ABRIDGED ANNUAL REPORT

2016-17

HINDALCO INDUSTRIES LIMITED

BIG ON MILESTONES

The full Annual Report of the Company is available on our website www.hindalco.com

Mr. Aditya Vikram Birla

We live by his values.

Integrity, Commitment, Passion, Seamlessness and Speed.

Dear Shareholders,

Global Economy

The global economy continued to be subdued in 2016. The slowdown in the advanced economies of the West adversely impacted growth levels, resulting in the slowing of the world economic growth to 3.1% from 3.4% in the earlier year. The growth in emerging markets and developing economies was encouraging. However, China and India experienced a deceleration. Financial markets reflected a broad uptrend, notwithstanding Brexit and the rate hikes by the US Fed.

Recent data reveals that the global economy is gaining momentum. PMIs (Purchasing Managers' Indexes), accelerating trade flows and better business and consumer confidence are the key pointers. The IMF has projected global growth to notch up to 3.5% in 2017 from 3.1% last year. Growth in the advanced economies is estimated at 2%, with US growth at 2.3%, the Euro area at 1.7% and Japan at 1.2%. Growth in the emerging markets is pegged at 4.5%, driven largely by China, India and the ASEAN region. Latin America is expected to grow only 1.1%, affected by the weak trend in Brazil.

Indian Economy

India is on a roll. There is a buzz about India, as it blazes forth as the fastest growing economy in the world at 7.1%. The trade deficit in 2016-17 was USD 106 billion, lower by 11% over the previous year. The current account deficit has been significantly pared. India's foreign exchange reserves as at March end 2017 were USD 370 billion. Investors are bullish. Foreign investment flows, which were at over USD 60 billion in FY-17 are scaling new records. Markets are buoyant. Stock index is at a historic peak. India's global ranking has jumped up in competitiveness and on the innovation index.

The various initiatives and reforms of the Modi Government have built the platform for a quantum leap ahead. High impact national projects, coming to grips with structural issues, which were holding back the country's progress, innovative approaches in policy making – have collectively contributed in driving India on a high growth trajectory. Going forward the abiding sense is one of immense

India is on a roll. There is a buzz about India............ India's global ranking has jumped up in competitiveness and on the innovation index.

optimism and confidence in the future with the nation slated to grow at 7.5% to 8%. India's narrative is unmatchable.

That said, if there is one subject that needs greater attention on the government's radar for the ensuing years, it is the revival of investment activity and creation of quality jobs in large measure. The Government is seized of these issues. The Government has taken many steps, including a sharp focus on improving ease of doing business, speeding of green clearances and stepping up public sector outlays for infrastructure. I believe, it is a matter of time before the private sector investments pick up – as NPAs are resolved and corporate balance sheets are deleveraged.

The metals sector: In brief

Global Aluminium demand excluding China grew by 3% in 2016 compared to the earlier year. In China it rose by 7% in 2016 on the back of stimulus provided by the government. The overall global Aluminium consumption touched around 60 MnT, registering a growth of 5.0% in 2016 over 2015. China continues to be the largest consumer of metal, accounting for over 50% of the total global consumption. In FY17, Aluminium LME was on the upward trend compared to FY16. Premium in FY17 remained at low levels. Premiums started to recover from November 2016 due to supportive demand and price outlook and low inventory level in LME warehouses.

Global Refined copper consumption grew by 2.2% in 2016 vs 2015. China is the largest consumer of copper. On the supply side, global mine supply extended by 5% in 2016. This led to an increase in TcRc. However in early 2017 the disruption in mines resulted to reduced TcRc.

The Domestic Demand for Aluminium in India is expected to benefit from the Infrastructure projects prioritised by the government. The government's thrust on the power which sector is the dominant consumer of Aluminium in India, augurs well for your Company. The Automobile and food packaging industries are also expected to stoke aluminium growth. Furthermore, rapid urbanisation should augment consumer demand, yet another positive for the sector. Moreover the per capita aluminium consumption is far below the global average. This offers a huge potential, given our demographic and economic outlook.

The Domestic Copper demand is led by the electrical and electronic products sector, accounting for 34% of the consumption. The strong growth in end user segments such as winding wires, power cables and other user applications favour the sector.

Initiatives such as housing for all, the creation of 100+ smart cities, the thrust on infrastructure especially rural infra development, along with Make in India and Digital India among others should spur the industrial sector to higher growth levels as well as enhance private investments in FY18.

Your Company's performance has been commendable in FY17. It registered a record Consolidated EBITDA at ₹ 13,558 crore on a turnover of ₹ 102,631 crore.

Your Company's performance

In an environment of mixed economic signals, your Company's performance has been commendable in FY17. It registered a record Consolidated EBITDA at ₹ 13,558 crore on a turnover of ₹ 102,631 crore. Both Aluminium and Copper Businesses in India and Novelis registered robust operational performance.

Before I move into the operational aspects, I would like to brief you on some of the important developments at your Company.

Deleveraging

In line with our stated objective to deleverage the balance sheet, your Company successfully raised USD 500 million through a Qualified Institutional Placement

(QIP), which along with the treasury balance was utilised to prepay the existing borrowing. This has led to a substantial improvement in the Consolidated Net Debt to EBITDA. Your Company has prepaid close to ₹ 5,500 crore till date.

Its subsidiary Novelis refinanced USD 4.3 billion long term debt. The annual cash interest expense stands reduced by USD 79 million.

Divestments

Novelis entered into a JV agreement in May 2017 with Kobe Steel to sell 50 percent of its ownership interest in its Ulsan, South Korea facility, for USD 315 million.

Your Company also divested Aditya Birla Minerals Limited, Australia for USD 80 million.

Both these moves are towards enhancing stakeholder value.

Energy Security

I am also pleased to inform you that with new coal linkages attained in FY2017, coal security is now at over 60% of your Company's annual requirement of the domestic Aluminium Business.

Operations

For the FY 2017, the Company achieved record production — Aluminium metal at 1.3 million tonne and Alumina (including Utkal Alumina) at 2.9 million tonne. Alumina production was up 8 per cent and Aluminium metal production extended by 12 per cent as compared to the previous year. Value Added Products (including Wire Rod) production was at 481 kilotonne, higher by 14 per cent as compared to the preceding year. All of your Company's new plants viz. Aditya Aluminium, Mahan Aluminium and Utkal Alumina are operating at their rated capacities.

In the Copper Business, production was lower as the business took a planned shutdown. The Subdued demand in the wire rod segment also dented CC Rod production. Consequently cathode, CC rod and DAP production fell by 3 per cent, 5 per cent and 7 per cent respectively.

A big thank you to all of our employees

Organizational agility, excellence in execution, customer centricity and cost optimization are a given. I believe to drive business growth in a sustainable manner, the criticality of our people – our intellectual capital, is beyond expression. We deeply value our employees' engagement and their commitment to our culture of innovation and performance accountability.

Aditya Birla Group: In perspective

At the Group level our performance both in terms of revenue and earnings has been growing. In fact our EBIDTA has been the highest ever. In line with our people focus, we have strengthened the capacity of our leadership bench as well as employees across levels. Our Group's HR agenda is even more sharper and defining of our future. Our HR function has collectively developed and clearly articulated the HR 2020 strategy across the organization. It has clear actionables and review mechanisms, focused on talent, technology, productivity and employer brand.

On the people front it has truly been an exciting year of development, building on the strong foundations of the earlier years.

As I had shared with you earlier, we have 3 accelerated leadership programs.

First - The Turning Point, which prepares high potential leaders for P&L roles.

Second - Step Up which infuses a ready pipeline for Functional Head roles, and **Third -** Springboard designed especially for high caliber women leaders.

For the FY 2017, the Company achieved record production — Aluminium metal at 1.3 million tonne and Alumina (including Utkal Alumina) at 2.9 million tonne.

Our Group's HR agenda is even more sharper and defining of our future. Our HR function has collectively developed and clearly articulated the HR 2020 strategy across the organization.

These have enabled us to set up the requisite bench strength of leaders.

We have prepared 123 leaders for higher responsibilities, over the last one year. Of this 26 have already taken on new roles. The Business leadership and I have personally reviewed talent across the business, and am happy to see the evolution of our structured succession plans.

The hiring freeze came into effect in January 2016. This, coupled with our leadership development actions, has resulted in extremely encouraging people moves. Over the last year, we witnessed 5500+ career movements across the Group. Of these, 600+ were inter-business movements, 150% higher than the previous year.

The Aditya Birla Group Leadership Program (ABGLP) is another strong source of building leaders. It has gained greater traction this year with 67% higher intake. From the earlier batches, 95 participants, have over the last 2 years, been given cross business and function exposures grooming them for a holistic perspective. I am happy to share that we continue to be an employer of choice amongst the top B schools in India. Our Group features among the formidable Top-5 in the A C Nielsen – CRI Campus Recruitment India Index 2016 as well.

Our Group features among the formidable Top-5 in the A C Nielsen – CRI Campus Recruitment India Index 2016 as well.

Additionally to accelerate opportunities for our talent we have set up Talent Councils led by Business Heads and Directors at the business and Group levels. Up until now more than a 100 Talent Councils meetings have happened across the Group where the development plans of approximately 3000 colleagues have been discussed and actions taken.

Project Vega is yet another initiative launched this year. Its basic objective is to review the agility of decision making in the organization, keeping in view end-customer impact. This has yielded significant changes to internal processes, delegation of authority and speed of decision making, in turn empowering teams and freeing up leadership bandwidth. This, along with our focus on technology enabled processes, I believe, will keep us sharp and nimble.

Furthermore, to hone and enhance our functional expertise, Gyanodaya, the Aditya Birla Global Centre for Leadership & Learning, launched Functional Academies last year. The Sales, Marketing & Customer Centricity Academy and HR Academy enabled 1150 leaders build deeper expertise in their domain areas. Gyanodaya continues to deliver superior learning programs with over 1583 managers enrolled last year.

Additionally, the Gyanodaya Virtual Campus hosts more than 500 e-learning modules in multiple languages. During the year, over 31664 employees accessed these e learning programs. I am happy to update you that we are doubling our capacity in Gyanodaya, through upcoming expansion plans.

In sum

Our Group's solid reputation, robust financials, the quality and commitment of our talent, our leadership positions in our businesses, our operational excellence and our CSR engagement, are our strengths that I believe, will see us ride the wave of success.

Yours sincerely

Kumar Mangalam Birla

BOARD OF DIRECTORS AND KEY EXECUTIVES

BOARD OF DIRECTORS

Non-Executive Directors

Mr. Kumar Mangalam Birla, *Chairman*

Mrs. Rajashree Birla

Mr. Debnarayan Bhattacharya, *Vice Chairman*

Mr. Madhukar Manilal Bhagat

Mr. Kailash Nath Bhandari

Mr. Askaran Agarwala

Mr. Yazdi Dandiwala

Mr. Ram Charan

Mr. Jagdish Khattar

Mr. Girish Dave
(w.e.f. 28th May, 2016)

EXECUTIVE DIRECTORS

Mr. Satish Pai
Managing Director

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

COMPANY SECRETARY

Mr. Anil Malik

CORPORATE

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

Mr. Samik Basu
Chief Human Resource Officer

Mr. Chandan Agrawal
Chief Strategy Officer

BUSINESS/UNIT HEADS

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

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

Mr. Sanjay Sehgal
Senior President & Head-Chemicals Business

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

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

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

Mr. Pramod Unde
President (Mining and Minerals)

SUBSIDIARIES

Utkal Alumina International Limited
Mr. Nagesh Narisetty, *President & Unit Head*

Novelis Inc
Mr. Steve Fisher
President & CEO

AUDITORS

Singhi & Co., Kolkata

COST AUDITORS

R. Nanabhoy & Co., Mumbai

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FINANCIAL HIGHLIGHTS - STANDALONE

(₹ crore)

	2016-17 @	2016-17 @	2015-16 @	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
PROFITABILITY	US$ in Mn*										
Sales and Operating Revenues	5,873	39,383	36,713	36,869	30,101	28,070	28,297	25,348	20,570	19,718	21,022
Less: Cost of Sales	5,156	34,570	33,367	33,453	27,609	25,866	25,192	22,193	17,620	16,682	17,621
Operating Profit	718	4,814	3,346	3,417	2,492	2,204	3,105	3,155	2,950	3,036	3,401
Other Income	150	1,005	979	882	1,124	983	616	347	260	637	493
Less: Depreciation, Amortization and Impairment	213	1,428	1,282	837	823	704	690	687	667	645	588
Less: Interest and Finance Charges	347	2,323	2,390	1,637	712	436	294	220	278	337	281
Profit before Exceptional Items and Tax	308	2,068	653	1,825	2,081	2,047	2,737	2,595	2,265	2,690	3,026
Exceptional Income/ (Expenses) (Net)	13	85	-	(578)	(396)	-	-	-	-	-	-
Profit/ (Loss) before Tax from Continuing Operations	321	2,153	653	1,247	1,685	2,047	2,737	2,595	2,265	2,690	3,026
Less: Tax Expenses	89	596	99	322	272	347	500	458	349	460	165
Profit/ (Loss) from Continuing Operations	232	1,556	554	925	1,413	1,699	2,237	2,137	1,916	2,230	2,861
Profit/ (Loss) from Discontinued Operations (Net of Tax)	0	1	(2)	-	-	-	-	-	-	-	-
Profit/ (Loss) for the Period	232	1,557	552	925	1,413	1,699	2,237	2,137	1,916	2,230	2,861
Business Reconstruction Reserve (BRR) # Expenses adjusted against BRR (Net of Tax)	-	-	682	97	86	-	-	-	-	67	-
Profit/ (Loss) for the Period had the expenses not adjusted against BRR	232	1,557	(130)	828	1,327	1,699	2,237	2,137	1,916	2,163	2,861
FINANCIAL POSITION											
Gross Fixed Assets (excluding CWIP)	7,207	46,742	43,316	35,434	26,804	15,073	14,478	14,287	13,793	13,393	12,608
Capital Work-in-Progress (CWIP) **	110	712	3,079	10,744	17,277	23,605	16,257	6,030	3,703	1,390	1,120
Less: Accumulated Depreciation, Amortization and Impairment	1,906	12,358	11,063	9,374	8,749	7,975	7,328	6,703	6,059	5,506	4,799
Net Fixed Assets	5,411	35,096	35,332	36,804	35,332	30,703	23,407	13,615	11,438	9,277	8,929
Investments	4,522	29,332	27,311	21,251	21,907	20,482	18,087	18,247	21,481	19,149	14,108
Other Non-Current Assets /(Liabilities) (Net)	(157)	(1,015)	(1,038)	(1,193)	(1,174)	(751)	(207)	2,096	(1,367)	(1,411)	(1,324)
Net Current Assets	1,707	11,070	9,230	9,400	8,339	8,409	5,319	4,782	2,716	5,068	4,051
Capital Employed	11,483	74,483	70,835	66,262	64,404	58,843	46,606	38,740	34,268	32,082	25,765
Less: Loan Funds	4,186	27,150	28,676	29,007	27,672	24,871	14,574	9,040	6,357	8,324	8,329
Net Worth	7,297	47,333	42,159	37,255	36,732	33,972	32,032	29,700	27,911	23,758	17,436
Net Worth represented by :											
Equity Share Capital	34	223	205	207	206	191	191	191	191	170	123
Other Equity:											
Share Warrants	-	-	-	-	-	541	541	-	-	-	140
Reserves and Surplus	6,350	41,188	36,568	37,049	36,526	33,240	31,300	29,509	27,720	23,588	17,174
Other Comprehensive Income	913	5,922	5,386	-	-	-	-	-	-	-	-
	7,297	47,333	42,159	37,255	36,732	33,972	32,032	29,700	27,911	23,758	17,436

RATIOS AND STATISTICS

	Unit	2016-17 @	2015-16 @	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Operating Margin	%	12.22	9.11	9.27	8.28	7.85	10.97	12.45	14.34	15.40	16.18
Net Margin	%	3.95	1.50	2.51	4.70	6.05	7.91	8.43	9.31	11.31	13.61
Gross Interest Cover	Times	2.50	1.81	1.75	1.50	1.61	3.62	5.74	5.23	5.48	6.08
Net Interest Cover	Times	2.50	1.81	2.63	5.08	7.31	12.67	15.92	11.55	10.90	13.88
ROCE	%	5.89	4.30	5.22	4.34	4.22	6.50	7.27	7.42	9.44	12.83
ROE	%	3.29	1.31	2.48	3.85	5.00	6.98	7.20	6.86	9.39	16.41
Basic EPS	₹	7.56	(0.64)	4.48	7.09	8.88	11.69	11.17	10.82	14.82	22.23
Diluted EPS	₹	7.55	(0.64)	4.48	7.09	8.87	11.68	11.16	10.81	14.82	22.11
Cash EPS	₹	14.49	8.95	8.53	11.22	12.55	15.29	14.76	14.58	19.10	26.80
Dividend per Share ##	₹	1.10	1.00	1.00	1.00	1.40	1.55	1.50	1.35	1.35	1.85
Capital Expenditure (Cash outflow)	₹ Crore	1,041	1,399	2,073	3,458	5,531	7,168	5,749	2,642	1,001	909
Foreign Exchange earnings on Export	₹ Crore	15,663	12,490	13,334	8,292	7,572	7,857	7,096	5,268	5,148	6,434
Debt Equity Ratio	Times	0.57	0.68	0.78	0.75	0.73	0.45	0.30	0.23	0.35	0.48
Book value per Share	₹	212.55	205.79	180.41	177.92	177.44	167.31	155.14	145.87	139.73	142.09
Market Capitalisation	₹ Crore	43,436	18,018	26,638	29,266	17,538	24,774	40,040	34,682	8,850	20,260
Number of Equity Shareholders	Nos.	319,783	392,888	338,655	361,686	441,166	383,724	320,965	339,281	435,064	335,337
Number of Employees	Nos.	23,679	24,118	21,976	20,902	20,238	19,975	19,341	19,539	19,867	19,667
Average Cash LME (Aluminium)	US$	1,688	1,592	1,888	1,773	1,976	2,317	2,257	1,868	2,234	2,623
Average Cash LME (Copper)	US$	5,152	4,852	6,556	7,103	7,855	8,485	8,140	6,112	5,885	7,521

* Balance Sheet items are translated at closing exchange rate and Profit and Loss items are translated at average exchange rate.

** Including Intangible assets under development.

\# Financial restructuring scheme formulated by the Company under the provisions of the Companies Act, approved by the Bombay High Court, to deal with various costs associated with its organic and inorganic growth plan.

\## Proposed/Interim Dividend for the Period.

@ Figures for FY 2016-17 and FY 2015-16 are as per Ind AS compliant financial statements. Previous periods figures are as per Previous GAAP financial statements.

FINANCIAL HIGHLIGHTS - CONSOLIDATED

(₹ crore)

	2016-17 @ US$ in Mn *	2016-17 @	2015-16 @	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
PROFITABILITY											
Sales and Operating Revenues	15,306	102,631	101,202	106,696	90,007	82,243	82,549	73,703	61,762	67,469	61,841
Less: Cost of Sales	13,450	90,184	92,387	97,751	81,721	74,406	74,365	65,775	52,017	64,500	55,206
Operating Profit	1,856	12,447	8,815	8,944	8,286	7,837	8,184	7,929	9,746	2,970	6,635
Other Income	166	1,111	1,189	1,105	1,017	1,012	783	513	323	691	656
Less: Depreciation, Amortization and Impairment	667	4,468	4,507	3,591	3,553	2,861	2,864	2,759	2,784	3,038	2,488
Less: Interest and Finance Charges	856	5,742	5,134	4,178	2,702	2,079	1,758	1,839	1,104	1,228	1,849
Profit before Share in Equity Accounted Investments, Exceptional Items and Tax	499	3,348	362	2,280	3,049	3,909	4,345	3,843	6,181	(605)	2,954
Share in Profit/ (Loss) in Equity Accounted Investments (Net of Tax)	(4)	(25)	172	175	67	(16)	50	(57)	(3)	(37)	100
Profit before Tax and Exceptional Items	495	3,323	534	2,455	3,116	3,893	4,395	3,786	6,178	(642)	3,054
Exceptional Income/(Expenses) (Net)	(1)	(8)	(577)	(1,940)	(396)	-	-	-	-	-	-
Profit/ (Loss) before Tax from Continuing Operations	494	3,315	(43)	515	2,720	3,893	4,395	3,786	6,178	(642)	3,054
Less: Tax Expenses	214	1,433	498	256	525	886	786	964	1,829	(954)	641
Profit/ (Loss) from Continuing Operations	280	1,882	(541)	258	2,195	3,007	3,608	2,822	4,349	312	2,413
Profit/ (Loss) from Discontinued Operations (Net of Tax)	0	0	(161)	-	-	-	-	-	-	-	-
Profit/ (Loss) before Non-Controlling Interest	280	1,882	(702)	258	2,195	3,007	3,608	2,822	4,349	312	2,413
Less: Non-Controlling Interest in Profit/ (Loss)	(3)	(18)	(451)	(596)	20	(20)	211	366	424	(172)	219
Net Profit/ (Loss) for the Period	283	1,900	(251)	854	2,175	3,027	3,397	2,456	3,925	484	2,193
Business Reconstruction Reserve (BRR) #											
Expenses adjusted against BRR (Net of Tax)	-	-	682	97	86	-	500	(3,439)	304	4,617	-
Profit/ (Loss) for the Period had the expenses not adjusted against BRR	283	1,900	(933)	757	2,089	3,027	2,896	5,896	3,621	(4,133)	2,193
FINANCIAL POSITION											
Gross Fixed Assets (excluding CWIP)	18,684	121,186	123,522	101,940	87,914	60,054	53,961	48,207	45,622	46,220	42,112
Capital Work-in-Progress (CWIP) **	280	1,814	4,214	14,111	23,059	33,834	22,798	9,253	5,801	2,949	2,457
Less: Accumulated Depreciation, Amortization and Impairment	5,627	36,499	37,849	29,981	26,750	22,126	18,661	15,802	16,622	14,404	7,405
Net Fixed Assets	13,337	86,501	89,887	86,070	84,223	71,763	58,098	41,657	34,801	34,765	37,164
Investments	2,337	15,157	12,438	12,346	12,961	12,601	10,551	10,855	11,246	10,389	14,008
Other Non-Current Assets /(Liabilities) (Net)	(1,278)	(8,289)	(8,859)	(7,235)	(6,924)	(6,573)	(5,758)	(3,142)	(3,938)	(2,811)	(4,172)
Net Current Assets	2,546	16,513	15,074	16,571	18,289	16,901	11,771	11,330	5,172	3,011	4,254
Capital Employed	16,942	109,882	108,540	107,752	108,549	94,692	74,662	60,700	47,281	45,355	51,254
Less: Loan Funds	9,839	63,817	67,552	68,467	66,163	57,603	41,042	29,460	23,999	28,310	32,353
Less: Non-Controlling Interest	1	6	381	956	1,781	1,759	1,709	2,217	1,737	1,287	1,615
Net Worth	7,102	46,059	40,607	38,329	40,605	35,330	31,911	29,023	21,545	15,758	17,286
Net Worth represented by :											
Equity Share Capital	34	223	205	207	206	191	191	191	191	170	123
Other Equity:											
Share Warrants	-	-	-	-	6	541	541	-	-	-	140
Equity Component of Compound Financial Instruments	1	4	3	-	-	-	-	-	-	-	-
Reserves and Surplus	6,433	41,723	36,443	38,122	40,393	34,597	31,179	28,832	21,353	15,588	17,023
Other Comprehensive Income	634	4,109	3,956	-	-	-	-	-	-	-	-
	7,102	46,059	40,607	38,329	40,605	35,330	31,911	29,023	21,545	15,758	17,286

RATIOS AND STATISTICS	Unit	2016-17 @	2015-16 @	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Operating Margin	%	12.13	8.71	8.38	9.21	9.53	9.91	10.76	15.78	4.40	10.73
Net Margin	%	1.85	(0.25)	0.80	2.42	3.68	4.12	3.33	6.36	0.72	3.55
Gross Interest Cover	Times	2.36	1.91	1.95	1.85	2.04	3.16	3.56	6.99	2.35	3.30
Net Interest Cover	Times	2.36	1.95	2.41	3.44	4.26	5.10	4.59	9.12	2.98	3.94
ROCE	%	8.27	5.06	5.99	5.30	6.32	8.17	9.36	15.41	1.37	9.37
ROE	%	4.12	(0.62)	2.23	5.36	8.57	10.64	8.46	18.22	3.07	12.69
Basic EPS	₹	9.22	(4.55)	4.14	10.91	15.81	17.74	12.84	22.17	3.21	17.04
Diluted EPS	₹	9.21	(4.55)	4.13	10.91	15.81	17.74	12.83	22.16	3.21	16.95
Cash EPS	₹	30.91	20.78	21.53	28.73	30.75	32.70	27.25	37.88	23.40	36.38
Capital Expenditure (Cash outflow)	₹ Crore	2,938	4,245	5,978	9,424	11,871	12,512	7,909	4,276	2,675	2,786
Debt Equity Ratio	Times	1.39	1.66	1.79	1.63	1.63	1.29	1.02	1.11	1.80	1.87
Book value per Share	₹	206.83	198.21	185.61	196.67	184.53	166.68	151.61	112.60	92.68	140.86

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

MANAGEMENT DISCUSSION AND ANALYSIS

Satish Pai
Managing Director

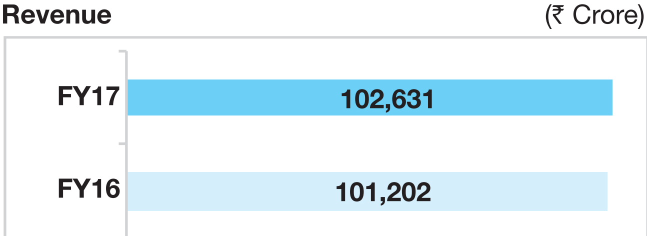
HINDALCO: Excellence by Design

Hindalco Industries Limited, the metals Flagship Company of Aditya Birla Group (ABG), is amongst the industry leader in aluminium and copper segments. With a consolidated turnover of around USD 15 billion, Hindalco is the world's largest aluminium rolling company and one of Asia's major integrated producers of primary aluminium. Its state-of-the-art copper facility is one of the world's largest custom smelters at a single location.

During the year accelerated deleveraging, supported by strong business performance, helped significantly to improve the consolidated Net Debt to EBITDA of the Company.

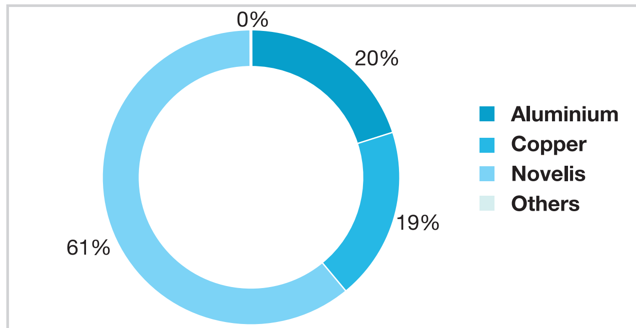
Consolidated Financials

Revenue (₹ Crore)

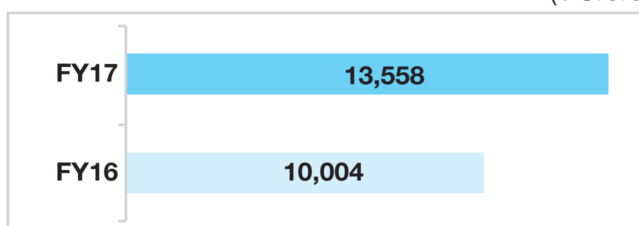


Y-o-Y Revenue up by 1%

FY17 Revenue Mix %

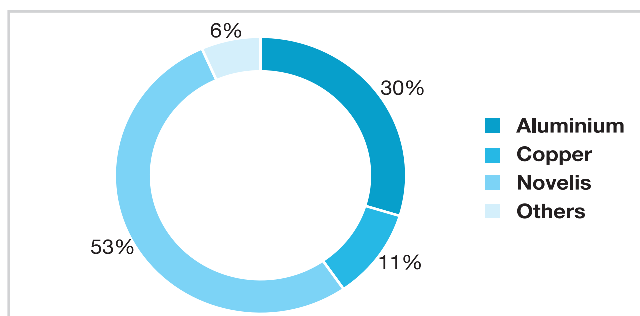


EBITDA (₹ Crore)



Y-o-Y EBITDA up by 36%

FY17 EBITDA Mix %



Operational and Financial Highlights:

- Year of stable operations – achieved highest Aluminium production at 1.3 million tonnes and Alumina production at 2.9 million tonnes.
- Consolidated Revenue stood at ₹ 102,631 Crore for the FY17.
- Record Consolidated EBITDA at ₹ 13,558 Crore up 36 percent over the previous year.
  - ❖ Record EBITDA for Hindalco standalone stood at ₹ 5,819 Crore.
  - ❖ Record Adjusted EBITDA (excluding metal price lag) up 13% to USD 1.1 billion at Novelis.

- Automotive shipments at Novelis increased 17%, representing 18% of total FRP shipments. Recycled inputs improved from 53 percent to 55 percent for the full year.

Key Initiatives:

The Company successfully raised USD 500 million through Qualified Institutional Placement (QIP) in March 2017. This is the largest non-bank QIP in the last two years. There was a strong participation from FIIs and long-only investors, generating demand in excess of USD 1.5 billion (3x subscription). The QIP was priced at zero discount to the previous day's closing share price.

In line with its commitment, the Company used the cash proceeds from QIP towards prepayment of ₹ 4,505 Crore of long term loan in April 2017 – from September 2016 to April 2017, total prepayments stand at ₹ 5,536 Crore.

During the year, Novelis refinanced its USD 2.5 billion Senior Notes and USD 1.8 billion Term Loan. As a result, annual cash interest savings of USD 79 million has been achieved, along with an extended debt maturity profile for Senior Notes.

Further, Novelis entered into a joint venture agreement with Kobe Steel in May 2017 to sell 50 percent of ownership interest in Ulsan, South Korea facility for USD 315 million. This venture, named Ulsan Aluminium Limited, will provide synergies to both the high-quality partners. Cash proceeds from this transaction will further enhance the strategic flexibility in order to capitalize on potential future market opportunities, and in the near term be used to reduce net debt.

