plant at Rishra. Repayment Terms: 10 half-yearly instalments from 30th June, 2015. First four instalments of ₹ 0.50 Crore each, next 2 instalments of ₹ 1.00 Crore each, next 2 instalments of ₹ 9.00 Crore each, next 1 instalment of ₹ 10.00 Crore and last instalment of ₹ 1.00 Crore.	1.00	31.00	1.00	32.00
ix)	Term loan secured by way of first pari passu charge created by hypothecation of the entire movable properties of the Company's Rayon Division Plant at Veraval and Textile Division Plant at Rishra. Repayment Terms: 20 quarterly instalments from 3rd September, 2016. First four instalments of ₹ 0.56 Crore each, next 8 instalments of ₹ 1.12 Crore each, next 4 instalments of ₹ 1.35 Crore each, and last 4 instalments of ₹ 1.46 Crore each.	1.68	20.76	—	22.44

₹ in Crores

		As at 31st March, 2016		As at 31st March, 2015	
		Current	Non-Current	Current	Non-Current
x)	Term loan secured by way of first pari passu charge created by hypothecation of the entire movable properties of the Company's Rayon Division Plant at Veraval and Textile Division Plant at Rishra. (Drawdown during the year ₹ 6.77 Crore). Repayment Terms: 21 quarterly instalments from 19th December, 2016. First four instalments of ₹ 0.32 Crore each, next 4 instalments of ₹ 0.39 Crore each, next 4 instalments of ₹ 0.47 Crore each, next 4 instalments of ₹ 0.63 Crore each and last 5 instalments of ₹ 1.70 Crore each.	0.63	15.14	—	9.00
xi)	Term loan to be secured by way of first pari passu charge by way of hypothecation of all movable assets of the Company's Madura Clothing Plant at Marasur Village, Karnataka. (Crafted Clothing Plant No. 527, Marsur Village, Anekal Taluk, Bangalore – 562106 and Fashion Craft Plant No. 324, Marsur Village, Anekal Taluk, Bangalore – 562106)** Repayment Terms: 21 quarterly instalments from 23rd March, 2017. First three instalments of ₹ 0.10 Crore each, next 4 instalments of ₹ 0.13 Crore each, next 4 instalments of ₹ 0.15 Crore each, next 4 instalments of ₹ 0.20 Crore each and last 5 instalments of ₹ 0.54 Crore each.	—	—	—	5.00
Total Rupee Term Loan Banks (A)		5.54	89.19	14.98	142.33
- Effective cost for the above loans are in the range of 4.65% to 10.30% per annum. (Previous Year: in the range of 5.20% to 12.10% per annum.)					
(B) Term Loan from Financial Institutions					
i)	Term loan secured by way of first pari passu charge created by mortgage of the immovable properties of the Company situated at Veraval and Rishra (Textile Division) and hypothecation of movables (save and except book debts) situated at these locations, subject to prior charge(s) created on certain assets in favour of a Financial Institution and on Bankers Goods in favour of the Company's Bankers for working capital borrowings. Repayment Terms: 17 half-yearly instalments from 10th August, 2007. First four instalments of ₹ 1.00 Crore each, next 4 instalments of ₹ 2.00 Crore each, next 4 instalments of ₹ 6.00 Crore each and next 5 instalments of ₹ 12.80 Crore each.	—	—	12.80	—
ii)	Term loan secured by way of first pari passu charge created by mortgage of the immovable properties of the Company situated at Veraval and Rishra (Textile Division) and hypothecation of movables (save and except books debts) situated at these locations, subject to prior charge(s) created on certain assets in favour of a Financial Institution and on Bankers Goods in favour of the Company's Bankers for working capital borrowings. Repayment Terms: 17 half-yearly instalments from 3rd January, 2009. First four instalments of ₹ 0.95 Crore each, next 4 instalments of ₹ 1.90 Crore each, next 4 instalments of ₹ 5.70 Crore each and next 5 instalments of ₹ 12.16 Crore each.	24.32	—	24.32	24.32
iii)	Term loan secured by way of first pari passu charge created by hypothecation of movable fixed assets situated at Veraval and Rishra (Textile Division). Repayment Terms: 17 half yearly instalments from 20th March, 2010. First four instalments of ₹ 0.35 Crore each, next 4 instalments of ₹ 0.70 Crore each, next 4 instalments of ₹ 2.10 Crore each and next 5 instalments of ₹ 4.48 Crore each.	8.96	8.96	6.58	17.92

₹ in Crores

		As at 31st March, 2016		As at 31st March, 2015	
		Current	Non-Current	Current	Non-Current
iv)	Term loan secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Garment Export Plants at Parappana Agrahara, Karnataka and hypothecation of movable fixed assets of the Company at these plants.** Repayment Terms: 16 equal half-yearly instalments of ₹ 0.33 Crore from 20th March, 2008.	—	—	0.34	—
v)	Term Loan secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Clothing Plant at Marasur Village, Karnataka and hypothecation of movable fixed assets of the Unit at these plants.** Repayment Terms: 16 equal half-yearly instalments of ₹ 0.23 Crore each from 20th September, 2008.	—	—	0.45	—
Total Rupee Term Loan from Financial Institutions (B)		33.28	8.96	44.49	42.24
- Effective cost for the above loans are in the range of 2.49% to 6.75% per annum. (Previous Year: in the range of 2.49% to 6.75% per annum.)					
(C)	Foreign Currency Term Loans from Banks				
i)	Foreign Currency Loan secured by way of first pari passu charge by way of hypothecation of entire movable assets (save and except current assets) situated at Veraval, Rishra (Textile Division), Insulator Division at Halol and Rishra. # Repayment Terms: 2 equal yearly instalments of USD 0.50 Crore each from 11th November, 2014 and 2 equal instalments of USD 0.50 Crore each from 25th February, 2015. (Note: Out of the total loan of ₹ 46.62 Crore outstanding as on 31.03.15, ₹ 2.52 Crore was transferred to Aditya Birla Fashion and Retail Ltd., w.e.f. from 01.04.15)	—	—	46.62	—
ii)	Foreign Currency Loan secured by way of first pari passu charge created by hypothecation on all movable assets of the Company (save and except current assets) situated at Veraval and Rishra (Textile Division). # Old Repayment Terms: 3 equal yearly instalments of ₹ 52.71 Crore each starting from 11th January, 2016. New Repayment Terms: 3 equal yearly instalments of ₹ 43.51 Crore each starting from 11th January, 2016. (Note: Out of the total loan of ₹ 158.12 Crore outstanding as on 31.03.15, ₹ 27.59 Crore was transferred to Aditya Birla Fashion and Retail Ltd., w.e.f. from 01.04.15)	43.51	43.51	52.71	105.41
iii)	Foreign Currency Loan secured by way of first pari passu charge created by hypothecation on all movable assets of the Indo Gulf Fertiliser Division (save and except current assets) situated at Jagdishpur, Uttar Pradesh. # Repayment Terms: Bullet payment on 16th May, 2017. (Note: Out of the total loan of ₹ 161.64 Crore outstanding as on 31.03.15, ₹ 31.31 Crore was transferred to Aditya Birla Fashion and Retail Ltd. w.e.f. from 01.04.15)	—	130.33	—	161.64
Total Foreign Currency Term Loans from Banks (C)		43.51	173.84	99.33	267.05
- Effective cost for the above loans are in the range of 6.16% to 8.08% per annum. (Previous Year: in the range of 5.95% to 8.17% per annum.)					

₹ in Crores

		As at 31st March, 2016		As at 31st March, 2015	
		Current	Non-Current	Current	Non-Current
(D)	Finance Lease Liability				
i)	Finance Lease Obligation is secured by hypothecation of plant and machinery taken on lease. Repayment Terms: Lease obligation plus interest is payable in 19 quarterly instalments of ₹ 0.06 Crore each.	0.19	0.39	0.17	0.59
	Total Finance Lease Liability (D)	0.19	0.39	0.17	0.59
- Effective cost for the above loan is 8.13% per annum. (Previous Year: 9.95%)					
	Total Secured Long-term Borrowings	82.52	272.38	158.97	452.21

₹ in Crores

		As at 31st March, 2016		As at 31st March, 2015	
		Current	Non-Current	Current	Non-Current
(II)	UNSECURED LONG-TERM BORROWINGS:				
A)	Debentures				
i)	8.99% 29th Series Non-Convertible Debentures. Repayment Terms: Redeemable at par on 29th January 2018	—	300.00	—	300.00
ii)	9.00% 30th Series Non - Convertible Debentures Repayment Terms: Redeemable at par on 10th May, 2023.	—	200.00	—	200.00
iii)	8.68% 31st Series Non-Convertible Debentures. Repayment Terms: Redeemable at par on 2nd February, 2020.	—	300.00	—	300.00
	Total Debentures (A)	—	800.00	—	800.00
B)	Unsecured Long-Term Foreign Currency Borrowings:				
i)	Foreign Currency Loan from Bank.# Old Repayment Terms: Instalments of ₹ 28.34 Crore each on 1st June, 2015 and 26th July, 2015. New Repayment Terms: Instalments of ₹ 25.93 Crore each on 1st June, 2015 and ₹ 23.06 on 26th July, 2015. (Note: Out of the total loan of ₹ 56.68 Crore outstanding as on 31.03.15, ₹ 7.70 Crore was transferred to Aditya Birla Fashion and Retail Ltd., w.e.f. from 01.04.15)	—	—	56.68	—
ii)	Foreign Currency Loan from Bank. # Repayment Terms: 3 equal half-yearly instalments of ₹ 32.76 Crore each from 29th September, 2014. New Repayment Terms: Instalment of ₹ 26.96 Crore on 29th September, 2015. (Note: Out of the total loan of ₹ 32.76 Crore outstanding as on 31.03.15, ₹ 5.80 Crore was transferred to Aditya Birla Fashion and Retail Ltd., w.e.f. from 01.04.15)	—	—	32.76	—
iii)	Foreign Currency Loan from Bank. # Repayment Terms: Bullet payment on 24th August, 2016. New Repayment Terms: Bullet payment on 24th August, 2016 - ₹ 186.27Crore. (Note: Out of the total loan of ₹ 228.25 Crore outstanding as on 31.03.15, ₹ 41.98 Crore was transferred to Aditya Birla Fashion and Retail Ltd., w.e.f. from 01.04.15)	186.27	—	—	228.25
iii)	Foreign Currency Loan from Bank Repayment Terms: 3 equal yearly instalments of ₹ 65.25 Crore each from 20th August, 2019.	—	198.74	—	—
	Total Unsecured Long-term Foreign Currency Borrowings (B)	186.27	198.74	89.44	228.25
- Effective cost for the above loans are in the range of 3.73% to 8.21% per annum. (Previous Year: in the range of 3.76% to 6.41% per annum.)					
	Total Unsecured Long-term Borrowings	186.27	998.74	89.44	1,028.25

₹ in Crores

(III)	SECURED SHORT-TERM BORROWINGS:	As at 31st March, 2016	As at 31st Mach, 2015
i)	Working Capital Borrowings are secured by hypothecation of inventories, book debts and other movables, both present and future, held as current assets.	510.13	585.54
	Total Secured Short-term Borrowings	510.13	585.54
- Effective cost for the above loans are in the range of 7.08% to 14.40% per annum. (Previous Year: in the range of 9.04% to 15.50% per annum.)			

- Foreign Currency Loans have been fully hedged for foreign exchange and interest rate fluctuation by way of Currency and Interest Rate Swaps, Interest Swaps and Long-Term Forward Contracts.
- Effective cost has been calculated with hedged cost in terms of foreign currency loan and net of interest subsidy in case of TUF loans.
- ** Loans were transferred to Aditya Birla Fashion and Retail Ltd. (ABFRL) as per the scheme of demerger of Madura Garments (Division) from the Company, pursuant to the court orders dated 23rd October, 2015 and 5th December, 2015. (Refer Note: 38A)
- # The foreign currency loans from Banks exclude amount aggregating to ₹ 116.89 Crore which were transferred to ABFRL consequent to demerger scheme. The Company is in the process of getting name updated in the Bank's records. (Refer Note: 38A)

	As at 31st March, 2016	As at 31st March, 2015
₹ in Crores		
NOTE: 5		
DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities at the year end comprise timing differences on account of:		
Depreciation	220.73	163.46
	<u>220.73</u>	<u>163.46</u>
DEFERRED TAX ASSETS		
Deferred Tax Assets at the year end comprise timing differences on account of:		
Expenditure/Provisions allowable on Payment Basis	10.09	38.81
Others	37.86	18.27
	<u>47.95</u>	<u>57.08</u>
Net Deferred Tax Liabilities	<u>172.78</u>	<u>106.38</u>
NOTE: 6A		
OTHER LONG-TERM LIABILITIES		
Deposits	0.54	96.04
Others (Refer Note: 46(ii)(B))	4.72	18.55
	<u>5.26</u>	<u>114.59</u>
NOTE: 6B		
OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Borrowings (Refer Note: 4A and 4B)	268.60	248.24
Current Maturities of Finance Lease Obligations (Refer Note: 4A and 4B)	0.19	0.17
Interest Accrued but Not Due on Borrowings	29.85	32.07
Investors' Education and Protection Fund to be credited (as and when due):		
Unpaid Dividend	3.54	3.26
Money Due for Refund for Fractional Shares	0.28	0.28
Other Payables		
Advance from Customers	21.92	41.88
Payables for Capital Expenditure	15.47	29.69
Statutory Dues	57.87	62.49
Deposits	50.73	45.72
Derivative Liability (Net)*	12.28	14.36
Others	4.17	16.29
	<u>464.90</u>	<u>494.45</u>
* This represents Mark-to-Market on Derivative Contracts taken for the purpose of hedging.		
NOTE: 7A		
LONG-TERM PROVISIONS		
Provisions for:		
Employee Benefits	5.73	6.04
	<u>5.73</u>	<u>6.04</u>

	As at 31st March, 2016	₹ in Crores As at 31st March, 2015
NOTE: 7B		
SHORT-TERM PROVISIONS		
Provisions for:		
Employee Benefits	63.54	89.58
Others		
Taxation (Net of Advance Tax ₹ 685.94 Crore (Previous Year: ₹ 583.23 Crore))	72.89	55.33
Proposed Dividend		
Equity	65.11	91.10
Provision for Corporate Tax on Dividend#		
Equity	10.37	18.55
Other Short-term Provisions##	1.63	12.00
	213.54	266.56

Net of Tax Credit on Dividend from Subsidiary Companies.

Additional disclosure as per Accounting Standard-29 – “Provisions, Contingent Liabilities and Contingent Assets”

A. Warranty

Opening Balance	0.44	0.50
Arising during the year	1.19	0.03
Unused Amounts Reversed	—	(0.09)
Closing Balance	1.63	0.44

Provision is recognised for expected warranty claims on Insulator product sold during the last three years based on the past experience of level of returns and replacements. It is expected that this provision will be utilised within one year.

B. Customer Relationship Management Loyalty Programme

Opening Balance	11.56	8.73
Arising during the year	—	28.58
Utilised	—	(25.75)
Transfer on demerger of Madura Division (Refer Note: 38A)	(11.56)	—
Closing Balance	—	11.56

Customer Relationship Management Loyalty Programmes are the schemes designed with an intention to retain the existing customer and attract new customers by rewarding a customer for his loyalty and patronage. It is expected that this provision will be utilised within one year.

NOTE: 8

TRADE PAYABLES – TOTAL OUTSTANDING DUES OF

– Micro enterprises and Small Enterprises	0.68	1.06
– Creditors other than Micro Enterprises and Small Enterprises	660.41	1,686.92
	661.09	1,687.98

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2016, and no interest payment made during the year to any Micro and Small Enterprises. This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE: 9A

TANGIBLE ASSETS

₹ in Crores

	Freehold Lands	Leasehold Lands	Freehold Buildings	Leasehold Buildings	Leasehold Improve- ments	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Railway Sidings	TOTAL
Gross Block											
As at 1st April, 2014	28.76	25.59	347.10	6.00	14.75	2,842.62	269.65	42.26	19.72	5.84	3,602.29
Additions	—	—	10.61	0.42	3.65	350.06	48.43	6.03	5.29	—	424.49
Deletions	—	—	0.30	—	0.81	42.35	15.93	4.52	3.17	—	67.08
As at 31st March, 2015	28.76	25.59	357.41	6.42	17.59	3,150.33	302.15	43.77	21.84	5.84	3,959.70
Additions	—	7.77	30.94	—	—	100.69	2.94	4.56	3.50	—	150.40
Demerger of Madura Division (Refer Note: 38A)	5.92	—	21.52	6.01	17.59	249.36	276.41	13.18	8.29	—	598.28
Deletions	—	—	0.01	—	—	17.08	0.99	4.67	2.67	—	25.42
As at 31st March, 2016	22.84	33.36	366.82	0.41	—	2,984.58	27.69	30.48	14.38	5.84	3,486.40
Accumulated Depreciation											
As at 1st April, 2014		1.33	96.46	2.43	9.14	1,753.60	197.87	32.54	10.14	5.55	2,109.06
For the Year		0.10	10.12	0.54	2.93	116.70	39.82	5.88	4.08	—	180.17
Deletions		—	0.02	—	0.80	38.72	15.79	4.46	2.32	—	62.11
Charge to General Reserve on account of Schedule II		—	6.88	—	—	11.74	0.02	0.31	—	—	18.95
As at 31st March, 2015		1.43	113.44	2.97	11.27	1,843.32	221.92	34.27	11.90	5.55	2,246.07
For the Year		0.01	10.13	0.00	—	97.50	1.69	3.90	2.08	—	115.31
Demerger of Madura Division (Refer Note: 38A)		—	7.59	2.84	11.27	123.35	200.42	9.40	4.24	—	359.11
Deletions		—	0.01	—	—	15.79	0.98	4.61	1.75	—	23.14
As at 31st March, 2016		1.44	115.97	0.13	—	1,801.68	22.21	24.16	7.99	5.55	1,979.13
Net Block as at 31st March, 2015	28.76	24.16	243.97	3.45	6.32	1,307.01	80.23	9.50	9.94	0.29	1,713.63
Net Block as at 31st March, 2016	22.84	31.92	250.85	0.28	—	1,182.90	5.48	6.32	6.39	0.29	1,507.27

A. Gross Block of Tangible Assets includes:

- The Company's share in assets held under co-ownership - Leasehold Land ₹ 27.58 Crore (Previous Year: ₹ 19.80 Crore), Buildings ₹ 24.18 Crore (Previous Year: ₹ 24.18 Crore), Furniture and Fixtures ₹ 3.04 Crore (Previous Year: ₹ 3.03 Crore), Office Equipment ₹ 6.12 Crore (Previous Year: ₹ 6.06 Crore) and Vehicles ₹ 0.04 Crore (Previous Year: ₹ 0.03 Crore).
- Buildings include ₹ 8.19 Crore (Previous Year: ₹ 8.19 Crore) being cost of Debentures and Shares in a company entitling the right of exclusive occupancy and use of certain premises.

B. Details of Tangible Assets capitalised under Finance Lease:

- Plant and Equipment include Gross Block of ₹ 0.98 Crore (Previous Year: ₹ 0.98 Crore) and Net Block of ₹ 0.49 Crore (Previous Year: ₹ 0.78 Crore). Refer Note: 37(iv)

C. Addition to Plant and Equipment is net of Subsidy ₹ 0.72 Crore (Previous Year: ₹ 0.02 Crore).

D. Gross Block of leasehold lands includes ₹ 1.33 Crore and Buildings include ₹ 22.99 Crore, pending for registration in the name of Company. The Company is in the process of getting the same transferred in its name.

E. Freehold lands include Gross Block of ₹ 7.05 Crore, wherein title deeds of immovable properties are in names of the entities which got merged with the Company and are pending to be transferred in the name of the Company.

NOTE: 9B

INTANGIBLE ASSETS

₹ in Crores

	Goodwill	Brands/ Trademarks	Computer Software	Technical Know-how	TOTAL
Gross Block					
As at 1st April, 2014	20.41	187.12	45.23	6.60	259.36
Additions	—	—	6.67	—	6.67
Deletions	—	—	0.04	—	0.04
As at 31st March, 2015	20.41	187.12	51.86	6.60	265.99
Additions	—	—	0.27	—	0.27
Demerger of Madura Division (Refer Note: 38A)	20.41	167.27	40.29	6.60	234.57
As at 31st March, 2016	—	19.85	11.84	—	31.69
Accumulated Amortisation					
As at 1st April, 2014	—	168.70	36.68	5.53	210.91
For the Year	—	2.14	6.13	0.92	9.19
Deletions	—	—	0.04	—	0.04
As at 31st March, 2015	—	170.84	42.77	6.45	220.06
For the Year	—	1.98	1.75	—	3.73
Demerger of Madura Division (Refer Note: 38A)	—	166.83	33.74	6.45	207.02
As at 31st March, 2016	—	5.99	10.78	—	16.77
Net Block as at 31st March, 2015	20.41	16.28	9.09	0.15	45.93
Net Block as at 31st March, 2016	—	13.86	1.06	—	14.92

All Intangible Assets are other than internally generated.

₹ in Crores

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
NOTE: 9A and 9B		
During the year, the Company has capitalised the following expenses to cost of Fixed Assets/Capital Work-in-Progress		
Insurance	₹	—
Interest Expenses	0.05	—
Total	0.05	—
Add: Brought forward from previous year	9.92	12.97
Less: Capitalised during the year	—	3.05
Less: Charged to the Statement of Profit and Loss*	9.92	—
Balance Pending Allocation included in Capital Work-in-Progress	0.05	9.92

* Expenses included in the following heads of the Statement of Profit and Loss, towards abandonment of Brownfield expansion project,

Employee Benefits Expenses	3.55	—
Other Expenses	6.37	—
Total	9.92	—

			As at		As at	
	Face Value	Number	31st March, 2016	Number	31st March, 2015	₹ in Crores
NOTE: 10A						
NON-CURRENT INVESTMENTS						
Trade Investments Valued at Cost, except otherwise stated						
Investment in						
Equity Instruments						
Quoted						
Joint Venture						
IDEA Cellular Limited*	10	837,526,221	2,355.81	837,526,221	2,355.81	
			2,355.81		2,355.81	
Unquoted						
Subsidiaries						
Aditya Birla Financial Services Limited	10	795,710,000	1,504.01	757,010,000	1,117.01	
Aditya Birla Finance Limited # *	10	52,063,146	714.94	—	—	
ABNL Investment Limited	10	21,000,000	21.00	21,000,000	21.00	
ABNL IT & ITES Limited (Refer Note: 43)	10	—	—	26,027,500	454.69	
Aditya Birla Idea Payments Bank Limited	10	255,000	0.26	—	—	
Aditya Birla Renewables Limited	10	102,000	0.10	—	—	
Birla Sun Life Insurance Company Limited * (Refer Note: 46(v))	10	969,616,080	1,206.93	1,406,893,920	1,751.23	
Indigold Trade & Services Limited (Refer Note: 43)	10	—	—	73,143,588	1,245.21	
Madura Garments Lifestyle Retail Company Limited (Refer Note: 38B)	10	—	—	98,838,896	362.94	
Shaktiman Mega Food Park Private Limited	10	430,000	0.43	430,000	0.43	
Less: Provision for Diminution			(0.43)		(0.43)	
			3,447.24		4,952.08	
Others						
Aditya Birla Science & Technology Private Limited	10	2,400,000	2.40	2,400,000	2.40	
Aditya Birla Port Limited	10	100,000	0.10	100,000	0.10	
Birla Management Centre Services Limited	10	7,000	0.01	7,000	0.01	
			2.51		2.51	
Preference Shares						
Unquoted						
Subsidiaries						
0.01% Compulsory Convertible Preference Shares of Aditya Birla Financial Services Limited	10	336,500,000	336.50	476,500,000	476.50	
6% Non-Convertible Non-Cumulative Redeemable Preference Shares of Aditya Birla Financial Services Limited	10	1,271,110,000	1,271.11	681,110,000	681.11	
6% Non-Convertible Non-Cumulative Redeemable Preference Shares of Aditya Birla Financial Services Limited (₹ 6.50 paid-up)	10	200,000,000	130.00	—	—	
8.00% Cumulative and Redeemable Preference Shares of Aditya Birla Finance Limited #	10	10,000,000	10.00	—	—	
8.00% Cumulative and Redeemable Preference Shares of Madura Garments Lifestyle Retail Company Limited (Refer Note: 38B)	10	—	—	10,000,000	10.00	
8.00% Cumulative and Redeemable Preference Shares of Pantaloons Fashion & Retail Limited (Refer Note: 38A)	10	—	—	500,000	0.50	
			1,747.61		1,168.11	

	Face Value	Number	As at 31st March, 2016	Number	As at 31st March, 2015
₹ in Crores					
Others					
5.25% Cumulative Redeemable Preference Shares of Aditya Birla Health Services Ltd. \$	100	1,500,000	15.00	1,500,000	15.00
8% Preference Shares of Birla Management Centre Services Limited	10	200	β	200	β
			15.00		15.00
Non-Trade Investments Valued at Cost					
Quoted					
Investments in Equity Instruments					
Aditya Birla Fashion and Retail Limited @ ^	10	69,982,370	1,150.64	—	—
Hindalco Industries Limited	1	33,506,337	201.48	33,506,337	201.48
			1,352.12		201.48
Unquoted					
Investments in Preference Shares					
8.00% Cumulative and Redeemable Preference Shares of Aditya Birla Fashion and Retail Limited (earlier known as Pantaloon Fashion & Retail Limited)	10	500,000	0.50	—	—
			0.50		—
TOTAL NON-CURRENT INVESTMENTS			8,920.79		8,694.99

@ Equity Shares of Aditya Birla Fashion and Retail Limited (ABFRL)

Particulars	No. of Shares	Amount
Received under the Scheme (Refer Note: 38A and Note: 43) on account of:		
– Equity Holding of the Company in Madura Garments Lifestyle Retail Company Limited on record date 21st January, 2016	1,383,745	22.75
– Equity Holding of the ABNL IT & ITES Limited in Madura Garments Lifestyle Retail Company Limited (merged into the Company w.e.f. 1st October, 2015) on record date 21st January, 2016	1,207,843	19.86
Total (a)	2,591,588	42.61
Equity Shares held by Indigold Trade and Services Limited (merged into the Company w.e.f. 1st October, 2015)	67,390,782	1,108.03
Total (b)	67,390,782	1,108.03
Total Equity Shares received by the Company (a + b)	69,982,370	1,150.64

Equity Shares of Aditya Birla Finance Limited (ABFL)

Particulars	No. of Shares	Amount
Received under the Scheme (Refer Note: 38B and Note: 43) in lieu of:		
– Equity Holding of the Company in Madura Garments Lifestyle Retail Company Limited on record date 2nd February, 2016	27,798,440	362.94
– Equity Holding of ABNL IT & ITES Limited (merged into the Company w.e.f. 1st October, 2015) in Madura Garments Lifestyle Retail Company Limited on record date 2nd February, 2016	24,264,706	352.00
Total Equity Shares received by the Company	52,063,146	714.94

Preference Shares of Aditya Birla Finance Limited (ABFL) received by the Company on account of the Scheme of Amalgamation (Refer Note: 38B)

* Refer Note: 26(e)

\$ Each Preference Share is optionally convertible in 10 Equity Shares of ₹ 10/- each fully paid-up on the expiry of a period of 15 years from the date of allotment.

^ 67,390,782 shares are pending to be transferred in the name of Company.