During the year, the Hindalco also divested its stake in Aditya Birla Minerals Limited, Australia.

Outlook:

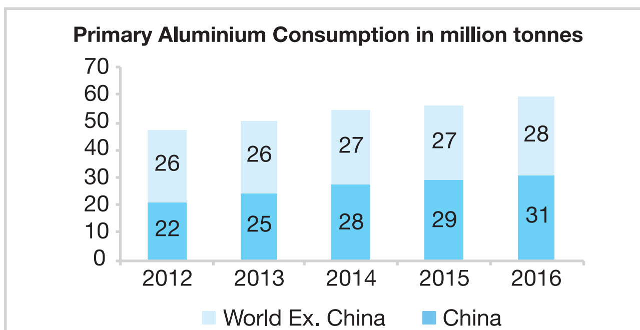
In line with its commitment, the Company will continue to focus on strengthening the balance sheet by accelerating deleveraging and prudent capex spending in high return based projects mostly in downstream. However, there are concerns pertaining to continued low cost imports in Aluminium and Copper segments which is hurting the domestic players in India. Further, there is an increase in domestic Aluminium production in India. Also if China does not implement its supply-side reforms and environmental-led closures, it may end up with higher production, which may lead to moderation in Aluminium prices. The Company continues to keep a close watch on price movement and availability of major inputs like Caustic Soda, Pet Coke, Pitch, Furnace Oil and Coal, which can impact the cost of production.

Business Performance Review:

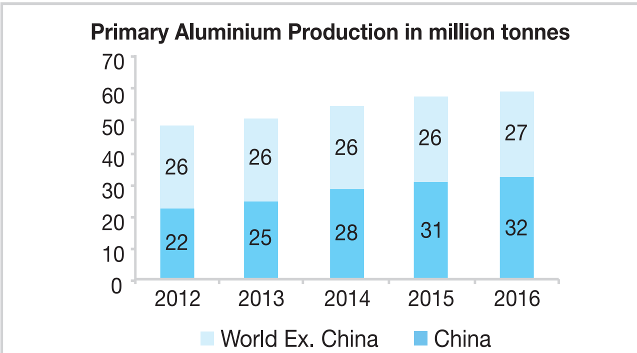
Aluminium India

Industry Review:

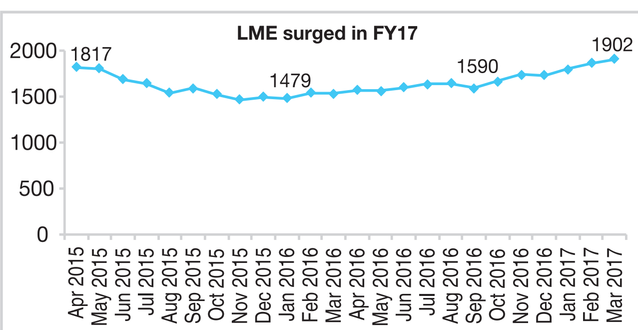
Global primary aluminium consumption touched around 60 million tonnes, thus witnessing a growth of 5.0 percent in CY16 compared to a growth of 4.0 percent in Calendar Year 2015 (CY15). Demand growth in China witnessed a marginal recovery, growing at 7.0 percent in CY16 from 6.0 percent in CY15, due to stimulus provided by the government. China continued to be the largest consumer of the metal, accounting for more than 50 percent of the total global consumption. Global consumption, excluding China (i.e. ROW) also accelerated from a marginal growth of around 1.0 percent in CY15 to around 3.0 percent in CY16. Regions like Japan (up by 3.0 percent) and Europe (up by 3.0 percent) were major drivers of demand in CY16 whereas, demand growth in North America marginally moderated to around 1.8 percent in CY16 from 2.5 percent in CY15.



On the other hand, the growth in global primary aluminium production significantly moderated to around 3.5 percent in CY16 from 5.5 percent in CY15. Large-scale production curtailment in the U.S. was the major cause of the production slowdown in CY16. China also faced moderation in the beginning of the year, but recovered as the year progressed, on account of strong government stimulus. On the contrary, production in ROW grew from around 1.8 percent in CY15 to around 2.4 percent in CY16, on the back of production recovery from Central & South America, Russia and Canada.



In the Indian market, primary aluminium production maintained robust growth momentum for the third consecutive year in a row. In FY17, production registered a growth of 17 percent as compared to 19 percent in FY16 and 18 percent in FY15. However, primary producers' share in domestic market sales reduced to 47 percent in FY17 from 49 percent in FY16. Overall aluminium consumption growth in India moderated to 1.5 percent in FY17 as against a growth of 14 percent in FY16. Disaggregating the demand at sectoral level, only transport sector witnessed a growth of around 15 percent in FY17, whereas, rest of the sectors registered slow demand growth during the same period. On the other hand, imports touched 1.8 million tonnes in FY17 (up by 5.0 percent) including 931 KT of scrap and 247 KT from FTA countries as against 1.7 million tonnes including 867 KT of scrap and 212 KT from FTA countries in FY16. Moreover, in value added and downstream segments, Indian market continued to be under pressure from low cost imports from China.



In FY17, LME was on an upward trend as compared to FY16. The trend was supported by firm global demand, acceleration in cost of production driven by higher coal and alumina prices. Further, Chinese cost escalations accentuated due to logistical bottlenecks, which impacted local availability of raw materials like coal and alumina. Post the U.S elections, LME prices in aluminium witnessed a rally due to expected boost on infrastructure development by the new President. In Q4FY17, further rally in LME was majorly driven by announcement of environment-led closures and supply side reforms by the Chinese government.

Premiums in FY17 remained at low levels, in September 2016 premiums fell to a record low versus the past few years. However, premiums started to recover from November 2016 due to supportive demand, price outlook and low inventory level in LME warehouses.

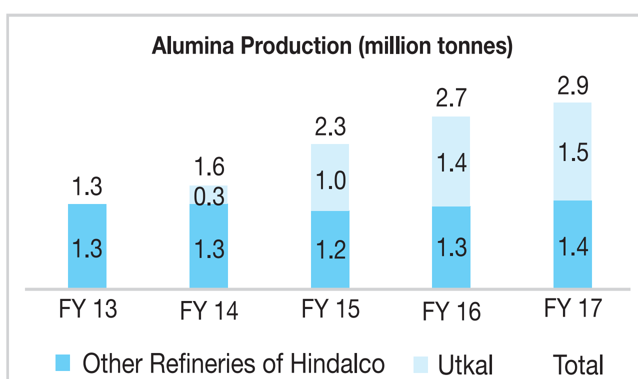
Operational Review:

The Company's operational performance was indeed commendable. All the three new manufacturing units operated at their designed capacities, yielding planned efficiency and productivity gains, improving the competitive strength of the Company's core operations. The Utkal Alumina continues to be one of the lowest cost refinery in the world. During FY17, the Company produced record aluminium metal at 1.3 million tonnes up 12 percent and alumina at 2.9 million tonnes up 8 percent.

The Company secured around 5 million tonnes coal in the linkage auctions concluded in FY17. The additional quantity secured through such new linkages is about 30 percent of its annual coal requirement. Overall, two-thirds of the Company's annual coal requirements are now secured through various long-term linkages and captive coal mines. In FY17, Gare Palma IV/4 Coal Mines and Gare Palma IV/5 Coal Mines reached their peak capacity. The operations at Kathautia Mines also commenced in February 2017.

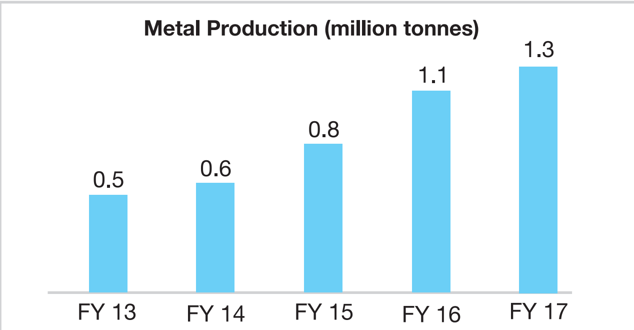
Alumina:

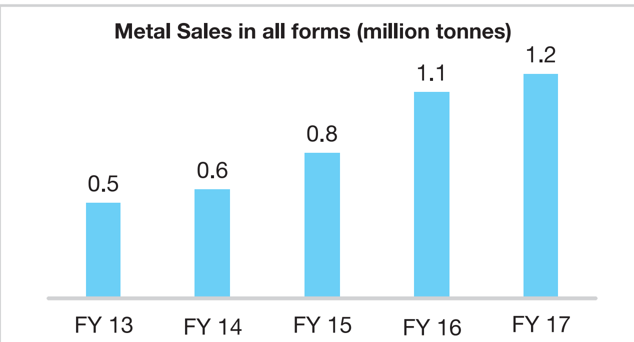
Alumina production at 2.9 million tonnes was 8 percent higher than that in the previous year. Utkal Alumina produced 1.5 million tonnes of alumina during the year and is amongst the lowest cost alumina producers globally.



Primary Metal:

In FY17, Primary aluminium production increased by 12 percent to 1.3 million tonnes. This increase was primarily on account of higher production from Mahan and Aditya smelters, which together contributed 0.7 million tonnes of metal production this year.





Value Added Products (VAP including Wire Rod and excluding foil):

Value added downstream production (including wire rods and excluding foil) grew by 14 percent over last year to 481 KT. This growth was in line with the Company's focussed strategy of value maximization.

Financial Review:

(₹ Crore)

Description	FY17	FY16	% Change over FY16
Revenue	19,983	18,363	9%
EBITDA	3,473	2,009	73%

Revenue for standalone aluminium business increased by 9 percent to ₹ 19,983 Crore vis-à- vis ₹ 18,363 Crore in the previous year. This achievement was primarily on the back of higher sales volume and favourable macro-economic factors. Higher proportion of value added products and speciality alumina also contributed to increase in revenue. The standalone Aluminium EBITDA was ₹ 3,473 Crore in FY17, up 73 percent compared to ₹ 2,009 Crore in the FY16. The increase was driven by moderation in input costs (particularly coal, alumina and carbon products), higher volumes, improved and stable plant operations and supportive macro factors.

Outlook:

Global aluminium industry is expecting further recovery in demand as major economies across the world showed signs of revival in CY16. Global demand excluding China (ROW) is likely to grow by around 4.0 percent in CY17, mainly driven by recovery in the U.S and European consumption activities.

Impact on growth due to tightening of credit policy by China was not visible in initial months of CY17 as industrial activities supported aluminium consumption. Construction, housing and auto demand may get impacted by credit tightening in the later part of CY17. However, new infrastructure projects may provide support to demand generation.

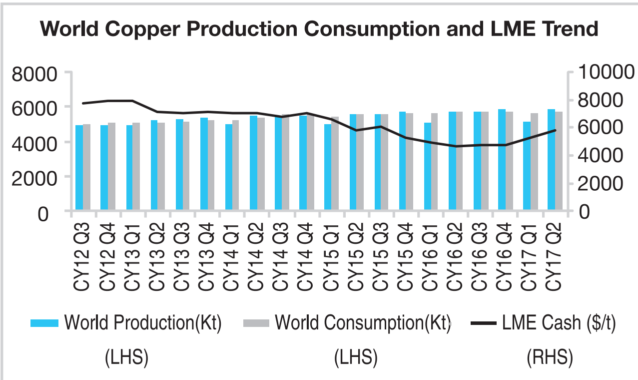
On the production side, in spite of environmental led closure and supply side reforms in China, production is likely to register steady growth in CY17, due to capacity ramp-ups and restarts of smelters. Global production excluding China (ROW) is expected to grow by about 2 percent in CY17. Overall global market is likely to be in surplus driven by excess Chinese production in CY17. However, deficit may widen further in the world excluding China (ROW), as demand is likely to surge during the same period.

In India, given the strong base, demand from user industries is expected to improve with increase in economic activities in FY18. Power sector is likely to be the major demand driver among the user industries. Effective implementation of reforms in China will be the major key driver of LME movement in FY18. Other than Chinese reforms, global inventory level, input cost, exports from China and USD exchange rate movement may influence LME price during FY18.

Copper

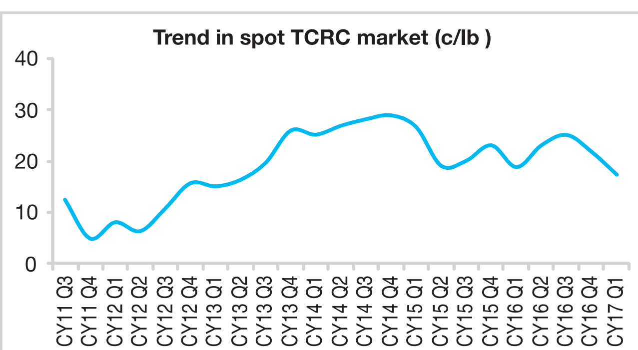
Industry Review:

The LME price of copper in first half of CY16 was subdued. However, with the surge in Chinese sentiments, supply disruption in the period from July 2016 to September 2016 and expected boost on infrastructure spending in U.S supported copper LME in Q4 CY16.



Refined copper consumption growth recovered from a dismal growth of around 1.2 percent in CY15 to around 2.5 percent in CY16, majorly driven by Chinese consumption. In CY16, consumption in China registered a growth of around 4.5 percent as against a growth of 3.8 percent in CY15 on account of demand generated from power sector, air conditioning industry and auto sector. Global growth excluding China (ROW) recovered from a decline of around 0.9 percent in CY15 to a marginal growth of 0.7 percent in CY16. Recovery in demand was witnessed in Asia excluding China, North America and Europe whereas, demand in Brazil and Russia continued to decline in CY16.

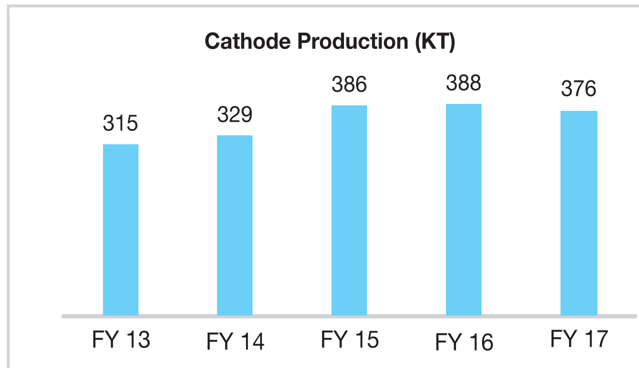
Demand growth in domestic market declined by 3.0 percent in FY17 as compared to a growth of 18 percent in FY16. The decline in overall demand was majorly driven by the sluggish economic activities especially industrial sector in second half of FY17.

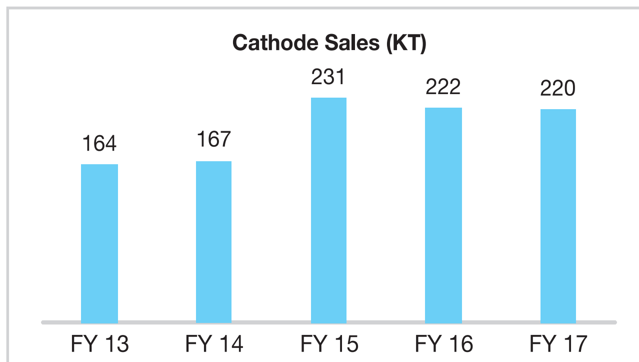


On the supply side, total mines production touched 20 million tonnes in CY16 as compared to around 19 million tonnes in CY15 on account of more than expected ramp-up activities in new mines of Los Bambas and Cerro Verde situated in Peru. However, mines disruption in July 2016 to September 2016 period dented robust growth of production in CY16. As a result, Treatment and Refining Charge (TC/RC) came under pressure in Q4 CY16.

Operational Review:

The Copper Business continued to deliver robust operational performance; during FY17 cathode production was at 376 KT, as compared to 388 KT in FY16. The dip in Cathodes production was mainly due to planned shutdown in both the smelters.





Copper Rods production was down by 5 percent as compared to last year mainly on account of subdued demand and downtime due to machine up-gradation during the year.

Production of Di-Ammonium Phosphate (DAP) was lower by 7 percent as compared with the previous year, mainly due to a planned shutdown.

Financial Review:

Revenue for copper segment was up 6 percent vis-à-vis the previous year, at ₹ 19,400 Crore as the overall realization was higher. EBITDA stood at ₹ 1,456 Crore, slightly lower than the previous year, impacted by lower volumes due to planned shutdown, lower by-products realization and marginally lower TC/RC, partly offset by lower input cost.

(₹ Crore)

Description	FY17	FY16	% Change over FY16
Revenue	19,400	18,350	6%
EBITDA	1,456	1,467	-1%

Outlook:

Despite revival in major economies, the overall demand of refined copper is expected to grow at 1.8 percent in CY17 due to rolling back of stimulus by Chinese government; Chinese consumption is around 48 percent of global consumption. Refined copper consumption growth in China is expected to be 2.9% in CY17 and deficit is expected to be flat at 2.7 million tonne.

On supply front, mine production in CY17 is expected to remain at CY16 level as there were series of disruption in major mines in Q1CY17 and there may be minor disruptions in the remaining period of CY17.

In the domestic market, demand is likely to gather pace and is expected to grow around 7.0 percent in FY18. The thrust on power and infrastructure sectors will support demand in FY18 and in the medium to long run, emphasis on electric vehicles will provide an additional boost to copper demand.

Novelis

Industry Review:

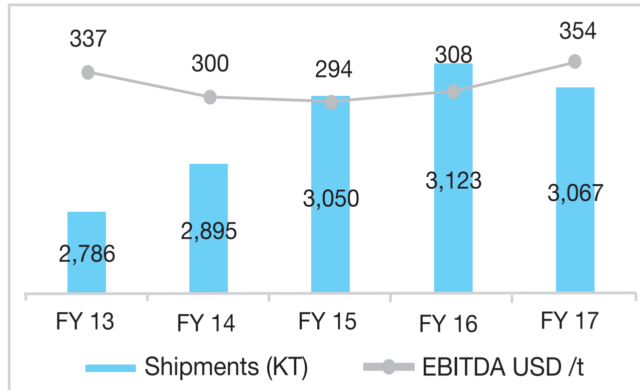
Economic growth and material substitution continue to drive global demand for aluminium and rolled products. However, slower economic growth in Brazil has muted the beverage can demand. Global can-sheet overcapacity, increased competition from Chinese suppliers of flat rolled aluminium products and customer consolidation are also adding downward pricing pressures in the can sheet market.

Meanwhile, demand for aluminium in the automotive industry continues to grow. This is primarily driven by the benefits that result from using lighter weight materials in vehicles, as companies respond to government regulations, which are driving improved emissions and better fuel economy, while also maintaining or improving vehicle safety and performance. We expect the automotive aluminium market to grow significantly through the end of the decade, which has driven the investments made by Novelis in automotive sheet finishing capacity in North America, Europe and Asia.

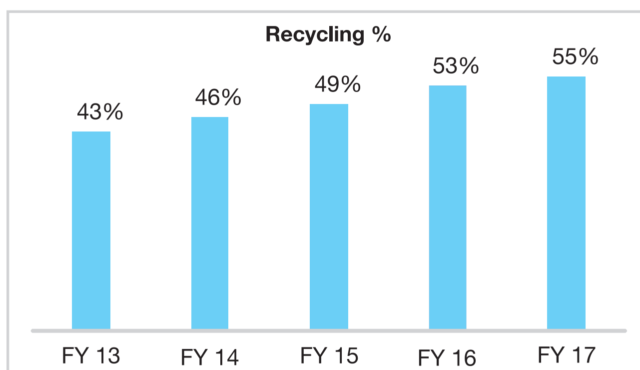
Operational Review:

FY17 was a remarkable year for Novelis. Operational efficiencies and strategic product shift supported record results and automotive shipments.

During the year, total FRP shipment declined by 2 percent over previous year to 3,067 KT impacted by lower can stock shipment on account of weaker economic conditions and demand in Brazil and the Middle East. However, the overall EBITDA per tonne improved due to change in sales mix with share of auto products increasing from 15 percent in FY16 to 18 percent in FY17 and operational efficiencies.



Novelis' thrust on sustainability and recycled aluminium is unparalleled. Novelis invested significantly in recycling initiatives and developed high tech recycling capabilities, expanded aluminium scrap buying footprints globally, widened scope of recycled scrap that can be used and developed close loop recycling systems with end users to improve efficiencies. Novelis has now increased inputs from recycled material from 53 percent in FY16 to 55 percent in FY17.



In FY17, Novelis signed an agreement with next generation car company NIO to provide innovative Aluminium solutions for its fleet of smart, high-performance, premium aluminium-intensive electric vehicles to be launched over the next five years.

Financial Review:

(USD Million)

Description	FY17	FY16	% Change over FY16
Net Sales	9,591	9,872	-3%
Adjusted EBITDA	1,085	963	13%
Net Income/(loss)	45	(38)	

Revenues decreased marginally to USD 9.6 billion in FY17 on account of a slight decline in shipments to

3,067 KT. Novelis registered a record Adjusted Annual EBITDA (excluding metal price lag) of USD 1.1 billion in FY 17, up 13 percent over the previous year. This strong performance was driven by focused strategy to improve operational efficiencies and increase shipments of premium products, resulting in FY17 net income of USD 45 million. It also recorded a free cash flow of USD 361 million which is more than double that of the previous year.

Outlook:

Novelis is prepared and positioned to overcome headwinds arising from can-stock market overcapacity and customer consolidation through continued favourable mix shift as automotive shipments increase further operational efficiencies and metal cost management. Demand for Aluminium Auto Sheet is expected to continue to be robust.

Standalone and Consolidated Financial Review and Analysis:

(₹ Crore)

Description	Standalone		Consolidated	
	FY17	FY16	FY17	FY16
Revenue from Operations	**39,383**	**36,713**	**1,02,631**	**1,01,202**
Earning Before Interest, Tax and Depreciation (EBITDA)				
Aluminium	3,473	2,009	4,033	2,654
Copper	1,456	1,467	1,438	1,588
Novelis			7,194	5,039
Others (including other income)	890	849	894	723
Total EBITDA	**5,819**	**4,325**	**13,558**	**10,004**
Depreciation, amortization and impairment	1,428	1,282	4,468	4,507
Finance Cost	2,323	2,390	5,742	5,134
Earning before Exceptional Items and Tax	**2,068**	**653**	**3,348**	**362**
Exceptional Income/ (Expenses) (Net)	85	-	(8)	(577)
Profit Before Tax	2,153	653	3,340	(214)
Tax	596	99	1,433	498
Profit/ (Loss) After Tax (attributable to the owners of the Company)	**1,557**	**552**	**1,900**	**(251)**

Standalone financial statement:

Revenue

- Hindalco's standalone revenue in FY17 stood at ₹ 39,383 Crore as compared with ₹ 36,713 Crore in FY16 mainly to due increase in Aluminium volume and realization.

EBITDA

- The company achieved a record standalone EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) of ₹ 5,819 Crore, up 35 percent as compared to the previous year. The robust performance was achieved on the back of higher Aluminium volumes with favourable macros and stable plant operations with lower input cost across businesses. Other Income at ₹ 890 Crore in FY17 was higher as compared to ₹ 849 Crore in FY16, up by 5 percent mainly due to higher treasury corpus and improved yields.

Finance Cost

- Finance costs reduced from ₹ 2,390 Crore in FY16 to ₹ 2,323 Crore in FY17 (reduction by 3 percent) mainly due to pre- payment of a term-loan.

Depreciation, amortization and impairment

- Depreciation stood at ₹ 1,428 Crore in FY17 as compared to ₹ 1,282 Crore in FY16 up 11 percent, due to progressive capitalization.

Exceptional Income/ (Expense)

- Exceptional Income of ₹ 85 Crore in FY17 consists of gain of ₹ 145 Crore from sale of ABML investment and a provision of ₹ (60) Crore on account of a retrospective amendment in the regulations relating to the date of applicability of the levy of contribution to District Mineral Foundation on coal purchased by the Company.

Taxes

- Provision for tax was at ₹ 596 Crore in FY17 as compared to ₹ 99 Crore in FY16 on account of higher earnings.

Net Profit

- Net profit stood at ₹ 1,557 Crore in FY17, up by 182 percent as compared to ₹ 552 Crore in FY16.

Consolidated Financial Statement:

Revenue

- Hindalco's consolidated revenue stood at ₹ 102,631 Crore in FY17, up by 1 percent as compared to ₹ 101,202 Crore in FY16.

EBITDA

- The Company achieved a record consolidated EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) at ₹ 13,558 Crore, up by 36 percent as compared to FY16. The robust performance was achieved on the back of higher volumes supported by favourable macro at Indian Aluminium operations and strong performance by Novelis helped by improved product mix and higher recycling volumes.

Finance Cost

- Finance cost increased from ₹ 5,134 Crore in FY16 to ₹ 5,742 Crore in FY17 due to debt extinguishment cost of around ₹ 900 Crore at Novelis arising on refinancing of long term debt. Excluding debt extinguishment cost, interest cost has come down due to prepayment of a term loan at Hindalco standalone business and lower interest rates at Novelis as a result of refinancing of its long term debts.

Depreciation, amortization and impairment

- Depreciation and amortization (including impairment) decreased from ₹ 4,507 Crore in FY16 to ₹ 4,469 Crore in FY17.

Exceptional Income/ (Expense)

Exceptional Expense reduced to ₹ (8) Crore in FY17 as compared to ₹ (577) Crore in FY16, mainly due to impairment of fixed assets and inventory at ABML in the previous year.

Taxes

- Provision for tax was at ₹ 1,433 Crore in FY17 as against ₹ 498 Crore in FY16 mainly due to increase in overall profitability.

Net Profit / (Loss)

- Consolidated net profit for the year was ₹ 1900 Crore in FY17 as against loss of ₹ (251) Crore in FY16.

The following table sets forth a summary of our cash flows for the periods indicated:

(₹ Crore)

	Particulars	Standalone Year ended 31/03/2017	Standalone Year ended 31/03/2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Operating Cash flow before working capital changes	5,005	3,295
	Changes in working capital	785	733
	Cash generated from operations	5,790	4,028
	Payment of Direct Taxes	108	(387)
	Net Cash generated/ (used) -Operating Activities (a)	**5,898**	**3,641**
B.	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Net Capital Expenditure	(999)	(1,225)
	Proceeds from/Repayment of treasury instrument (Net)	(569)	(912)
	Investment / Loans in subsidiaries/disposal of Investment	(55)	(100)
	Proceeds/(repayment) of loans and deposits (Net)	(85)	577
	Interest and dividends received	468	609
	Net Cash generated/ (Used) - Investing Activities (b)	**(1,241)**	**(1,050)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Equity Raised	3,313	0
	Net Debt Inflows	(1,340)	(333)
	Interest & Finance Charges	(2,319)	(2,374)
	Dividend Paid (including Dividend Distribution Tax)	(239)	(223)
	Net Cash generated/ (Used) - Financing Activities (c)	**(584)**	**(2,931)**
	Net Increase/(decrease) in Cash and Cash Equivalents (a) +(b) + (c)	**4,074**	**(341)**

Standalone Cash flow

Cash from operations was significantly higher at ₹ 5,898 Crore in FY17 as compared to ₹ 3,641 Crore in FY16 on account of higher EBITDA and tax refund received during FY17. The above cash flow statement also reflects the proceeds of the equity issuance and accelerated repayment of term loans during the year.

The overall consolidated cash flow also improved with Novelis generating cash flow of USD 361 million.

Risk management

Hindalco's financial performance is significantly impacted by fluctuations in prices of Aluminium, exchange rates and interest rates. The Company takes a very structured approach to the identification and quantification of each such risk and has a comprehensive risk management policy. The company has also put in place an elaborate ERM (Enterprise Risk Management) framework.

Internal Controls

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

Sustainability

Both Aluminium and copper are widely used metals with bright consumption prospects. The recent Emphasis on greenhouse emissions have brought in new game-changing concepts such as light weighting in the automobile industry further augmenting the consumption growth. The Company's business portfolio is geared to ride on these changing patterns and today boasts of a de-risked portfolio through a strong accent on conversion businesses.

By virtue of being a strong player in the downstream aluminium industry in India, the company also has a strong commitment towards product development. The Company has developed several pioneering applications in the Indian context and Novelis is the global leader in FRP space. Sustained access and availability of resources is critical to the businesses of the company. The Company follows a holistic approach to address the multi-dimensional facets of resource sustainability throughout the value chain. As it continues to serve the increased demands of the society for sustainable metals, it recognizes the limited availability of resources and impacts of resource extraction. The Company has identified climate, water, raw material and regulatory risks while considering its future sustainability framework. In this regard, the sustainability efforts comprise energy optimization, water conservation, social forestry, recycling of waste generated and safety amongst others. The Company's mining practices, regeneration activities and community engagement are aimed at minimising the environmental impact with a focus on improving socio economic life. Improving operational efficiencies, adoption of technological advances are important for efficient use of raw materials. The Company believes that systems and work practices are critical in conserving resources, energy and environment and ensuring and improving health and safety standards. Aluminium is a 100 percent recyclable metal and does not degrade in quality on recycling. The Company's wholly owned subsidiary Novelis presently uses 55 percent of input in the form of recycled scrap against 51 percent used during the last year. Novelis has invested in major recycling initiatives, including advanced equipment and technology to process diversified scrap. The Copper business also has a focused approach on recycled materials. The Company continues to maintain its thrust on inclusive growth, stemming from the belief in triple bottom line accounting and trusteeship management concept encompassing economic, environmental and social wellbeing. The Company has carried out several projects aimed at development of neighbouring communities and society. The focus areas are health care, education, sustainable livelihood, infrastructure and social reform.

Safety

As a responsible corporate citizen, Company is dedicated to human health & safety, conservation of natural resources & the environment. The Company's plants and mines follow the environmental, health and safety management standard that integrates environment and safety responsibilities into everyday business. The focus of these efforts is to make Hindalco the safest company and to go for "zero harm" to its employees, community & environment. Hence Safety is considered as core value all across Hindalco and initiatives to help achieve this ambition and to be the benchmark within the industry are underway. Extensive work is in progress to ensure risk control in important areas like mining activities, road traffic management and contractor management. In order to build a sustainable safe work place environment, a common health and safety management system across the company is being implemented. This includes implementation of world class safety standards, organisational safety competency and capability improvement, safety leadership development, a cross auditing activity to enhance sharing experiences and sharing best practices across Hindalco.