Notes:	₹ in Crores	
	As at 31st March, 2016	As at 31st March, 2015
1. All Shares are fully paid-up, unless otherwise stated		
2. Aggregate Amount of Quoted Investments	3,707.93	2,557.29
3. Market Value of Quoted Investments	10,547.02	15,842.71
4. Aggregate Amount of Unquoted Investments	5,212.86	6,137.69
5. Aggregate Amount of Diminution in Value of Investments	0.43	0.43

	₹ in Crores				
	As at 31st March, 2016	As at 31st March, 2015			
NOTE: 10B					
CURRENT INVESTMENTS					
Equity Instruments					
Unquoted					
Subsidiaries, at Cost					
Birla Sun Life Insurance Company Limited* (Refer Note: 46(v))	10	437,277,840	544.30	—	—
			544.30		—
Units of Mutual Fund (Valued at Lower of Cost and Fair Value)					
Quoted, at Cost					
Birla Sun Life Cash Plus - Growth	100	24,042	0.52	—	—
Birla Sun Life Dynamic Bond Fund - Regular Plan - Growth	10	2,714,799	6.73	—	—
DSP Black Rock Ultra STP Direct Growth	10	—	—	5,000,000	5.00
Kotak Gilt Investment Regular Plan Direct Growth	10	—	—	2,057,258	10.00
SBI Magnum Gilt Long Term Plan - Growth	10	—	—	4,910,707	15.00
TOTAL CURRENT INVESTMENTS			551.55		30.00

Notes:	As at 31st March, 2016	As at 31st March, 2015
1. Aggregate Amount of Unquoted Investments	544.30	—
2. Aggregate Amount of Quoted Investments	7.25	30.00
3. Market Value of Quoted Investments	7.86	30.01

	₹ in Crores	
	As at 31st March, 2016	As at 31st March, 2015
NOTE: 11A		
LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Capital Advance		
Unsecured, Considered Good	11.55	11.78
Unsecured, Considered Doubtful	0.81	0.05
Less: Provision for Doubtful	(0.81)	(0.05)
Security Deposits		
Unsecured, Considered Good	16.58	146.77
Unsecured, Considered Doubtful	0.13	3.22
Less: Provision for Doubtful	(0.13)	(3.22)
Loans and Advances to Related Parties (Refer Note: 41)	—	10.10
Other Loans and Advances		
Inter-Corporate Deposits	7.53	9.27
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government	0.47	0.50
Advance Tax (Net of Provision ₹ Nil)	34.12	—
Prepaid Expenses	4.17	9.89
Advance for Expenses, Materials and Employees	1.78	8.32
	76.20	196.63

	As at 31st March, 2016	₹ in Crores As at 31st March, 2015
NOTE: 11B		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Security Deposits		
Unsecured, Considered Good	4.35	39.70
Unsecured, Considered Doubtful	0.46	0.46
Less: Provision for Doubtful	(0.46)	(0.46)
Loans and Advances to Related Parties (Refer Note: 41) *	6.74	73.17
Other Loans and Advances		
Inter-Corporate Deposits	6.66	4.92
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government		
Unsecured, Considered Good	33.18	67.60
Unsecured, Considered Doubtful	0.39	0.58
Less: Provision for Doubtful	(0.39)	(0.58)
Advance Tax (Net of Provision ₹ 187.34 Crore (Previous Year: ₹ 131.06 Crore))	40.99	27.15
MAT Credit Entitlement	12.69	—
Prepaid Expenses	5.31	19.49
Advance for Expenses, Materials and Employees**		
Considered Good	39.37	41.59
Considered Doubtful	1.53	2.61
Less: Provision for Doubtful	(1.53)	(2.61)
	149.29	273.62
* Includes amount due from Directors and Officers	—	0.19
** Includes amount due from Subsidiary Companies	0.17	0.15

Disclosure as per Regulations 34(3) and 53(f) of Securities Exchange Board of India – Listing Obligation and Disclosure Requirement (LODR)

₹ in Crores					
(i)	Loans and Advances in the nature of Loans given to Subsidiaries	Balance as on 31st March, 2016	Balance as on 31st March, 2015	Maximum Amount Due at any time During the Year Ended 31st March, 2016	Maximum Amount Due at any time During the Year Ended 31st March, 2015
	Indigold Trade and Services Ltd. (Merged with ABNL w.e.f. 1st October, 2015)	—	—	—	59.21
	Aditya Birla Minacs Worldwide Ltd. (Upto 8th May, 2014)	—	—	—	536.90
	ABNL Investment Ltd.	—	—	—	1.00
	Aditya Birla Money Mart Ltd.	3.50	42.43	46.93	45.93
	Aditya Birla Money Insurance Advisory Services Ltd.	3.24	3.24	3.24	3.24
	Aditya Birla Customer Services Ltd.	—	10.10	10.10	43.59
	ABNL IT & ITES Ltd. (Merged with ABNL w.e.f. 1st October, 2015)	—	—	0.71	2.51
	Madura Garments Lifestyle Retail Company Ltd. (Upto 30th June, 2015)	—	27.31	27.31	55.10

Disclosure as per Section 186(4) of the Companies Act, 2013

(a) Details of Inter-Corporate Deposits granted during the year as below:

₹ in Crores

Name of the Loanee	Year Ended 31st March, 2016	Year Ended 31st March, 2015	Remarks
Unsecured			
Aditya Birla Customer Services Ltd.	—	28.79	Terms of Deposit - 24 Months, Interest Rate @10.50% to 11.50% P.A. Payable on Call
Aditya Birla Minacs Worldwide Ltd. (Upto 8th May, 2014)	—	77.15	Terms of Deposit - 1 day + Call, Interest rate @ 11.75% P.A. Payable on Call
Aditya Birla Money Mart Ltd.	50.43	3.50	Terms of Deposit - On Call and 24 Months, Interest Rate @10.75% P.A. (Previous Year: @11.50% P.A.) Payable on Maturity/Quarterly
Aditya Birla Money Insurance Advisory Services Ltd.	3.24	—	Terms of Deposit - On Call, Interest Rate @11.25% P.A. Payable on Maturity
ABNL IT & ITES Ltd. (Merged with ABNL w.e.f. 1st October, 2015)	0.71	2.61	Terms of Deposit - 1 day + Call, Interest Rate @ 9.75% to 10.50% P.A. (Previous Year: 10.00% to 10.50% P.A.) Payable on Call
Indigold Trade and Services Ltd. (Merged with ABNL w.e.f. 1st October, 2015)	—	59.03	Terms of Deposit - 1 day + Call, Interest Rate @ 10.00% to 10.50% P.A. Payable on Call
Madura Garments Lifestyle Retail Company Ltd. (Upto 30th June, 2015)	—	50.16	Terms of Deposit - 1 day + Call, Interest Rate @ 10.00% to 10.75% P.A. Payable on Call

– The loans have been utilised for meeting their business requirements.

– The loanees have not made any investments in the shares of the Company.

(b) Refer Note: 10A for investments.

₹ in Crores

	As at 31st March, 2016	As at 31st March, 2015
NOTE: 12A		
OTHER NON-CURRENT ASSETS		
Other Bank Balances*		
Bank Deposits with more than twelve months maturity	0.01	0.12
Government Grant Receivable	0.59	0.62
Derivative Assets #	3.71	—
Receivable towards Divested Business - Refer Note: 46(ii)(A)	24.01	—
	<u>28.32</u>	<u>0.74</u>
* Amount held as Margin Money under lien to bank for issuing guarantee/to tax authority.	0.01	0.12
# This represents Mark-to-Market on Derivative Contracts taken for the purpose of hedging.		
NOTE: 12B		
OTHER CURRENT ASSETS		
Reimbursement of Expenses Receivables	158.53	82.30
Government Grant Receivable	22.56	20.34
Export Incentive Receivable	8.31	17.90
Less: Provision for Export Incentive Receivable	(0.06)	(0.06)
Fertiliser Bonds	—	2.19
Others*	2.21	3.15
	<u>191.55</u>	<u>125.82</u>
*Includes dues from subsidiaries.	1.32	0.00

	As at 31st March, 2016	₹ in Crores As at 31st March, 2015
NOTE: 13		
INVENTORIES (Lower of Cost and Net Realisable Value)		
Raw Materials (Includes Goods-in-Transit ₹ 15.47 Crore (Previous Year: ₹ 21.79 Crore))	246.33	323.38
Work-in-Progress	103.80	124.18
Finished Goods	227.92	383.85
Stock-in-Trade	19.62	306.32
Stores and Spares (Includes Goods-in-Transit ₹ 2.13 Crore (Previous Year: ₹ 9.24 Crore))	76.18	100.09
Waste/Scrap	0.63	0.63
Packing Materials	5.54	8.77
	680.02	1,247.22
NOTE: 14		
TRADE RECEIVABLES		
Due for period exceeding Six months from the due date of payment		
Secured, Considered Good	0.30	0.58
Unsecured, Considered Good (Includes subsidy receivables from Government of India ₹ 4.83 Crore (Previous Year: ₹ Nil))	39.27	49.87
Unsecured, Considered Doubtful	28.91	22.01
Less: Provision for Doubtful	(28.91)	(22.01)
Others		
Secured, Considered Good	25.99	39.61
Unsecured, Considered Good (Includes subsidy receivables from Government of India ₹ 948.40 Crore (Previous Year: ₹ 1,110.40 Crore))	1,369.62	2,063.11
Unsecured, Considered Doubtful	—	0.14
Less: Provision for Doubtful	—	(0.14)
	1,435.18	2,153.17
NOTE: 15		
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks		
Current Accounts	8.11	37.84
Deposit Accounts (with original maturity period of three months or less)	51.00	—
Cash on Hand	0.16	1.49
Cheques/Drafts on Hand	β	2.18
	(A) 59.27	41.51
Other Bank Balances		
Deposit Accounts (with original maturity period of more than three months)	45.01	0.12
Others		
Unclaimed Dividend	3.54	3.26
Money Due for Refund on Fraction Shares	0.28	0.28
	(B) 48.83	3.66
	(A) + (B) 108.10	45.17
Less: Bank Deposits with more than twelve months maturity (transferred to Other Non-Current Assets) (Refer Note: 12A)	0.01	0.12
	108.09	45.05

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
₹ in Crores		
NOTE: 16		
REVENUE FROM OPERATIONS		
A. SALE OF PRODUCTS		
Manufactured	5,288.64	7,068.54
Traded	322.27	1,971.74
	5,610.91	9,040.28
B. SALE OF SERVICES	6.57	7.64
C. OTHER OPERATING INCOME		
Export Incentive	23.89	39.71
Scrap Sales	14.74	17.28
Miscellaneous Other Operating Income	5.24	13.21
	43.87	70.20
Total A + B + C	5,661.35	9,118.12
Details of Sale Value of Goods Manufactured under broad heads		
Ammonia	3.94	9.61
Caustic Soda	196.46	181.61
Customised Fertilisers	60.90	43.59
Garments	—	1,898.17
Insulators	624.66	587.03
Linen Fabric	348.11	325.83
Sulphuric Acid and Allied Chemicals	24.63	28.77
Urea	2,131.02	2,194.53
Viscose Filament Rayon Yarn	779.84	695.76
Wool Top	346.84	309.58
Yarn Linen	412.40	453.12
Yarn Worsted	348.16	331.07
Others	11.68	9.87
	5,288.64	7,068.54
Sale Value of Traded Goods under broad heads		
Agro-Chemicals	157.11	130.98
Bulk Fertilisers	—	34.54
Garments	—	1,629.42
Seeds	98.57	80.85
Specialty Fertilisers	52.93	63.26
Viscose Filament Rayon Yarn	2.52	28.06
Others	11.14	4.63
	322.27	1,971.74

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
₹ in Crores		
NOTE: 17		
OTHER INCOME		
Interest Income from		
Subsidiaries	2.43	15.26
Others	49.38	20.80
Dividend Income		
Subsidiary Company	—	51.80
Joint Venture	50.25	33.50
Long-term Investments	3.35	3.35
Current Investments	—	1.02
Net Gain on Sale of Investments		
Current		
Subsidiary Company	—	0.19
Others	20.43	8.13
Long-term		
Others	0.22	—
Gain on Redemption of Preference Share of Subsidiary	—	18.75
Foreign Exchange Gain (Net)	—	3.01
Profit on Sale of Fixed Assets (Net)	—	5.61
Other Non-Operating Income	13.52	10.09
	139.58	171.51
NOTE: 18		
COST OF MATERIALS CONSUMED		
Raw Materials Consumed	2,833.11	3,194.53
Packing Materials Consumed	98.34	130.23
	2,931.45	3,324.76
Details of Raw Materials Consumed under broad heads		
Alumina	20.91	22.47
Clays	31.36	27.83
Cotton Staple and Synthetic Yarn	318.21	301.18
Fabric	27.15	382.96
Flax Fibre	98.73	103.91
Metal Parts	124.85	119.60
Natural Gas	1,442.44	1,423.27
Sulphur	18.77	21.00
Staple and Synthetic Fibre	12.75	16.25
Wood Pulp	143.69	142.99
Wool Fibre	504.82	463.31
Others	89.43	169.76
	2,833.11	3,194.53
NOTE: 19		
PURCHASE OF STOCK-IN-TRADE		
Purchase of Finished Goods	269.21	1,283.31
	269.21	1,283.31
Details of Purchases of Finished Goods under broad heads		
Agro-Chemicals	70.74	73.02
Bulk Fertilisers	—	30.65
Garments	—	999.58
Seeds	78.56	67.67
Specialty Fertilisers	110.30	96.30
Viscose Filament Rayon Yarn	1.26	12.62
Others	8.35	3.47
	269.21	1,283.31

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
₹ in Crores		
NOTE: 20		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stocks		
Finished Goods	383.85	371.70
Stock-in-Trade	306.32	280.60
Work-in-Process	124.18	117.01
Waste/Scrap	0.63	0.06
Certified Emission Reductions (CERs)	—	0.09
	814.98	769.46
Less:		
Closing Stocks		
Finished Goods	227.92	383.85
Stock-in-Trade	19.62	306.32
Work-in-Process	103.80	124.18
Waste/Scrap	0.63	0.63
Certified Emission Reductions (CERs)	—	—
	351.97	814.98
Less:		
(Increase)/Decrease in Excise Duty on Stocks	(2.38)	1.86
Stock Transfer on demerger of Madura Business	(527.68)	—
(Increase)/Decrease	(67.05)	(43.66)
Movement of (Increase)/Decrease in Inventories		
Finished Goods	(60.53)	(12.15)
Stock-in-Trade	(4.82)	(25.72)
Work-in-Process	0.68	(7.17)
Waste/Scrap	β	(0.57)
Certified Emission Reductions (CERs)	—	0.09
(Increase)/Decrease in Excise Duty on Stocks	(2.38)	1.86
Details of Inventories:		
Manufactured Goods		
Caustic Soda	2.03	1.97
Garments	—	216.48
Insulators	36.83	30.01
Linen Fabric	53.52	38.84
Sulphuric Acid and Allied Chemicals	1.40	1.51
Urea	29.32	13.15
Viscose Filament Rayon Yarn	21.52	35.92
Yarn Linen	32.71	12.91
Yarn Worsted	41.06	28.41
Others	9.53	4.65
	227.92	383.85

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
₹ in Crores		
Traded Goods		
Agro-Chemicals	13.07	8.53
Garments	—	292.53
Seeds	1.62	2.25
Specialty Fertilisers	0.84	0.03
Viscose Filament Rayon Yarn	1.33	2.75
Others	2.76	0.23
	19.62	306.32
Work-in-Progress		
Ammonia	1.43	2.44
Customised Fertilisers	—	1.50
Garments	—	19.69
Insulators	20.24	18.82
Linen Fabric	45.67	41.19
Viscose Filament Rayon Yarn	11.52	13.00
Yarn Linen	9.85	9.34
Yarn Worsted	15.09	18.20
	103.80	124.18

NOTE: 21

EMPLOYEE BENEFITS EXPENSES

Salaries and Wages	380.88	627.45
Contribution to Provident and Other Funds (Refer Note: 39)	42.77	67.26
Expense on Employee Stock Options Scheme * (Refer Note: 40)	3.45	3.76
Expense on Stock Appreciation Rights Scheme (Refer Note: 40)	1.48	1.50
Staff Welfare Expenses	21.58	41.63
	450.16	741.60