Human capital

Aditya Birla Group is one of the preferred employers in the country. It is a name to reckon within the field of human resources. Since last few years, the Group has been able to establish world class HR Practices and has been successful in passing the benefits of these HR practices to the last man standing in the organisation. Due to people oriented HR processes, the Group has been able to attract and retain the best of talents across functions. At Aditya Birla Group, all employees have opportunities to fulfil their professional and personal aspirations. In the last few years, for its people practices, the Group has got several accolades from the global agencies like AON Hewitt, Fortune, SHRM etc. The People Oriented Best HR Practices enables the Group to attract and retain the best of available talent.

People are the most valuable resource of the company and it is ensuring that all the HR systems, the processes and practices are enabling people to grow professionally and personally. As on 31 March 2017, Hindalco is managing a pool of around 23,700 people in India and around 11,000 people outside India. Hindalco has well laid down HR processes like talent management, employee engagement, performance management, rewards and recognition. Line and HR Managers are fully equipped and are duly supported for robust implementation of the people practices.

Training and Development

The Learning and Development function is well integrated with the overall HR Function and the business objectives. Across locations, the Company has full-fledged learning infrastructure to support its learning objectives. The Company's strategy aims at equipping all our people across Units with business linked knowledge, technical and behavioural improvement based learning events. For the leadership development, the company works closely with 'Gyanodaya-Aditya Birla Group's Learning University' that provides relevant and current knowledge and competency based learning opportunities along with e-learning programs.

Cautionary Statement

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

DIRECTORS' REPORT

Dear Shareholder,

Your Directors have pleasure in presenting the 58th Annual Report and the audited standalone and consolidated financial statements of your company for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

₹ Crore

	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Revenue from Operations	**39,383**	**36,713**	**1,02,631**	**1,01,202**
Other Income	1,005	979	1,111	1,189
Profit Before Interest, Tax Depreciation and Amortisation (PBITDA)	**5,819**	**4,325**	**13,558**	**10,004**
Depreciation	1,428	1,282	4,469	4,507
Finance Costs	2,323	2,390	5,742	5,134
Profit before Exceptional Items and Tax	**2,068**	**653**	**3,348**	**362**
Share of Equity Accounted Investments			(25)	172
Profit before Exceptional Items and Tax	**2,068**	**653**	**3,323**	**534**
Exceptional Items	85	-	(8)	(577)
Profit before Tax	**2,153**	**653**	**3,315**	**(43)**
Tax Expenses	596	99	1,433	498
Profit/ (Loss) for the period from Continuing Operations	**1,557**	**554**	**1,882**	**(541)**
Profit/ (Loss) from Discontinuing Operations	0.5	(2.0)	0.5	(161)
Profit/(Loss) for the Year	**1,557**	**552**	**1,882**	**(702)**
Other Comprehensive Income (Loss)	536	(1,373)	(18)	2,557
Total Comprehensive Income	**2,093**	**(821)**	**1,864**	**1,855**
Basic EPS – Rupees from Continuing Operations	**7.55**	**(0.63)**	**9.22**	**(4.15)**

Appropriations to Reserves

(₹ Crore)

Appropriations	**2016-17**	**2015-16**
Opening Balance in Retained Earnings and Other Comprehensive Income	7,143	8,322
Total Comprehensive Income for the Current Year	2,093	(821)
Realised Gain/(Loss) on Equity FVTOCI recyled in Equity	-	15
Dividends paid	(239)	(223)
Transferred to Debenture Redemption Fund	(150)	(150)
Closing Balance in Retained Earnings and Other Comprehensive Income	8,847	7,143

Dividend:

For the year ended 31st March, 2017, the Board of Directors of your Company has recommended dividend of ₹ 1.10 per equity share (Previous year ₹ 1 per equity share) to equity shareholders.

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

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

OVERVIEW AND STATE OF THE COMPANY'S AFFAIRS:

Standalone Full Year Highlights

Hindalco registered Revenues of ₹ 39,383 crore for the fiscal year 2017. PBITDA (Profit before Interest, Tax, Depreciation and Amortisation) was ₹ 5,819 Crore, up 35 percent compared to the previous year, supported by lower input cost, higher aluminium volumes and realization. Depreciation was up by 11 percent due to progressive capitalization. Interest expense was lower by 3 percent mainly on account of prepayment of loan. Net Profit for the fiscal year 2017 stood at ₹ 1,557 crore, registering a growth of 182 percent versus previous year.

Consolidated Full Year Highlights

Hindalco's consolidated Revenue stood at ₹ 102,631 Crore for the fiscal year 2017. It attained a record consolidated EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) at ₹ 13,558 crore, up 36 percent as compared to the earlier year. The robust performance was supported by stable operations across businesses. For the fiscal year 2017, net profit stood at ₹ 1,882 crore.

For detailed analysis, refer Management Discussion and Analysis.

Key Initiatives

The Company successfully raised USD 500 million through Qualified Institutional Placement (QIP) in March 2017. This is the largest non-bank QIP in the last two years. There was a strong participation from FIIs and long- only investors, generating demand in excess of USD 1.5 billion (3x subscription). The QIP was priced at zero discount to the previous day's closing share price.

In line with the purpose of the issue, the Company used the cash proceeds from QIP towards prepayment of ₹ 4,505 crore of long term loan in April 2017 – till date the total prepayment stands at ₹ 5,536 crore.

During the fiscal year 2017, Novelis refinanced its USD 2.5 billion Senior Notes and USD 1.8 billion Term Loan. As a result, annual cash interest savings of USD 79 million has been achieved along with an extended debt maturity profile for the senior notes.

Further, Novelis entered into a JV agreement with Kobe Steel in May 2017 to sell 50 per cent of ownership interest in Ulsan, South Korea facility for USD 315 million. This venture, named Ulsan Aluminium Limited, will provide synergies to both the high-quality partners.

During the year, Hindalco also divested its stake in Aditya Birla Minerals Limited, Australia.

HUMAN RESOURCES:

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

RESEARCH AND DEVELOPMENT

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

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

Your Company already operates two Hindalco Innovation Centres (HIC), one HIC-Alumina at Belagavi working on R&D of bauxite, alumina and specialty alumina products, and one HIC-SemiFab located at Taloja, near Mumbai, working in the area of aluminium fabricated products. In addition, your company engages the Aditya Birla Group's corporate research and development centre, Aditya Birla Science and Technology Company Private Limited ("ABSTCPL"), for conducting R&D in select areas of work through chartered R&D projects. These are based on the domain expertise and R&D facilities available in ABSTCPL. The engagement has resulted into some patent applications, which have been and will be assigned to your company on the grant of the patent. ABSTCPL's forte of having multidisciplinary teams of technical experts, scientists and engineers, enables your company to develop building competencies in select areas, as a long term value to business.

AWARDS & RECOGNITIONS

Several accolades have been conferred upon your Company, in recognition of its contribution in diverse field. A selective list:

Central Logistics

Hindalco Central Logistics Cell recognised with the Economic Times Award for Supply Chain Management & Logistics and the Express Logistics & Supply Chain Leadership award for excellence in manufacturing supply chain engineering and logistics.

Mahan Aluminium

National Energy Conservation Award presented by the Bureau of Energy Efficiency, Ministry of Power, Government of India.

Rashtra Vibhushan Gold Award presented by the Foundation for Accelerated Mass Development (FAME), for exemplary initiatives in the field of sustainable livelihood for socio-economic development of the community around the unit.

Global CSR Excellence & Leadership Award for initiatives in community development.

India CSR Award towards sustainable livelihood initiatives for the rural community around the unit.

IDA Award presented for exemplary work in the field of “Primary & Adult Education.”

Aditya Aluminium

India CSR Award for initiatives under livelihood creation.

CII Eastern Region Award for Safety Health & Environment (SHE) with 3 Star Rating.

CII Eastern Region Productivity Award 2016 - First Prize for significant improvement in productivity.

Renukoot Aluminium Complex

BT-CSR Award presented by Bureaucracy Today and presented by Mr. Anant Geete, Union Minister, Ministry of Heavy Industries & Public Enterprises.

Hirakud Smelter & Power

Rashtra Vibhushan Gold Award 2016-17 for Excellence in Environment Protection presented by the Foundation for Accelerated Mass Development (FAME), New Delhi.

Environment Health & Safety (ESH) Award (2nd Runners Up) 2016 presented to Hindalco Hirakud Power by the CII,Odisha at the 12th State Level Competition on Best Practices in Environment, Safety and Health (ESH).

Muri Alumina

Greentech Gold Award for outstanding achievement in environment management in chemicals sector.

CII Eastern Region Award for Safety Health & Environment (SHE) with 3 Star Rating.

Taloja FRP

Silver Award presented by National Awards for Manufacturing Competitiveness (NAMC) 2016-17.

Maharashtra State Energy Development Agency (MEDA) Energy Conservation Award for 2015-16.

Dahej Copper Complex

India CSR Award for continuous effort in covering a large number of beneficiaries year on year under the unit’s ‘Education for All’ initiative.

BT-CSR Excellence 2016 Award for promoting education, under Dahej’s ‘Education for All’ programme covering 69 adopted villages in Bharuch district and reaching out to 85 primary and secondary schools covering over 16,000 students.

FICCI CSR Award 2016 - Recognition for Commendable CSR Work Done by Birla Copper for Rural and Community Development.

Champion of the Champions Trophy in the “Energy Vertical” of GHKC & GreEnv Contest 2016-17.

Annual Excellence Award Certificate of Excellence 2015-16 presented by Container Corporation of India, for having achieved first position as Exporter at ICD Ankleshwer.

Belagavi Alumina

National Gold Award for Manufacturing Competitiveness (NAMC) 2016 for its world class manufacturing process and efficient working methodologies.

Second prize for “Safe Boilers” in Mega industries category, awarded by Department of Factories, Government of Karnataka.

Second prize for “Best Safe Industry” in Mega industries category, awarded by Department of Factories, Government of Karnataka.

Alupuram Extrusions

CII - EXIM award for business excellence 2016 for displaying ‘Strong Commitment to Excel’ on the journey towards Business Excellence.

Gare Palma Coal Mines

Awarded various first and second prizes for Overall safety, Safety Management Plan, E&M, Ventilation, etc., and on Recovery during Zonal Safety and Rescue competitions, organised by the Director General of Mines Safety.

Jharkhand and Chhattisgarh Bauxite Mines

Amtipani Bauxite Mines awarded 4 Star Rating for sustainable development at the National Mining Conclave held at Raipur, presented by Ministry of Mines & Steel, Government of India.

Samri Mines awarded National Safety Award -1st Prize (President's award) for longest accident free period and Responsible Business Award -CSR (*in organizational category*).

Several first and second prizes awarded to various mines for Overall Safety performance, General Working, Engineering (Electrical & Mechanical) and housekeeping, Publicity & Propaganda, Environmental Pollution Control & Plantation, Mine Survey DGMS. First and second prizes were also awarded to various mines on Afforestation, Reclamation & Rehabilitation, Overall Performance etc., by the Indian Bureau of Mines.

West Coast Bauxite Mines

Dhangarwadi Mine won three prizes during the Mines Safety Week, including first prize for overall performance, systematic mines working, drilling, blasting & haul road and second prize for Engineering/ Maintenance. Prizes for mineral conservation, publicity & propaganda during Mines, Environment & Mineral Conservation Week programmes.

Quality Circle Awards

Teams from Hindalco units, Renukoot, Renusagar, Dahej, Hirakud, Taloja among others, earned highest level awards at the Regional and National Quality Circle Conventions, including Gold Awards and Excellence and Par Excellence awards.

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements for the year ended 31st March, 2017 have been prepared by your Company in accordance with the provisions of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, applicable Accounting Standards and the provisions of Listing Regulations and forms part of the full Annual Report.

EMPLOYEE STOCK OPTION SCHEMES:

ESOS – 2006

During the year ended 31st March, 2017, the Company has allotted 4,43,476 fully paid-up equity share of ₹ 1/- each of the Company (Previous year 3,185) on exercise of options under ESOS 2006.

ESOS – 2013:

During the year ended 31st March, 2017, the Company has allotted 9,97,195 fully paid-up equity share of ₹ 1/- each of the Company (Previous year 2,193) on exercise of options under ESOS 2013.

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

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

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

CORPORATE GOVERNANCE

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

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

ABRIDGED ANNUAL REPORT

In terms of the provision of Section 136(1) of the Companies Act, 2013, Rule 10 of Companies (Accounts of Companies) Rules, 2014 and Regulation 36 of the Listing Regulations, the Board of Directors has decided to circulate the Abridged Annual Report containing salient features of the balance sheet and statement of profit and loss and other documents to the shareholders for the Financial Year 2016-17, under the relevant laws.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

b) the accounting policies selected have been applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2017 and of the profit of your company for that period;

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

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

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

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

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

PARTICULARS OF EMPLOYEES:

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 “the Act”, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are to be set out in the Directors’ Report, as an addendum thereto. However, in line with the provisions of Section 136(1) of the Act, the Report and Accounts as set out therein, are being sent to all Members of your Company excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at the Registered Office of your Company. Disclosures pertaining to remuneration and other details as required under section 197(12) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure-III** to the full and Abridged Annual Report.

DIRECTORS:

Board constitution and changes:

Mr. A. K. Agarwala (DIN: 00023684) will retire from office by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

Mr. A. K. Agarwala has given required declaration under Companies Act, 2013.

The Board recommends the reappointment of Mr. A. K. Agarwala. Item seeking your approval is included in the Notice convening the Annual General Meeting.

Brief resume of the director being re-appointed form part of the notice of the ensuing Annual General Meeting.

Independent Directors Statement:

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

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

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

Meetings of the Board:

The Board of Directors of your Company met 6 times during the year details of which are given in the Corporate Governance Report forming part of the full Annual Report.

Annual Evaluation:

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

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

Board members have evaluated Independent Directors, Non executive Directors, Executive Directors, Committee, Board and Chairman. The result of evaluation was satisfactory and meets the requirements of the Company. Board fully agreed and rated 100% on its functioning, skill sets and working atmosphere. Independent Directors scored well on expressing their views and in understanding the Company and its requirements. Non-Executive Directors scored well in understanding the Company and its requirements and keep themselves current on the areas to be discussed. Executive Directors are action oriented and ensures timely implementation of the Board decisions. Board is completely satisfied with the functioning of various Committees. Board has full faith in the Chairman in leading the Board effectively and ensuring contribution from all its members.

AUDIT COMMITTEE:

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

KEY MANAGERIAL PERSONNEL:

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

VIGIL MECHANISM:

Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. Adequate safeguards are provided against victimisation to those who avail of the mechanism and direct access to the Chairman of the Audit Committee is available.

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

AUDITORS

Statutory Auditors

M/s. Singhi & Co are the Statutory Auditors of the Company. Pursuant to the provisions of the Companies Act, 2013, M/s Singhi & Co were appointed as the auditors for a period of three years i.e. from the conclusion of the fifty-fifth Annual General Meeting until the conclusion of the fifty eighth Annual General Meeting of the Company to be held in the calendar year 2017. Pursuant to the provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors in the meeting held on 30th May, 2017, on the recommendation of the Audit Committee, appointed M/s. Price Waterhouse & Co. Chartered Accountants LLP (Registration No. 304026E/E-300009), as the Statutory Auditors of the Company in place of M/s Singhi & Co, the retiring Statutory Auditors, for a period of five years i.e., to hold office from the conclusion of this Annual General Meeting till the conclusion of the Sixty third Annual General Meeting of the Company, to be held in the year 2022, subject to ratification of their appointment by the Members if required at every Annual General Meeting till the Sixty-second Annual General Meeting.

Resolution seeking your approval is included in the Notice convening the Annual General Meeting.

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

Cost Auditors

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company have on the recommendation of the Audit Committee, appointed M/s. Nanabhoy & Co., Cost Accountants, Mumbai as Cost Auditors, to conduct the cost audit of your Company for the financial year ending 31st March, 2018, at a remuneration as mentioned in the Notice convening the Annual General Meeting. As required under the Act, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to Cost Auditors forms part of the Notice of the ensuing Annual General Meeting.

Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed BNP & Associates, Company Secretaries, Mumbai as Secretarial Auditor for conducting the Secretarial Audit of your Company for the financial year ended 31st March, 2017. The Report of the Secretarial Auditors is annexed herewith as **Annexure-V** to the full Annual Report.

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

ENVIRONMENT PROTECTION AND POLLUTION CONTROL

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

CORPORATE SOCIAL RESPONSIBILITY:

In terms of the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee which is chaired by Mrs. Rajashree Birla. The other Members of the Committee are Mr. Jagdish Khattar, Independent Director, Mr. A.K. Agarwala, Non Executive Director, Mr. Satish Pai: Managing Director and Mr. D. Bhattacharya: Non Executive Director. Dr. Pragnya Ram, Group Executive President, Corporate Communication & CSR is a permanent invitee to the Committee. Your Company also has in place a CSR Policy and the same is available on your Company's website viz. www.hindalco.com. The Committee recommends to the Board activities to be undertaken during the year.

Your Company is a caring corporate citizen and lays significant emphasis on development of the communities around which it operates. Your Company has identified several projects relating to Social Empowerment & Welfare, Infrastructure Development, Sustainable Livelihood, Health Care and Education during the year and initiated various activities in neighbouring villages around plant locations. During the financial Year 2016-17 the Company has spent ₹ 28.36 Crores under Section 135 of the Companies Act, 2013 on CSR activities , which represent 2.70 % of average net profits of the Company for last three financial years.

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

RISK MANAGEMENT

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

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

EXTRACT OF ANNUAL RETURN:

In terms of the provisions of Section 92 (3) of the Companies Act, 2013 ("the Act") read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of your Company for the financial year ended 31st March, 2017 is given in **Annexure-VII** to the full Annual Report.

BUSINESS RESPONSIBILITY REPORT

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit is defined by the Audit Committee.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal auditors, the process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

INTERNAL FINANCIAL CONTROL

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

SUBSIDIARY, JOINT VENTURES OR ASSOCIATE COMPANIES:

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

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

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

OTHER DISCLOSURES:

- There were no material changes and commitments affecting the financial position of your Company between end of financial year and the date of report.
- Your Company has not issued any shares with differential voting.
- There was no revision in the financial statements.
- Your Company has not issued any sweat equity shares.
- Mr. Satish Pai is a director on the Board of Novelis Inc, wholly owned subsidiary. He is in receipt of annual fee of US$ 150000 from Novelis Inc in the calendar year 2016. Mr. Praveen Kumar Maheshwari: Whole-Time Director and Chief Financial Officer has not received any commission/ remuneration from your Company's subsidiary Companies.
- There is no change in the nature of business.
- During the year under review, your Company has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2017, there were no deposits which were unpaid or unclaimed and due for repayment.
- There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- There were no frauds reported by the Auditors u/s 143(12) of the Companies Act, 2013.

APPRECIATION

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

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

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

For and on behalf of the Board

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

Mumbai
Dated : 30th May, 2017

Annexure-II

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

A. CONSERVATION OF ENERGY

a. STEPS TAKEN ON CONSERVATION OF ENERGY

- Periodic Energy audit in all units.
- Reduction in steam consumption in Aluminium Refinery units through process optimization and loss reduction.
- Cathode lining optimization and use of new design collector bar in Aluminium Smelter for loss reduction.
- Reduction in DC Power consumption in pots by optimizing pot voltage in Aluminium Smelter.
- Efficiency improvement in Boilers through process optimization.
- Auxiliary power reduction through automation.
- Replacement of Metallic Fan blade of Cooling Towers with FRP blades.
- Rationalization of motor, pump & fan capacities.
- Replacement of inefficient pumps & motors with high efficiency pumps & motors.
- Reduction in line losses through power factor improvement by capacitor installation.
- Installation of translucent roofing sheet/sun pipe light to use more natural light.
- Replacement of conventional light withenergy efficient LED Light.
- Installation of VFD in variable load application.
- Combustion efficiency improvement and loss reduction in Furnaces.
- Compressed Air system efficiency improvement.

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

- Use of biomass as a supplementary fuel in our boilers.
- Use of translucent roofing sheet/Sun light pipe for more use of Natural light and use of turboventilators in place of conventional exhaust fans.
- After successful commissioning of 1 MW solar PV power plant at Alupuram, Kerala unit in FY16, progress has been made for setting up a 30 MW Solar PV Power plant at Aditya Smelter unit, Odisha.

c. THE CAPITAL INVESTMENTON ENERGYCONSERVATION EQUIPMENT& PROJECTS.

The Capital investment on Energy conservation equipment & projects for the year was ₹ 41.1crore.

B. TECHNOLOGY ABSORPTION:

a) Efforts made towards technology absorption

- Developed Special grades of alumina for ceramic, display glass and other applications like fire retardant fillers.
- Research on value added applications of process waste materials like bauxite residue, fly ash etc.
- Successful trials in a group of pots at Hirakud operating at lower specific energy consumption with a new design developed jointly with ABSTC.
- Full commercialization of 8079 grade Aluminum blister laminate foil.
- Development of Can body stock grade rolling ingots and sheets.
- Upgraded existing Copper flash smelter-1 by increase in shaft diameter to increase production.
- New process developed for recovery of Copper from refinery effluent.
- Recovery of unburnt carbon from fly ash using froth flotation method in Dahej.
- Mathematical modelling of pots to study design changes at Mahan and Hirakud smelter jointly with ABSTC.

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

- Increased exports and revenue by production of high purity aluminum (P0610 and P0406) at Aditya and Mahan.
- Cost reduction and import substitution by use of low bulk density AlF_3 in high amperage prebake pots at Aditya and Mahan.
- Trials with use of stepped stub in anodes at Renukoot smelter.
- Beneficiation studies on bauxite ore to reduce silica by physical methods.
- Reduced auxiliary power consumption in Aditya power plant by modifying flue gas duct design, based on CFD.
- Increased use of belt pipe conveyor for coal transfer to Renusagar Power from Krishnashila mines to minimize road movement.
- Developed in-house design and indigenous supplier of mother blanks for Copper refinery.

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

Technology Imported for	Year of Import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reason thereof and future plan of action
Pressure Filtration of bauxite residue at Muri	2014-15	Yes	NA
Flash smelter upgradation at Dahej	2016-17	Yes	NA
Prayon MK 4 Di-hydrate Process at Dahej	2014-15	Yes	NA
Deep bed filtration technology for casting of high end alloys at Hirakud	2016-17	Yes	NA
Test pot trials for upgrade at Hirakud	2016-17	In process	Under evaluation

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

The Company spent ₹ 19.38 Crore for Research and Development during the financial year 2016-17.

C) FOREIGN EXCHANGE EARNINGS & OUTGO

a) **Activities related to exports**

Exports [FOB] during the year were ₹ 15,663 Crore

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

Foreign Exchange used ₹ 16,387 Crore (Excluding Dividend paid in Foreign Exchange)

Foreign Exchange Earned ₹ 15,664 Crore

For and on behalf of the Board

Satish Pai
Managing Director
DIN:06646758

M.M. Bhagat
Independent Director
DIN: 00006245

Mumbai
Dated : 30th May, 2017

Annexure-III

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

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration* of Director/KMP for financial year 2016-17 (₹ in Lakhs)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/to median remuneration of employees
1	Kumar Mangalam Birla	517.84	198.54%	103.36
2	Rajashree Birla	8.47	98.36%	1.69
3	A.K. Agarwala	9.04	69.92%	1.80
4	M.M. Bhagat	14.39	208.80%	2.87
5	Y.P. Dandiwala	11.25	395.59%	2.25
6	K.N. Bhandari	15.25	187.19%	3.04
7	Jagdish Khattar	7.73	169.34%	1.54
8	Ram Charan	2.51	35.68%	0.50
9	D.Bhattacharya^	1,973.74	^	^
10	Girish Dave**	5.10	**	**
11	Satish Pai	1,751.42	25.43%	349.50
12	Praveen Kumar Maheshwari#	368.00	13.23%	73.45
13	Anil Malik	114.00	26.97%	NA

* Remuneration includes commission payable to Non Executive Directors for the year ended 31st March, 2017 which is subject to the approval of the members of the Company. Sitting fees paid to Directors is excluded.

** Was appointed as Independent Director w.e.f 28th May 2016.

^ Mr. D. Bhattacharya was Managing Director till 31st July, 2016 and then was inducted in the Board as a Non Executive Director. On retirement, in addition to the above, he has been paid onetime payout of ₹ 920 Lakhs, Gratuity of ₹ 913.50 Lakhs, Leave encashment of ₹ 762.09 Lakhs. Further the Board has approved pension of ₹ 33.50 Lakhs per month and he has been paid ₹ 268 Lakhs from 1st August, 2016 to 31st March, 2017. As a Non-Executive Director he is paid ₹ 8.43 Lakhs as commission. Due to the aforesaid, his remuneration of FY 2016-17 with FY 2015-16 is not comparable.

\# Mr. Praveen Maheshwari was appointed as Whole time Director w.e.f. 28th May, 2016.

ii The median remuneration of employees of the Company during the financial year was ₹ 5.01 Lacs.

iii In the financial year, there was an increase of 15.17% in the median remuneration of employees.

iv There were 23,679 permanent employees on the rolls of Company as on 31st March, 2017.

v Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 7.4% whereas the increase in the managerial remuneration for the same financial year was 23.13%. (For the purpose of Managerial personnel, Managing Director & Whole Time Director are considered).

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

For and on behalf of the Board

Satish Pai
Managing Director
DIN:06646758

M.M. Bhagat
Independent Director
DIN: 00006245

Mumbai
Dated : 30th May, 2017

Annexure-VIII

Form AOC-1

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

Part "A" - Subsidiaries

Figures INR in Crore & Foreign Currency in Million

Sr.	Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debenture, Bonds & Others	Turnover/ Revenues	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) after Tax	Proposed Dividend	% of Share Holding
1	Minerals and Minerals Limited	India	INR	0.05	1.66	13.25	11.55		30.12	0.82	0.27	0.55		100
2	Renuka Investments and Finance Limited	India	INR	9.25	168.33	179.69	2.11	174.04	9.99	9.70	0.44	9.26		100
3	Renukeshwar Investments and Finance Limited	India	INR	4.79	106.62	111.72	0.30	108.13	6.96	6.96	0.42	6.54		100
4	Suvas Holdings Limited	India	INR	8.30	(0.01)	27.50	19.21		0.06	0.03	0.01	0.03		51
5	Utkal Alumina International Limited	India	INR	3,971.76	(1,167.41)	8,271.98	5,467.63	0.05	2,382.58	(114.18)	-	(114.18)		100
6	Hindalco-Almex Aerospace Limited	India	INR	88.56	(11.38)	83.96	6.78	15.73	52.28	2.38	0.20	2.18		97.18
7	Lucknow Finance Company Limited	India	INR	9.90	7.68	18.69	1.11	8.36	2.90	2.47	0.65	1.82		100
8	Dahej Harbour and Infrastructure Limited	India	INR	50.00	22.71	102.63	0.30	46.80	77.78	47.70	0.16	31.29		100
9	East Coast Bauxite Mining Co.Pvt.Ltd.	India	INR	0.01	(0.03)	0.01	0.02	0.00	-	(0.00)		(0.00)		74
10	Tubed Coal Mines Limited%	India	INR	45.49	(22.91)	22.82	0.24		2.10	1.66	0.31	1.35		60
11	Mauda Energy Limited	India	INR	0.18	(0.18)	0.00	0.00	-	-	0.00	-	0.00		100
12	A V Minerals (Netherlands) N.V. *	Netherlands	INR	10,930.45	(228.24)	10,702.21	-	10,701.04	-	(0.53)	0.00	(0.53)		100
			USD	1,685.24	(35.19)	1,650.05	-	1,649.87	-	(0.08)	0.00	(0.08)		
13	A V Metals Inc # *	Canada	INR	10,166.78	(24.89)	10,141.91	0.02	10,141.91	-	(0.00)	-	(0.00)		100
			USD	1,567.50	(3.84)	1,563.66	0.00	1,563.66	-	(0.00)	-	(0.00)		
14	Novelis Inc. # # *	Canada	INR	10,250.19	(225.40)	65,910.81	55,886.02	-	62,657.05	1,503.99	852.91	651.08	-	100
			USD	1,580.36	(34.75)	10,162.01	8,616.41	-	9,344.29	224.30	127.20	97.10	-	
15	4260848 Canada Inc.*	Canada	INR	795.46	(10.13)	804.84	19.51	-	-	(0.46)	4.79	(5.26)	-	100
			USD	122.64	(1.56)	124.09	3.01	-	-	(0.07)	0.72	(0.78)	-	
16	4260856 Canada Inc.*	Canada	INR	1,193.24	(13.24)	1,193.24	6.32	-	-	-	7.15	(7.15)	-	100
			USD	183.97	(2.04)	183.97	0.98	-	-	-	1.07	(1.07)	-	
17	Novelis South America Holdings LLC *	USA	INR	-	-	-	-	-	-	-	-	-	-	100
			USD	-	-	-	-	-	-	-	-	-	-	
18	Novelis (India) Infotech Ltd. *	India	INR	1.00	1.36	2.43	0.07	-	0.09	0.09	0.03	0.06	-	100
19	Novelis Corporation (Texas) *	USA	INR	-	(8.82)	18.68	27.49	-	24.46	0.35	0.34	0.01	-	100
			USD	-	(1.36)	2.88	4.24	-	3.65	0.05	0.05	0.00	-	
20	Novelis de Mexico SA de CV *	Mexico	INR	0.05	(0.05)	-	-	-	-	-	-	-	-	100
			USD	0.01	(0.01)	-	-	-	-	-	-	-	-	
21	Novelis do Brasil Ltda. *	Brazil	INR	1,987.98	2,974.92	9,897.72	4,934.83	-	10,109.05	1,548.66	(396.62)	1,945.28	-	100
			Reais	958.53	1,434.39	4,772.30	2,379.38	-	4,960.85	759.98	(194.64)	954.62	-	
22	Novelis Korea Limited *	Korea	INR	679.20	(675.18)	9.04	5.02	-	10.23	0.45	0.11	0.34	-	100
			Won	1,16,905.00	(1,16,212.29)	1,556.56	863.85	-	1,753.20	77.32	18.77	58.55	-	
23	Novelis UK Ltd. *	England	INR	1,187.45	599.52	2,641.20	854.22	-	3,401.33	117.41	29.41	87.99	-	59
			Pounds	146.09	73.76	324.94	105.09	-	388.09	13.40	3.36	10.04	-	
24	Novelis Services Limited *	Wales	INR	1,303.75	1,104.92	2,426.70	18.04	-	576.83	345.35	63.28	282.07	-	59
			USD	201.01	170.35	374.15	2.78	-	86.03	51.50	9.44	42.07	-	
25	Novelis Deutschland GmbH *	Germany	INR	772.33	95.36	5,602.44	4,734.76	-	21,585.58	(319.70)	0.03	(319.73)	-	100
			Euro	111.50	13.77	808.82	683.55	-	2,933.77	(43.45)	0.00	(43.46)	-	
26	Novelis Aluminium Beteiligungs GmbH *	Germany	INR	20.78	1,260.80	6,137.42	1,472.06	-	-	(551.38)	(19.90)	(531.48)	-	100
			Euro	3.00	182.02	886.05	212.52	-	-	(74.94)	(2.70)	(72.24)	-	
27	Novelis Switzerland SA *	Switzerland	INR	32.40	2,288.65	3,419.14	1,098.10	-	4,986.40	413.44	76.50	336.94	-	100
			Francs	5.00	353.19	527.66	169.46	-	734.44	60.90	11.27	49.63	-	
28	Novelis Laminés France SAS *	France	INR	21.47	21.66	44.46	1.33	-	4.28	0.33	0.11	0.22	-	100
			Euro	3.10	3.13	6.42	0.19	-	0.58	0.04	0.02	0.03	-	
29	Novelis Italia SPA *	Italy	INR	664.97	(211.08)	892.35	892.35	-	1,256.63	(9.27)	(2.89)	(6.38)	-	100
			Euro	96.00	(30.47)	128.83	128.83	-	170.79	(1.26)	(0.39)	(0.87)	-	
30	Novelis Aluminium Holding Company *	Ireland	INR	637.93	643.65	6,137.42	4,855.84	-	(304.28)	(551.38)	(19.90)	(531.48)	-	100
			Euro	92.10	92.92	886.05	701.03	-	(41.36)	(74.94)	(2.70)	(72.24)	-	
31	Novelis PAE SAS *	France	INR	27.98	100.35	282.17	130.96	-	148.04	16.57	3.67	12.91	-	100
			Euro	4.04	14.49	40.74	18.91	-	20.12	2.25	0.50	1.75	-	
32	Novelis Europe Holdings Limited *	Wales	INR	318.44	2,372.11	4,309.09	1,618.54	-	(4.45)	(139.51)	-	(139.51)	-	100
			USD	49.10	365.73	664.37	249.54	-	(0.66)	(20.81)	-	(20.81)	-	
33	Novelis AG (Switzerland) *	Switzerland	INR	6.48	1,241.67	5,625.80	4,377.61	-	4,224.17	(33.12)	0.29	(33.40)	-	100
			Francs	1.00	191.62	868.20	675.57	-	622.17	(4.88)	0.04	(4.92)	-	