* ESOP charges are net of recovery of ₹ 1.40 Crore (Previous Year: ₹ Nil) from ABFRL on account of demerger of Madura Division. (Refer Note: 38A)

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
₹ in Crores		
NOTE: 22		
OTHER EXPENSES		
Consumption of Stores and Spares	137.32	138.46
Rent	9.52	318.38
Repairs and Maintenance of:		
Buildings	13.62	11.91
Plant and Machinery	43.50	48.18
Others	5.37	59.79
Insurance	9.97	12.14
Rates and Taxes	5.65	40.33
Processing Charges	13.51	60.41
Commission to Selling Agents	21.16	231.04
Brokerage and Discounts	15.36	31.79
Advertisement and Sales Promotion	34.71	271.70
Transportation and Handling Charges	48.29	78.45
Store Security, Housekeeping and Other Expenses	—	154.41
Legal and Professional Expenses (Refer Note: 33, Details of Auditors' Remuneration)	48.25	76.87
Provision for Bad and Doubtful Debts, Advances and Bad Debts written off	10.55	11.05
Provision for Diminution in Value of Investments in Subsidiary	—	0.43
Travelling and Conveyance	19.85	56.05
Loss on Sale/Discard of Fixed Assets (Net)	0.31	—
Bank Charges	4.39	9.37
Directors' Sitting Fees	0.39	0.21
Directors' Commission	2.85	4.50
Foreign Exchange Loss (Net)	8.98	—
Contribution to Research & Development Institution	1.10	1.41
Information Technology Expenses	4.88	22.75
Miscellaneous Expenses @	64.05	136.04
	523.58	1,775.67
@ Includes Contribution to General Electoral Trust for political purpose for distribution to political parties/persons	—	16.50
NOTE: 23		
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets	115.31	180.17
Amortisation of Intangible Assets	3.73	9.19
	119.04	189.36
NOTE: 24		
FINANCE COST		
Interest Expenses*	267.79	249.78
Other Borrowing Costs	12.21	13.52
	280.00	263.30
*Net of Interest Rebate Subsidy from Technology Upgradation Fund	7.49	9.94
*Net of Interest Capitalised	0.05	—

NOTE: 25

CONTINGENT LIABILITIES NOT PROVIDED FOR

a) Claims against the Company not acknowledged as Debts

₹ in Crore

Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March, 2016	As at 31st March, 2015
Customs Duty, Customs Act, 1942	Departmental appeal against CESTAT order for deleting demand of payment of duty for non-fulfilment of provision of EXIM policy related to Advance Licence obtained by Madura Coats Ltd.	—	2.04
	Demand of Differential Custom Duty on acquisition of ENKA Tech Know-how	1.27	1.27
	Various cases pertaining to demand of counter-vailing duty and additional duties on imports, supplementary Drawback claim, etc.	0.92	2.25
Excise Duty, Central Excise Act, 1944	Demand for Non-inclusion of freight charges in transaction value for the purpose of payment of excise duty on sale of chlorine	5.04	4.38
	Departmental appeal against commissioner order for demand of differential excise duty on processing of yarn Cake in to Cone at STPL Bhestan under Noti. 30/2004-CE	7.72	7.72
	Show cause-cum-demand notice alleging that mixing of duty paid dyes amounts to manufacture and attracts duty for the period from March 1986 to September 1988	1.62	1.62
	Show cause-cum-demand notice for availment of Cenvat credit on capital goods used exclusively for manufacture of exempted goods for the period from April 2005 to March 2007	1.01	1.01
	Demand for payment of duty for removal of Refinished Imported Garments without paying duty	—	2.11
	Demand of duty for alleged wrong availment of benefit of exemption under Notification 38/2003-CE in respect of readymade garments procured from job workers	—	8.25
	Show cause-cum-demand notice of excise duty on inclusion of Type Test Charges with the value of insulators	1.60	1.49
	Various cases demanding duty on reversal of Cenvat credit on sale of capital goods, reversal of credit on inputs used for manufacturing dutiable and exempted goods, etc.	3.94	5.51
Service Tax, Finance Act, 1994	Show cause-cum-demand notices for availment of Cenvat credit of Service Tax paid on commission to overseas agents since services are not falling under input service for the period from April 2005 to March 2010	2.25	2.25
	Demand for Cenvat credit of Service Tax taken on Goods Transport Agency Service on outward transportation from place of removal till buyer's place	1.16	3.94
	Demand of Service Tax due to mismatch of Freight Inward declared in ER-4 and ST-3 Returns	1.38	1.31
	Disallowance of Cenvat credit on various grounds for April 2005 to March 2014	20.72	—
	Demand of Service Tax under Reverse Charge Mechanism under Import of Services for 2006 to 2011	3.14	—
	Various cases pertaining to disallowance of Cenvat credit of Service Tax on commission paid to overseas agent, in GTA services, service for outward transportation and other services alleging not be classified as input services for availment of Cenvat credit, disallowance of Cenvat credit on various grounds, etc.	3.58	1.44

₹ in Crore

Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March, 2016	As at 31st March, 2015
Sales Tax, Commercial Tax Act	Non-receipt of C and F forms, disallowance of Input Tax Credit (ITC) on purchases by Power Plant, reversal of ITC, for AY 2006-07	9.98	9.98
	Demand for Short of Form H, I and C, Input Tax Credit Short adjusted on Stores Spares	5.08	4.03
	Demand for Re-assessment for the year 2011-12 under Karnataka VAT Department	—	4.36
	Demand for UP VAT for AY 2009-10, 2010-11 and 2011-12	—	5.02
	Various other cases in respect of demand for Short of Forms H, I and C, disallowance of input credit, etc	2.80	2.56
Income-tax Act, 1961	Various Departmental Appeal in ITAT, High Court on 14A disallowance, disallowance of additional depreciation, disallowance of depreciation on goodwill and various matters	62.26	51.23
	Demand for various additions in tax assessment of AY 2009-10, 2010-11, AY 2011-12 and AY 2012-13	20.12	18.82
	Demand for non-deduction of TDS on purchase of shares of Joint Venture Company u/s 201(1) and 201(1A)	102.12	102.12
	Demand due to Assessment proceedings u/s 154/143(3) for AY 2011-12	5.28	—
	Various other cases relating to transfer pricing adjustments, non-deduction of TDS, penalty, etc.	3.59	—
Other Statutes	Labour Re-instatement and Workmen Compensation cases	3.27	3.85
	Water drawal charges for the period of April 1999 to till date	92.89	80.73
	Claim by various customers (Pedee Syria, MGVCL)	2.99	2.80
	Railways demanded Land Licence Fees, in 2008, for the land used for constructing and connecting siding with Railway at Sindurwa, since 1988	—	6.42
	Demand letter issued by UPSIDC for making payment of maintenance charges on land allotted in 1983	26.26	22.84
	Various other cases pertaining to Industrial Disputes, Railways Licence Fee demand, Textile Cess on readymade garments, possession of Gaon Sabha land and other Civil cases	19.73	25.33
	Grand Total	411.72	386.68
b)	Bills Discounted with Banks	52.00	51.11
c)	Corporate Guarantees given to Banks for loans taken by subsidiaries	—	17.50
d)	Under the Jute Packaging Material (Compulsory use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched was required to be supplied in jute bags up to 31st August, 2001. The Company made conscious efforts to use jute packaging material as required under the said Act. However, due to non-availability of material as per the Company's product specifications as well as due to strong customer resistance to use of jute bags, the specific percentage could not be adhered to. The Company has received a show cause notice, against which a writ petition has been filed with the Hon'ble High Court, which is awaiting for hearing. The Jute Commissioner, Kolkata, had filed transfer petition, various writ petitions have been filed in different High Courts by other aggrieved parties, including the Company, before the Hon'ble Supreme Court of India, praying for consolidation of all cases at one Court. The transfer petition is pending before the Hon'ble Supreme Court. The Company has been advised that the said levy is bad in law.		

	As at 31st March, 2016	₹ in Crores As at 31st March, 2015
NOTE: 26		
CAPITAL AND OTHER COMMITMENTS		
a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	82.89	66.09
b) Customs Duty on Capital Goods and Raw Materials Imported under Advance Licensing/EPCG Scheme, against which export obligation is to be fulfilled	150.41	154.26
c) For commitment under lease contract Refer Note: 37.		
d) For commitment under derivative contract Refer Note: 44.		
e) Transfer of investments, in IDEA Cellular Ltd. (IDEA) and Birla Sun Life Insurance Co. Ltd., is restricted by the terms contained in their respective shareholder agreements. Non-disposal undertakings for IDEA and Aditya Birla Finance Limited (upto 26th October, 2015), investments have also been provided to certain Banks for respective credit facilities extended by them.		
Pursuant to the Shareholders' Agreement entered into with the Sun Life of Canada, the Company has, in respect of Birla Sun Life Insurance Company Limited, agreed to infuse its share of capital from time to time to meet the solvency requirement prescribed by the regulatory authority.		
f) Aditya Birla Customer Services Ltd. (ABC SL), a subsidiary of the Company, has issued 0.001% Compulsorily Convertible Preference Shares (CCPS) aggregating to ₹ 60 Crore to International Finance Corporation (IFC), vide Shareholders' Agreement, dated 19th December, 2014, and Subscription Agreement dated 19th December, 2014 (SHA). Under the said SHA, Aditya Birla Financial Services Ltd. (ABFSL), the Company's subsidiary company and holding company of ABC SL, has granted to IFC an option to sell the shares to ABFSL at fair valuation from the period beginning on the expiry of 60 months of the subscription by IFC upto a maximum of 120 months from the date of subscription by IFC, in the event ABC SL or ABFSL fails to provide an opportunity to IFC to exit from ABC SL within 60 months from the date of subscription by IFC in the form of Listing, Secondary Sale or Acquisition, etc. In the event ABFSL fails to fulfil its obligation, the Company will be obligated to fulfil this obligation.		

	Year Ended 31st March, 2016	₹ in Crores Year Ended 31st March, 2015
NOTE: 27		
VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS		
Raw Materials	1,042.83	1,147.52
Stores and Spares	24.07	14.84
Capital Goods	17.21	70.08
Purchase of Finished Goods	—	70.15

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
NOTE: 28		
EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)		
Advertisement	0.15	2.95
Technical Assistance Fees/Royalties	0.39	16.04
Interest and Commitment Charges*	13.88	18.87
Professional Charges	6.43	3.32
Travelling	2.05	1.54
Commission	7.56	11.95
Others	2.04	5.24

*Interest expenditure in Foreign Currency includes interest on External Commercial Borrowing (ECB), which is fully hedged.

NOTE: 29**VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARE PARTS CONSUMED AND PERCENTAGE THEREOF TO THE TOTAL CONSUMPTION**

	Percentage	Year Ended 31st March, 2016	Percentage	Year Ended 31st March, 2015
Raw Materials:				
Imported	39.66%	1,123.74	34.99%	1,117.66
Indigenous	60.34%	1,709.37	65.01%	2,076.87
		2,833.11		3,194.53
Spare Parts:				
Imported	18.19%	8.96	15.15%	7.38
Indigenous	81.81%	40.31	84.85%	41.33
		49.27		48.71

NOTE: 30**AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND**

	In respect of Accounting Year	
	2014-15	2013-14
No. of Shareholders	437	438
No. of Equity Shares	90,871	94,782
Dividend Remitted in Foreign Currency	0.06	0.07
	Year Ended 31st March, 2016	Year Ended 31st March, 2015

NOTE: 31**EARNINGS IN FOREIGN CURRENCY (on accrual basis)**

On Export of Manufactured Goods (F.O.B. Basis)	566.65	728.59
On Export of Traded Goods (F.O.B. Basis)	3.45	2.14

NOTE: 32**THE FOLLOWING ARE INCLUDED UNDER OTHER HEADS OF EXPENSES IN THE STATEMENT OF PROFIT AND LOSS**

Particulars	Head under which it is clubbed		
Consumption of Stores	Repairs and Maintenance	15.61	15.91
Insurance	Staff Welfare Expenses	2.72	5.56

NOTE: 33**DETAILS OF AUDITORS' REMUNERATION**

Payments to Statutory Auditor:			
As Auditors			
For Audit Fees (Including Limited Review Fees)		1.04	1.04
For Tax Audit		0.12	0.12
In other capacity			
For Other Services		0.63	0.16
For Reimbursement of Expenses		0.08	0.08
		1.87	1.40
Payments to Branch Auditor:			
As Auditors			
As Audit Fees (Including Limited Review Fees)		0.08	0.43
As Tax Audit		—	0.03
In other capacity			
For Other Services		—	0.02
For Reimbursement of Expenses		—	0.09
		0.08	0.57
Payments to Cost Auditor:			
For Audit Fees		0.06	0.07
For Reimbursement of Expenses		—	0.01
		0.06	0.08
		2.01	2.05

NOTE: 34

DETAILS OF EXPENDITURE INCURRED IN IN-HOUSE RESEARCH & DEVELOPMENT (R&D) FACILITIES APPROVED BY DEPARTMENT OF SCIENTIFIC AND INDUSTRIAL RESEARCH, MINISTRY OF SCIENCE AND TECHNOLOGY, GOVERNMENT OF INDIA, UNDER SECTION 35 OF INCOME-TAX ACT, 1961

	₹ in Crores	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
i) Capital Expenditure		
Capital Equipment	0.31	0.01
ii) Revenue Expenditure		
Salaries and Wages	1.17	0.84
Material Consumables/Spares	0.17	0.01
Other Expenditure directly related to R&D	0.52	0.31
iii) Total R&D Expenditure on approved R&D Facilities (Total i) & ii)	2.17	1.17
iv) Less: Amount Received by R&D Facilities	—	—
v) Net Amount of R&D Expenditure	2.17	1.17

	₹ in Crores	
	As at 31st March, 2016	As at 31st March, 2015

NOTE: 35

DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-20 – EARNINGS PER SHARE

Earnings Per Share (EPS) is calculated as under:

Net Profit as per the Statement of Profit and Loss		360.02	527.69
Less: Preference Dividend and Tax thereon		—	β
Net Profit for EPS	(A)	360.02	527.69
Weighted-average Number of Equity Shares for calculation of Basic EPS	(B)	130,168,028	130,111,149
Basic EPS (₹)	(A/B)	27.66	40.56
Weighted-average Number of Equity Shares Outstanding		130,168,028	130,111,149
Add: Shares Held in Abeyance		41,323	41,323
Add: Dilutive impact of Employee Stock Options		92,373	168,085
Weighted-average number of Equity Shares for calculation of Diluted EPS	(C)	130,301,724	130,320,557
Diluted EPS (₹)	(A/C)	27.63	40.49
Nominal Value of Shares (₹)		10.00	10.00

NOTE: 36**DISCLOSURE IN RESPECT OF THE COMPANY'S JOINT VENTURES IN INDIA PURSUANT TO ACCOUNTING STANDARD-27 – 'FINANCIAL REPORTING OF INTEREST IN JOINT VENTURES'**

Name of the Venture	Country of Incorporation	Proportion of Ownership Interest	
		As at 31st March, 2016	As at 31st March, 2015
IDEA Cellular Limited	India	23.26%	23.28%
The Aggregate of Company's Share in the above Venture is:			₹ in Crores
Non-Current Assets		18,146.24	10,475.66
Current Assets		1,079.26	3,600.16
Non-Current Liabilities		10,132.95	4,665.38
Current Liabilities		3,098.68	4,049.56
Total Revenue		8,429.36	7,594.20
Expenses (Including Depreciation and Taxation)		7,712.77	6,838.52
Contingent Liabilities		3,555.51	3,852.44
Capital Commitments		820.79	7,636.38

NOTE: 37**DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-19 – LEASES IS AS UNDER**

	₹ in Crores	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
A. Assets Taken on Lease:		
i) Operating Lease Payment recognised in the Statement of Profit and Loss		
Minimum Lease Rent	9.52	305.15
Contingent Lease Rent	—	13.23
	9.52	318.38

ii) The Company has taken certain Office Premises, Showrooms and Residential Houses on non-cancellable/cancellable operating lease.

iii) The future minimum rental payable in respect of non-cancellable operating lease are as follows:

	₹ in Crores	
	As at 31st March, 2016	As at 31st March, 2015
Not later than one year	—	35.90
Later than one year and not later than five years	—	35.38
	—	71.28

iv) The details of finance lease payments payable and their Present Value as at the Balance Sheet Date: ₹ in Crores

(A) Particulars	Total Lease Charges Payable	Present Value	Interest
Not later than one year	0.25 (0.25)	0.19 (0.17)	0.06 (0.08)
Later than one year and not later than five years	0.44 (0.70)	0.39 (0.59)	0.05 (0.11)
Total	0.69 (0.95)	0.58 (0.76)	0.11 (0.19)

Figures in brackets represent the corresponding amount of Previous Year.

(B) A general description of the significant leasing arrangements:

The Company has entered into finance lease arrangements for computer servers from a vendor. The finance obligation is secured by a charge against the said assets.

NOTE: 38A

DISCONTINUING OPERATIONS

The Board of Directors of Aditya Birla Nuvo Limited (the Company), at its meeting held on 3rd May, 2015, has considered a Composite Scheme of Arrangement between the Company (with respect to its the branded apparel retailing division, Madura Garments), Madura Garments Lifestyle Retail Company Limited (with respect to its luxury branded apparel retailing division) and Pantaloons Fashion & Retail Limited (PFRL), and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 1956 ["Composite Scheme"].

The Hon'ble High Court of Gujarat, vide its Order dated 23rd October, 2015, and the Hon'ble High Court of Bombay, vide its Order dated 5th December, 2015, have approved the Composite Scheme of Arrangement between the Company with respect to its branded apparel retailing division (Madura Garments), Madura Garments Lifestyle Retail Company Limited (MGLRCL) with respect to its luxury branded apparel retailing division (Madura Lifestyle), Pantaloons Fashion & Retail Limited (PFRL) now known as Aditya Birla Fashion and Retail Limited (ABFRL) and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 1956 ["the Composite Scheme"]. Pursuant to the Composite Scheme, Madura Garments and Madura Lifestyle have been demerged from the respective companies and have been merged with ABFRL.

Eligible Shareholders of the Company have been allotted 26 new equity shares of ₹ 10 each of ABFRL for every 5 equity shares of ₹ 10 each held in the Company pursuant to demerger of Madura Garments. Shareholders of MGLRCL have been allotted 7 new equity shares of ₹ 10 each of ABFRL for every 500 equity shares of ₹ 10 each held in MGLRCL and the preference shareholder of MGLRCL has been allotted 1 new equity share of ₹ 10 each of ABFRL pursuant to demerger of Madura Lifestyle. The Composite Scheme has been made effective on 9th January, 2016, with effect from the Appointed Date of 1st April, 2015.

The Record Date fixed for ascertaining the entitlement of the eligible shareholders of the Company for the allotment of ABFRL shares was 21st January, 2016. After the effectiveness of the Composite Scheme and the allotment of shares by ABFRL, the shareholding of the Company (directly and through other subsidiaries) in ABFRL is 9.1% and, hence, ABFRL has ceased to be subsidiary of the Company.

In view of the above, the figures for the previous year are strictly not comparable.

The following statement shows the revenue and expenses of Madura Garments Division:

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
		₹ in Crores
Revenue from Operations	—	3,547.87
Less: Excise Duty	—	—
Net Revenue from Operations	—	3,547.87
Other Income	—	5.83
Total Revenue	—	3,553.70
Expenses		
Cost of Materials Consumed	—	521.43
Purchase of Stock-in-Trade	—	997.81
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	—	(77.07)
Employee Benefits Expenses	—	333.48
Power and Fuel	—	8.33
Other Expenses	—	1,293.64
Total Expenses	—	3,077.62
Profit Before Depreciation/Amortisation, Interest and Tax (PBDIT)	—	476.08
Depreciation and Amortisation Expenses	—	72.00
Finance Cost	—	95.66
Profit Before Exceptional Item and Tax	—	308.42
Profit on Sale of Assets attributable to Discontinued Operations	—	—
Profit Before Tax from Discontinued Operations	—	308.42
Tax Expenses of Discontinued Operations	—	105.29
Profit for the Year	—	203.13

	As at 31st March, 2016	As at 31st March, 2015
₹ in Crores		
The carrying amount of the total assets and liabilities transferred are as follows:		
Fixed Assets	—	278.18
Loans and Advances	—	245.21
Inventories	—	624.00
Trade Receivables	—	542.53
Other Assets	—	25.62
Deferred Tax Assets	—	52.15
Total Assets (A)	—	1,767.69
Borrowings pertaining to Madura Garments	—	451.46
Trade Payables	—	986.23
Other Liabilities	—	207.95
Total Liabilities (B)	—	1,645.64
Excess of Total Assets over Total Liabilities has been Charged to Capital Reserve (A – B)	—	122.05

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
₹ in Crores		
The net cash flows attributable to the Garment Business are as follows:		
Operating Activities	—	328.40
Investing Activities	—	(83.32)
Financing Activities	—	(252.63)
Net Cash Inflow/(Outflow)	—	(7.55)

NOTE: 38B**Amalgamation of Madura Garments Lifestyle Retail Company Limited (MGLRCL)**

The Hon'ble High Court of Gujarat at Ahmedabad, vide its Order dated 21st December, 2015, has approved the Scheme of Amalgamation of remaining business of Madura Garments Lifestyle Retail Company Limited (MGLRCL) with Aditya Birla Finance Limited (ABFL) ("the Scheme"). Pursuant to the Scheme, MGLRCL, being wholly owned subsidiary of the Company, has been amalgamated with ABFL, wholly owned subsidiary of the Company, w.e.f. 1st July, 2015, being the Appointed Date. The effective date of the Scheme was 25th January, 2016, and Record Date for allotment was 2nd February, 2016. Pursuant to the said scheme, the equity shareholders of MGLRCL received 9 equity shares of ABFL for every 32 equity shares held in the MGLRCL. Each and every 8% preference shareholders of MGLRCL (face value of ₹ 10) received one 8% preference share of ABFL (face value of ₹ 10), on the same terms and conditions.

NOTE: 39**RETIREMENT BENEFITS****Disclosure in respect of Employee Benefits pursuant to Accounting Standard-15 (Revised)**

a) The details of the Company's Defined Benefit Plans in respect of Gratuity (funded by the Company):

General Description of the Plan

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

	As at 31st March, 2016	As at 31st March, 2015
₹ in Crores		
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the funded Defined Benefit Obligations at the end of the year	123.93	136.43
Fair Value of Plan Assets	118.68	135.05
Net (Asset)/Liability	5.25	1.38

	As at 31st March, 2016	As at 31st March, 2015
₹ in Crores		
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost	6.65	8.91
Interest on Defined Benefit Obligations	8.78	9.21
Expected Return on Plan Assets	(9.07)	(9.12)
Net Actuarial (Gain)/Loss recognised during the year	8.74	12.30
Net Gratuity Cost	15.10	21.30
Actual Return on Plan Assets:		
Expected Return on Plan Assets	9.07	9.12
Actuarial Gain/(Loss) on Plan Assets	(0.66)	6.82
Actual Return on Plan Assets	8.41	15.94
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:		
Change in Present Value of the Obligations:		
Opening Defined Benefit Obligations	136.43	110.24
Current Service Cost	6.65	8.91
Interest Cost	8.78	9.21
Actuarial (Gain)/Loss	8.08	19.12
Liabilities Settled on Divestment	(26.22)	—
Benefits Paid	(9.79)	(11.05)
Closing Defined Benefit Obligations	123.93	136.43
Change in Fair Value of the Plan Assets:		
Opening Fair Value of the Plan Assets	135.05	110.55
Expected Return on Plan Assets	9.07	9.12
Actuarial Gain/(Loss)	(0.66)	6.82
Contributions by the Employer	11.23	19.61
Assets Distributed on Divestment	(26.22)	—
Benefits Paid	(9.79)	(11.05)
Closing Fair Value of the Plan Assets	118.68	135.05
Investment Details of the Plan Assets		
Government of India Securities	21%	27%
Corporate Bonds	1%	1%
Insurer Managed Fund	55%	51%
Special Deposit Scheme	2%	2%
Others	21%	19%
Total	100%	100%

There are no amount included in the Fair Value of the Plan Assets for:

- i) Company's own financial instrument
- ii) Property occupied by or other assets used by the Company

	31s March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
₹ in Crores					
Experience Adjustment					
Defined Benefit Obligations	123.93	136.43	110.24	114.81	101.01
Plan Assets	118.68	135.05	110.55	112.28	97.70
Surplus/(Deficit)	(5.25)	(1.38)	0.31	(2.53)	(3.31)
Experience Adjustment on Plan Liabilities	6.45	9.53	8.33	3.84	3.01
Experience Adjustment on Plan Assets	(0.66)	6.82	(3.79)	3.18	(1.52)

Expected rate of return on assets is based on the average Long-term rate of return expected on investments of the funds during the estimated term of the obligations.

	As at 31st March, 2016	As at 31st March, 2015
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	7.80%	8.00%
Estimated Rate of Return on Plan Assets	7.80%	8.50%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Estimated amount of contribution expected to be paid to the fund during the annual period being after the Balance Sheet date is ₹ 13.00 Crore (Previous Year: ₹ 10.00 Crore).

- b) The details of the Company's Defined Benefit Plans in respect of the Company owned Provident Fund Trust:

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Contribution to Company-Owned Employees' Provident Fund Trust	6.36	10.93

The Guidance Note on implementing AS-15, 'Employee Benefits (Revised 2005)', issued by the ICAI states that Provident Funds set-up by employers, which requires interest shortfall to be met by the employer, needs to be treated as Defined Benefit Plan. The Company set-up Provident Fund does not have existing deficit of Interest shortfall.

The actuary has accordingly provided for a valuation and based on the below provided assumptions there is no shortfall as at 31st March, 2016, and 31st March, 2015. As per the actuarial valuation report, the interest shortfall liability being "Other Long-term Employee Benefits", detailed disclosures are not required.

	As at 31st March, 2016	As at 31st March, 2015
The details of the Plan Assets position as under:		
Plan Assets at Fair Value	343.62	406.50
Liability Recognised in the Balance Sheet	Nil	Nil
Assumption used in determining the present value obligation of interest rate guarantee under the Deterministic Approach		
Discount Rate for the term of the Obligations	7.95%	7.90%
Discount Rate for the remaining term of maturity of Investment Portfolio	7.93%	7.87%
Guaranteed Interest Rate	8.80%	8.75%

- c) The details of the Company's Defined Benefit Plans in respect of Pension for (unfunded by the Company):

General Description of the Plan

In addition to contribution to the state managed pension plan, the Company provides pension to some employees, which is discretionary in the nature. The quantum of pension depends on the cadre of the employee at the time of retirement.

	As at 31st March, 2016	As at 31st March, 2015
Amounts recognised in the Balance Sheet in respect of Pension:		
Present Value of unfunded Defined Benefit Obligations at the end of the Year	6.72	6.62
Fair Value of Plan Assets	—	—
Net Liability/(Asset)	6.72	6.62
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Pension:		
Interest on Defined Benefit Obligations	0.48	0.51
Net Actuarial (Gain)/Loss recognised during the Year	0.81	1.02
Net Pension Cost	1.29	1.53
Reconciliation of Present Value of the Obligations:		
Opening Defined Benefit Obligations	6.62	6.27
Interest Cost	0.48	0.51
Actuarial (Gain)/Loss	0.81	1.02
Benefits Paid	(1.19)	(1.18)
Closing Defined Benefit Obligations	6.72	6.62
Financial Assumptions at the Valuation Date		
Discount Rate	7.80%	8.00%

Experience Adjustment	₹ in Crores				
	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
Defined Benefit Obligations	6.72	6.62	6.27	6.39	6.46
Experience Adjustment on Plan Liabilities	0.75	0.75	0.90	0.37	0.13

	₹ in Crores	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
d) Defined Contribution Plans – Amount recognised as an expense and included in the Note: 21 as “Contribution to Provident and Other Funds”	21.30	35.03

NOTE: 40

DISCLOSURE UNDER EMPLOYEE STOCK OPTIONS SCHEME

(I) Under the Employee Stock Options Scheme-2006 (ESOS-2006), the Company has granted options to the eligible employees of the Company and its Subsidiaries. The details are as under:

(i) Employee Stock Options Scheme:

Particulars	Tranche - I	Tranche - II	Tranche - III	Tranche - IV	Tranche - V
No. of Options *	163,280	166,093	17,174	11,952	3,370
Method of Accounting Vesting Plan	Intrinsic Value Graded Vesting - 25% every year	Intrinsic Value Graded Vesting - 25% every year	Intrinsic Value Graded Vesting - 25% every year	Intrinsic Value Graded Vesting - 25% every year	Intrinsic Value Graded Vesting - 25% every year
Exercise Period	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting
Grant Date	23.08.2007	25.01.2008	20.08.2010	08.09.2010	07.06.2011
Grant/Exercise Price (₹ Per Share)	1,180.00	1,802.00	687.00	697.00	748.00
Repricing of the Option on 20th August, 2010 (₹ Per Share)	687.00	687.00	—	—	—
Market Price on the date of Grant of Option (₹ Per Share)	1,282.55	1,948.70	816.85	839.80	905.10
Market Price on the date of Repricing of Option (₹ Per Share)	816.85	816.85	—	—	—

(ii) Details of Activity in the Plan:

Particulars	2015-16			2014-15		
	Options	Range of Exercise Price (₹)	Weighted- average Exercise Price (₹)	Options	Range of Exercise Price (₹)	Weighted- average Exercise Price (₹)
Options Outstanding at the beginning of the year	62,331	687.00 to 748.00	691.14	116,235	687.00 to 748.00	689.80
Granted during the year	—	—	—	—	—	—
Exercised during the year	62,331	687.00 to 748.00	691.14	52,221	687.00 to 697.00	687.97
Lapsed during the year	—	—	—	1,683	697.00	697.00
Options Outstanding at the end of the year	—	—	—	62,331	687.00 to 748.00	691.14
Options Unvested at the end of the year	—	—	—	843	—	—
Options Exercisable at the end of the year	—	—	—	61,488	687.00 to 748.00	690.36

* Includes 3,360 options granted to the employees of its Subsidiaries.