Figures INR in Crore & Foreign Currency in Million

Sr.	Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debenture, Bonds & Others	Turnover/ Revenues	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) after Tax	Proposed Dividend	% of Share Holding
34	Logan Aluminium Inc. (Delaware) * $	USA	INR	0.00	(290.27)	2,268.36	2,558.63	-	2,897.95	3.35	2.61	0.75	-	40
			USD	0.00	(44.75)	349.73	394.49	-	432.18	0.50	0.39	0.11	-	
35	Novelis Holdings Inc. *	USA	INR	-	1,884.68	16,331.75	3,444.07	-	-	21.94	(362.24)	384.18	-	100
			USD	-	290.58	2,518.00	531.00	-	-	3.27	(54.02)	57.29	-	
36	8018227 Canada Inc. *	USA	INR	-	(354.12)	2,281.46	2,635.58	-	-	(115.59)	5.61	(121.20)	-	100
			USD	-	(54.60)	351.75	406.35	-	-	(17.24)	0.84	(18.08)	-	
37	Novelis Acquisitions LLC *	USA	INR	-	-	-	-	-	-	-	-	-	-	100
			USD	-	-	-	-	-	-	-	-	-	-	
38	Novelis Sheet Ingot GmbH (Germany) *	Germany	INR	138.53	-	1,395.11	1,256.58	-	577.95	(70.99)	-	(70.99)	-	100
			Euro	20.00	-	201.41	181.41	-	78.55	(9.65)	-	(9.65)	-	
39	Novelis MEA Ltd (Dubai) *	UAE	INR	5.92	263.71	804.27	534.65	-	1,991.23	146.50	-	146.50	-	40
			USD	0.91	40.66	124.00	82.43	-	296.96	21.85	-	21.85	-	
40	Novelis (Shanghai) Aluminum Trading Company *	China	INR	20.88	80.61	147.84	46.35	-	300.51	7.74	1.93	5.80	-	100
			CNY	22.14	85.47	156.76	49.15	-	301.39	7.76	1.94	5.82	-	
41	Novelis (China) Aluminum Products Co. Ltd. *	China	INR	334.91	(139.77)	1,295.58	1,100.44	-	710.83	(82.15)	21.93	(104.08)	-	100
			CNY	355.11	(148.20)	1,373.72	1,166.81	-	712.90	(82.39)	21.99	(104.38)	-	
42	Novelis Vietnam Company Limited (Vietnam) *	Vietnam	INR	5.94	44.20	63.97	13.84	-	258.09	19.01	0.00	19.01	-	100
			Dong	20,820.00	1,55,032.52	2,24,393.60	48,541.08	-	8,64,292.12	63,669.08	4.87	63,664.21	-	
43	Novelis Services (North America) Inc. *	USA	INR	-	-	40.78	40.78	-	-	-	-	-	-	100
			USD	-	-	6.29	6.29	-	-	-	-	-	-	
44	Brecha Energetica Ltda *	Brazil	INR	0.00	-	0.00	-	-	-	-	-	-	-	99
			Reais	0.00	-	0.00	-	-	-	-	-	-	-	
45	Global Employment Organization (GEO) - Repurpose of Eurofoil and PAE Delaware *	USA	INR	-	1.78	13.42	-	-	-	-	-	-	-	100
			USD	-	0.27	2.07	1.80	-	-	(0.04)	0.01	(0.05)	-	
46	Hindalco Guinea SARL *	South Africa	INR	0.01	(0.01)	0.01	0.01	-	-	(0.00)	-	(0.00)	-	100
			USD	0.00	(0.00)	0.00	0.00	-	-	(0.00)	-	(0.00)	-	
47	Hindalco Do Brazil Industria Comercia de Alumina LTDA *	Brasil	INR	524.19	(431.00)	262.45	169.26	-	254.75	(126.91)	-	(126.91)	-	100
			Reais	150.25	(123.54)	75.23	48.52	-	80.08	(39.89)	-	(39.89)	-	
48	Utkal Alumina Technical and General Services Ltd @	India	INR	0.05	(0.01)	0.04	0.00		-	(0.00)	-	(0.00)		100

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

Subsidiary of AV Minerals (Netherlands) N.V.
Subsidiary of AV Metals Inc.
@ Subsidiary of Utkal Alumina International Limited
% Held for sale as on 31st March, 2017
$ Joint Operation

AUD Average Rate	50.4663
AUD Closing Rate	49.5984
USD Average Rate	67.0538
USD Closing Rate	64.8600

Name of Subsidiaries which have been liquidated/amalgameted/sold of during FY 17	FC to INR			FC to USD		
	Details	Avg for the year	Closing as of 31-March-17	Details	Avg for the year	Closing as of 31-March-17
Novelis Brand LLC (Delaware)**	AUD	50.4663	49.5984	BRL	0.303921	0.319765
Aluminum Upstream Holdings LLC (Delaware)** - Amalgamated into SA	BRL	20.3777	20.7399	CHF	1.012620	0.999051
Alcom Nikkei Specialty Coatings Sdn Berhad**	CAD	51.0893	48.8128	CNY	0.148714	0.145408
Aluminum Company of Malaysia Berhad**	CHF	67.8936	64.7984	EUR	1.097407	1.067950
Al Dotcom Sdn. Berhad **	CNY	9.9710	9.4312	GBP	1.307217	1.253200
8018243 Canada Limited ** - Amalgamated into Novelis Inc	EUR	73.5764	69.2672	JPY	0.009251	0.008984
Novelis Asia Holdings (Singapore) Pte. Ltd.**	GBP	87.6421	81.2826	SEK	0.115411	0.111733
Brito Energetica Ltda**	JPY	0.6202	0.5827	SGD	0.722832	0.715564
Eurofoil Inc. (USA) (New York)**	NOK	8.0300	7.5621	KRW	0.000871	0.000896
ALBRASILIS - Aluminio do Brasil Industria e Comércio Ltda**	SEK	7.7374	7.2470	VND	0.000045	0.000044
Aditya Birla Minerals Limited	SGD	48.4631	46.4114			
Birla Nifty Pty Limited	USD	67.0538	64.8600			
Birla Maroochydore Pty Limited	KRW	0.0584	0.0581			
Birla Resources Pty Limited	VND	0.0030	0.0029			

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

Part-"B" Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Networth to Shareholding as per latest audited balance sheet (₹ in crore)	Profit/Loss for the year			
			No.	Amount of investment (Carrying Value) in Associates/ Joint Venture (₹ in crore)	Extent of Holding% attributable		Considered in consolidation (₹ in crore)	Not considered in consolidation	Description of how there is significant influence	Reason why the associate/ joint venture is not considered
Associates										
1	Aditya Birla Science and Technology Company Private Limited	31-Mar-17	9,800,000	9.80	49.00	13.56	0.18		Note A	
2	Idea Cellular Limited	31-Mar-17	228,646,311	228.65	6.34	92,141.64	(25.35)		Note A	
3	Aluminium Norf GmbH	31-Dec-16	1	271	50.00	542.85	NA	9.48		Joint Operation
4	Deutsche Aluminium Verpackung Recycling GmbH	31-Dec-16	1	0.16	30.00	0.54	NA	0.01		Immaterial Financial
5	France Aluminium Recyclage SA#	31-Dec-15	3,000	0.20	20.00	1.01	NA	0.07		Immaterial Financial
Joint Ventures										
1	Mahan Coal Limited ^%	31-Mar-17	195,750,000	195.75	50.00	72 .28	(0.13)		Note A	Joint Operation
2	Hydromine Global Minerals (GMBH) Limited ^	31-Mar-17	64,650	0 .34	45.00	0.31	(0.02)		Note A	Discontinued Operation
3	MNH Shakti Limited ^	31-Mar-17	12,765,000	12.77	15.00	12.69			Note A	Discontinued Operation

* Not considered in consolidation

Details are of 2015

^Operations not started yet.

% Held for sale as on 31st March, 2017

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

As per our report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

RAJIV SINGHI
Partner
Membership No. 53518

Place : Mumbai
Dated : 30th May, 2017

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

Satish Pai – Managing Director
DIN-06646758

M.M. Bhagat – Director
DIN-00006245

SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

Building Sustainable Businesses at the Aditya Birla Group:

At the Aditya Birla Group, our endeavour is to be the leading Indian conglomerate for sustainable business practices across our global operations. We define a “Sustainable Business” as one that can contniue to survive and thrive within the growing needs and tightening constraints of a “Sustainable World”. We believe that this means that a “Sustainable World” can only contain “Sustainable Businesses”.

It is interesting to note that nowhere are sustainable strategies more important than on the land masses of India, China and South East Asia, because over half the population of the planet lives here. Land mass and natural resources are already feeling the strain, with often cited pollution, biodiversity loss, growing levels of water stress and the need to manage the growth of electricity production decoupled from a country’s carbon footprint. This makes building sustainable businesses not just a business “nice to do” but a central business imperative because, “Businesses cannot survive on a planet that fails”.

To achieve our Group vision, we are innovating from the traditional sustainability models to one consistent with our vision to build sustainable businesses capable of operating in the type of worlds we hope to see emerge in the future, 2025, 2030 and on to 2050 and beyond. It is in our own interests to mitigate our own impact in every way we can as this is a direct assistance to creating a sustainable planet. It also prepares us for further mitigation and the need to adapt to a world that is a further full degree hotter than today.

We began our quest with a question, “If everyone and every business followed the law as written today, is the planet sustainable?” We quickly concluded that around the year 2050, when the Earth’s population reaches an estimated 9 billion, climate change, water scarcity, pollution and an overload of waste, if left unchecked, would set the planet on a possibly irreversible unsustainable course. It is therefore intuitive that either leaders find ways to transform industries or current laws must be tightened over time to reduce the damage and it isimperative that the Aditya Birla Group remains ahead of the curve.

The first step of our sustainable business programme is aimed at raising the cabability of our business mangement systems. Under this programme called “Responsible Stewardship” we try to move from merely complying with current legal standards to conforming to the international standards set by the global bodies of the International Finance Corporation (IFC), the Organisation for Economic Cooperation and Development (OECD), the International Standards Organisation (ISO), Occupational Health and Safety Advisory Services (OHSAS), the Global Reporting Initiative (GRI), the Forestry Stewardship Council and others. To support our businesses in this endeavour we have created the Aditya Birla Group’s Sustainable Business Framework of Policies, Technical Standards, and Guidance Notes to give our leaders, managers, employees and contract employees the chance to train, learn, understand, and apply improvement techniques to help our businesses reach higher standards of performance. So far, we have had much success with respect to reductions in energy use, water use, and improvements in safety performance. We are working towards achieving the World Business Council for Sustainable Development’s Water and Sanitation and Hygiene pledge (WASH) to ensure that we provide safe drinking water, sanitation and hygiene in all our operations. Each of these achievements helps reduce and mitigate our impact on the planet and are hence imperative to building our platform for the future.

If we are to create sustainable business models and systems for the future then “Responsible Stewardship” by itself today is not enough. We need other components to help us with a greater transformation. We need to understand the global mega-trends and their effect on us geographically, physically, technologically and how the legal system may need to change in order to support a sustainable world. Our performance will need to be improved further to meet these External Factors. By talking to Strategic Stakholders knowlegable in these issues, we can scan the horizon to better understand them and their likely risk to our business. With this information we can make sure our business models and strategy are “Future Proofing” and if not develop them over time so that we and the value chains within which we operate can continue to operate inside the tightening constraints placed on us by the needs of the sustinable world we hope to help create. We are helping our leaders to understand which external changes might heavily influence our value chains and business models in the future and what might be expected of our products and brands. For example, the world will need businesses that are able to mitigate and adapt to climate change, with robust and sustainable supply chains that are also impervious to all external forces that will inevitably begin to affect us in the future. To build sustainable businesses will take time, particularly when we consider some of our very complex supply chains but by pushing to be a leader today, we are giving our businesses the best possible chance of achieving long term sustinability for ourselves, our value chains and our planet.

Business Through Sustainability – The Hindalco Way

Hindalco Sustainability Vision

By 2017, Hindalco endeavours to become a leading metals Company for sustainable business practices across the global operations, balancing its economic growth with environmental and societal interests.

In line with the Sustainability Vision, Hindalco has the adopted best available technology for manufacturing, prevention as well as control of pollution. All Units operate on the principle of sustainable development covering Responsible Stewardship, Stakeholder Engagement and Future Proofing.

We have self-imposed stringent environmental standards to drive continual improvement and sustainable business. Through this commitment and associated actions, we have strived to be the leader in environmental performance by adopting national and international best environmental practices and systems. We are committed to demonstrate good stewardship towards the harnessing of scientific and desired quantity of natural resources, adopting best available manufacturing process and technology, waste minimization, recycle and reuse of waste and waste water, minimization of hazardous waste generation and safe disposal. These initiatives help reduce the environmental footprint, and meet the social responsibility to achieve the sustainable development.

Enablers

Environment Management System

Our Environmental Management system focuses on continual improvement of our environmental results through technological interventions, introduction of state of art technologies and equipment, introduction of new on-line continuous environment monitoring systems, adaptation of best practices, and moving towards stringent targets.

In the newly commissioned Greenfield and Brownfield Projects, your company has ensured minimal impact on the environment and best utilization of resources by conservation and maximizing reuse/recycle processes. In all operating units and in new projects, the management has installed techno-economically viable mitigation measures in the areas of water, air, energy and waste.

Most of your company's manufacturing sites have ISO-9001:2008 (QMS), ISO-14001:2004 (EMS) and OHSAS-18001:2007 (OHS) certifications. The plant level environment management team work in close coordination with our corporate environmental management team and our corporate legal monitoring department to ensure implementation of pollution prevention measures and compliance with all applicable regulatory requirements.

The WASH Pledge implementation is at advanced stage at Hindalco.

Responsible Stewardship

A. Resource Conservation – Water

In our Operating Plants, Water Conservation and achieving ZLD Status continues to be our focus area. Various initiatives have been undertaken across Hindalco Plants towards reduction of water consumption and efficient recycling of treated water.

Commissioning of Sewage Treatment Plant at Belagavi – A 450 KLD Sewage Treatment Plant has been commissioned in 2017 at a cost of Rs.1.2 crores. The plant stabilization trial is in progress. The plant treats the colony effluent including sewage and sullage, and the treated water is used for gardening. This helps in water conservation and provides water for gardening throughout the year.

Utkal Alumina - Six rain water harvesting and ground water recharge pits were developed in the Nuapada Township. Rooftop Rain Water from the Township buildings is captured from the roof catchments. The water so collected is getting filtered through the filtration tank before being allowed for ground water recharge. In addition to the ground water recharging, this initiative also helps in complying with the EC and CTO conditions for Rain Water Harvesting.

This Unit operates on a ZLD philosophy. All the Alkaline Waste water generated from different operational areas of the refinery is being collected in a special designed RCC lined caustic pond and being reused in the same process.

FINANCIAL HIGHLIGHTS
MANAGEMENT DISCUSSION AND ANALYSIS
DIRECTORS' REPORT
SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT
CORPORATE GOVERNANCE REPORT
SHAREHOLDER INFORMATION
SOCIAL REPORT
STANDALONE FINANCIAL STATEMENTS
CONSOLIDATED FINANCIAL STATEMENTS

A separate guard pond is in operation to collect the surface runoff and utilization of the collected water in the process. pH meters have been installed at different locations of the input drainage network leading to the Guard pond to monitor and control the quality of the runoff.

To continuously monitor the quality of the water at the outlet of the Guard pond, flow meter, IP Camera and pH meters have been installed and connected to the central DCS. Both the IP camera and the Flow meter have also been connected to OSPCB and CPCB servers through RT-DAS and data is being transmitted on real time basis.

Mahan Aluminium - In Mahan, we are operating the plant on the Zero Discharge Principle. Mahan has well maintained ETPs with double stage Reverse Osmosis Plant. The STPs were successfully commissioned during 2016-17 for domestic effluent from the residential and workplace area.

In 2016-17, we recycled a total 290312 kL of trade effluent from the ETP, in process and cooling and 18509 kL of sewage from domestic sewage treatment facilities in gardening and horticulture after treatment.

Renukoot - Has the state-of-the-art automated industrial and domestic effluent treatment plant to treat the effluent generated by the plants and colony. The treated effluent and treated domestic water is recycled back for use in plant process/ cooling purpose. The Company has initiated number of initiatives for recycling and reuse of treated effluent resulting into reduction of fresh water consumption to the tune of 4000 cubic meters per day.

Belur –As a step towards reduction of water consumption, recycle, reuse and rain water harvesting systems, we have utilized 17,466 m3 of rain water in the Plant.

Taloja - To improve the quality of treated effluent and maintaining the environmental standards. The Taloja Plant upgraded the existing 58 KL Effluent Treatment Facility and installed the online monitoring system to ensure smooth operation of ETP.

Muri - We have installed Rain Water Harvesting Pits (9 Nos.) as well as Injection Well (2 Nos.) in the colony premises to discharge rain water.

Two Pressure Filters commissioned successfully have improved Percentage solids to 75% and reduced plant water consumption.

Aditya Aluminium- An Integrated waste water recycling and management scheme has been implemented for both the Smelter and CPP:

A guard pond of 65,000 cum capacity was set-up besides the ETP to store waste water and storm water from the Smelter and waste water from CPP

A separate drainage system for rain water and waste water has been instituted

Double stage ETP of 300 Cum/h was installed for the treatment of waste water of both CPP and Smelter and the treated water from this ETP is reused in CPP

Two Sewage treatment plants have been set-up in the plant and township separately of 600 KLD and 300 KLD capacity respectively. The treated water from STPs' is used for greenbelt and gardening purposes

B. Air Emission

Dahej Plant

Smelter-I - To reduce the fugitive emission and SO_2 exposure at the work environment, water cooled hoods were installed with two convertors to trap secondary gas, worth Rs. 12 crore. It is observed that SO_2 level have been reduced by 50% in the work environment.

Sulphuric Acid Plant-1 -To reduce SO_2 emission in the ambient air initiatives taken include: Drying Tower Demister pads replacement, Arresting of Pre-heater tube bundle and Leakage from Gas Heat Exchanger-62 HX 02 arrested by plugging 205 tubes.

Smelter III - Fresh catalyst (V_2O_5) 163 m3 charged in convertor for effective conversion of SO_2 to SO_3. Based on performance evaluation, 3240 bags of compartment Bag Filter of concentrator dryer, replaced. PM emission reduced by 30%.

Aditya Aluminium:

Highlights

ESPs with two parallel gas paths of 99.9 % efficiency installed in each unit of the CPP to achieve the emission level within 50 mg/Nm3.

Tri-Flue Stacks with 275 m height installed for wider dispersion of pollutants

State-of-art dry Bottom Ash Collection System installed in each unit

12 nos. of Bag filters installed in Coal Handling Plant & Ash Handling Plant for fugitive dust control

Dust Suppression and Dry Fog System installed in coal handling/conveying circuit, & ash silo areas.

Gas Treatment Center (GTC) with dry scrubbing system set-up in the Pot line for recycling of fluoride and venting out cleaning air through a stack having 100 m height.

Larger anodes and Hyper dense phase system for dust free alumina transfer installed in pot room.

Fume Treatment Centre (FTC) attached to ABF for recovery of fluoride and venting out

63 De-dusting systems installed at the Alumina handling, Coke Handling, Green Anode Plant, Anode Rodding Shop, Bath Recycling Shop, Carbon Recycling Shop, Anode Baking Furnace and other areas of Smelter for control of fugitive emission and recycling of the dust collected in the bag filters.

Mechanized road sweeping machine deployed for cleaning of all internal roads to minimize fugitive dust emission from roads.

Hirakud Smelter

Hirakud Smelter has completed the installation of 'Laser based on-line fugitive fluoride analyser system'.

C. Waste Management

Utkal Alumina –Red Mud Filtration Unit:

A state-of-the-art technology, Red Mud Filtration (RMF) unit has been successfully instituted and commissioning activities begun. This unit will help in reducing the caustic soda content in the red mud. The mud will be disposed at around 75-80% solids instead of the 55-60% solids which is being disposed currently through the HCSD technology. This semi-dry disposal will improve the life of the Red Mud Pond as well as reduce the risk of ground water contamination and the dyke failure due to earth movement as in the case of wet-ponding. The semi-dry cake of the red mud is easier to handle and is used in Cement kilns as a resource.

Dahej – The Plant continues to supply Fly Ash from the Power Plant for use in the construction sector. In addition, re-use of other wastes like Copper Slag and Phosphogypsum is progressing in line with the plan.

Aditya Aluminium – Used Anode Butt generated is completely recycled and pre-processed. Used anode butt received from Hirakud smelter is also reused in green anode making.

Muri – A novel second pressure filter technology is being commissioned for Red Mud filtration which lowers the soda content in red mud and improves the life of the Red Mud Pond and also helps to reduce fine mud dust particles.

Gabion wall project work around the Red Mud pond is nearing completion. This will enhance the life of the existing Red Mud Pond and protect soil erosion. It will limit fugitive dust after the completion of tree plantation around the periphery of the Red Mud Pond after tree.

Belgaum - Hindalco Belagavi dispatched 315968 tons of red mud to Cement Industries

D. Green Belt Development

Utkal Alumina - We have developed a full-fledged in-house Nursery spreading over five acres having capacity of 2.0 lakh saplings at the Plant site and another nursery at Baphlimali Bauxite Mines of capacity 0.5 lakh saplings. These saplings are being planted for greenbelt development in and around the plant premises and Bauxite mines. In 2016-17, 70000 saplings have been planted at the Plant site and Baphlimali Bauxite Mines.

Aditya Aluminium - 54,500 saplings planted have a survival rate of more than 90%. A Central Nursery has been developed for the nurturing of 1.5 lakhs saplings

Mahan Aluminium – We have planted 230300 saplings spanning area 106.8 Ha. Up until now, we have planted 490434 saplings in 210.85 Ha.

Dahej – Planted 17590 saplings. So far, we have planted 365309 trees with a survival rate of over 95 %.

Muri – The abandoned red mud pond was subsequently converted to green belt through afforestation. It currently houses over 65000 number of trees and supports a large variety of trees like Neem, Sisham, Jatropha, babool along with herbs and shrubs all around the abandoned pond. This area is a good example of biodiversity as different species of plants as well as birds, squirrels, parrots can be spotted.

Renusagar – The Renusagar Plant has covered 70 ha under green belt development viz. 34% of the total land.

Business Responsibility Report:

Hindalco has been publishing its Sustainability Report since FY 11 using the Global Reporting

Initiative (GRI) Framework. The report for 2015-16 has been assured as per the GRI G4 standard by KPMG (External Independent Assessing Agency).

The Company will also publish a Sustainability Report for FY 2016-17 and it will be hosted on its website www.hindalco.com. Any shareholder interested in obtaining a physical copy of the same may write to the Company Secretary at the Registered Office of your Company.

Section A: General Information about the Company

1.	**Corporate Identity Number (CIN) of the Company**	L27020MH1958PLC011238	
2.	**Name of the Company**	Hindalco Industries Limited	
3.	**Registered address**	3rd Floor, Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai: 400030	
4.	**Website**	www.hindalco.com	
5.	**E-mail id**	anil.malik@adityabirla.com	
6.	**Financial Year reported**	1st April, 2016 to 31st March, 2017	
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	ITC Code	Product Description
		7601	Aluminium Ingots
		7606	Aluminium Rolled Products
		7605	Aluminium Redraw Rods
		740311	Copper Cathodes
		740710	Continuous Cast Copper Rods
8.	**List three key products/services that the Company manufactures/provides (as in balance sheet):**	(i) (ii) (iii)	Aluminium Ingots / Rolled Products Copper Cathodes Concast Copper Rods
9.	**Total number of locations where business activity is undertaken by the Company**	i. 5 major International Locations • USA • Germany • United Kingdom • Brazil • South Korea ii. Number of National Locations: • 4 Aluminium; • 1 Copper Unit • 4 Chemical Units (including one unit of Utkal Alumina International Limited, wholly owned • subsidiary of the Company) • 4 Power Units • 5 Rolled FRP • 2 Extrusions • 2 Foil • Registered Office and Zonal Marketing Offices • Bauxite and Coal Mines in the state of Jharkhand, Chhattisgarh, Maharashtra and Odisha.	

10.	Markets served by the Company	Local	State	National	International
		√	√	√	√

Section B: Financial Details of the Company (Standalone)

1.	**Paid-up Capital (INR)**	₹ 222.72 Crore
2.	**Total Turnover (INR)**	₹ 39,383.12 Crore
3.	**Total Profits after taxes (INR)**	₹ 1,556.89 Crore
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**	The Company's total spending on CSR was ₹ 28.36 Crore which is 2.70% of the average net profit for the previous three financial years.
5.	**List of activities in which expenditure in 4 above has been incurred**	a. Education b. Health Care c. Women empowerment d. Sustainable Livelihood e. Infrastructure Development

Section C: Other Details

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

   Yes, as on 31st March, 2017, the Company has 48 subsidiaries- 13 domestic and 35 foreign.

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

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

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

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

Section D: BR Information

1. **Details of Director/Directors responsible for BR**

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

DIN Number	00013496
Name	Mr. Jagdish Khattar
Designation	Independent Director

   b. **Details of the BR head**

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

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

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

The mapping of these principles to the disclosures are contained in the Sustainability Report 2016-17 accessible at www.hindalco.com

GOVERNANCE PHILOSOPHY

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

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

COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINES

The Company is fully compliant with the requirements under Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, hereinafter refer to as "Listing Regulations". Your Company's compliance with these requirements is presented in the full Annual Report.

The entire Corporate Governance Report forms part of the full Annual Report. The full Annual Report of the Company is available on our website: www.hindalco.com.

Any member who is interested in obtaining the physical copy of the full Annual Report may write to the Company Secretary at the Registered Office of your Company.

The Auditors' certificate on Corporate Governance is annexed as below:

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Hindalco Industries Limited

1. We have examined the compliance of conditions of Corporate Governance by Hindalco Industries Limited ("the Company"), for the year ended on 31st March, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2017.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Singhi & Co.
Chartered Accountants
(Firm's Registration No. 302049E)

(Rajiv Singhi)
Partner
Membership No. 053518

Place: Mumbai
Date: 30th May, 2017

SHAREHOLDER INFORMATION

1. Annual General Meeting
   - Date and Time : 13^{th} September, 2017 at 3.00 P.M.
   - Venue : Ravindra Natya Mandir
     P.L Deshpande Maharashtra Kala
     Academy, Prabhadevi, Mumbai: 400025
2. Financial Year
   - Financial reporting for the quarter ending June 30, 2017 : On 11^{th} August, 2017
   - Financial reporting for the half year ending September 30, 2017 : On or before 14^{th} November, 2017
   - Financial reporting for the quarter ending December 31, 2017 : On or before 14^{th} February, 2018
   - Financial reporting for the year ending March 31, 2018 (Audited) : On or before 30th May, 2018
   - Annual General Meeting for the year ended March 31, 2018 : On or before 30^{th} September, 2018
3. Dates of Book Closure : 7^{th} September, 2017 to
   13^{th} September, 2017
4. Dividend Payment Date : On or after 13^{th} September,2017
5. ISIN: Equity share of ₹ 1/- each : ISIN INE038A01020
   GDR: ISIN US4330641022
   CUSIP No. 433064300
6. Stock Code:

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

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

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

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

8. **OTHER USEFUL INFORMATION FOR SHAREHOLDERS**

Shareholders who have not yet encashed their dividend warrants for the years 2009-2010 to 2015-2016 may approach the Company for revalidation / issue of duplicate dividend warrant quoting reference of their Ledger Folio numbers / DP & Client ID.