The ESOP compensation cost is amortised on a straight-line basis over the total vesting period of the options. Accordingly, ₹ 8 {net of recovery of ₹ Nil from the subsidiaries} (Previous Year: ₹ 0.01 Crore net of recovery of ₹ Nil from the subsidiaries) has been charged to the current year Statement of Profit and Loss.

For the option exercised during the period, the weighted-average share price at the exercise date was ₹ 2,099.98 per share (Previous Year: ₹ 1,494.92).

The weighted-average remaining contractual life for the stock options outstanding as at 31st March, 2016, is Nil (Previous Year: 1.65 years).

(iii) Fair Valuation:

The fair value of the options used to compute proforma net profit and the earnings per share have been done by an independent valuer on the date of grant using Black-Scholes Merton Formula. The key assumptions and the Fair Value are as under:

Particulars	On the Date of Grant				
	Tranche - I	Tranche - II	Tranche - III	Tranche - IV	Tranche - V
Risk-Free Interest Rate (%)	7.78	7.78	8.09	8.09	8.09
Option Life (Years)	5	5	5	5	5
Expected Volatility	38.00	38.00	54.04	53.88	34.05
Expected Dividend Yield (%)	0.52	0.52	0.86	0.86	0.57
Weighted-average Fair Value per Option (₹)	591.53	825.67	471.44	486.82	443.49

Particulars	On the Date of Repricing	
	Tranche - I	Tranche - II
Risk-Free Interest Rate (%)	8.09	8.09
Option Life (Years)	5	5
Expected Volatility*	54.04	54.04
Expected Dividend Yield (%)	0.36	0.50
Weighted-average Fair Value per Option (₹)	355.12	366.54

*Expected volatility of the Company's stock price is based on NSE price data of last two years.

(II) Under the Employee Stock Options Scheme-2013 (ESOS-2013), the Company has granted Options and Restricted Stock Units (RSUs) to the eligible employees of the Company. The details are as under:

(A) Stock Option:

(i) Employee Stock Options Scheme:

Particulars	Tranche - I	Tranche - II	Tranche - III
No. of Options	104,272	16,239	35,060
Additional Options issued due to the Scheme of Demerger	16,101	5,129	27,547
Method of Accounting	Intrinsic Value	Intrinsic Value	Intrinsic Value
Vesting Plan - Original Options	Graded	Graded	Graded
	Vesting - 25% every year	Vesting - 25% every year	Vesting - 25% every year
Vesting Plan - Additional Options	Proportion and period coterminous with the vesting period of original ESOP	Proportion and period coterminous with the vesting period of original ESOP	Proportion and period coterminous with the vesting period of original ESOP
Exercise Period	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting
Grant Date	07.12.2013	29.01.2014	12.11.2014
Grant Date of Additional Options issued	31.03.2016	31.03.2016	31.03.2016
Grant/Exercise Price (₹ Per Share)	1,239.80	1,053.85	1,726.95
Repricing of the Option on 31st March, 2016 (₹ Per Share)	694.30	590.15	967.10
Market Price on the date of Grant of Original Option (₹ Per Share)	1,239.80	1,053.85	1,726.95
Market Price on the date of Repricing of Option/Grant of Additional Options (₹ Per Share)	822.6	822.6	822.6

(ii) Details of Activity in the Plan:

Particulars	2015-16			2014-15		
	Options	Range of Exercise Price (₹)	Weighted-average Exercise Price (₹)	Options	Range of Exercise Price (₹)	Weighted-average Exercise Price (₹)
Options Outstanding at the beginning of the year	98,655	1,053.85 to 1,726.95	1,382.32	120,511	1,053.85 to 1,239.80	1,214.74
Additional Options issued due to the Scheme of Demerger	48,777	590.15 to 967.10	837.41	—	—	—
Granted during the year	—	—	—	35,060	1,726.95	1,726.95
Exercised during the year	23,334	1,053.85 to 1,239.80	1,211.10	—	—	—
Lapsed during the year	13,241	1,053.85 to 1,239.80	1,153.99	56,916	1,239.80	1,239.80
Options Outstanding at the end of the year	110,857	590.15 to 967.09	837.41	98,655	1,053.85 to 1,726.95	1,382.32
Options Unvested at the end of the year	80,957	—	—	86,096	—	—
Options Exercisable at the end of the year	29,900	590.15 to 967.09	816.87	12,559	1,053.85 to 1,239.80	1,179.67

The ESOP compensation cost is amortised on a straight-line basis over the total vesting period of the options. Accordingly, ₹ 0.59 Crore has been charged to the current year Statement of Profit and Loss (Previous Year: ₹ Nil).

For the option exercised during the period, the weighted-average share price at the exercise date was ₹ 2,123.14 per share (Previous Year: ₹ Nil).

The weighted-average remaining contractual life for the stock options outstanding as at 31st March, 2016, is 5.92 years (Previous Year: 6.62 years).

(iii) Fair Valuation:

The fair value of the options used to compute proforma net profit and the earnings per share have been done by an independent valuer on the date of grant using Black-Scholes Merton Formula. The key assumptions and the Fair Value are as under:

Particulars	On the Date of Grant		
	Tranche - I	Tranche - II	Tranche - III
Risk-Free Interest Rate (%)	8.88	8.87	7.91
Option Life (Years)	5.00	5.00	5.00
Expected Volatility*	30.02	29.97	30.45
Expected Dividend Yield (%)	0.61	0.73	0.42
Weighted-average Fair Value per Option (₹)	509.65	428.05	694.22

* Expected volatility of the Company's stock price is based on NSE price data of last three years.

Particulars	On the Date of Repricing		
	Tranche - I	Tranche - II	Tranche - III
Risk-Free Interest Rate (%)	7.70	7.70	7.78
Option Life (Years)	5.00	5.00	5.00
Expected Volatility#	32.62	32.37	31.37
Expected Dividend Yield (%)	0.88	0.88	0.87
Weighted-average Fair Value per Option (₹)	301.23	364.27	214.42
Incremental Fair Value (₹)	186.60	201.11	142.80

Fair Valuation of Additional Options issued due to Demerger:

Particulars	On the Date of Additional Grant		
	Tranche - I	Tranche - II	Tranche - III
Risk-Free Interest Rate (%)	7.70	7.70	7.78
Option Life (Years)	2.95	2.91	3.67
Expected Volatility#	32.51	32.58	31.37
Expected Dividend Yield (%)	0.88	0.88	0.87
Weighted-average Fair Value per Option (₹)	309.44	366.51	220.27

Expected Volatility is based on Company's stock price on NSE is based on the price data of previous years upto the date of grant/reporting to commensurate with the expected term of the Option. However, in view of the Demerger, for the changes in share prices of ABNL, the volatility was calculated separately upto the date of Demerger (pre-Demerger) and from the date of the Demerger (post-Demerger), and thereafter the weighted-average of the same is taken.

(B) Restricted Stock Units

(i) Employee Stock Options Scheme:

Particulars	Tranche - I	Tranche - II	Tranche - III
No. of Options	101,731	9,567	12,630
Additional Options issued due to the Scheme of Demerger	11,139	5,320	10,092
Method of Accounting	Intrinsic Value	Intrinsic Value	Intrinsic Value
Vesting Plan	Bullet Vesting-end of 3 years from the grant date	Bullet Vesting-end of 3 years from the grant date	Bullet Vesting-end of 3 years from the grant date
Vesting Plan - Additional RSUs	Proportion and period coterminous with the vesting period of original RSU	Proportion and period coterminous with the vesting period of original RSU	Proportion and period coterminous with the vesting period of original RSU
Exercise Period	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting
Grant Date	07.12.2013	29.01.2014	12.11.2014
Grant Date of Additional Option issued	31.03.2016	31.03.2016	31.03.2016
Grant/Exercise Price (₹ Per Share)	10.00	10.00	10.00
Market Price on the date of Grant of Original Option (₹ Per Share)	1,239.80	1,053.85	1,726.95
Market Price on the date of Additional Options granted (₹ Per Share)	822.60	822.60	822.60

(ii) Details of Activity in the Plan:

Particulars	2015-16			2014-15		
	Options	Range of Exercise Price (₹)	Weighted-average Exercise Price (₹)	Options	Range of Exercise Price (₹)	Weighted-average Exercise Price (₹)
Options Outstanding at the beginning of the year	105,041	10.00	10.00	111,298	10.00	10.00
Additional Granted due to the Scheme of Demerger	26,551	10.00	10.00	—	—	—
Granted during the year	—	—	—	12,630	10.00	10.00
Exercised during the year	—	—	—	—	—	—
Lapsed during the year	15,882	10.00	10.00	18,887	10.00	10.00
Options Outstanding at the end of the year	115,710	10.00	10.00	105,041	10.00	10.00
Options Unvested at the end of the year	115,710	—	—	105,041	—	—

The ESOP compensation cost is amortised on a straight-line basis over the total vesting period of the options. Accordingly, ₹ 2.85 Crore (net of recovery of ₹ 1.40 Crore from ABFRL on account of ESOP option granted to employee of demerged Madura division) has been charged to the current year Statement of Profit and Loss (Previous Year: ₹ 3.76 Crore).

The weighted-average remaining contractual life for the stock options outstanding as at 31st March, 2016, is 5.89 years (Previous Year: 6.82 years).

(iii) Fair Valuation:

The fair value of the options used to compute proforma net profit and the earnings per share have been done by an independent valuer on the date of grant using Black-Scholes Merton Formula. The key assumptions and the Fair Value are as under:

Particulars	On the Date of Grant		
	Tranche - I	Tranche - II	Tranche - III
Risk-Free Interest Rate (%)	8.88	8.87	7.91
Option Life (Years)	5.50	5.50	5.50
Expected Volatility*	30.02	29.97	30.45
Expected Dividend Yield (%)	0.62	1.23	0.70
Weighted-average Fair Value per Option (₹)	1,195.33	1,008.87	1,684.01

*Expected volatility of the Company's stock price is based on NSE price data of last three years.

Fair Valuation for the Additional Shares Granted:

Particulars	On the Date of Additional Grant		
	Tranche - I	Tranche - II	Tranche - III
Risk-Free Interest Rate (%)	7.70	7.70	7.78
Option Life (Years)	3.19	3.33	4.12
Expected Volatility #	32.08	31.61	31.16
Expected Dividend Yield (%)	0.87	0.87	0.87
Weighted-average Fair Value per Option (₹)	793.83	793.92	787.48

#Expected Volatility is based on Company's stock price on NSE is based on the price data of previous years upto the date of grant/reporting to commensurate with the expected term of the Option. However, in view of the Demerger, for the changes in share prices of the Company, the volatility was calculated separately upto the date of Demerger (pre-Demerger) and from the date of the Demerger (post-Demerger), and thereafter the weighted-average of the same is taken.

(C) Stock Appreciation Rights (SAR):**(i) Scheme:**

Particulars	Tranche - I	Tranche - II	Tranche - III
No. of Options	91,239	14,199	30,678
Additional Options issued due to the Scheme of Demerger	14,089	4,164	18,078
Method of Accounting	Intrinsic Value	Intrinsic Value	Intrinsic Value
Vesting Plan	Graded Vesting - 25% every year	Graded Vesting - 25% every year	Graded Vesting - 25% every year
Vesting Plan - Additional Options	Proportion and period coterminous with the vesting period of original SAR's	Proportion and period coterminous with the vesting period of original SAR's	Proportion and period coterminous with the vesting period of original SAR's
Exercise Period	3 Years from the date of Vesting or 6 years from the date of grant, whichever is earlier	3 Years from the date of Vesting or 6 years from the date of grant, whichever is earlier	3 Years from the date of Vesting or 6 years from the date of grant, whichever is earlier
Grant Date	07.12.2013	29.01.2014	12.11.2014
Grant Date of Additional Options issued	31.03.2016	31.03.2016	31.03.2016
Grant Price (₹ Per Share)	1,239.80	1,053.85	1,726.95
Repricing of the Option on 31st March, 2016 (₹ Per Share)	694.30	590.15	967.10
Market Price on the date of Grant of Options (₹ Per Share)	1,239.80	1,053.85	1,726.95
Market Price on the date of Repricing of Option/Grant of Additional Options (₹ Per Share)	822.60	822.60	822.60

(ii) Details of Activity in the Plan:

Particulars	2015-16			2014-15		
	Options	Range of Exercise Price (₹)	Weighted-average Exercise Price (₹)	Options	Range of Exercise Price (₹)	Weighted-average Exercise Price (₹)
Options Outstanding at the beginning of the year	86,314	1,053.85 to 1,239.80	1,214.74	105,438	1,053.85 to 1,239.80	1,214.74
Additional Options Granted due to Scheme of Demerger	36,331	590.15 to 967.10	818.11	—	—	—
Granted during the year	—	—	—	30,678	1,726.95	1,726.95
Exercised during the year	28,490	1,053.85 to 1,726.95	1,347.75	—	—	—
Lapsed during the year	11,585	1,053.85 to 1,239.80	1,153.99	49,802	1,239.8	1,239.80
Options Outstanding at the end of the year	82,570	590.15 to 967.09	818.10	86,314	1,053.85 to 1,726.95	1,382.35
Options Unvested at the end of the year	66,150	—	—	75,324	—	—
Options Exercisable at the end of the year	16,420	590.15 to 967.09	740.75	10,990	1,053.85 to 1,239.80	1,179.67

The Stock Appreciation Right's compensation cost is amortised on a straight-line basis over the total vesting period of the options. Accordingly, ₹ 1.48 Crore (Previous Year: ₹ 1.50 Crore) has been charged to the current year Statement of Profit and Loss.

The weighted-average remaining contractual life for the Stock Appreciation Right's outstanding as at 31st March, 2016 is 3.73 years (Previous Year: 4.35 years).

(iii) Fair Valuation:

The Fair Value of the options used to compute proforma net profit and the earnings per share have been done by an independent valuer using Black-Scholes Merton Formula. The key assumptions and the Fair Value are as under:

Particulars	As at 31.03.2016		
	Tranche - I	Tranche - II	Tranche - III
Risk-Free Interest Rate (%)	7.61	7.61	7.70
Option Life (Years)	1.77	1.88	2.54
Expected Volatility #	32.73	33.13	31.21
Expected Dividend Yield (%)	0.89	0.89	0.88
Weighted-average Fair Value per Option (₹)	248.75	323.19	163.04

Fair Valuation of Additional Options:

Particulars	As at 31.03.2016		
	Tranche - I	Tranche - II	Tranche - III
Risk-Free Interest Rate (%)	7.61	7.61	7.70
Option Life (Years)	1.94	1.79	2.54
Expected Volatility #	32.86	32.57	31.23
Expected Dividend Yield (%)	0.89	0.89	0.88
Weighted-average Fair Value per Option (₹)	263.70	321.75	164.40

Expected Volatility is based on Company's stock price on NSE is based on the price data of previous years upto the date of grant/reporting to commensurate with the expected term of the Option. However, in view of the Demerger, for the changes in share prices of ABNL, the volatility was calculated separately upto the date of Demerger (pre-Demerger) and from the date of the Demerger (post-Demerger), and thereafter the weighted-average of the same is taken.

The Company is following Intrinsic Value for Employee Stock Options Scheme valuation.

Had the compensation cost for the stock options granted under ESOS-2006 and 2013 been recognised based on fair and value in accordance with Black-Scholes Merton Formula, the proforma amount of net profit and earnings per share of the Company would have been as under:

₹ in Crores

Particulars	2015-16	2014-15
Net Profit	360.02	527.69
Add: Compensation Cost as per Intrinsic Value	4.92	5.26
Less: Compensation Cost as per Fair Value	3.56	7.85
Adjusted Net Income	361.38	525.10
Weighted-average number of Basic Equity Shares Outstanding (In Nos.)	130,168,028	130,111,149
Weighted-average number of Diluted Equity Shares Outstanding (In Nos.)	130,301,724	130,320,557
Face Value of the Equity Share (In ₹)	10	10
Reported Earnings Per Share (EPS)		
– Basic EPS (₹)	27.66	40.56
– Diluted EPS (₹)	27.63	40.49
Proforma Earnings Per Share (EPS)		
– Basic EPS (₹)	27.76	40.36
– Diluted EPS (₹)	27.73	40.29

NOTE: 41**LIST OF RELATED PARTIES****PARTIES WHERE CONTROL EXIST****SUBSIDIARIES**

Aditya Birla Financial Services Limited (ABFSL)
 Aditya Birla Capital Advisors Private Limited (ABCAPL)
 ABCAP Trustee Company Private Limited (ATCPL) (w.e.f. 25th March, 2016)
 Aditya Birla Customer Services Limited (ABCSL)
 Aditya Birla Health Insurance Co. Limited (ABHICL) (w.e.f. 22nd April, 2015)
 Aditya Birla Trustee Company Private Limited (ABTCPL)
 Aditya Birla Money Limited (ABML)
 Aditya Birla Commodities Broking Limited (ABCBL)
 Aditya Birla Financial Shared Services Limited (ABFSSL)
 Aditya Birla Finance Limited (ABFL)
 Aditya Birla Securities Private Limited (ABSL) (up to 10th September, 2014)
 Aditya Birla Insurance Brokers Limited (ABIBL)
 Birla Sun Life Asset Management Company Limited (BSAMC)
 Birla Sun Life AMC (Mauritius) Ltd.
 Aditya Birla Sun Life AMC Ltd., Dubai
 Aditya Birla Sun Life AMC Pte. Ltd., Singapore
 India Advantage Fund Ltd. (IAFL)
 International Opportunities Fund SPC (IOF)
 Birla Sun Life Trustee Company Private Limited (BSTPL)
 Aditya Birla Housing Finance Ltd. (ABHFL)
 Aditya Birla Money Mart Limited (ABMML)
 Aditya Birla Money Insurance Advisory Services Limited (ABMIASL)
 ABNL IT & ITES Limited (IT&ITES) (upto 30th September, 2015)
 Aditya Birla Minacs BPO Private Limited (ABMBPL) (upto 30th September, 2015)
 Aditya Birla Minacs Worldwide Limited (ABMWL) (upto 8th May, 2014)
 Aditya Birla Minacs Philippines Inc. (ABMPI) (up to 8th May, 2014)
 AV TransWorks Limited (AVTL) (up to 8th May, 2014)
 Aditya Birla Minacs Worldwide Inc. (ABMWI) (up to 8th May, 2014)
 Aditya Birla Minacs BPO Limited (ABMBL) (up to 8th May, 2014)
 Minacs Worldwide SA de CV (MWSC) (up to 8th May, 2014)
 The Minacs Group (USA) Inc. (MGI) (up to 8th May, 2014)
 Bureau of Collection Recovery, LLC (BCR) (up to 8th May, 2014)
 Bureau of Collections Recovery (BCR) Inc. (up to 8th May, 2014)
 Minacs Limited (ML) (up to 8th May, 2014)
 Minacs Worldwide GmbH (MWGH) (up to 8th May, 2014)
 Minacs Kft. (up to 8th May, 2014)
 Aditya Vikram Global Trading House Limited (AVGTHL) (up to 29th September, 2014)
 Birla Sun Life Insurance Company Limited (BSLICL)
 Birla Sun Life Pension Management Limited (BSLPML) (w.e.f. 9th January, 2015)
 ABNL Investment Limited (ABNL Inv)
 Shaktiman Mega Food Park Private Limited (SMFP)
 Madura Garments Lifestyle Retail Company Limited. (MGLRCL) (upto 30th June, 2015)
 Indigold Trade and Services Limited (ITSL) (upto 30th September, 2015)
 Pantaloons Fashion & Retail Limited (PFRL) (upto 31st March, 2015)
 [now known as Aditya Birla Fashion and Retail Limited (ABFRL)]
 Aditya Birla Renewables Limited (ABRL) (w.e.f. 7th August, 2015)
 Aditya Birla IDEA Payments Bank Limited (ABIPBL) (w.e.f. 19th February, 2016)

OTHER RELATED PARTIES**JOINT VENTURES**

IDEA Cellular Limited (IDEA)

ASSOCIATES

Birla Securities Limited (BSL) (upto 14th November, 2014)

KEY MANAGEMENT PERSONNEL (KMP)

Mr. Lalit Naik – Managing Director (Deputy Managing Director upto 30th June, 2014)

Mr. Sushil Agarwal – Whole-time Director (upto 30th June, 2015)

Dr. Rakesh Jain – Managing Director (Upto 30th June, 2014)

ENTERPRISES HAVING COMMON KEY MANAGEMENT PERSONNEL (KMP)

Aditya Birla Science & Technology Company Private Limited (ABSTCPL) (Common KMP Mr. Lalit Naik) (w.e.f. 30th March, 2015), upto 30th March, 2016)

Disclosure in respect of Related Parties pursuant to Accounting Standard-18

During the year, following transactions were carried out with the related parties in the ordinary course of business:

₹ in Crores

Transaction/Nature of Relationship	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Enterprises having common Key Management Personnel	Grand Total
Purchase of Goods						
PFRL	— (4.06)	—	—	—	—	— (4.06)
TOTAL	— (4.06)	—	—	—	—	— (4.06)
Information Technology Cost						
ABMWL	— (0.01)	—	—	—	—	— (0.01)
TOTAL	— (0.01)	—	—	—	—	— (0.01)
Brokerage and Discounts						
PFRL	— (1.16)	—	—	—	—	— (1.16)
TOTAL	— (1.16)	—	—	—	—	— (1.16)
Contribution to Research and Development Institution						
ABSTCPL	—	—	—	—	1.10	1.10
TOTAL	—	—	—	—	1.10	1.10
Other Expenses						
BSLICL	0.83 (0.93)	—	—	—	—	0.83 (0.93)
IDEA	—	0.93 (3.01)	—	—	—	0.93 (3.01)
TOTAL	0.83 (0.93)	0.93 (3.01)	—	—	—	1.76 (3.94)
Sales of Goods						
PFRL	— (130.26)	—	—	—	—	— (130.26)
MGLRCL	— (136.52)	—	—	—	—	— (136.52)
TOTAL	— (266.78)	—	—	—	—	— (266.78)
Interest Received						
ABNL Inv	— (0.02)	—	—	—	—	— (0.02)
ABCSL	0.50 (3.13)	—	—	—	—	0.50 (3.13)
ABMWL	— (5.72)	—	—	—	—	— (5.72)
ABMIASL	0.31 —	—	—	—	—	0.31 —
ABMML	1.63 (0.20)	—	—	—	—	1.63 (0.20)
BSLICL	β (0.02)	—	—	—	—	β (0.02)

₹ in Crores

Transaction/Nature of Relationship	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Enterprises having common Key Management Personnel	Grand Total
ITSL	— (2.45)	—	—	—	—	— (2.45)
IT&ITES	β (0.07)	—	—	—	—	β (0.07)
MGLRCL	— (3.65)	—	—	—	—	— (3.65)
ABSTCPL	—	—	—	—	1.25 (0.01)	1.25 (0.01)
TOTAL	2.44 (15.26)	—	—	—	1.25 (0.01)	3.69 (15.27)
Dividend Received						
BSLICL	— (51.80)	—	—	—	—	— (51.80)
IDEA	—	50.25 (33.50)	—	—	—	50.25 (33.50)
TOTAL	— (51.80)	50.25 (33.50)	—	—	—	50.25 (85.30)
Other Income						
MGLRCL	— (0.12)	—	—	—	—	— (0.12)
TOTAL	— (0.12)	—	—	—	—	— (0.12)
Receipt against Reimbursement of Revenue/Capital Expenditure						
ABFL	0.01 (0.06)	—	—	—	—	0.01 (0.06)
PFRL	— (2.36)	—	—	—	—	— (2.36)
ABFSL	0.11 (0.21)	—	—	—	—	0.11 (0.21)
ABHICL	1.23	—	—	—	—	1.23
ABML	0.01 β	—	—	—	—	0.01 β
ABRL	1.44	—	—	—	—	1.44
BSLICL	0.16	—	—	—	—	0.16
MGLRCL	— (0.12)	—	—	—	—	— (0.12)
Other Related Parties	0.01 β	—	—	—	—	0.01 β
TOTAL	2.97 (2.75)	—	—	—	—	2.97 (2.75)
Payment for Reimbursement of Expenses						
ABFL	0.01 (0.02)	—	—	—	—	0.01 (0.02)
PFRL	— (0.47)	—	—	—	—	— (0.47)
TOTAL	0.01 (0.49)	—	—	—	—	0.01 (0.49)

₹ in Crores

Transaction/Nature of Relationship	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Enterprises having common Key Management Personnel	Grand Total
Purchase of Fixed Assets						
ABFL	— 0.04	—	—	—	—	— 0.04
TOTAL	— 0.04	—	—	—	—	— 0.04
Sale of Fixed Assets						
PFRL	— β	—	—	—	—	— β
TOTAL	— β	—	—	—	—	— β
Interest Expenses						
BSLICL	4.06 β	—	—	—	—	4.06 β
TOTAL	4.06 β	—	—	—	—	4.06 β
Managerial Remuneration Paid *						
Mr. Lalit Naik	—	—	—	5.62 (5.49)	—	5.62 (5.49)
Mr. Sushil Agarwal	—	—	—	2.31 (3.94)	—	2.31 (3.94)
Dr. Rakesh Jain	—	—	—	— (6.72)	—	— (6.72)
TOTAL	—	—	—	7.93 (16.15)	—	7.93 (16.15)
Fresh Investments Made						
ABFSL	967.00 (681.11)	—	—	—	—	967.00 (681.11)
ABHICL	10.00 —	—	—	—	—	10.00 —
ABIPB	0.26 —	—	—	—	—	0.26 —
ABRL	0.10 —	—	—	—	—	0.10 —
ITSL	— (61.55)	—	—	—	—	— (61.55)
SMFP	— (0.42)	—	—	—	—	— (0.42)
TOTAL	977.36 (743.08)	—	—	—	—	977.36 (743.08)
Sale of Investments						
ABHICL	10.00 —	—	—	—	—	10.00 —
BSL	—	—	(0.01)	—	—	— (0.01)
TOTAL	10.00 —	—	— (0.01)	—	—	10.00 (0.01)
Winding of Subsidiary						
AVGTHL	— (0.84)	—	—	—	—	— (0.84)
TOTAL	— (0.84)	—	—	—	—	— (0.84)

₹ in Crores

Transaction/Nature of Relationship	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Enterprises having common Key Management Personnel	Grand Total
Conversion of 0.01% Compulsory Convertible Preference Shares into Equity Shares						
ABFSL	140.00 (400.00)	— —	— —	— —	— —	140.00 (400.00)
TOTAL	140.00 (400.00)	— —	— —	— —	— —	140.00 (400.00)
Provision for Diminution in Value of Long-term Investments						
SMFP	— (0.43)	— —	— —	— —	— —	— (0.43)
TOTAL	— (0.43)	— —	— —	— —	— —	— (0.43)
Proceeds from Redemption of Preference Shares						
ABMWL	— (33.75)	— —	— —	— —	— —	— (33.75)
TOTAL	— (33.75)	— —	— —	— —	— —	— (33.75)
Loans/Deposits Granted (including Inter-Corporate Deposits)						
ABCSL	— (28.79)	— —	— —	— —	— —	— (28.79)
ABMIAS	3.24 —	— —	— —	— —	— —	3.24 —
ABMML	50.43 (3.50)	— —	— —	— —	— —	50.43 (3.50)
ABMWL	— (77.15)	— —	— —	— —	— —	— (77.15)
ITSL	— (59.03)	— —	— —	— —	— —	— (59.03)
IT&ITES	0.71 (2.61)	— —	— —	— —	— —	0.71 (2.61)
MGLRCL	— (50.16)	— —	— —	— —	— —	— (50.16)
TOTAL	54.38 (221.24)	— —	— —	— —	— —	54.38 (221.24)
Advance Given						
Mr. Lalit Naik	— —	— —	— —	— (0.19)	— —	— (0.19)
TOTAL	— —	— —	— —	— (0.19)	— —	— (0.19)
Loans Granted Received Back (including Inter-Corporate Deposits)						
ABCSL	10.10 (33.49)	— —	— —	— —	— —	10.10 (33.49)
ABMIASL	3.24 —	— —	— —	— —	— —	3.24 —
ABMML	89.36 (3.50)	— —	— —	— —	— —	89.36 (3.50)
ABMWL	— (556.90)	— —	— —	— —	— —	— (556.90)
ABNL Inv	— (1.00)	— —	— —	— —	— —	— (1.00)
ITSL	— (59.24)	— —	— —	— —	— —	— (59.24)