The Unclaimed dividend for the financial year 2008-2009 has been transferred by the Company to the Investor Education & Protection Fund constituted by the Central Government under Section 124(5) of the Companies Act, 2013.

Shareholders are advised that dividends for the financial year ended 2009-2010 onwards which remains unpaid/unclaimed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 124(5) of the Companies Act, 2013. Shareholders who have not claimed the dividend for this period are requested to lodge their claim with the Company.

In case of any query contact –

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

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

Date of Declaration	Financial Year of Dividend	Due date of transfer to the Government
3rd September, 2010	2009-10	October, 2017
23rd September, 2011	2010-11	October, 2018
11th September, 2012	2011-12	October, 2019
10th September, 2013	2012-13	October, 2020
24th September, 2014	2013-14	October, 2021
16th September, 2015	2014-15	October, 2022
14th September, 2016	2015-16	October, 2023

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

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

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

Unclaimed Shares in Physical Form

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

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

- Aggregate no of shareholders and outstanding shares lying in Unclaimed Suspense account lying as at 1st April, 2016:

  4181 shareholders holding 12,96,952 equity shares of the Company.
- Number of shareholders who approached the issuer for transfer of shares from Unclaimed Suspense Account during the year.

  19 shareholders 14,460 equity shares of the Company.
- Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year

  19 shareholders 14,460 equity shares of the Company.

- Aggregate number of shareholders and outstanding shares lying in Unclaimed Suspense Account as at 31st March, 2017.

  4162 shareholders holding 12,82,492 equity shares of the Company.

9. **INVESTOR SERVICES**

i. Equity Shares of the Company are under compulsory demat trading by all investors, with effect from 5th April, 1999. Considering the advantages of scrip less trading, shareholders are requested to consider dematerialization of their shareholding so as to avoid inconvenience in future.

ii. Shareholders/Beneficial Owners are requested to quote their Folio No./DP & Client ID Nos., as the case may be, in all correspondence with the Company. All correspondences regarding shares & debentures of the Company should be addressed to the Investor Service Department of the Company at Ahura Centre, 1st Floor, 'B' Wing, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 and not to any other office(s) of the Company.

iii. Shareholders holding shares in physical form are requested to notify to the Company, change in their address/Pin Code number and Bank Account details promptly by written request under the signatures of sole / first joint holder. Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc. directly to their DP.

iv. To prevent fraudulent encashment of dividend warrants, members are requested to provide their Bank Account Details (if not provided earlier) to the Company (if shares are held in physical form) or to DP (if shares are held in demat form), as the case may be, for printing of the same on their dividend warrants.

v. Non-resident members are requested to immediately notify:-

- change in their residential status on return to India for permanent settlement;
- Particulars of their NRE Bank Account with a bank in India, if not furnished earlier.

vi. In case of loss/misplacement of share certificate, investors should immediately lodge a FIR/Complaint with the police and inform to Company along with original or certified copy of FIR/acknowledged copy of the complaint.

vii. For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed in Form SH4, wherever applicable registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.

Further please note that Securities and Exchange Board of India (SEBI), has made it mandatory for the transferors and the transferees to furnish the copy of the PAN Card to the Company for registration of physical transfer of shares.

Investors therefore are requested to furnish the self attested copy of PAN card at the time of sending the physical transfer of shares.

viii. Shareholders are requested to keep record of their specimen signature before lodgment of shares with the Company to obviate possibility of difference in signature at a later date.

ix. Shareholders(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificates in the same name under different Ledger Folio(s) are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.

x. Shareholders are requested to give us their valuable suggestions for improvement of our investor services.

xi. Shareholders are requested to quote their E-mail Ids, Telephone/Fax numbers for prompt reply to their communication.

The entire Shareholder's Information forms part of the full Annual Report. The full Annual Report of the Company is available on our website: www.hindalco.com.

Any member who is interested in obtaining the physical copy of the full Annual Report may write to the Company Secretary at the Registered Office of your Company.

SOCIAL REPORT

"All of our projects are based on the needs of the communities that live close to our plants. Our projects are very inclusive. We treat our social projects, just as our business projects. We have a vision – which in a nutshell epitomises, inclusive growth, and dignifying the lives, of the underprivileged. Our work rests on four pillars.

Firstly, embedding our social vision in the business vision.

Secondly, having a razor sharp strategy, for execution, factoring milestones, targets, performance management, and accountability.

Thirdly, getting our work audited by reputed agencies in the CSR domain, to ascertain the reports of the field workers.

And fourthly, working in tandem with Government agencies, and recoursing to their various development schemes, which foster inclusive growth. This helps us extend our reach.

Above all, the invaluable contribution, of our 250 strong committed CSR colleagues and the leadership team gives us the edge. Their energy, their passion and their commitment, to make a difference to the underprivileged, makes our work count."

— Mrs. Rajashree Birla

Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development

Hindalco's community engagement spans over 676 villages and 23 urban slums. Our CSR work is in proximity to our 20 manufacturing units across 11 states in India. We reach out to a rural population of 11.88 lakhs at Belur in West Bengal, Hirakud and Lapanga in Odisha, Renukoot and Renusagar in Uttar Pradesh, Muri in Jharkhand, Singrauli in Madhya Pradesh, Dahej in Gujarat, Taloja and Mouda in Maharashtra, Belgavi in Karnataka, Kollur in Telengana, Alupuram in Kerala and our mines at Lohardaga, Kathautia and Dumri in Jharkhand, Samri and Garepalma in Chhattisgarh, Maliparbat in Odisha and Durgamwadi in Maharashtra.

Education:

We run 31 Balwadis at Renukoot, Lohardaga, Samri, Belgavi and Singrauli. Through these, we have mentored 945 students from underprivileged families.

We extend support to 91 Anganwadis at Renukoot, Samri, Belur, Lohardaga, Renusagar, Kathautia, Dumri,Hirakud, Durgamwadi and Belgavi where 4,325 children are enrolled. Among these we are working with 611 malnourished children from Anganwadis and creating awareness besides health check-ups under Integrated Child Development Scheme (ICDS) at Renukoot and Samri.

At our 11 Aditya Birla Public Schools at Renukoot, Renusagar, Dahej, Lapanga and Muri, we have enrolled 6,192 rural students. Additionally 1,761 students have been enlisted in our 11 Aditya Birla Vidya Mandirs at Renukoot, Lohardaga, Kathautia and Samri.

We foster the cause of the girl child through encouraging and supporting 1,638 girls at the 10 Kasturba Gandhi Balika Vidyalayas (KGBV). This project operates in Renukoot, Lohardaga, Muri, Samri, Hirakud and Kathautia.

We have tied up with 32 primary schools under the Sarva Siksha Abhiyan (SSA) initiatives at Renukoot, Singrauli and Lohardaga, over 3,199 students in these schools have received technical support, study materials, school bags and uniforms.

21 teachers support was extended to primary schools in Dumri, Garepalma, Kollur, Bharuch and Lohardaga.

Under the **'Shala Praveshotsav'** programme, 14,015 students from grade 1st to 8th in 85 schools from Vagra tehsil in Bharuch district were given notebooks, practice work books, slates, school bags , Education Materials for " PRAGNYA " classes for standard 1st to 5th. And 25 Schools of Balrampur district in Chhattisgarh, were given notebooks, practice books, slates, school bags etc. Additionally, school bags, uniforms, sweaters and educational kits have been provided to over 26,312 students at most of our Units.

To encourage the spirit of excellence, 1,111 students from the 88 rural schools supported by us, were awarded scholarships and 101 girl students of class XI were given “Mahan Jyoti scholarship” of ₹ 1000 each at Singrauli.

To address the issue of school dropouts, we organised 234 ‘meet the parent’ counselling events at Renukoot, Renusagar, Lohardaga, Singrauli, Samri, Belgavi, Lapanga and Kathautia. Through this process we managed to bring 4,279 students back to school. At the same time, we also began coaching classes for 710 student’s weak in Math, Science and English to enable them get through the exams.

In Lapanga, Dahej, Lohardaga, Garepalma, Muri, Durgamwadi Kathautia and Samri mines, where the dropout rate among secondary level girl students is high, we provide bus services to encourage them continue their education. 1331 students are availing those 20 buses to commute.

Furthermore, we organised 2 Science Exhibitions to showcase talent resident at our schools and 3 exposure visits to similar exhibitions as a knowledge gaining platform.

“Kishore-Kishori” clubs are being run through 30 centers at 30 villages in Muri. Up until now, 1002 village youths have received formal training on personality development, leadership, communication etc. We are also running 2 “Sanskar Kendras” at Singrauli and Lohardaga.

We have a roster of 662 students at the 15 Non Formal School at Muri. At our 34 adult literacy programmes at Renusagar, Singrauli, Lohardaga, Muri and Lapanga 1,220 participants evinced keen interest.

At Renukoot, Renusagar, Belur, Muri, Singrauli, Samri, Garepalma, Dahej and Mouda we conducted 6-monthly computer literacy programmes. These benefitted 574 rural students and helped to enhance their skills on various operating systems for self-development.

Our 20 career counselling camps at Durgamwadi, Singrauli, Renukoot, Lohardaga, Dahej, Samri, Belgavi and Mouda saw the active participation of 3,851 aspiring students. Subsequently, many of them joined technical and vocational training programmes.

We organised Sports and cultural programmes in more than 132 schools where 39,668 students participated.

We have constructed one additional room each in 2 schools Aditya aluminium Lapanga, and repaired 14 school buildings each Renusagar, Lohardaga, Samri, Garepalma, Hirakud and Belgavi. We have also provided furnitures to 16 Schools at Lohardaga, Kathautia,Dumri, Garepalma, Lapanga and Belgavi.

We have constructed 10 New School Toilets at Lohardaga ,Samri, Lapanga, Belgavi and Dumri and repaired 9 school toilets at Singrauli, Lohardaga, Samri, Kathautia and Belgavi to make them functional.

Health Care

This year we conducted 1,434 rural medical and awareness camps servicing 1,25,403 villagers. Among these feature family welfare camps, health check-ups for ailments such as malaria, filarial, diarrhoea, diabetes, hepatitis, arthritis, skin diseases, gynaecological disorders and cardiac related issues. Thousands of villagers in the remotest areas also availed of the facilities offered by us through our rural mobile medical van services. Those afflicted with serious ailments were referred to our hospitals.

At our company’s 10 hospitals, 14 dispensaries/clinics housed at Renukoot, Renusagar, Taloja, Lapanga, Belgavi, Dahej, Muri, Lohardaga, Samri, Kathautia, Alupuram and Durgamwadi over 2,54,113 patients were given the necessary medical attention.

Furthermore, our support extended to 8 Government/ Charity run primary health centres where 10,162 patients were cared for at Hirakud, Singrauli, Dumri, Renusagar and Taloja.

Over 724 patients afflicted with chronic ailments were examined and medical advise/treatment given at Renukoot, Renusagar, Kathautia, Dumri, Lapanga and Singrauli. In surgical camps 57 patients underwent surgeries at Renukut and Renusagar.

At the Eye camps conducted by us 3,825 persons were treated. Of these 673 patients at Lohardaga, Renukoot, Belgavi, Dahej, Hirakud, Muri, Lapanga and Belur were operated for cataract, and intra-ocular lens fitted for their vision.

At 54 dental check-up camps in Renukoot, Renusagar, Muri, Dahej and Kollur 8,556 persons received treatment.

In Renukoot, Renusagar and Lohardaga, over 308 patients were diagnosed with Tuberculosis and registered under the directly observed treatment programme (DOT). They were treated at the 10 designated microscopic centres (DMC). Among these were the Hindalco family welfare centre, the Hindalco run Arogyam Hospital and The Rajendra Hospital at the Lohardaga mines and the Aditya Birla Rural Technology Park, Muirpur.

At 97 camps in Singrauli, Belgavi, Lohardaga, Lapanga, Dahej, Kathautia, Renusagar Hirakud, Belur, Samri and Renukoot on STD/RTI and AIDS awareness, 21,167 persons underwent tests and many were given treatment in line with the diagnosis.

At Muri, we launched the 'Jeevan Mitra Sewa Yojana'. Under this project, we have allocated 14 ambulances. Over 3,900 people have availed of this service. We also provided free ambulance services to 1043 emergency cases at Lohardaga and Kathautia.

We held 81 health check-up and blood grouping camps at schools in Lohardaga, Renukoot, Lapanga, Dahej, Kathautia, Durgamwadi,Taloja and Belgavi. More than 6,626 school students were examined and taken care of.

We have organised 29 seasonal disease camps like Malaria and Diarrhoea in the villages as a preventive care initiatives. Further, we have distributed mosquito nets to 2,060 people at Renusagar, Singrauli and Lohardaga.

Mother and Child Health Care:

In collaboration with the District Health Department, over 1,56,427 children were immunised against polio. Further, more than 39,013 children were administered with BCG, DPT and anti-hepatitis B vaccines across your company's units.

More than 70,921 expectant mothers and their children leveraged our 23 family welfare centres at Renukoot, Renusagar, Samri, Mouda and Lohardaga to avail the services offered under our Safe Motherhood and Child Survival Programme.

Nearly 13,665 women participated in 106 camps on ante-natal, post-natal care, mass immunisation, nutrition and escort services for institutional delivery. These camps organised at Renukoot, Singrauli, Belgavi, Kathautia, Samri, Dahej and Lohardaga form part of our reproductive and child health care programmes.

Our focused programme on adolescent health care covered 10,705 girls at Kanyashrams, Govt. Girls High Schools and Kasturba Gandhi Balika Vidyalayas.

As a result of our intensive motivational drive towards responsible family raising, 1,239 villagers opted for planned families at Renukoot, Lohardaga, Muri, Kathautia, Belgavi, Dahej and Hirakud. Out of these 112 male got vasectomy done at Renukoot.

Safe Drinking Water and Sanitation:

This year we installed 39 hand pumps, repaired 341 hand pumps and dug wells. Consequently, more than 39,208 villagers can get safe drinking water.

We have installed 3 Reverse Osmosis (RO) plants one each at Samri, Garepalma and Renusagar, more than 6,000 people benefitted.

We supply drinking water to 77,750 habitants of 74 villages through water tankers and pipelines at Belgaum.

As part of our drive towards open defecation free villages, we have constructed 267 toilets at Garepalma, Lohardaga and Lapanga. Besides these, we availed of Government schemes and contributed from our own funds as well to build 3,577 toilets. We were able to act as catalysts and motivate 5,159 households to have sanitation facilities, leveraging Government schemes. Thus, we facilitated the construction of 9,003 individual toilets at Dahej, Lohardaga, Singrauli, Belgavi, Renukoot, Renusagar, Muri, Samri, Kathautia, Lapanga and Durgamwadi.

Sustainable Livelihood:

On the agricultural front, we reached out to 15,411 farmers, to enable increase their productive. Training in crop diversification, advance cropping techniques and other processes to improve yield, floriculture, integrated pest management and post-harvest technology has been a value addition to their skills. These agri based programmes were at Muri, Dahej, Singrauli, Renukoot, Renusagar, Belgavi and Lohardaga. At the "Kishan Mela" at Muri and Lohardaga 6,075 farmers were actively involved.

More than 6,064 farmers were given agricultural tools, seeds, fertilisers and insecticides during the agriculture support programmes organised at Renukoot, Renusagar, Singrauli, Samri, Hirakud and Lohardaga.

To comprehend contemporary cropping pattern and techniques, 40 farmers from Lohardaga were taken for an exposure visit to Vikas Bharti, Gumla Agricultural Demonstration farm, Gumla. Similarly, 102 farmers from 3 villages of Lapanga went on a trip to Gopal Bio Tech, Attabira, Odisha to learn more about Mushroom and Chilli production projects.

To ensure cost optimization through economics of scale in the procurement of inputs, to realise better margin through collective marketing of agricultural produces, to avail all the facilities and services under different schemes and to enrich knowledge by exchanging ideas and information, we promoted 62 farmers club at Renukoot and Renusagar benefitting 1,572 farmers.

Our agricultural farmland levelling and trench digging at Renukoot, Samri, Belgavi, Lapanga and Lohardaga benefitted 2,569 farmers. 4,625 farmers were supported with lift and drip irrigation facilities at 43 locations of Renukoot, Singrauli, Muri and Durgamwadi. We have also constructed 26 check dams/ irrigation wells at Renukoot, Singrauli, Lohardaga and Muri to provide assured irrigation facility to enhance cash crop production in more than 1500 acres of land.

Towards rainwater/roof water harvesting, 12 camps were held at Renusagar, Lohardaga, Samri and Belgavi. Over 3,975 villagers were trained in groundwater recharge and retention through technology.

This year also a training programme on scientific Lac cultivation method was organised in collaboration with Indian Lac Research Institute, Namkum, Ranchi, where 278 farmers from the nearby villages of Muri were trained to increase Lac productivity with. Today all of them are self-employed.

In our Pakhar, Sringdag and Bagru Mines of Lohardaga we conducted training programme for 55 farmers on Mulbery plantation in partnership with Central Silk Board office at Ranchi. Post training follow up and hand holding is being provided to those farmers.

In Dumarpath village of Pakhar mines, we have helped poor farmers to form a Seed Bank, where 2,650 farmers from 16 villages are benefited from these seed bank during their need.

At Renukoot and Lohardaga, we have developed 129 Vermi compost tank to encourage the use of waste in making manure for their land and improve crop output.

To support the movement of Green Energy, we have installed 10 biogas units at Singrauli and Hirakud. Distributed 760 Solar lamps at Singrauli, Dumri and Belgavi. We have also installed 2 solar operated 24×7 drinking water supply at Samri and 40 solar street lights at Gare Palma Mines.

Under the social forestry programme, we have distributed saplings to 1,37,640 farmers at Renukoot, Renusagar, Lohardaga, Samri, Muri, Dumri, Belgavi, Dahej and Mouda.

Through our farmer support initiatives, 26,575 animals were immunised in veterinary camps held at our units at Renukoot, Renusagar, Singrauli, Lohardaga, Samri, Mouda and Belgavi.

Vocational Training:

We provided vocational skills training to 5,270 people at Renukoot, Renusagar, Lohardaga, Muri, Hirakud, Lapanga, Singrauli, Belgavi, Kollur, Dahej, Belur, Samri, Kathautia, Garepalma and Mouda.

We sponsored and facilitated 722 students from Muri, Belur, Belgavi, Lohardaga and Renukoot to the ITI's/ Pan ITIs , Rudiseti, Silli, Ramkrishna mission Belur and our Aditya Birla Technology Park at Muirpur, for semi-skilled job oriented training.

At the Aditya Birla Rural Technology Park, more than 27 training batches were organised. The thrust continued on computer literacy, beautician, repair of electric and electronic goods, handicrafts, bag making, soft toys, tailoring and knitting, ways to enhance agricultural output, veterinary science. 279 aspirants were trained this year. 11 Programmes of capacity building training was also conducted for 912 participants. Veterinary services offered to 431 people.

Self Help Group (SHG):

Across Hindalco over 1,470 self-help groups empower 20,302 households economically and socially. Most of the SHGs have been linked with economic various centres. Women are engaged in a series of activities like tailoring, weaving, knitting, handicrafts, beauty parlour, bamboo basket making, making pickles, spices papad, vegetable vending, cultivation, small business etc. This year, we have added 1235 members by forming 102 new SHGs.

At Muri, we have provided Seed money to 105 SHG groups to start business and earn.

Infrastructure Development:

Our activities here continue. As in the past, we have helped the locals through building of village approach road, culvert, panchayat bhawan, pond excavation, bathing ghats, bathrooms, protection wall, channel pitching, rural houses, check dams, bus stops etc. Alongside we have constructed additional classrooms, repaired school buildings, maintained playgrounds and health centres, as also built community halls.

At Lohardaga and Hirakud we have facilitated the electrification of 13 villages benefitting 11,035 inhabitants. In addition, we have provided 57 solar streetlights at Gare Palma, Samri and Kathautia.

Espousing Social Causes:

To bring in social reform through attitudinal changes, we work with communities. These include advocacy against child labour, illiteracy, child marriages, the marginalisation and abuse of the girl child and women, drunken behaviour, maintaining poor hygiene and so on. We also promote rural sports, cultural programmes and celebration of national events/days in the locale.

In partnership with Govt. district authorities, villages panchayats, other likeminded NGOs and the community, we organised dowry less mass marriage programme at Renukoot, Lohardaga, Dumri, Belgavi and Dahej. Over 374 marriages solemnised in 15 events.

We have distributed 4,628 blankets at Renukoot, Singrauli, Lohardaga and Muri, 2000 cookers at Belgavi and 575 umbrellas at Muri to the needy.

We support residents of orphanages and old age homes at Taloja, Dahej, Belgavi and Lohardaga.

Accolades/Awards received:

In recognition of the work done among communities across geographies, we received:

- Odisha **CSR Forum award on CSR excellence** was announced in favour of Aditya Aluminium, for their outstanding work on women empowerment on 24th September, 2016.
- **India CSR Award** for outstanding work on Livelihood Creation won by Aditya Aluminium at a function in Bengaluru on 27th August, 2016.
- **Aditya Aluminium** for its outstanding contribution in the category **"Innovation in CSR" received the "India CSR Award"** on 21st May, 2016 from **Institute of Quality** and **Environment Management** (IQEMS), Bhubaneswar in collaboration with Institute of Public Enterprises, Hyderabad.
- **Global CSR Excellence & Leadership Award** by World CSR Day presented to Hindalco Mahan Aluminium, on 18th Feb, 2017 by Mr. Jordan Reeves; his Excellency Consul General for Canada in Mumbai and Mrs. Michelle L Reina, Co-founder of Reina Trust Building Institute.
- The 4th Annual **India Didactics Association (IDA) Award** won by Hindalco Mahan Aluminum for its exemplary work in Primary and Adult Education. The award was presented on 29th September, 2016 by Mr. Karma Tshering, Director General, Ministry Of Education, Govt. of Bhutan & Prof. Dr. Wassilios E. Fthenakis, President, Didacta, Germany.
- **India CSR Award** for Sustainable Livelihood won by Hindalco Mahan Aluminum on 27th August, 2016. It was presented by Shri T. B. Jayachandra, Hon'ble Minister for Law, Parliamentary Affairs & Higher Education, Govt. of Karnataka & Dr. Bhaskar Chatterjee, DG & CEO, India Institute of Corporate Affairs (IICA) at a function in Bengaluru.
- **Rashtra Vibhushan Award, Gold Award by Foundation for Accelerated Mass Development (FAME)** earned by Hindalco Mahan for its prominent initiative in the field of livelihood creation on 12th February, 2017.
- The Indian Bureau of Mines announced the first prize to Lohardaga Mines for their outstanding CSR activities in Jharkhand, the award was presented by Mr. A.B. Panigrahi, Controller of Mines, Central Zone IBM Nagpur Region.
- The FICCI Jury Chairperson **Mr. M Damodaran,** former Chairman **Mr. Pranjal Sharma,** Economic analyst, Advisor and Writer, **Mr. Sunit Tandon,** Former-Director IIMC and **Mr. Arumugam Kalimuthu,** Director, Water, Sanitation and Hygiene (WASH) Institute acknowledged Birla Copper with **an appreciation plaque for commendable work in CSR** held **at FICCI, New Delhi**.
- **India CSR Award** for Education won by Birla copper and on 27th August, 2016. It was presented by Shri T. B. Jayachandra, Hon'ble Minister for Law, Parliamentary Affairs & Higher Education, Govt. of Karnataka & Dr. Bhaskar Chatterjee, DG & CEO, India Institute of Corporate Affairs (IICA) at a function in Bengaluru
- **Business Today's CSR award "BT CSR Excellence Award- 2016"** was received by Birla Copper for **"Promoting Education"** and Hindalco Renukoot unit for **"Sustainable Livelihood"** project.

Our Investment:

For the year 2016-17, our CSR spend was ₹ 28.36 crore, which is 2.7% of our net profit. In addition, we have spent ₹ 36.91 crores on CSR activities in Odisha under Enterprise Social commitment (ESC). Further, we have mobilised ₹ 85.48 crores through the various schemes of the Government, acting as catalysts for the community. This has enabled us to expand our reach.

Our Board of Directors, our Management and our colleagues across Hindalco are committed to inclusive growth.

INDEPENDENT AUDITOR'S REPORT ON THE ABRIDGED STANDALONE INDIAN ACCOUNTING STANDARDS (IND-AS) FINANCIAL STATEMENTS

To The Members of Hindalco Industries Limited

The accompanying Abridged Standalone Ind-AS Financial Statements, which comprise the Abridged Standalone Balance Sheet as at 31st March 2017, the Abridged Standalone Statement of Profit and Loss (including Other Comprehensive Income), Abridged Standalone Cash Flow Statement and Abridged Statement of Changes in Equity for the year then ended, and summary of significant accounting policies and other explanatory information, are derived from the Audited Standalone Ind-AS Financial Statements of Hindalco Industries Limited ('the Company') for the year ended 31st March 2017. We expressed an unmodified opinion on those financial statement in our report dated 30th May, 2017.

The Abridged Standalone Ind-AS Financial Statements do not contain all the disclosures required by the Accounting Standards as specified in Companies (Indian Accounting Standard) Rules, 2015 (as amended) under Section 133 of the Act and accounting principles generally accepted in India, applied in the preparation of the audited Standalone Ind –AS Financial Statements of the Company. Reading the Abridged standalone Ind-AS Financial Statements, therefore, is not a substitute for reading the audited Standalone Ind-AS Financial Statements of the Company. Those Standalone Ind-AS Financial Statements, and the Abridged Standalone Ind-AS Financial Statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

Management's Responsibility for the Abridged Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of a summary of the audited Standalone Financial Statements in accordance with Section 136(1) read with Rule 10 of Companies (Accounts) Rules, 2014 and are based on the audited Standalone Ind-AS Financial Statements for the year ended 31st March 2017, prepared in accordance with Accounting Standards as specified in Companies (Indian Accounting Standard) Rules, 2015 (as amended) under Section 133 of the Act and accounting principles generally accepted in India.

Auditors' Responsibility

Our responsibility is to express an opinion on the abridged Standalone Ind-AS Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the Abridged Standalone Ind-AS Financial Statements, prepared in accordance with Rule 10 of the of Companies (Accounts) Rules, 2014 are derived from the audited Standalone Ind-AS Financial Statements of the Company for the year ended 31st March, 2017 and are a fair summary of those Standalone Ind-AS Financial Statements.

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

(RAJIV SINGHI)
Partner
Membership No. 53518

Place : Mumbai
Date : 30th May, 2017

INDEPENDENT AUDITORS' REPORT
ON THE STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF HINDALCO INDUSTRIES LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements.

We have audited the Standalone Ind AS financial statements of **HINDALCO INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian accounting Standard) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The corresponding financial information of the Company as at and for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Standalone Ind AS financial statements, are based on the previously issued financial statements for the years ended March 31, 2016 and March 31, 2015,

INDEPENDENT AUDITORS' REPORT
ON THE STANDALONE FINANCIAL STATEMENTS

prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion read with our observation on which attention drawn under emphasis of matter paragraph of our audit report dated May 28, 2016 and May 28, 2015 respectively which is also explained in Note no. 43 to the attached financial statements. These financial statements have been adjusted for differences in accounting principles to comply with Ind AS and such adjustments on transition to Ind AS which has been approved by the Company's Board of Directors have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016; issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of examination of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure 'A' statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) , the cash flow statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
   d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B',
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended), in our opinion and to the best of our information and according to the explanations given to us:
      i. the Company has disclosed the impact of pending litigation as at March 31, 2017 on its financial position in its Standalone Ind AS financial statements – Refer Note 47 (a) and 47(b)(iv) to (vi).
      ii. the Company has long-term contracts including derivative contracts as at 31st March, 2017 for which there were no material foreseeable losses.
      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, except ₹ 0.02 crore which are held in abeyance due to pending legal cases.
      iv. The Company has provided requisite disclosures in the Standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on the audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and produced to us by the Management. Refer Note No 55(C).

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

(RAJIV SINGHI)
Partner
Membership No. 53518

Place : Mumbai
Date : 30th May, 2017

Annexure A referred to in paragraph 1 of the Independent Auditors Report of the even date to the members of Hindalco Industries Limited in the Standalone Ind AS financial statements as of and for the year ended March 31, 2017 under the heading "Report on other legal and regulatory requirements"

Re: Hindalco Industries Limited (the Company)

I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Physical verification of fixed assets have been carried out in terms of the phased program designed to cover all items over a period of 3 years, which in our opinion is reasonable having regard to size of the Company and nature of its assets. Pursuant to the program, a portion of fixed assets have been physically verified by the management during the year and no material discrepancies between books record and physical inventory has been noticed.

(c) According to the information and explanations given to us and on the basis of the examination of the records of the company, the title deeds of the immovable properties included in fixed assets are held in the name of the company, except in the following cases.

Particulars	Total number of cases	Nature of Assets	Gross block (as at March 31, 2017) Amount
Unit:- Birla Copper 6.13 acre, Unit:- Muri 1.22 acre, Unit:- Mahan 37.79 acre	9	Freehold Land	₹ 4.09 crore
Unit:- Delhi Branch Residential Property of Area 1808 sq Built up, Area 2,690 sq ft Built up and Area 3644 sq ft Built up	3	Residential Property	₹ 0.35 crore

II. As per the information and explanations given to us, the inventories (excluding inventories in transit) have been physically verified at reasonable intervals during the year by the management except materials lying with third parties, where confirmations are obtained. The discrepancies noticed on the physical verification of inventory as compared to book stock were not material.

III. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3(III), 3(III)(a) to 3(III)(c) of the said order are not applicable to the Company.

IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act 2013, with respect to Loans and Advances made, guarantee given and investments made.