₹ in Crores

Transaction/Nature of Relationship	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Enterprises having common Key Management Personnel	Grand Total
IT&ITES	0.71 (3.99)	— —	— —	— —	— —	0.71 (3.99)
MGLRCL	— (32.95)	— —	— —	— —	— —	— (32.95)
TOTAL	103.41 (691.07)	— —	— —	— —	— —	103.41 (691.07)
Advance Given Received Back						
Mr. Lalit Naik	— —	— —	— —	0.19 —	— —	0.19 —
TOTAL	— —	— —	— —	0.19 —	— —	0.19 —
Deposits Given during the year						
ABFSL	0.04 —	— —	— —	— —	— —	0.04 —
ABRL	0.02 —	— —	— —	— —	— —	0.02 —
ABNL Inv	0.02 —	— —	— —	— —	— —	0.02 —
ABNL IT & ITES	0.02 —	— —	— —	— —	— —	0.02 —
BSLICL	0.02 —	— —	— —	— —	— —	0.02 —
ITSL	0.04 —	— —	— —	— —	— —	0.04 —
TOTAL	0.16 —	— —	— —	— —	— —	0.16 —
Deposits Given – Received Back during the year						
ABFSL	0.04 —	— —	— —	— —	— —	0.04 —
ABRL	0.02 —	— —	— —	— —	— —	0.02 —
ABNL INV	0.02 —	— —	— —	— —	— —	0.02 —
ABNL IT & ITES	0.02 —	— —	— —	— —	— —	0.02 —
BSLICL	0.02 —	— —	— —	— —	— —	0.02 —
ITSL	0.04 —	— —	— —	— —	— —	0.04 —
TOTAL	0.16 —	— —	— —	— —	— —	0.16 —
Outstanding Balances as on 31st March, 2016						
Loans Granted Outstanding Balances	6.74 (83.08)	— —	— —	— —	— (14.19)	6.74 (97.27)
Interest Accrued on Loans Granted	0.16 —	— —	— —	— —	— —	0.16 —
Interest Payable on NCD Issued	0.70 —	— —	— —	— —	— —	0.70 —
Amounts Receivable	1.33 (113.18)	— —	— —	— (0.19)	— —	1.33 (113.37)

₹ in Crores

Transaction/Nature of Relationship	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Enterprises having common Key Management Personnel	Grand Total
Amounts Payable	0.04 (0.04)	0.05 (0.24)	— —	— —	— —	0.09 (0.28)
Debentures Held by	50.00 —	— —	— —	— —	— —	50.00 —
Corporate Guarantees Outstanding	— (17.50)	— —	— —	— —	— —	— (17.50)
Investments Outstanding	5,739.15 (6,120.19)	2,355.81 (2,355.81)	— —	— —	— (2.40)	8,094.96 (8,478.40)

- Figures in brackets represent the corresponding amount of previous year.
- No amount, in respect of the related parties have been written off/back, is provided for during the year.
- Related parties relationships have been identified by the management and relied upon by the auditors.

* Remuneration to Key Managerial Personnel	Current Year	Previous Year
Salary and Perquisites	5.04	14.63
ESOP and SAR	2.58	0.95
Contribution to Provident and Other Funds	0.31	0.57
	7.93	16.15

- Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information, except to the extent of amount paid to Dr. Rakesh Jain.

NOTE: 42

The Company has incurred ₹ 7.40 Crore (Previous Year: ₹ 9.61 Crore) towards Corporate Social Responsibility activities as per Section 135 of the Companies Act, 2013, and Rules thereon. It is included in different heads of expenses in the Statement of Profit and Loss.

NOTE: 43

NOTE ON AMALGAMATION OF ABNL IT & ITES, ITSL AND ABMBPO

Pursuant to the Scheme of Amalgamation (the Scheme) under Sections 391 to 394 of the Companies Act, 1956, ABNL IT & ITES Limited (ABNL IT & ITES) and Aditya Birla Minacs BPO Private Limited (ABMBPO) and Indigold Trade and Services Limited (ITSL), wholly owned subsidiaries of the Company, have been merged with the Company with effect from 1st October, 2015 (the Appointed Date) pursuant to the Order passed by the Hon'ble High Court of Gujarat on 29th February, 2016.

The effective date of the Scheme is 31st March, 2016. There were no business activities being carried out in these companies.

In terms of the Scheme, all assets and liabilities of ABNL IT & ITES, ABMBPO and ITSL have been transferred and stand vested with the Company with effect from the Appointed Date at its respective book values on that date. ABNL IT & ITES, ABMBPO and ITSL carried on all its businesses and activities for the benefit of and in trust for, the Company from the Appointed Date. Thus, the profit or income accruing or arising to ABNL IT & ITES, ABMBPO & ITSL, or expenditure or losses arising or incurred by it from the Appointed Date have been treated as the profit or income or expenditure or loss, as the case may be, of the Company. The Scheme has accordingly been given effect to in these accounts.

The Company has accounted for the arrangement as amalgamation in the nature of merger as prescribed by Accounting Standard-14 – Accounting for Amalgamation (AS-14) issued by the Institute of Chartered Accountants of India (ICAI), which have been notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. Accordingly, all the assets and liabilities of ABNL IT & ITES, ABMBPO and ITSL are recorded in the books of the Company at their book values as on the Appointed Date.

In terms of the Scheme, the Company has acquired assets having Net Book Value of ₹ 1,565.22 Crore (as on 1st October, 2015) as detailed hereunder:

₹ in Crores

Assets and Liabilities	ABNL IT & ITES	ITSL	ABMBPO	Total
Loans and Advances	—	0.05	0.08	0.13
Investments	395.65	1,150.66	0.51	1,546.82
Cash and Bank Balances	0.01	0.01	0.00	0.02
Other Assets	23.78	—	—	23.78
Total Assets	419.44	1,150.72	0.59	1,570.75
Less:				
Trade Payable, Provisions and Other Liabilities	4.73	0.07	0.03	4.83
Borrowings	0.70	—	—	0.70
Total Liabilities	5.43	0.07	0.03	5.53
Net Book Value	414.01	1,150.65	0.56	1,565.22

The difference between the net book value, after adjusting reserves of ABNL IT & ITES, ABMBPO and ITSL and the investment already made in ABNL IT & ITES, ABMBPO and ITSL (which is now cancelled as per the Scheme), is charged to Capital Reserve, in accordance with the Scheme, as detailed hereunder:

₹ in Crores

Assets and Liabilities	ABNL IT & ITES	ITSL	ABMBPO	Total
Net Book Value (as above) (A)	414.01	1,150.65	0.56	1,565.22
Less: Deficit in the Statement of Profit and Loss considered as deficit in the Statement of Profit and Loss of the Company (B)	(40.69)	(2.40)	(1.18)	(44.27)
Balance (A) – (B) (C)	454.70	1,153.05	1.74	1,609.49
Cancellation of the Company Investment into ABNL IT & ITES, ABMBPO and ITSL (D)	454.70	1,245.20	0.96	1,700.86
The Balance Charged to Capital Reserve of the Company (C) – (D) (E)	—	(92.15)	0.78	(91.37)

NOTE: 44**STATEMENT OF DERIVATIVES – OUTSTANDING AT THE BALANCE SHEET DATE****a) Derivatives: Outstanding at the Balance Sheet Date**

Nature of Contract	Foreign Currency	Option	Amount in Foreign Currency		Purpose
			As at 31st March, 2016	As at 31st March, 2015	
Currency and Interest Rate Swap	USD	Buy	94,994,239	103,666,667	Hedging of Loan
Currency and Interest Rate Swap	JPY	Buy	1,269,834,749	2,307,300,000	Hedging of Loan
Forward Contracts	USD	Buy	81,755,175	90,221,528	Hedging Purpose
		Sell	8,924,245	23,194,250	
Forward Contracts	EUR	Buy	7,342,555	15,427,036	Hedging Purpose
		Sell	2,235,341	3,524,110	
Forward Contracts	GBP	Sell	1,207,490	1,577,166	Hedging Purpose
Forward Contracts	JPY	Sell	—	111,044,500	Hedging Purpose
Forward Contracts	CNY	Buy	—	4,063,500	Hedging Purpose
Forward Contracts	CHF	Buy	27,208	—	Hedging Purpose
Forward Contracts and Interest Rate Swap	USD	Buy	—	5,000,000	Hedging of Loan

b) Foreign Currency Exposure which are not hedged**As at 31st March, 2016**

Particulars	Currency	Foreign Currency	₹ in Crores
Trade Receivables	USD	1,426,955	9.47
	EUR	120,093	0.90
	GBP	345,507	3.29
Loans and Advances	USD	975,350	6.47
Trade Payables	USD	4,502,294	29.87
	EUR	1,601,254	12.02
	GBP	133,747	1.27
Other Current Liabilities	USD	376,856	2.50
	EUR	125	0.9

As at 31st March, 2015

Particulars	Currency	Foreign Currency	₹ in Crores
Trade Receivables	USD	2,004,157	12.54
	EUR	323,186	2.18
	GBP	34,272	0.32
Loans and Advances	USD	11,545	0.07
	EUR	19,848	0.13
	JPY	1,181,846	0.06
Trade Payables	USD	6,750,974	42.25
	AUD	536,314	2.59
	EUR	243,712	1.65
	GBP	3,820	0.04
Other Current Liabilities	USD	401,398	2.51
	EUR	10,986	0.07

NOTE: 45**EXCEPTIONAL ITEMS**

- (i) ₹ 6.44 Crore received by ABNL IT & ITES Limited, a wholly owned subsidiary of the Company (merged with the Company), towards deferred consideration in respect of transaction for divestment of Aditya Birla Minacs Worldwide Limited that consummated during the previous year. (Refer Note: 43)
- (ii) ₹ 50.00 Crore received towards facilitation for development of distribution network for financial service business.

NOTE: 46

OTHER SIGNIFICANT NOTES

- (i) The Company has presented segment information in its Consolidated Financial Statements, which are part of the same annual report. Accordingly, in terms of provisions of Accounting Standard on Segment Reporting (AS-17) no disclosure related to the segment are presented in the Standalone Financial Statements.
- (ii) As per the terms of the Stock Purchase Agreement (SPA) executed by ABNL IT & ITES (merged with the Company with effect from 1st October, 2015 - Refer Note: 43) with a group of investors led by Capital Square Partners and CX Partners dated 30th January, 2014, Amendment Agreement dated 30th April, 2014, and Amended and Restated Amendment Agreement dated 8th May, 2014, ABNL IT & ITES (now merged with the Company with effect from 1st October, 2015) for divestment of Aditya Birla Minacs Worldwide Ltd. (ABMWL).
- (A) The Company has to receive from the purchaser (a) balance amount of CAD 0.91 Million (₹ 4.70 Crore) towards deferred consideration and (b) ₹ 19.31 Crore towards tax refunds, which have been shown under other non-current assets.
- (B) The purchaser has made a claim of USD 0.70 Million (₹ 4.70 Crore) against the Company towards litigation and related expenses, which have been fully provided for and appearing as other non-current liability as on the Balance Sheet date.
- There is a limit on the indemnity amount and the indemnity period, i.e., USD 6 Million and 3 years from the date of closing, respectively. This limit, however, does not include (i) ownership of shares and assets and (ii) tax matters.
- (C) The details of Contingent Liability (included in Note: 25 (a)) in respect of tax matters are given below:
- Income tax matters: ₹ 1.68 Crore
Service tax matters: ₹ 25.40 Crore
- (iii) The Company is one of the Promoter members of Aditya Birla Management Corporation Private Limited, a Company limited by guarantee which has been formed to provide a common pool of facilities and resources to its members, with a view to optimise the benefits of specialisation and minimize cost to each member. The Company's share of expenses under the common pool has been accounted for under the appropriate head.
- (iv) (a) The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision, as required under any law/accounting standards for material foreseeable losses on such long term contracts, has been made in the books of account.
- (b) The Company's pending litigations comprise of claims against the Company primarily by the workers/employees/customers/suppliers and proceedings pending with Income Tax/Excise/Service Tax/VAT/Customs and other government authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made an adequate provision in the financial statements and appropriate disclosure for contingent liabilities is given in Note 25.
- (v) During the year, the Company has entered into an agreement with Sun Life of Canada, to sell 437,277,840 equity shares constituting 23% of the issued and paid-up equity shares of Birla Sun Life Insurance Company Limited (BSLI).
- With the regulatory approvals in place, from Insurance Regulatory and Development Authority of India ("IRDAI"), Foreign Investment Promotion Board ("FIPB") and Competition Commission of India ("CCI") the transaction was consummated during second week of April 2016. The Company has received ₹ 1,664 Crore from stake sale, valuing BSLI at ₹ 7,235 Crore. The Company continues to hold the controlling stake in BSLI at 51%.
- (vi) Figures of ₹ 50,000 or less have been denoted by 'B'.
- (vii) Previous Year's figures have been regrouped/rearranged, wherever necessary.

As per our attached Report of even date

For KHIMJI KUNVERJI & CO.
ICAI Firm Registration No. 105146W
Chartered Accountants

For S R B C & CO LLP
ICAI Firm Registration No. 324982E/E300003
Chartered Accountants

Per SHIVJI K. VIKAMSEY
Partner
Membership No. 2242
Mumbai, May 20, 2016

Per VIJAY MANIAR
Partner
Membership No. 36738

For and on behalf of the Board of Directors

KUMAR MANGALAM BIRLA
Chairman
LALIT NAIK
Managing Director

RAJASHREE BIRLA
TARJANI VAKIL
P. MURARI
B. R. GUPTA
S. C. BHARGAVA
V. CHANDRASEKARAN
Directors

PINKY MEHTA
Chief Financial Officer
ASHOK MALU
President & Company Secretary
Mumbai, May 20, 2016