V. The Company has not accepted any deposit from the public within the meaning of section 73, 74, 75 and 76 of the Act and Rules framed thereunder to the extent notified.

VI. We have broadly reviewed the books of accounts maintained by Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie ,the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

VII. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

(b) According to the information and explanations given to us, the dues of Sales Tax, Income Tax, Duty of Customs , Duty of Excise, Service Tax and Cess which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2017 are as under :-

Name of the Statue	Nature of Dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where the disputes are pending
Central Sales Tax Act and Local Sales Tax Act	Sales Tax	3.57	2003-2004, 2012-2013 to 2015-2016	The Supreme Court
		8.97	1986-1987, 1989-1990, 1991-1992 , 1992-1993, 1999-2000 to 2003-2004, 2005-2006, 2006-2007	The High Court
		1.33	2002-2003, 2005-2006	Tribunal
		43.42	1991-1992, 1996-1997 to 2002-2003, 2005-2006 to 2012-2013	Asst Commissioner/ Commissioner/ Revisionary Authorities Level
The Central Excise Act, 1944				
	Excise Duty			
		1.14	1989-1990 to 1995-1996, 2000-2001, 2009-2010, 2011-2012	The High Court
		236.64	1998-1999 to 2014-2015	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		186.82	2001-2002 to 2013-2014	Asst Commissioner/ Commissioner/ Revisionary Authorities Level
The Service Tax under the Finance Act ,1994	Service Tax	0.35	2009-2010	The High Court
		148.90	2002- 2003 to 2015-2016	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		93.09	2004-2005 to 2015-2016	Asst Commissioner/ Commissioner/ Revisionary Authorities Level
The Customs Act , 1962	Customs Act			
		22.78	2009-10 and 2010-11	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		5.34	2006-07	Asst Commissioner/ Commissioner/ Revisionary Authorities Level
The Income Tax Act , 1961	Income Tax	912.30	2008-2009 to 2011-2012	CIT (Appeals)

Adhosanrachna Vikas Evam Parayavaran Upkar Adhiniyam, 2005	Chhattisgarh Development and Environment Cess	0.38	2005- 2006 to 2011-2012	The Supreme Court
Shakti Nagar Special Area Development Authority	Cess on Coal	3.98	1997- 1998 to 2011-2012	The Supreme Court
The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act & Rules ("BOCW Act")	Cess	123.60	2011-12	The Supreme Court
Green Cess	Cess	7.56	2012-2013 to 2015-2016	The Supreme Court

VIII. According to the records of the Company examined by us and the information and explanations provided to us, the Company has not defaulted in repayment of loans or borrowings to any Financial Institutions or Banks or dues to debenture holders as at the Balance Sheet date. The Company does not have any loans or borrowing from the Government as at the balance sheet date.

IX. In our opinion, and according to the information and explanations given to us, the money raised by way of term loans have been applied for the purpose for which they were obtained. The company has not raised any money by way of initial public offer or further public offer including debt instruments during the year.

X. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees, noticed or reported during year nor have been informed of any such case by the Management.

XI. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

XII. The company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, accordingly, the provisions of clause 3(XII) of the Order are not applicable.

XIII. The Company has entered into transactions with related parties in compliance with sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Ind AS financial statements as required under Ind AS 24, Related Party Disclosures specified under section 133 of the Act , read with Rule 7 of the Companies (Accounts) Rules, 2014.

XIV. The Company has not made any preferential allotment of shares or fully or partly converted debentures during the year. However, the Company has raised ₹ 3,350 crore through Qualified Institutions Placement ("QIP") by allotting 17,68,27,659 Equity Shares at a price of ₹ 189.45 per share. The QIP placement is in compliance with section 42 of the Companies Act, 2013. Further the Company has disclosed the end use of money received from QIP in Note No. 16(d) of notes to the Standalone Ind AS financial statements and the same has been verified by us.

XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

(RAJIV SINGHI)
Partner
Membership No. 53518

Place : Mumbai
Date : 30th May, 2017

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HINDALCO INDUSTRIES LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

(RAJIV SINGHI)
Partner
Membership No. 53518

Place : Mumbai
Date : 30th May, 2017

Abridged Standalone Balance Sheet as at 31st March, 2017

(₹ in Crore)

	As At 31/03/2017	As At 31/03/2016	As At 01/04/2015
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	34,017.71	32,096.38	25,500.87
Capital Work in Progress	711.54	3,078.41	10,738.75
Investment Property	9.26	9.48	9.74
Intangible Assets	357.31	146.98	65.39
Intangible Assets Under Development	0.01	0.33	0.02
Financial Assets			
Investment in Subsidiaries	14,122.49	14,079.17	13,948.55
Investments in Joint Ventures and Associates	1,971.30	2,524.31	4,240.74
Other Investments	4,385.38	3,117.36	2,855.73
Loans	50.53	36.89	44.80
Other Financial Assets	382.84	266.16	200.48
Other Non-current Assets	724.02	728.16	701.11
	56,732.39	56,083.63	58,306.18
Current Assets			
Inventories	9,268.03	8,405.49	8,806.78
Financial Assets			
Other Investments	8,852.78	7,590.42	6,371.50
Trade Receivables	1,872.83	2,014.76	1,829.05
Cash and Cash Equivalents	4,307.42	222.63	564.43
Bank Balances other than Cash and Cash Equivalents	27.76	103.84	680.61
Loans	179.82	32.27	26.51
Other Financial Assets	1,114.44	1,405.72	891.49
Other Current Assets	3,885.17	4,485.17	4,421.49
	29,508.25	24,260.30	23,591.86
Non-current Assets or Disposal Groups Classified as Held For Sale or as Held For Distribution to Owners	81.51	97.59	120.21
	29,589.76	24,357.89	23,712.07
	86,322.15	**80,441.52**	**82,018.25**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	222.72	204.89	204.89
Other Equity	47,109.84	41,954.59	43,656.17
Capital Reserve	144.54	144.54	144.54
Capital Redemption Reserve	101.57	101.57	101.57
Business Reconstruction Reserve	7,714.77	7,714.77	8,397.04
Securities Premium Account	8,169.92	4,861.25	4,861.17
Debenture Redemption Reserve	750.00	600.00	450.00
Employee Stock Options Outstanding	27.70	35.52	28.42
General Reserve	21,354.16	21,353.80	21,351.31
Retained Earning	2,924.86	1,756.74	1,563.03
Other Comprehensive Income	5,810.64	5,042.12	6,485.53
Items that will be reclassified to Profit and Loss (Net of Income Tax Effect)	111.69	344.28	273.56
	47,332.56	42,159.48	43,861.06
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	18,391.95	23,904.29	22,974.65
Trade Payables	0.44	2.10	1.67
Other Financial Liabilities	476.88	506.68	109.18
Provision	453.32	409.35	331.01
Deferred Tax Liabilities (Net)	1,231.67	1,149.06	1,329.81
Other Non-current Liabilities	10.66	1.47	3.69
	20,564.92	25,972.95	24,750.01
Current liabilities			
Financial Liabilities			
Borrowings	4,229.98	4,540.49	5,675.53
Trade Payables	5,285.11	3,944.52	3,651.98
Other Current financial Liabilities	7,146.87	2,008.51	2,179.22
Provisions	276.95	221.66	208.08
Other Current Liabilities	697.12	634.66	904.63
Income Tax Liabilities (Net)	788.59	959.09	786.96
	18,424.62	12,308.93	13,406.40
Liabilities Associated with Non-current Assets or Disposal Group Classified as Held For Sale or as Held For Distribution to Owners	0.05	0.16	0.78
	18,424.67	12,309.09	13,407.18
	38,989.59	38,282.04	38,157.19
	86,322.15	**80,441.52**	**82,018.25**

Basis of Preparation and Significant Accounting Policies (refer Note No. 1 of Audited Standalone Financial Statements)
The accompanying Notes are an integral part of the Abridged Standalone Financial Statements.

As per our report annexed.

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

For and on behalf of the Board of Hindalco Industries Limited

RAJIV SINGHI
Partner
Membership No. 53518

Praveen Kumar Maheshwari
CFO

Satish Pai – Managing Director
DIN-06646758

Place : Mumbai
Dated : 30th May, 2017

Anil Malik
Company Secretary

M.M. Bhagat – Director
DIN-00006245

Abridged Standalone Statement of Profit and Loss for the year ended 31st March, 2017

(₹ in Crore)

	Year ended 31/3/2017	Year ended 31/3/2016
Income		
Revenue from Operations	39,383.12	36,713.05
Other Income	1,005.17	978.92
Total Income	**40,388.29**	**37,691.97**
Expenses		
Cost of Materials Consumed	21,018.22	19,208.79
Purchases of Stock-in-Trade	89.11	1.48
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(1,100.16)	191.70
Excise Duty on Sales	2,446.51	2,442.24
Employee Benefits Expense	1,752.12	1,687.92
Power and Fuel	5,898.67	6,508.06
Finance Cost	2,322.87	2,390.14
Depreciation and Amortization	1,427.97	1,282.02
Impairment Charge (Reversal)	0.00	-
Other Expense	4,465.13	3,326.79
Total Expenses	**38,320.44**	**37,039.14**
Profit/(Loss) Before Exceptional Items and Tax from Continuing Operations	2,067.85	652.83
Exceptional Income	84.89	-
Profit/(Loss) Before Tax from Continuing Operations	2,152.74	652.83
Tax Expenses		
Current Tax	414.58	119.63
Deferred Tax	596.35	98.92
MAT Credit Entitlement	(414.58)	(119.63)
	596.35	98.92
Profit/(Loss) for the Period From Continuing Operations	**1,556.39**	**553.91**
Profit/(Loss) from Discontinued Operations	0.50	(2.01)
Profit/(Loss) for the Period	**1,556.89**	**551.90**
Other Comprehensive Income		
Items that will not be reclassified to Statement of Profit and Loss	795.45	(1,446.63)
Income tax effect relating to items that will not be reclassified to Statement of Profit and Loss	(26.93)	3.22
Items that will be reclassified to Statement of Profit and Loss	(358.68)	108.29
Income tax effect relating to items that will be reclassified to Statement of Profit and Loss	126.09	(37.57)
	535.93	(1,372.69)
Total Comprehensive Income For The Year	**2,092.82**	**(820.79)**
Earnings Per Share		
Earnings Per Equity Share (for Continuing Operation)		
Basic (₹)	7.55	(0.63)
Diluted (₹)	7.55	(0.63)
Earnings Per Equity Share (for Discontinued Operation)		
Basic (₹)	0.01	(0.01)
Diluted (₹)	0.00	(0.01)
Earnings Per Equity Share(for Discontinued & Continuing Operations)		
Basic (₹)	7.56	(0.64)
Diluted (₹)	7.55	(0.64)

Basis of Preparation and Significant Accounting Policies (refer Note No. 1 of Audited Standalone Financial Statements)

The accompanying Notes are an integral part of the Abridged Standalone Financial Statements.

As per our report annexed.

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

For and on behalf of the Board of Hindalco Industries Limited

RAJIV SINGHI
Partner
Membership No. 53518

Praveen Kumar Maheshwari
CFO

Satish Pai – Managing Director
DIN-06646758

Place : Mumbai
Dated : 30th May, 2017

Anil Malik
Company Secretary

M.M. Bhagat – Director
DIN-00006245

Abridged Standalone Statement of Changes in Equity for the year ended 31st March, 2017

'A' Equity Share Capital

₹ in Crore

Particulars	Amount
Balance as at 1 April 2015	204.89
Changes in Equity share capital during 2015-16	-
Equity Share capital as at 31 March 2016	204.89
Changes in Equity share capital during 2016-17	17.83
Equity Share capital as at 31 March 2017	222.72

'B' Other Equity

₹ in Crore

									Other Comprehensive Income					
Particulars	Capital Reserve	Capital Redemption Reserve	Business Reconstruction Reserve	Securities Premium Account	Debenture Redemption Reserve	Employee Stock Options Outstanding	General Reserve	Retained Earnings	Actuarial Gain(Loss) on Defined Benefit Obligation	Gain (loss) on Equity Instruments FVTOCI	Gain (loss) on Debt Instruments FVTOCI	Effective Portion of Cash Flow Hedge	Total OCI	Total
Balance as at 1 April 2015	**144.54**	**101.57**	**8,397.04**	**4,861.17**	**450.00**	**28.42**	**21,351.31**	**1,563.03**	**-**	**6,485.53**	**(1.07)**	**274.63**	**6,759.09**	**43,656.17**
Profit for the year								551.90					-	551.90
Other comprehensive income									(8.30)	(1,435.11)	0.02	70.70	(1,372.69)	(1,372.69)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	551.90	(8.30)	(1,435.11)	0.02	70.70	(1,372.69)	(820.79)
Realised Gain (Loss) on Equity FVTOCI recycled in Equity								15.30						15.30
Dividends Paid								(223.49)						(223.49)
Transfer to Debenture Redemption Reserve					150.00			(150.00)						-
Adjustments in Business Reconstruction Reserve			(682.27)											(682.27)
Equity Share Issued Under ESOS				0.08			2.49							2.57
Employee Share Options Outstanding						7.10								7.10
Total changes	-	-	(682.27)	0.08	150.00	7.10	2.49	193.71	(8.30)	(1,435.11)	0.02	70.70	(1,372.69)	(1,701.58)
Balance as at 31 March 2016	**144.54**	**101.57**	**7,714.77**	**4,861.25**	**600.00**	**35.52**	**21,353.80**	**1,756.74**	**(8.30)**	**5,050.42**	**(1.05)**	**345.33**	**5,386.40**	**41,954.59**
Profit for the year								1,556.89					-	1,556.89
Other comprehensive income									55.28	713.24	4.06	(236.65)	535.93	535.93
Total Comprehensive Income for the year	-	-	-	-	-	-	-	1,556.89	55.28	713.24	4.06	(236.65)	535.93	2,092.82
Dividends Paid								(238.78)						(238.78)
Transfer to Debenture Redemption Reserve					150.00			(150.00)						-
Adjustments in Business Reconstruction Reserve			-											-
Equity Share Issued Under ESOS				19.04			0.36							19.40
Issuance of equity shares through Qualified Institutional Placement				3,332.31										3,332.31
adjustment of expenses for issuance of equity shares through Qualified Institutional Placement				(42.68)										(42.68)
Employee Share Options Outstanding						(7.82)								(7.82)
Total changes	-	-	-	3,308.67	150.00	(7.82)	0.36	1,168.11	55.28	713.24	4.06	(236.65)	535.93	5,155.25
Balance as at 31 March 2017	**144.54**	**101.57**	**7,714.77**	**8,169.92**	**750.00**	**27.70**	**21,354.16**	**2,924.85**	**46.98**	**5,763.66**	**3.01**	**108.68**	**5,922.33**	**47,109.84**

Basis of Preparation and Significant Accounting Policies (refer Note No.1 of Audited Standalone Financial Statements)

The accompanying Notes are an integral part of the Abridged Standalone Financial Statements.

As per our report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

RAJIV SINGHI
Partner
Membership No. 53518

Place : Mumbai
Dated : 30th May, 2017

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of
Hindalco Industries Limited

Satish Pai – Managing Director
DIN-06646758

M.M. Bhagat – Director
DIN-00006245

Abridged Cash Flow Statement for the year ended 31st March, 2017

(₹ in Crore)

		Year ended	
		31/03/2017	31/03/2016
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net cash generated from/(used in) Operating Activities	5,897.60	3,640.66
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Net cash generated from/(used in) Investing Activities	(1,240.53)	(1,050.47)
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Net cash generated from/(used in) Financing Activities	(583.54)	(2,930.97)
	Net increase/(decrease) in cash and cash equivalents	4,073.53	(340.78)
	Add: Opening cash and cash equivalents before fair value gain/loss on liquid investments	222.43	563.20
	Cash and cash equivalents before fair value gain/(loss) on liquid investments	4,295.96	222.42
	Add: Fair value gain/(loss) on liquid investments	11.46	0.21
	Cash and cash equivalents as reported in Balance Sheet	**4,307.42**	**222.63**

Basis of Preparation and Significant Accounting Policies (refer Note No.1 of Audited Standalone Financial Statements)
The accompanying Notes are an integral part of the Abridged Standalone Financial Statements.

As per our report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

For and on behalf of the Board of Hindalco Industries Limited

RAJIV SINGHI
Partner
Membership No. 53518

Praveen Kumar Maheshwari
CFO

Satish Pai – Managing Director
DIN-06646758

Place : Mumbai
Dated : 30th May, 2017

Anil Malik
Company Secretary

M.M. Bhagat – Director
DIN-00006245

Notes forming part of the Abridged Financial Statements

Company overview

Hindalco Industries Limited ("the Company") was incorporated in India in the year 1958 having its registered office at Century Bhavan, 3rd Floor, Dr. Annie Besant Road, Worli, Mumbai 400 030.

The Company has two main stream of business Aluminium and Copper. In Aluminium, the Company caters to the entire value chain starting from mining of bauxite and coal through production of value added products for various application. The Company also has one of the largest single location Copper smelting facility in India.

The equity shares of the Company are listed on the Indian Stock Exchanges (National Stock Exchange & Bombay Stock Exchange) and GDRs are listed on the Luxemburg Stock Exchange.

'1' Basis of Preparation and Significant Accounting Policies

I. Basis of Preparation

The standalone financial statements of Hindalco Industries Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind-AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standard) Amendment Rules 2016 and other accounting principles generally accepted in India.

These financial statements are the first financial statement of the Company prepared under Ind-AS.

The financial statements for all periods up to and including the year ended March 31, 2016, were prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of The Companies (Accounts) Rules 2014, the Companies Act, 2013 and in accordance with the Generally Accepted Accounting Principal in India.

The Company followed the provisions of Ind-AS 101 in preparing its Opening Ind-AS Balance Sheet (OBS) as of the date of transition i.e. 1st April 2015. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2015 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arose from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2015 as required by Ind-AS 101.

The financial statements for the year ended 31st March 2017 have been approved by the Board of Directors of the Company in their meeting held on 30th May, 2017.

The financial statements have been prepared on historical cost convention on accrual basis except for following assets and liabilities which have been measured at fair value or revalued amount:

- Financial instruments - Measured at fair value;
- Assets held for sale - Measured at fair value less cost of sale;
- Plan assets under defined benefit plans - Measured at fair value; and
- Employee share-based payments - Measured at fair value

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for employee share-based payment, leasing transactions, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of Crore unless otherwise stated.

Use of Estimates and Management Judgement

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

II. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

A. Investment in Subsidiaries and Joint Ventures

The investments in subsidiaries and joint ventures are carried in these financial statements at historical cost except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. When the Company is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for at historical cost.

B. Investment in Associates

The investments in associates are carried in these financial statements at fair Value through Other Comprehensive Income (OCI) except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. When the Company is committed to a sale plan involving disposal of an investment, or a portion of an investment in an associate the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for at fair value through OCI.

Upon loss of significant influence over the associate the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate and the fair value of retained investment and proceeds from disposal is recognised in profit or loss.

C. Investment in Joint Operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Company undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the standards applicable to the particular assets, liabilities, revenues and expenses.

When the Company transacts with a joint operation in which the Company is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the financial statements only to the extent of other parties' interests in the joint operation.

When the Company transacts with a joint operation in which the Company is a joint operator (such as a purchase of assets), the Company does not recognise its share of the gains and losses until it resells those assets to a third party.

D. Property, Plant and Equipment

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Cost may also include effective portion on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment recycled from hedge reserve as basis adjustment.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs and effective portion of cash flow hedges of foreign currency recycled from the hedge reserve as basis adjustment.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised. All other costs are expensed as incurred.

Capital work-in-progress

Capital work-in-progress assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

Depreciation

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives or, in the case of leased assets (including leasehold improvements), over the lease term if shorter. The lease period is considered by excluding any lease renewals options, unless the renewals are reasonably certain. Depreciation is recorded using the straight line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset.

Depreciation commences when the assets are ready for their intended use. Depreciated assets in property and accumulated depreciation accounts are retained fully until they are removed from service.

The useful life of the items of PPE estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act , 2013.

Disposal of assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Mining Reserves, Resources and Rights (Mining Rights)

Mineral reserves, resources and rights (together mining rights) which can be reasonably valued, are recognised in the assessment of fair values on acquisition. Exploitable mineral rights are amortised using the unit of production basis over the commercially recoverable reserves. Mineral resources are included in amortisation calculations where there is a high degree of confidence that they will be extracted in an economic manner. Commercially recoverable reserves are proved and probable reserves. Changes in the commercial recoverable reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

E. Stripping Cost

Stripping costs incurred during the mining production phase are allocated between cost of inventory produced and the existing mine asset.

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to ore provided all the following conditions are met:

- it is probable that the future economic benefit associated with the stripping activity will be realised;
- the component of the ore body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

The stripping activity asset is subsequently amortised on a unit of production basis over the life of the identified component of the ore body. The expenditure which cannot be specifically identified to have been incurred to access ore is charged to revenue, based on stripping ratio as per the mining plan.

F. Investment Property

Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the statement of profit and loss. Transfer to, or from, investment property is done at the carrying amount of the property.

G. **Intangible Assets (Other than goodwill)**

Intangible assets acquired separately

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if all of the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset is recognised. Where no internally-generated intangible asset can be recognized, development expenditure is charged to the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

H. **Non-current assets (or disposal groups) held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Company) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal Company) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

I. **Impairment**

Impairment of tangible and intangible assets excluding Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset/cash generating unit is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and Value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

J Foreign currency Transactions

In preparing the financial statements transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items are measured at historical cost.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for:

- eligible exchange differences on foreign currency borrowings relating to qualifying assets under construction are included in the cost of those assets when they are regarded as an adjustment to interest;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedge accounting policies); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the statement of profit and loss on repayment of the monetary items.

Changes in the fair value of financial asset denominated in foreign currency classified as Fair Value through Other Comprehensive Income are analysed between differences resulting from exchange differences related to changes in the amortised cost of the security and other changes in the carrying amount of the security. Exchange differences related to changes in amortised cost are recognised in the statement of profit and loss, and other changes in carrying amount are recognised in other comprehensive income.

Changes in the fair value of non-monetary equity instruments irrevocably classified as fair value through other comprehensive income includes gain or loss on account of exchange differences.

The fair value of financial liabilities denominated in a foreign currency is translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss.

K. Provisions and Contingencies

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Restructurings

A restructuring provision is recognised when there is a detailed formal plan for the restructuring which has raised a valid expectation in those affected. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring.

Restoration (including Mine closure), rehabilitation and decommissioning

Close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of the estimated future costs of restoration to be incurred during the life of the mining operation and post closure. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

The initial close-down and restoration provision is capitalised. Subsequent movements in the close-down and restoration provisions for ongoing operations, including those resulting from new disturbance related to expansions or other activities qualifying for capitalisation, updated cost estimates, changes to the estimated lives of operations, changes to the timing of closure activities and revisions to discount rates are also capitalised within "Property, plant and equipment".

Environmental Liabilities

Environment liabilities are recognised when the Company becomes obliged, legally or constructively to rectify environmental damage or perform remediation work.

Litigation

Provision is recognised once it has been established that the Company has a present obligation based on consideration of the information which becomes available up to the date on which the Company's financial statements are finalised and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

L. Leases

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Amounts due from lessees' under finance leases are recorded as receivables at the amount of net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

Assets held under finance leases are initially recognised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Variable increases in lease payments which are linked to an inflation price index are considered as contingent rentals and are recognised on a straight-line basis. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

M. Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads. Costs of inventories include the transfer from equity any gains/losses on qualifying cash flow hedges for purchases of raw materials.

The Inventories are measured at Fair Value only in those cases where the Inventories are designated into a fair value hedge relationship.

Cost is determined using the weighted average cost basis. However, the same cost basis is applied to all inventories of a particular class. Inventories of stores and spare parts are valued at weighted average cost basis after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

However, materials and other supplies held for use in the production of inventories (finished goods, work-in-progress) are not written down below the cost if the finished products in which they will be used are expected to sell at or above the cost.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

N. Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

Trade receivables which arise from contracts where the sale price is provisional and revenue model have the character of a commodity derivative are measured at fair value. The fair value is measured at forward rate and recognised as an adjustment to revenue.

Loss allowance for expected life time credit loss is recognised on initial recognition.

O Financial Instruments

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification of financial assets

Financial assets are classified as ‘equity instrument’ if it is a non-derivative and meets the definition of ‘equity’ for the issuer. All other non-derivative financial assets are ‘debt instruments’.

Financial assets at amortised cost and the effective interest method

Debt instruments are measured at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis in investment income.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Company may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Financial assets at fair value through other comprehensive income (FVTOCI)

Debt instruments are measured at FVTOCI if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and selling assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on Remeasurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in investment income. When the debt instrument is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the statement of profit and loss account as a reclassification adjustment.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the Other Comprehensive Income is directly reclassified to retained earnings.

For equity instruments measured at fair value through other comprehensive income no impairments are recognised in the statement of profit and loss.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Financial assets at Fair Value through Profit and Loss (FVTPL)

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Impairment of financial assets

On initial recognition of the financial assets, a loss allowance for expected credit loss is recognised for debt instruments at amortised cost and FVTOCI. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income in the statement of profit and loss and does not reduce the carrying amount of the financial asset in the balance sheet.

Expected credit losses of a financial instrument is measured in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

When making the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss. Cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (convertible instruments) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with Ind-AS 37 Provisions, Contingent Liabilities and Contingent Assets; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired or incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument

A financial liability other than a financial liability held for trading may also be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind-AS 109 Financial Instruments permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

The net gain or loss recognised in the statement of profit and loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

P. Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

(b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or

(c) hedges of a net investment in a foreign operation (net investment hedge).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio).

The full fair value of a hedging derivative is classified as a non-current asset or liability when the residual maturity of the derivative is more than 12 months and as a current asset or liability when the residual maturity of the derivative is less than 12 months.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the statement of profit and loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to the statement of profit and loss on the disposal of the foreign operation.

Q. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

R. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

S. Accounting for government grants

Government grants are recognized when there is reasonable assurance that we will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income.

Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the statement of profit and loss in the period in which they become receivable.

Grants related to income are presented under other income in the statement of profit and loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

T. Employee Benefits

Retirement benefit and termination benefits

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement and medical plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item employee benefits expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit retirement plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

U. Employee Share-based Payments

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date.

The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "General Reserve".

When the options are exercised, the Company issues new equity shares of the Company of ₹ 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to share capital (nominal value) and Securities Premium Account.

V. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities using a weighted average probability.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (MAT) is recognized 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 recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

W. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements.

X. Revenue recognition

The Company derives revenue principally from sale of speciality alumina, aluminium, aluminium value added products, copper, precious metals, di-ammonium phosphate and other materials. The Company recognises revenue from sale of goods when the goods are delivered and titles have been passed at which time all the following conditions are satisfied:

i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

iii) the amount of revenue can be measured reliably;

iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and

v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs and contract signing bonus.

Shipping and handling amounts invoiced to customers are included in revenue and the related shipping and handling costs incurred are included in freight expenses when the Company is acting as principal in the shipping and handling arrangement.

Sales include excise duty and are net of Sales Tax and other applicable taxes.

For sales incentives to its customers, the Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions from revenue. In making these estimates, the Company considers historical results that have a predictive value of the amount that the Company expects for the transferred goods and services. The actual amounts may differ from these estimates and are accounted for prospectively.

Certain of the Company’s sales contracts provide for provisional pricing based on the price on the London Metal Exchange Limited (LME) or London Bullion Markets Association (LBMA), as specified in the contract, when shipped. Final settlement of the prices is based on the applicable price for a specified future period. The Company’s provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract with a corresponding adjustment to revenue.

Revenue from irrevocable bill and hold / holding certificate contracts is recognised when it is probable that delivery will be made, goods have been identified and kept separately, are ready for delivery in the present condition and usual payment terms for such contracts applies. Under these arrangements, revenue is recognised once legal title has passed and all significant risks and rewards of ownership of the asset sold are transferred to the customer.

Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

Claim on insurance companies, railway authorities and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Y. Dividend and Interest Income

Dividend income from investments purchased is recognised when the shareholder’s right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

III. Measurement of fair value

A. Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

B. Marketable and non-marketable equity securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

C. Derivatives

Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date. Options are valued using appropriate option pricing models and credit spreads are applied where deemed to be significant.

D. Embedded derivatives

Embedded derivatives that are separated from the host contract are valued by comparing the forward curve at contract inception to the forward curve as of the balance sheet date. Changes in the present value of the cash flows related to the embedded derivative are recognized in the Balance Sheet and in the Statement of Profit and Loss.

IV. Critical accounting judgment and key sources of estimation uncertainty

The application of accounting policies requires management to make estimates and judgments in determining certain revenues, expenses, assets, and liabilities. The following paragraphs explains areas that are considered more critical, involving a higher degree of judgment and complexity.

A. Impairment of Non-current Assets

Ind AS 36 requires that the Company assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include internal and external factors such as the Company's market capitalization, significant changes in the Company's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. CGU is usually the individual plant, unless the asset or asset Company is an integral part of a value chain where no independent prices for the intermediate products exist, a Company of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant interdependencies.

In accordance with Ind-AS 36, goodwill and certain intangible assets are reviewed at least annually for impairment. If a loss in value is indicated, the recoverable amount is estimated as the higher of the CGU's fair value less cost to sell, or its value in use. Directly observable market prices rarely exist for the Company's assets, however, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Company for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Company uses internal business plans, quoted market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed for a period of three to five years with projections thereafter. The Company does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes is considered.

B. Employee retirement plans

The Company provides both defined benefit employee retirement plans and defined contribution plans. Measurement of pension and other superannuation costs and obligations under such plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality.

C. Environmental liabilities and Asset Retirement Obligation (ARO)

Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs.

D. Taxes

The Company calculates income tax expense based on reported income.. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

E. Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

F. Useful lives of depreciable/ amortisable assets (tangible and intangible)

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

G. Recoverability of advances/ receivables

At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.

H. Fair value measurements

The Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

I. Contingent assets and liabilities, uncertain assets and liabilities

Liabilities that are uncertain in timing or amount are recognized when a liability arises from a past event and an outflow of cash or other resources is probable and can be reasonably estimated. Contingent liabilities are possible obligations where a future event will determine whether Company will be required to make a payment to settle the liability, or where the size of the payment cannot be determined reliably. Material contingent liabilities are disclosed unless a future payment is considered remote. Evaluation of uncertain liabilities and contingent liabilities and assets requires judgment and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts.

V. Recent Accounting Pronouncements:

Amendments to Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7, Statement of Cash Flows:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102, Share-Based Payment:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of Withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

2. This abridged Financial Statements have been compiled from Audited Standalone Financial Statements of the Company and containing the salient features of the Balance Sheet,Statement of Profit and Loss and Statement of Change in Equity OCE as per the first proviso to sub-section 1 of section 136 of the Companies Act,2013 and Rule 10 of Companies (Accounts) Rules,2014. Complete set of Balance Sheet , Statement of Profit and Loss , Cash Flow Statement , Statement of Change in Equity and notes thereto prepared as per the requirements of Division II of Schedule III of the Companies Act,2013 are available at the Company's website at link www.hindalco.com.

3. Note 5, 6, 7A and 7B of Audited Standalone Financial Statements

Aggregate book value of Quoted and Unquoted Investments, market value of Quoted Investments and aggregate provision for dinumination in value of Investments are given below:

₹ in Crore

	As at					
	31/03/2017		31/03/2016		01/04/2015	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Aggregate cost of quoted investments	526.88	7,090.71	526.88	3,980.82	515.69	3,985.01
Aggregate market value of quoted investments	6,283.90	7,572.05	5,576.00	3,994.42	6,985.43	4,067.49
Aggregate cost of unquoted investments	14,194.41	1,264.15	14,148.23	3,581.65	14,049.19	2,281.82

4. Note 13 of Audited Standalone Financial Statements

₹ in Crore

	Year ended		
Details of Cash and Cash Equivalents are as under:	31/03/2017	31/03/2016	01/04/2015
Cash on hand	0.48	0.48	0.40
Cheques and drafts on hand	17.11	52.51	14.81
Balances with bank			
Current accounts	127.56	60.95	88.37
Deposit with Banks with less than 3 months initial maturity	0.05	0.05	200.00
Short term liquid investments	4,162.22	108.64	260.85
	4,307.42	**222.63**	**564.43**

5. Note No. 16(c) of Audited Standalone Financial Statements

Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	2016-17		2015-16	
	Numbers	₹ in Crore	Numbers	₹ in Crore
Equity shares outstanding at the beginning of the period	2,048,669,630	204.89	2,048,664,252	204.89
Equity shares allotted pursuant to exercise of ESOS	1,440,671	0.14	5,378	-
Equity shares allotted in Qualified Institutional Placement	176,827,659	17.68	-	-
Equity shares outstanding at the end of the period	2,226,937,960	222.72	2,048,669,630	204.89

6. Note No. 16(d) of Audited Standalone Financial Statements

On 9th March 2017, the Company has issued and allotted 17,68,27,659 Equity Shares of ₹ 1/- each at an issue price of ₹ 189.45 per share to raise ₹ 3,350 Crore by way of Qualified Institutional Placement ("QIP") under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities Rules, 2014). Expenses related to the issue amounting to ₹ 42.67 Crore have been adjusted against Securities Premium.

Use of the net proceeds of the Qualified Institutional Placement is intended for business purposes such as meeting working capital requirements, repayment or prepayment of debt, exploring acquisition opportunities and general corporate purposes. Pending utilisation, the proceeds (net of issue expenses) have been invested in short term liquid investments and included in Cash and Cash Equivalents as at 31/03/2017. However, the entire amount has since been utilised for prepayment of long term debt.

7. Note No. 16(i) of Audited Standalone Financial Statements

The Board of Directors of the Company has recommended dividend of ₹ 1.10 per share for the year ended 31st March 2017.

8. **Note No. 19B of Audited Standalone Financial Statements**

Information related to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company:

₹ in Crore

		As at	
	31/03/2017	31/03/2016	01/04/2015
(i) Principal amount outstanding	4.13	4.28	2.40
(ii) Interest on Principal amount due	NIL	NIL	NIL
(iii) Interest and Principal amount paid beyond appointment day	NIL	NIL	NIL
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act.	NIL	NIL	NIL
(v)] The amount of interest accrued and remaining unpaid at the end of the year.	NIL	NIL	NIL
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act.	NIL	NIL	NIL

9. **Note No. 25 of Audited Standalone Financial Statements**

₹ in Crore

	Year ended	
Details of Revenue from Operations are as under:	**31/03/2017**	**31/03/2016**
Sale of products	38,945.65	36,317.43
Other operating revenues	437.47	395.62
Gross revenue from operations	**39,383.12**	**36,713.05**

10. **Note No.34 of Audited Standalone Financial Statements**

Impairment Expense/(Reversal) (Net)		
Impairment expenses / (reversal) - (a)	-	561.70
Impairment reversal/(expense) transferred to BRR	-	(561.70)

11. **Note No. 36 of Audited Standalone Financial Statements**

Exceptional Income (Expenses)		
Exceptional Income - (a)	144.93	-
Exceptional Expenses - (b)	60.04	-
	84.89	**-**

(a) During the financial year, the Company has sold its entire holding in a subsidiary, Aditya Birla Minerals Limited, Australia (ABML) by accepting an off-market take-over offer from Metals X Limited. As per the offer, a part of the proceeds were realised in cash and the balance in the equity shares of Metals X Limited. The equity shares of Metals X Limited received as part of this transaction have also been liquidated. The resultant gain over the carrying value of this investment arising out of these transactions is ₹ 144.93 crore and same has been accounted for as exceptional income in Statement of Profit and Loss.

(b) Through a Gazette Notification (G.S.R 837(E) dated 31 August 2016), Ministry of Coal, Government of India has amended the applicability of the Mines and Minerals (Contribution to District Minerals Foundation) Rules, 2015 retrospectively from January 12, 2015 as against earlier applicability being later date on which

District Mineral Foundation is established or October 20, 2015. Accordingly, an amount of ₹ 60.04 crore has been provided during the year for additional obligation that may arise as result of this amendment in respect to coal purchased by the Company through e-auction and linkage.

12. Note No. 40 of Audited Standalone Financial Statements

₹ in Crore

	Year ended 31/03/2017	Year ended 31/03/2016
Earnings per Share (EPS)		
Basic EPS from continuing operations (₹)	7.55	(0.63)
Diluted EPS from continuing operations (₹)	7.55	(0.63)
Basic EPS from discontinuing operations (₹)	0.01	(0.01)
Diluted EPS from discontinuing operations (₹)	0.00	(0.01)
Total Basic EPS from continuing and discontinuing operations (₹)	7.56	(0.64)
Total Diluted EPS from continuing and discontinuing operations (₹)	7.55	(0.64)
Reconciliation of earnings used in calculating earning per share		
Profit for the period from continued operations	1,556.39	553.91
Less: Impairment (reversal of impairment) transferred to Business Reconstruction Reserve	-	682.27
Profit/(loss) from continuing operations attributable to equity shareholders	1,556.39	(128.36)
Profit from discontinuing operations attributable to equity shareholders	0.50	(2.01)
Total Profit/(loss) attributable to equity shareholders	1,556.89	(130.37)
Weighted average numbers of equity shares used in the calculation of EPS:		
Weighted average numbers of equity shares used in the calculation of Basic EPS	2,060,348,932	2,048,669,137
Dilutive impact of Employee Stock Option Scheme	1,463,706	1,469,527
Weighted average numbers of equity shares and potential equity shares used in the calculation of Diluted EPS	2,061,812,638	2,050,138,664
Face Value per equity share (₹)	1.00	1.00

13. Note No. 41 of Audited Standalone Financial Statements

Mahan Coal Limited and Tubed Coal Mines Limited, joint operations of the Company, have been classified as discontinued operations since going concern of these joint operations vitiated following de-allocation of coal blocks earlier allotted to them. Assets and liabilities of these joint operations have been classified as held for sale.

A. Profit/(Loss) from Discontinued Operations

Combined results of the discontinued operations included in the profit and loss for the year are given below.

₹ in Crore

	Year ended 31/03/2017	Year ended 31/03/2016
INCOME		
Other income	1.55	0.06
	1.55	**0.06**
EXPENSES		
Employee benefit expenses	0.37	0.83
Power and fuel	-	-
Other expenses	0.68	1.24
	1.05	2.07
Profit /(Loss) from discontinued operations (net of tax)	**0.50**	**(2.01)**

B. Cash flows from Discontinued Operations

₹ in Crore

	Year ended	
	31/03/2017	**31/03/2016**
Net cash inflow/(outflow) from operating activities	(0.81)	(0.13)
Net cash inflow/(outflow) from investing activities	108.61	(0.18)
Net cash inflow/(outflow) from financing activities	(100.45)	0.80
Net cash flows for the year	**7.35**	**0.49**

C. Details of assets and liabilities of disposal group classified as held for sale:

₹ in Crore

		As at	
Assets	**31/03/2017**	**31/03/2016**	**01/04/2015**
Recoverable Project Expense	5.51	12.73	25.07
Cash and Cash Equivalents	8.61	1.01	0.27
Current Financial Assets	10.18	0.42	2.42
Other Current Assets	43.74	69.96	79.68
	68.04	**84.12**	**107.44**
Liabilities			
Trade Payable	0.03	0.05	0.19
Short Term Provision	0.01	0.02	0.21
Other Current Liability	0.01	0.09	0.38
	0.05	**0.16**	**0.78**

14. Note No. 42 of Audited Standalone Financial Statements

The Company has two reportable segments viz. Aluminium and Copper which have been identified taking into account the business activities it engages in. No operating segments have been aggregated to form these reportable segments. Description of each of the reporting segments is as under:

i. Aluminium Segment: This part of business manufactures and sells Hydrate and Alumina, Aluminium and Aluminium Products.

ii. Copper Segment: This part of business manufactures and sells Copper Cathode, Continuous Cast Copper Rods, Sulphuric Acid, DAP & Complexes, Gold, Silver and other precious metals.

The chief operating decision maker (CODM) primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis.

A. Segment Profit or Loss:

(i) Segment's performance are measured based on Segment EBITDA. Segment EBITDA is defined as "Earnings from Continuing Operations before Finance Costs, Exceptional Items, Tax Expenses, Depreciation and Amortization, Impairment of non-current Assets, Investment income and Fair value gains or losses on financial assets but after allocation of Corporate Expenses". Segment EBITDA are as follows:

Segment Profit or Loss:

₹ in Crore

	Year ended	
	31/03/2017	**31/03/2016**
Aluminium	3,472.63	2,009.18
Copper	1,456.46	1,466.58
Total Segment EBITDA	**4,929.09**	**3,475.76**

₹ in Crore

	Year ended	
	31/03/2017	31/03/2016
Segment EBITDA reconciles to Profit/ (Loss) before Tax from Continuing Operations as follows:		
Total Segment EBIDTA	4,929.09	3,475.76
Unrealized profit of Inter-segment Sales	0.36	(0.15)
Finance Costs	(2,322.87)	(2,390.14)
Depreciation and Amortization	(1,427.97)	(1,282.02)
Exceptional Items (Net)	84.89	-
Investment and treasury Income (including Interest and Dividend)	257.04	346.70
Fair value gain/ (loss) on financial assets	547.84	305.18
Other Unallocated Income/(Expense) (Net)	84.36	197.50
Profit/ (Loss) before Tax from Continuing Operations	**2,152.74**	**652.83**

(ii) Following amount are either included in the measure of segment profit or loss reviewed by the CODM or are regularly provided to the CODM:

₹ in Crore

	Year ended			
	31/03/2017		31/03/2016	
	Aluminium	Copper	Aluminium	Copper
Interest Income - (a)	53.01	44.03	40.44	48.56
Depreciation and Amortization - (b)	1,270.61	139.87	1,139.93	125.56
Impairment loss/ (Reversal) of Non-current Assets (Net) - (b)	-	-	-	-

(a) Represents interest income from customers/ security deposits etc which are included in the measure of segment profit or loss.

(b) Does not include in the measure of segment profit or loss but provided to the CODM.

B. Segment Revenue:

(i) The segment revenue is measured in the same way as in the Statement of Profit and Loss. However, sales between operating segments are on arm's length basis in a manner similar to transactions with third parties and are eliminated on consolidation. Segment Revenue and reconciliation of the same with total revenue as follows:

₹ in Crore

	Year ended					
	31/03/2017			31/03/2016		
	Total Segment Revenue	Inter-segment Revenue	Revenue from external customers	Total Segment Revenue	Inter-segment Revenue	Revenue from external customers
Aluminium	19,985.66	2.90	19,982.76	18,366.46	3.76	18,362.70
Copper	19,408.39	8.03	19,400.36	18,362.19	11.84	18,350.35
Total	**39,394.05**	**10.93**	**39,383.12**	**36,728.65**	**15.60**	**36,713.05**

(ii) Revenue of approximately ₹ 4,359.88 crore (31/03/2016: ₹ 1,195.36 crore) included in revenue from Copper Segment are arose from a single external customer which is more than 10% of the Company's total revenue during the reported period.

(iii) The Company's operations is located outside India. The amount of its revenue from external customers analysed by the country in which customers are located, are given below:

₹ in Crore

	Year ended	
	31/03/2017	**31/03/2016**
India	23,207.86	23,750.95
Outside India	16,175.26	12,962.10
	39,383.12	**36,713.05**

C. Segment Assets:

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. However, certain assets like investments, loans, assets classified as held for sale, current and deferred tax assets etc. are not considered to be segment assets as they are managed at corporate level. Further, corporate administrative assets are not allocated to individual segments as they are also managed at corporate level and these are not linked to any specific segment.

(i) Segment assets and reconciliation of the same with total assets are as under:

₹ in Crore

	As at		
	31/03/2017	**31/03/2016**	**01/04/2015**
Aluminium	41,645.94	41,618.20	42,977.29
Copper	8,984.77	8,567.17	8,095.87
Total Segment Assets	50,630.71	50,185.37	51,073.16
Investments (Non-current and Current)	33,494.16	27,419.90	27,677.36
Investment Property	9.26	9.48	9.74
Loans	230.35	69.16	71.30
Assets classified as held for sale	81.51	97.59	120.21
Other Corporate Assets	1,876.16	2,630.02	3,066.48
Total Assets	**86,322.15**	**80,411.52**	**82,018.25**

During the year ended 31/03/2017, capital expenditure relating to Aluminium and Copper segments are ₹ 746.77 crore and ₹ 227.43 crore respectively (previous year ₹ 813.88 crore and ₹ 117.03 crore respectively).

(ii) The total of non-current assets excluding financial assets and deferred tax assets analysed by the country in which assets are located are given below:

₹ in Crore

	As at		
	31/03/2017	**31/03/2016**	**01/04/2015**
India	35,819.84	36,059.75	37,015.88
Outside India	-	-	-
	35,819.84	**36,059.75**	**37,015.88**

D. Segment Liabilities:

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment. In measurement of Aluminium and Copper segment's liabilities, items like borrowings, current and deferred tax liabilities, liabilities associated with assets classified as held for sale etc. are not considered to be segment liabilities as they are managed at corporate level. Further, corporate administrative liabilities are not allocated to individual segments as they also managed at corporate levels and does not linked to any specific segment.

Segment liabilities and reconciliation of the same with total liabilities are as under:

₹ in Crore

	As at		
	31/03/2017	**31/03/2016**	**01/04/2015**
Aluminium	5,606.36	4,302.90	3,718.44
Copper	3,626.36	2,623.57	2,563.30
Total Segment Liabilities	9,232.72	6,926.47	6,281.74
Borrowings (Non-current and Current, including current Maturity)	27,149.75	28,676.04	29,007.82
Deferred Tax Liabilities (Net)	1,231.67	1,149.06	1,329.81
Current Tax Liabilities (Net)	788.59	959.09	786.96
Liabilities classified as held for sale	0.05	0.16	0.78
Other Corporate Liabilities	586.81	571.22	750.08
Total Liabilities	**38,989.59**	**38,282.04**	**38,157.19**

15. Note No. 43 of Audited Standalone Financial Statements

The Company had formulated a scheme of financial restructuring under sections 391 to 394 of the Companies Act 1956 ("the Scheme") between the Company and its equity shareholders approved by the High Court of judicature of Bombay to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created during the year 2008-09 by transferring balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme. Accordingly, the Company had transferred ₹ 8,647.37 crore from Securities Premium Account to BRR. Till 31st March, 2015, sum of ₹ 250.33 crore have been adjusted with BRR. During the year NIL (previous year ₹ 682.27 crore (net of tax)) have been adjusted with BRR.

Had the scheme not prescribed the aforesaid treatment, the reported profit for the previous year would have been lower by ₹ 682.27 crore.

For the purpose of calculating earning per share, amounts transferred to Business Reconstruction Reserve have been appropriately considered in earnings attributable to equity shareholders.

16. Note No. 46 of Audited Standalone Financial Statements

Related Party Transactions

The following transactions were carried out with the Related Parties in the ordinary course of business:

(I) Subsidiaries, Associates and Joint Ventures

₹ in Crore

			Year ended					
			31/03/2017			31/03/2016		
			Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
1.	**Sales and Conversion**		**43.40**	**-**	**-**	**34.93**	**-**	**-**
	(a)	Hindalco - Almex Aerospace Limited	20.63	-	-	10.49	-	-
	(b)	Novelies Inc.	22.02	-	-	24.44	-	-
	(c)	Utkal Alumina International Limited - (i)	0.75	-	-	-	-	-
2.	**Services rendered**		**0.03**	**0.03**	**0.00**	**0.04**	**-**	**-**
	(a)	Dahej Harbour and Infrastructure Limited	0.03	-	-	0.03	-	-
	(b)	Utkal Alumina International Limited	-	-	-	0.01	-	-
	(c)	Idea Cellular Limited	-	0.03	-	-	-	-

₹ in Crore

		Year ended					
		31/03/2017			31/03/2016		
		Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
3.	**Interest and dividend received**	**55.51**	**19.21**	**-**	**117.05**	**19.79**	**-**
	(a) Idea Cellular Limited	-	14.65	-	-	14.65	-
	(b) Aditya Birla Science & Technology Company Pvt Limited	-	4.56	-	-	5.14	-
	(c) Dahej Harbour and Infrastructure Limited	45.00	-	-	72.00	-	-
	(d) Hindalco - Almex Aerospace Limited	0.09	-	-	0.05	-	-
	(e) Renuka Investments and Finance Limited	-	-	-	30.00	-	-
	(f) Renukeswar Investments and Finance Limited	-	-	-	15.00	-	-
	(g) Utkal Alumina International Limited	10.42	-	-	-	-	-
4.	**Purchase of materials, Capital Equipments & Others**	**2,211.07**	**-**	**-**	**3,135.21**	**-**	**-**
	(a) Birla (Nifty) Pty Limited	218.15	-	-	968.57	-	-
	(b) Hindalco - Almex Aerospace Limited	1.14	-	-	2.59	-	-
	(c) Minerals & Minerals Limited	30.12	-	-	19.87	-	-
	(d) Novelies Inc.	1.45	-	-	2.59	-	-
	(e) Utkal Alumina International Limited - (ii)	1,960.21	-	-	2,141.59	-	-
5.	**Services Received**	**36.74**	**15.26**	**-**	**44.49**	**14.66**	**-**
	(a) Idea Cellular Limited	-	3.16	-	-	3.27	-
	(b) Aditya Birla Science & Technology Company Pvt Limited	-	12.10	-	-	11.39	-
	(c) Dahej Harbour and Infrastructure Limited	34.17	-	-	40.85	-	-
	(d) Novelies Inc.	1.75	-	-	2.94	-	-
	(e) Others	0.82	-	-	0.70	-	-
6.	**Investments, Deposits, Loans and Advances made during the year**	**1,007.45**	**-**	**-**	**108.96**	**-**	**0.50**
	(i) **Deposits, Loans & Advance given during the year**	740.00	-	-	-	-	0.50
	(a) Hydromine Global Minerals GMBH Limited	-	-	-	-	-	0.50
	(b) Utkal Alumina International Limited	740.00			-		
	(ii) **Investments Made During The Year**	267.45	-	-	108.96	-	-
	(b) A V Minerals (Netherlands) N.V.	266.83	-	-	48.96	-	-
	(c) Suvas Holdings Limited	0.62	-	-	-	-	-
	(e) Utkal Alumina International Limited				60.00		
7.	**Investments, Deposits, Loans and Advances received back during the year**	**743.22**	**2.45**	**-**	**-**	**-**	**-**
	(i) **Deposits, Loans & advance received back during the year**	743.22	2.45	-	-	-	-
	(a) Aditya Birla Science & Technology Company Pvt Limited	-	2.45	-	-	-	-
	(b) Utkal Alumina International Limited	740.00	-	-	-	-	-
	(c) Birla Resources Pty Limited - (vii)	3.22					
8.	**Guarantees and Collateral securities given**	**-**	**-**	**-**	**4,863.33**	**-**	**-**
	(a) Utkal Alumina International Limited	-	-	-	4,852.50	-	-
	(b) Hindalco do Brasil Indústria e Comércio de Alumina Ltda.	-	-	-	10.83	-	-
9.	**Guarantees and Collateral securities taken back during the year**	**30.72**	**-**	**-**	**5,000.00**	**-**	**23.85**
	(a) Utkal Alumina International Limited	26.88	-	-	5,000.00	-	-
	(b) Hindalco do Brasil Indústria e Comércio de Alumina Ltda.	3.84	-	-	-	-	-
	(c) MNH Shakti Limited	-	-	-		-	23.85
10.	**Licence and Lease arrangements**	**0.01**	**-**	**-**	**0.01**	**-**	**-**
	(b) Dahej Harbour and Infrastructure Limited	0.01	-	-	0.01	-	-

₹ in Crore

				As at 31/03/2017			As at 31/03/2016			As at 01/04/2015		
				Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
11.	**Outstanding Balances**											
	(i)	**Debit Balances**		**11.87**	**0.40**	**0.03**	**3.70**	**0.39**	**0.03**	**19.26**	**0.44**	**0.03**
		(a)	Idea Cellular Limited	-	0.40	-	-	0.39	-	-	0.40	-
		(b)	Aditya Birla Science & Technology Company Pvt Limited	-	-	-	-	-	-	-	-	-
		(c)	Lucknow Finance Company Limited	-	-	-	0.00	-	-	12.00	-	-
		(d)	Hydromine Global Minerals GMBH Limited	-	-	0.03	-	-	0.03	-	-	0.03
		(e)	Aditya Birla Chemicals India Limited	-	-	-	-	-	-	4.21	-	-
		(f)	Aditya Birla Mineral Limited			-				0.10		
		(g)	East Coast Bauxite Mining Company Private Limited	0.02	-	-	0.02	-	-	0.02	-	-
		(h)	Hindalco - Almex Aerospace Limited	1.64	-	-	0.00	-	-	-	-	-
		(i)	Minerals and Minerals Limited	9.49	-	-	3.04			2.65		
		(j)	Renukeswar Investments and Finance Limited	-	-	-	0.05	-	-	-	-	-
		(k)	Others	0.72	-	-	0.59	-	-	0.28	0.04	-
	(ii)	**Credit Balances**		**210.18**	**0.10**	**-**	**348.72**	**0.10**	**-**	**52.20**	**0.11**	**-**
		(a)	Idea Cellular Limited	-	0.10	-	-	0.10	-	-	0.11	-
		(b)	Aditya Birla Chemicals India Limited	-	-	-	-	-	-	8.23	-	-
		(c)	Birla (Nifty) Pty Limited	-	-	-	149.21	-	-	1.90	-	-
		(d)	Dahej Harbour and Infrastructure Limited	2.20	-	-	1.80	-	-	5.54	-	-
		(e)	Novelies Inc.	0.83	-	-	1.24	-	-	0.33	-	-
		(f)	Utkal Alumina International Limited	207.15	-	-	196.46	-	-	36.20	-	-
		(g)	Others	0.00	-	-	0.01	-	-	-	-	-
	(iii)	**Investments**		**14,044.82**	**1,971.30**	**-**	**14,001.49**	**2,524.31**	**0.07**	**13,904.99**	**4,209.16**	**31.70**
		(a)	Idea Cellular Limited - (iii)	-	1,960.30	-	-	2,516.31	-	-	4,201.46	-
		(b)	Aditya Birla Science & Technology Company Pvt Limited - (iii)	-	11.00	-	-	8.00	-	-	7.70	-
		(c)	Hydromine Global Minerals GMBH Limited (iv)	-	-	-	-	-	0.07	-	-	31.70

₹ in Crore

			As at 31/03/2017			As at 31/03/2016			As at 01/04/2015		
			Subsidiaries	**Associates**	**Joint Ventures**	**Subsidiaries**	**Associates**	**Joint Ventures**	**Subsidiaries**	**Associates**	**Joint Ventures**
	(d)	A V Minerals (Netherlands) N.V.	9,801.01	-	-	9,534.16	-	-	9,485.21	-	-
	(e)	Aditya Birla Chemicals India Limited	-	-	-	-	-	-	12.45	-	-
	(f)	Aditya Birla Minerals Limited - (v)	-	-	-	222.35	-	-	222.35	-	-
	(g)	Birla Resources Pty Limited	-	-	-	1.79	-	-	1.79	-	-
	(h)	Dahej Harbour and Infrastructure Limited	50.00	-	-	50.00	-	-	50.00	-	-
	(i)	Hindalco - Almex Aerospace Limited	83.24	-	-	83.24	-	-	83.24	-	-
	(j)	Lucknow Finance Company Limited	9.90	-	-	9.90	-	-	9.90	-	-
	(k)	Renuka Investments and Finance Limited	9.25	-	-	9.25	-	-	9.25	-	-
	(l)	Renukeswar Investments and Finance Limited	4.80	-	-	4.80	-	-	4.80	-	-
	(m)	Suvas Holdings Limited	4.23	-	-	3.61	-	-	3.61	-	-
	(n)	Utkal Alumina International Limited	4,082.03	-	-	4,082.03	-	-	4,022.03	-	-
	(o)	Others	0.36	-	-	0.36	-	-	0.36	-	-
(iv)	**Deposits, Loans and Advances**		**0.19**	**55.49**	**-**	**0.49**	**57.94**	**0.63**	**0.60**	**58.69**	**0.12**
	(a)	Aditya Birla Science & Technology Company Pvt Limited	-	55.49	-	-	57.94	-	-	57.94	-
	(b)	Hydromine Global Minerals GMBH Limited	-	-	-	-	-	0.63	-	-	0.12
	(c)	Lucknow Finance Company Limited	0.19			0.19			0.19		
	(d)	Others	-			0.30	-	-	0.41	0.75	
(v)	**Guarantees and Collateral securities given**		**5,045.28**	**-**	**-**	**5,075.99**	**-**	**-**	**5,212.66**	**-**	**-**
	(a)	Hindalco do Brasil Indústria e Comércio de Alumina Ltda. -(viii)	178.37	-	-	182.20	-	-	171.37	-	-
	(b)	Dahej Harbour and Infrastructure Limited	4.50	-	-	4.50	-	-	4.50	-	-
	(c)	Suvas Holdings Limited	9.91	-	-	9.91	-	-	9.91	-	-
	(d)	Utkal Alumina International Limited	4,852.50	-	-	4,879.38	-	-	5,026.88	-	-

₹ in Crore

			As at 31/03/2017			As at 31/03/2016			As at 01/04/2015		
			Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
12.	**Other Capital Contribution - (vi)**		**77.67**	**-**	**-**	**77.67**	**-**	**-**	**43.55**	**-**	**-**
	(a)	Utkal Alumina International Limited	74.41	-	-	74.41	-	-	40.29	-	-
	(b)	A V Minerals (Netherlands) N.V.	3.24	-	-	3.24	-	-	3.24	-	-
	(c)	Suvas Holdings Limited	0.02	-	-	0.02	-	-	0.02	-	-

(i) Including excise duty.
(ii) Excluding excise duty.
(iii) At fair value (through other comprehensive income).
(iv) Classified as assets held for sale.
(v) Net of provision for diminution in carrying value of investment.
(vi) With respect to fair valuation of Financial Guarantees.
(vii) Includes foreign exchange gain/loss on return of Capital.
(viii) Financial Guarantees have been returned during April 2017.

₹ in Crore

	Year Ended 31/03/2017	Year Ended 31/03/2016
(II) Trusts		
Contribution to Trusts:	281.49	266.60
(a) Hindalco Employee's Gratuity Fund, Kolkata	12.65	10.84
(b) Hindalco Employee's Gratuity Fund, Renukoot	40.98	33.68
(c) Hindalco Employees Provident Fund Institution, Renukoot	163.94	160.42
(d) Hindalco Superannuation Scheme, Renukoot	7.19	7.75
(e) Hindalco Industries Limited Employees' Provident Fund II	51.18	48.51
(f) Hindalco Industries Limited Senior Management Staff Pension Fund II	4.46	4.34
(g) Hindalco Industries Limited Office Employees' Pension Fund	1.09	1.06
(III) Key Managerial Personnel		
Managerial Remuneration		
(a) Mr. D. Bhattacharya - Managing Director - (till 31/07/2016) *	48.29	19.90
(b) Mr Satish Pai - Managing Director - (w.e.f 01/08/2016) **	17.51	13.96
(c) Mr Praveen Maheshwari - Whole Time Director (w.e.f 28.5.2016) and Chief Financial Officer **	3.68	-

* Includes Gratuity ₹ 9.14 crore (previous year NIL) and Leave Encashment ₹ 7.62 crore (previous year NIL).

** Excluding gratuity, leave encashment provisions and compensation under Employee Stock Option Scheme

	Year Ended 31/03/2017	Year Ended 31/03/2016
(IV) Directors' Remuneration		
(a) Mr. Kumar Mangalam Birla	5.21	1.76
(b) Smt. Rajashree Birla	0.11	0.06
(c) Mr D Bhattacharya	0.11	-
(d) Mr. A.K.Agarwala	0.15	0.10
(e) Mr. M.M. Bhagat	0.21	0.10
(f) Mr. K.N. Bhandari	0.21	0.10
(g) Mr. Y.P. Dandiwala (appointed w.e.f 14/08/2016	0.16	0.04
(h) Mr. Ram Charan	0.03	0.03
(i) Mr Girish Dave(Appointed w.e.f 28/05/2016)	0.07	-
(j) Mr. Jagdish Khattar	0.11	0.05
	6.37	**2.24**

17. Note No. 47 of Audited Standalone Financial Statements

₹ in Crore

Contingent liabilities and contingent assets and Commitments	As at 31/03/2017	31/03/2016	01/04/2015
(a) **Claims against Company not acknowledged as Debt:**			
Following demands are disputed by the Company and are not provided for			
(i) Retrospective Revision of Water Rates by UP Jal Vidyut Nigam Limited (April 1989 to June 1993 & Jan 2000 to Jan 2001).	4.08	4.08	4.08
* Writ petition pending with Lucknow Bench of Allahabad High Court. The demand for arrears stayed vide order dated 11/05/2001.			
(ii) Transit fees levied by Divisional Forest officer, Renukoot, on coal and bauxite.	137.57	127.39	117.63
* Appeal pending with Hon'ble High court of Allahabad and payment of transit fee has been stayed. According to the legal opinion obtained by the Company, the forest department has no authority to levy such fee. The Company has filed a transfer application before the Hon'ble Supreme Court. The Hon'ble Supreme Court of India while issuing notice on our transfer petition, stayed the further proceedings of the Company's writ petition pending before the Hon'ble Allahabad High Court.			
(iii) M.P Transit Fee on Coal demanded by Northern Coal Fields Limited.	25.79	25.15	24.51
* The Company had challenged the demand towards MP transit Fee on Coal and filed Writ Petition before the Hon'ble Jabalpur High Court. The Hon'ble High Court has struck down the levy and also ordered for refund of the amount paid under protest. The State government has filed an Appeal against the order of the Hon'ble High Court with the Hon'ble Supreme Court of India against the said order ,and the Hon'ble High Court's order has stayed the order of Hon'ble High Court. The counter affidavit in the matter has been filed . The rejoinder has also been filed by the State. To be listed along with the similar matter before Supreme Court of India.			
(iv) Imposition of Cess on Coal by Shaktinagar Special Area Development Authority.	3.98	3.98	3.98
* Writ pending before Allahabad High Court, Allahabad. Demand and levy stayed. However the Company has moved a transfer petition before the Hon'ble Supreme court of India for the tagging the matter with CA no. 1883 of 06(ORISED Matter).The matter is tagged with ORISED and to be heard with it by the Nine Judges Bench of the Hon'ble Supreme Court of India.			
(v) Revision of surface rent on land by Government of Jharkhand w.e.f. 16th June, 2005	37.52	33.74	29.97
* Matter is in dispute at the Hon'ble Supreme Court of India.			

₹ in Crore

Contingent liabilities and contingent assets and Commitments	As at 31/03/2017	31/03/2016	01/04/2015
(vi) Demand made by Nayab Tehsilder Kusmi/Collector under Chhatisgarh as per Adhosanrachna Vikas Evam Parayavaran Upkar Adhiniyam, 2005 @ 5% as environment tax on royalty plus 5% as development tax.	9.76	8.59	7.37
* The writ petition filed by the Company before the Hon'ble High Court of Chattisgarh at Bilaspur, has been transferred to Hon'ble Supreme Court of India and tagged with other Civil Appeals .			
(vii) Service tax paid on Goods Transport Agency and Business Auxiliary Service.	-	11.27	11.27
* CESTAT,New Delhi has given favourable order.			
(viii) M.P Transit fee on Bauxite	1.30	1.30	1.30
* Company has filed Writ Petition before the Hon'ble High Court of Jabalpur. The Hon'ble High Court has struck down the levy and also ordered for refund of the amount paid under protest. The State government has filed an appeal against the order of the Hon'ble High Court .			
(ix) Demand for Entry Tax relating to valuation dispute of 2004-05 to 2005-06, for which appeals have been filed.	28.05	28.05	1.18
* Appeals have been filed with Additional CCT, Sambalpur			
(x) CST demand on reopening of assessments for 1999-00 to 2003-04.	5.01	5.01	5.01
* Appeals have been filed.			
(xi) Demand for Sales Tax u/s 15B for A/Y 2001-02 and 2002-03.	7.96	7.96	7.96
* Appeal pending with J.C. Appellate Authority, Baroda.			
(xii) Service tax on Insurance policy attributable to Renusagar & Mines.	-	3.97	3.97
* Favourable larger bench order on similar ground.			
(xiii) Disallowances of Cenvat Credit.	5.29	5.29	5.29
* The Matter is pending with CESTAT, Ahmedabad			
(xiv) Demands raised on assessment under CST Act & APGST Act for various years.	5.77	5.77	5.89
* Appeals have been filed with appropriate Authorities			
(xv) Demand for Service Tax on Consulting Engineer Services and Scientific & Tech Service.	-	3.84	3.84
* Commissioner has dropped the demand			
(xvi) Alleged Cenvat taken without receipt of Alumina Hydrate inside the factory	3.46	3.46	3.46
* Appeal filed with Hon'ble CESTAT			
(xvii) Alleged Cenvat Availed on the Input services at captive Mines	36.05	36.05	36.05
* Appeal pending with CESTAT			

₹ in Crore

Contingent liabilities and contingent assets and Commitments	As at 31/03/2017	31/03/2016	01/04/2015
(xviii) Cenvat of Service Tax Credit availed on Supplementary Invoices * Pending with appropriate Authority	11.05	11.05	11.05
(xix) Excess rebate sanctioned to the extent of duty paid by supplementary invoice * Appeal pending with Commissioner of Customs (Appeals) Mumbai	5.08	5.08	5.08
(xx) Disallowance of CENVAT on Input Services * Pending with appropriate Authority	10.37	9.62	7.74
(xxi) Water Tariff revision demand for previous years * Matter is pending in the Hon'ble High Court of Karnataka	8.14	8.14	10.86
(xxii) Demand for Sales Tax under CST Act 1969 for A/Y 2009-2010 * Appeal pending with Commissioner Appellate Authority, Bengaluru	1.21	1.21	1.21
(xxiii) Disallowance of Service Tax credit on Input services * Matter is Pending with CESTAT, Ahmadabad	49.83	-	-
(xxiv) Demand for Sales Tax under KVAT Act 2003 for Tax period 2011-2012 and 2012-13 * Commissioner, Bengaluru has given favourable order	-	16.46	16.46
(xxv) U.P Transit fee on Coal * Matter is pending in the Hon'ble High Court of Allahabad	85.36	6.50	-
(xxvi) Demand for Sales Tax under MPVAT Act 2003 for Tax period 2009-10 * Commissioner, Bhopal has given favourable order	-	1.25	-
(xxvii) Disallowance of Service Tax credit on input material received from Job worker * Matter is Pending with CESTAT, Ahmadabad.	1.27	-	-
(xxviii) Other Contingent Liabilities in respect of Excise, Customs, Sales Tax etc. each being for less than ₹ 1.00 crore. * The demands are in dispute at various legal forums.	15.26	16.86	17.82
(xxix) Demand for Sales Tax under MPVAT Act 2002 for Tax period 2010-11 * Order in favour of the Company	-	-	7.64
(xxx) Demand of interest on past dues of the Aluminium Regulation account up to 31.12.1987. * The demand is not payable	-	-	6.33
(xxxi) Demand of Royalty on Vanadium by District Mining Authority, Lohardaga * In view of favourable order of the Jurisdictional High Court during the year on Similar facts	-	-	7.96
(xxxii) Demand of Excise duty on Gold The Hon'ble Supreme Court has given order in favour of the Company.			155.31
	499.16	**391.09**	**520.23**

	₹ in Crore		
	As at		
	31/03/2017	31/03/2016	01/04/2015
(b) Other money for which Company is contingently liable			
(i) Bills discounted with Banks	-	-	0.87
(ii) Customs Duty on Capital Goods and Raw Materials imported under EPCG scheme / Advance Licence, against which export obligation is to be fulfilled (excluding cenvatable portion).	347.08	325.81	328.03

(iii) Corporate Guarantee of USD 215 Million issued in favour of M/s Volkswagen AG on behalf of M/s Novelis Inc. to ensure Novelis will supply as per its future commitments to Volkswagen AG and its subsidiaries.

(iv) The Company has received a notice dated 24th March, 2007 from Collector (Stamp), Kanpur, Uttar Pradesh, alleging that stamp duty of ₹ 252.96 crore is payable in view of order dated 18 November, 2002, of the Hon'ble High Court of Allahabad approving the scheme of arrangement for merger of Copper business of Indo Gulf Corporation Limited with the Company. The Company is of the opinion that it has a very strong case as there is no substantive/computation provision for levy/calculation of stamp duty on court order approving the scheme of arrangement under the Companies Act, 1956, within the provisions of Uttar Pradesh Stamp Act, moreover, the properties in question are located in the State of Gujarat and, thus, the Collector (Stamp), Kanpur, has no territorial jurisdiction to make such a demand. It is pertinent to note that the Company in 2003-04 has already paid the stamp duty which has been accepted as per the provisions of the Bombay Stamp Act, 1958, with regard to transfer of shareholding of Indo Gulf Corporation Limited as per the Scheme of Arrangement. Furthermore, the demand made is on an incorrect assumption. The Company's contention, amongst the various other grounds made, is that the demand is illegal, against the principles of natural justice, incorrect, bad in law and malafide. The Company has filed a writ petition before the Hon'ble High Court of Allahabad, inter alia, on the above said grounds, which is pending determination.

(v) The Company has an agreement with Uttar Pradesh Power Corporation Limited (UPPCL), under which banking of surplus energy with UPPCL is permitted and such banked energy may be drawn as and when required at free of cost. However, UPPCL has raised demand of ₹ 55.32 crore with retrospective effect from 1 April 2009 on the alleged ground that drawal of energy against the banked energy is not permissible during peak hours. The UPPCL has also included ₹ 32.15 crore in the bill as late payment surcharge up to 31 March 2016. Thus, the total amount outstanding till 31 March 2016 is ₹ 87.47 crore. However, if the case is decided against the Company, 107.4 million units valuing ₹ 22.97 crore will be treated as energy banked with UPPCL and, accordingly the net liability will be ₹ 64.50 crore. The Company has challenged the demand by filing a petition on 27 December 2013 under section 86(i)(f) read with other relevant provisions of Electricity Act, 2003 seeking quashing/setting aside the demand. The matter has been heard on 12 February 2014 and the Hon'ble Uttar Pradesh Electricity Regulatory Commission (UPERC), vide its order dated 24 February 2014, has directed the UPPCL to restrain from taking any coercive action till final order of UPERC. The Company believes that it has a strong case and no provision towards this is required.

(vi) The Company received a demand notice from Deputy Director of Mines (DDM), Sambalpur, vide letter No. 474/Mines, dated 19.03.2015 under section 21(5) of the Mine and Mineral (Development and Regulation) Act, 1957 ("MMDR Act, 1957"), to deposit an amount of ₹ 310.40 crore towards cost price of Coal for the period from 2004-05 to 2010-11 towards alleged excess production of coal over and above the quantity approved under Mining Plan, Environment Clearance and Consent to Operate in respect of Talabira-I Coal Mine during the said period. The Company challenged the said order before the Hon'ble Revisional Authority, Ministry of Coal, Government of India, New Delhi on the ground that the DDM has no jurisdiction or authority to call upon the Company to pay the cost of coal for alleged violation, if any and the said demand is arbitrary and without lawful authority. Further, the Company has not carried out mining operation outside mining lease area and hence provisions of Section 21(5) of the MMDR Act, 1957 is not applicable. Hence, the said demand is contrary to the provisions of the MMDR Act, 1957 and Mineral Concession Rules, 1960. Interim stay has been granted by the Hon'ble Divisional Authority, Ministry of Coal and matter is pending hearing. In view of the above Management is of the view that no provision is required.

(vii) The Company has furnished bank guarantees to Nominated Authority of Ministry of Coal towards fulfilment of certain conditions of the agreements signed by it in respect of the four coal blocks awarded to it through auction. Two of the above awarded coal blocks have already achieved the peak rated capacity and hence fulfilled the required conditions for return of the respective bank guarantees for which the Company has already represented and submitted applications to the designated authorities. For balance two coal blocks some of the conditions could not be fulfilled despite best efforts for reasons beyond its control as certain approvals/clearances that are under the purview of the concerned State Government have been delayed. The Company has made representation with the Nominated Authority in this regard and is confident that its request will be considered favourably. Accordingly, no provision has been made for this.

B. Commitments

₹ in Crore

		As at		
		31/03/2017	**31/03/2016**	**01/04/2015**
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	369.52	235.98	574.76

(b) The Company, along with Aditya Birla Nuvo Limited, Grasim Industries Limited and Birla TMT Holdings Pvt. Limited (the Sponsors), being promoters of Idea Cellular Limited (Idea), has given the following undertakings to the Facility Agent:

(i) The Sponsors shall collectively continue to hold at least 33% of the equity capital of Idea till the end of FY 2015-16 and shall not, without prior written approval of the Facility Agent, divest, transfer, assign, dispose of, pledge, charge, create any lien or in any way encumber 33% of shareholdings in Idea. Consequent upon the infusion of fresh equity capital of Idea, if the Sponsors' stake gets diluted from 40% to 33% in the equity capital of Idea, the Sponsors agree and undertake to obtain the prior consent of the Rupee Facility Agent and, in other circumstances, the Sponsors agree and undertake to obtain the prior consent of the secured lenders representing 51% of the aggregate outstanding secured loans.

(ii) The Sponsors shall collectively continue to hold 26% of the equity capital of Idea after FY 2015-16 and shall not, without the prior written approval of the Rupee Facility Agent, divest, transfer, assign, dispose of, pledge, charge, create any lien or in any way encumber 26% shareholdings in the capital of Idea.

(iii) Not divest, without prior approval of the Facility Agent in writing, the shareholdings in the equity capital of Idea that may result in a single investor along with its affiliates holding more than 25% of the equity capital of Idea.

(iv) "The Board of Directors of Idea Cellular Limited (Idea), an Associate of the Company have approved the amalgamation of Vodafone India Limited (VIL) and it's wholly owned subsidiary Vodafone Mobile Services Limited (VMSL) with the Idea subject to requisite regulatory and other approvals. As a promoter of Idea, the Company has undertaken to indemnify (liable jointly and severally with other promoters of Idea) to the promoters of VIL and its wholly owned subsidiary VMSL up to US$ 500 Million, if Idea fails to meet some of its indemnity obligation under the implementation agreement for proposed amalgamation of VIL and VMSL with Idea."

(c) The Company has given the following undertakings in connection with the loan of Utkal Aluminium International Limited (UAIL), a wholly owned subsidiary:

(i) To hold minimum 51% equity shares in UAIL.

(ii) To ensure to meet the Financial Covenants, except Fixed Asset Coverage Ratio, as provided in the loan agreements.

18. Note No. 49 of Audited Standalone Financial Statements

The Company has entered in to leasing arrangements under operating lease:

(a) For material handling lease expenses that are renewable on a periodic basis and some of which are cancellable in nature. Minimum rent for cancellable and non-cancellable operating leases included in the statement of profit and loss for the year is ₹ 59.92 Crore (March 31, 2016 ₹ 52.59 Crore).

(b) Land for original lease period ranging up to 99 years. Amortisation of leasehold land included in the statement of profit and loss for the year is ₹ 14.32 Crore (March 31, 2016: ₹ 11.83 Crore).

₹ in Crore

Details of future minimum lease payments	As at		
	31/03/2017	**31/03/2016**	**01/04/2015**
Future aggregate minimum lease payment under Non-cancellable Operating Leases:			
No later than 1 year	8.70	1.34	1.34
Later than 1 year and no later than 5 yrs	31.90	3.74	4.18
Later than 5 years	51.69	20.63	21.53
	92.29	**25.71**	**27.05**

19. Note No. 55 of Audited Standalone Financial Statements

A. As per Section 135 of Companies Act 2015, a Corporate Social Responsibility Committee has been formed. As per the provisions of Companies Act 2013, amount not less than ₹ 20.97 crore (previous year ₹ 31.00 crore) should have been incurred during the year under CSR. The Company has incurred expenses amounting to ₹ 28.36 Crore (Previous Year ₹ 34.15 Crore), in alignment of the CSR policy which is in conformity with the activities specified in Schedule VII of the Companies Act 2013.

B. Details of loans given, investment made and guarantee given covered under section 186(4) of the Companies Act. 2013:

i. Details of investments made have been given as part of Note '6' Investment in Subsidiary and Note '7' Investments Accounted For Using Equity Method.

ii. Loans and Financial Guarantees given below:

₹ in Crore

			As at		
Name of the Company	**Relationship**	**Nature of Transaction**	**31/03/2017**	**31/03/2016**	**01/04/2015**
Details of Loans					
Aditya Birla Science and Technology Company Private Limited	Associate	Inter-Corporate Deposit	55.49	57.94	57.94
Details of Guarantee					
Hindalco Do Brazil Industria e Comercio de Alumina Ltda	Subsidiary	Financial Guarantee	178.37	182.20	171.37
Suvas Holdings Limited	Subsidiary	Financial Guarantee	9.91	9.91	9.91
Utkal Alumina International Limited	Subsidiary	Financial Guarantee	4,852.50	4,879.38	5,026.88

iii. Disclosure relating to amount outstanding at year end and maximum outstanding during the year of loans and advances, in nature of loan, required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

₹ in Crore

Name of the Company	As at 31/03/2017	Maximum outstanding during 2016-17	As at 31/03/2016	Maximum outstanding during FY 2016
Associate:				
Aditya Birla Science and Technology Company Private Limited	55.49	57.94	57.94	57.94

Disclosure on Specified Bank Notes (SBNs)	SBNs (₹)	Other denomination (₹)	Total (₹)
Closing Cash in Hand as at 8 November 2016*	7,921,500	1,409,232	9,330,732
Transactions between 9 November, 2016 and 30 December, 2016			
Add: Permitted receipts	19,486,000	41,162,401	60,648,401
Less: Permitted payments	3,000	15,255,272	15,258,272
Less: Amount deposited in Banks	27,404,500	24,660,180	52,064,680
Closing Cash in Hand as at 30 December, 2016	-	**2,656,181**	**2,656,181**

* Includes cash balances lying with employees/branches on imprest basis.

20. Note No. 56 of Audited Standalone Financial Statements

These financial statements, for the year ended 31 March 2017, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006 (as amended) notified under Section 133 of the Companies Act 2013 (hereinafter referred to as 'Previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the year ended 31 March, 2017 and other accounting principles generally accepted in India, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April, 2015, the Company's date of transition to Ind AS.

This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

A. Optional exemptions availed and Mandatory Exceptions

(i) Optional Exemptions

(a) Share-based payment transactions

As per Ind AS 101, at the date of transition, an entity may elect to:

i. Apply Ind AS 102 Share-based Payment to equity instruments that vested before date of transition to Ind-ASs.

ii. Not apply Ind AS 102 to equity instruments that vested before date of transition to Ind-ASs.

As permitted by Ind AS 101, the Company has elected the option (i) above to apply requirements of Ind AS 102 to equity instruments that vested before date of transition i.e. 1st April 2015.

(b) Leases

As per Ind AS 101, and entity may apply paragraphs 6-9 of Appendix C of Ind AS 17 determining whether an arrangement contains a Lease on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

As permitted by Ind AS 101, the Company has elected to avail the exemption as provided in paragraph D9. If an arrangement is determined to be classified as lease, the classification of lease as operating or finance has been made from inception of the arrangement.

(c) Investments in subsidiaries, joint ventures and associates

As per paragraph D14 of Ind AS 101, when an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either at cost or in accordance with Ind AS 109.

As per paragraph D15 of Ind AS 101, If a first-time adopter measures such an investment at amortised cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:

a. cost determined in accordance with Ind AS 27; or

b. deemed cost. The deemed cost of such an investment shall be its

   i. fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

   ii. previous GAAP carrying amount at that date

   As permitted by Ind AS 101, Company has elected to measure its investments in subsidiaries and joint ventures in accordance with Ind AS 27 at deemed cost based on previous GAAP carrying amount. However, Company has elected to account for its investments in associates in accordance with Ind AS 109 and designated such investments in associates as Fair Value through Other Comprehensive Income (FVTOCI).

(d) Designation of previously recognized financial instruments

At the date of transition to Ind AS i.e., 1 April 2015, As per paragraph D19, D19A and D19B, a financial liability can be designated as at fair value through profit and loss provided it meets the criteria in paragraph 4.2.2 of Ind AS 109 and financial asset can be designated at fair value through profit and loss if requirements of paragraph 4.1.5 of Ind AS 109 are met and an equity investments can be designated as at fair value through other comprehensive income if requirements of paragraph 5.7.5 of Ind AS 109 are met.

As permitted by Ind AS 101, Company has elected to avail the option. This has resulted in assessment of classification for all categories based on facts and circumstances that exist on the date of transition. Resulting classifications have been applied retrospectively.

(e) Fair value measurement of financial assets or financial liabilities at initial recognition

As per paragraph D20 of Ind AS 101, Despite the requirements of paragraphs 7 and 9 of Ind AS 101, an entity may apply the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind ASs.

Paragraph B5.1.2A (b) of Ind AS 109 requires entity to recognize day one gain or loss on initial recognition of the financial instrument if the fair value at initial recognition is different from transaction price and is based on a valuation technique that only uses observable market data or current market transactions.

As permitted by Ind AS 101, Company has elected to avail the option and has applied the requirements prospectively to transactions entered into on or after transition date of 1st April 2015.

(f) Decommissioning liabilities included in the cost of Property, Plant and Equipment

As per paragraph D21 of Ind AS 101, A first-time adopter need not comply with the requirements Appendix 'A' of Ind AS 16 Changes in Existing Decommissioning, Restoration and Similar

Liabilities, for changes in such liabilities that occurred before the date of transition to Ind ASs. If a first-time adopter uses this exemption, it shall:

i. measure the liability as at the date of transition to Ind ASs in accordance with Ind AS 37;

ii. to the extent that the liability is within the scope of Appendix A of Ind AS 16, estimate the amount that would have been included in the cost of the related asset when the liability first arose, by discounting the liability to that date using its best estimate of the historical risk adjusted discount rate(s) that would have applied for that liability over the intervening period; and

iii. calculate the accumulated depreciation on that amount, as at the date of transition to Ind ASs, on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted by the entity in accordance with Ind ASs.

As permitted by Ind AS101, Company has elected to avail the exemption and accounted for the decommission liabilities as per paragraph (i), ii, and iii above on the date of transition.

(g) Designation of previously recognised financial instruments

As permitted by Ind AS 101, when changing from proportionate consolidation method to equity method, an entity may measure its investment in a joint venture at date of transition as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. The resultant amount is regarded as the deemed cost of the investment in the joint venture at initial recognition. The Company has availed the option.

(ii) Mandatory Exceptions

(a) Estimates

As per paragraph 14 of Ind AS 101, An entity's estimates in accordance with Ind ASs at the date of transition to Ind ASs shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian - GAAP did not require estimation:

- Fair valuation of financial instruments carried at FVTPL and/or FVTOCI
- Impairment of financial assets based on expected credit loss model
- Determination of the discounted value for financial instruments carried at amortised cost
- Discounted value of liability for decommissioning costs.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing As at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition if retrospective application is impracticable. The Company has accordingly determined the classification of financial assets based on the facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively.

B. Reconciliations between previous GAAP and Indian Accounting Standards (Ind AS)

(i) Reconciliation of Total Equity as at 1 April 2015 and 31 March 2016 : Significant Adjustments

₹ in Crore

	Notes to First time adoption	As at 31/03/2016	As at 1/04/2015
Total Equity as per previous GAAP		37,067.89	37,255.26
Adjustments:			
Treasury shares	**1**	(34.45)	(34.45)
Change in fair valuation of Investments	**2**	5,075.26	6,586.02
Financial Guarantee	**3**	5.92	-
Fair valuation of ESOS over Intrinsic value	**4**	0.14	0.12
Property, Plant and Equipments	**5, 6, 7**	(24.46)	(15.12)
Finance Cost	**6, 7**	17.00	26.86
Other adjustments	**8**	244.58	226.87
Deferred Tax on above adjustments		(192.41)	(184.49)
Total effect of transition to Ind AS		5,091.58	6,605.79
Total Equity under Ind AS		**42,159.47**	**43,861.05**

(ii) Reconciliation of Total Comprehensive Income for the year ended 31st March 2016 : Significant Adjustments

₹ in Crore

	Notes to First time adoption	Year ended 31/03/2016
Net Profit as per previous GAAP		607.25
Adjustments:		
Change in fair valuation of investments through Profit and Loss	**2**	(76.99)
Change in fair valuation of investments through Other Comprehensive Income	**2**	(1,433.77)
Effective portion of gains and loss on hedging instruments in a cash flow hedge		108.12
Amortization of transaction fees of term loans	**6**	(9.86)
Property, Plant and Equipment	**5, 6, 7**	(8.99)
Inventory	**8**	7.31
Fair value of ESOS	**4**	(2.55)
Financial guarantee	**3**	5.92
Other adjustments	**8**	(9.32)
Deferred Tax on above adjustments		(7.91)
Total Adjustments		(1,428.04)
Total Comprehensive Income/(Loss) as per Ind AS	**9**	(820.79)

(iii) Impact of Ind AS adoption on the statement of Cash flows for the year ended 2016:

₹ in Crore

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	3,596.63	44.04	3,640.67
Net cash flow from investing activities	(958.42)	(92.05)	(1,050.47)
Net cash flow from financing activities	(2,827.80)	(103.18)	(2,930.98)
Net increase decrease in cash and cash equivalents	**(189.59)**	**(151.19)**	**(340.78)**
Cash and cash equivalents as at 31 March 2016	**113.98**	**108.65**	**222.63**

(iv) Analysis of changes in cash and equivalents under Ind AS

₹ in Crore

	As at	
	31/03/2016	**01/04/2015**
Cash and cash equivalents as per previous GAAP	113.98	303.57
Investment in liquid mutual funds classified as Cash and Cash Equivalents under Ind AS	108.44	259.63
Cash and cash equivalents as per Ind AS	222.42	563.20
Fair value Gain/(Loss) on liquid investments classified as Cash and Cash Equivalents under Ind AS	0.21	1.23
Cash and Cash Equivalents as reported in Balance Sheet under Ind AS	**222.63**	**564.43**

(v) Notes to first time adoption of Ind AS:

1. The Company's share held by Trident Trust has been classified as treasury shares. Trident Trust is a trust created wholly for the benefit of the Company and is being managed by trustees appointed by it.
2. Under Ind AS, the Company has recognized the financial instruments under three categories e.g. Fair Value through Profit and Loss (FVTPL), Fair Value through Other Comprehensive Income (FVTOCI) and at amortized cost. On the date of transition, the fair value impact on FVTPL and FVTOCI instruments has been taken in "Retained Earning" and "OCI" respectively. As at 31 March,2016 the fair value impact on FVTPL instruments has been taken in statement of profit and loss whereas fair value on FVTOCI instruments has been routed through OCI. As at 01 April,2015 the Company has exercised one time option and classified the investments in equity instruments as FVTOCI. The gain/(loss) on any future extinguishment of such equity investments will not be reflected in statement of profit and loss.
3. Under Ind AS, the Company has recognised fair value of financial guarantee provided to its subsidiary companies. The fair value of such guarantee as at April 01, 2015 has been recognised as additional capital investment in its subsidiaries Company and is amortised over tenure of the loan. Subsequently in the year ended March 31, 2016, increase in the fair value of financial guarantee on account of refinancing of borrowings was recognised as additional investment in its subsidiary. The impact of amortisation of such fair value of guarantee has been recognised in the statement of profit and loss as interest income for the year ended March 31, 2016.
4. Under the Previous GAAP, the Company had recognised the cost of equity-settled employee share-based payment using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Adjustment has been done to take additional charge arising due to change from intrinsic value to fair value of ESOSs outstanding.
5. Property Plant and Equipments
   (a) As per Ind AS 16, Property Plant and Equipment, Company has decapitalised certain costs which were capitalised as a part of cost of fixed assets under previous GAAP. Such costs along with accumulated depreciation on such costs have been decapitalised on the date of transition. During the year ended 31 March 2016 depreciation expense was derecognised under Ind AS for such items of Property Plant and Equipments which was charged to statement of profit and loss under previous GAAP.
   (b) Under Ind AS, the Company has recognised the asset retirement obligations on the basis of present value of expected outflow at the end of useful life of the asset with debit to Property Plant and Equipment. During the year ended 31 March 2016 depreciation expense was recognised under Ind AS for such items of Property Plant and Equipments and finance cost was recognised for unwinding of discount on provision for asset retirement obligation.
   (c) As per Ind AS 16, Property Plant and Equipment, Company has capitalised certain costs which were not required to be capitalised as a part of cost of Property, Plant and Equipment/

capital work in progress under previous GAAP. During the year ended 31 March 2016 depreciation expense on such costs were recognised in the statement of profit and loss.

(d) As per Ind AS 16, Property Plant and Equipment, Company has decapitalised certain items of Property Plant and Equipments over which Company did not have exclusive right to use. During the year ended 31 March 2016 depreciation expense was reversed in the statement of profit and loss.

6. Under Previous GAAP, the Company had recognised transaction costs incurred in respect of borrowings in the statement of profit and loss or capitalised as part of cost of Property, Plant and Equipment/Capital work progress in the year in which costs were incurred. Under Ind AS 109, such transaction costs are adjusted against carrying value of borrowing and are amortised using effective interest rate method over the tenure of the loan. Accordingly loan were debited and corresponding credit was given to retained earnings or property plant and equipment on date of transition. Under Ind AS, finance cost has been charged to statement of profit and loss for amortisation of such transaction cost during the year ended 31 March 2016. A portion of such transaction cost that would be eligible for capitalisation as borrowing cost has been capitalised using effective interest rate method.

7. The Company has classified certain arrangements as finance lease under Ind AS which was treated as operating lease under Previous GAAP. This classification resulted in recognition of Property Plant and Equipment on lease with corresponding credit to finance lease obligation. During the year ended March 31, 2016 there is increase in depreciation and finance cost whereas there is decrease in rental expense.

8. **Other Significant Adjustments:**

(a) Under Previous GAAP, provision was created for proposed dividend considering it as an adjusting event. Under Ind AS, provision for proposed dividend was reversed as under Ind AS this does not qualify as an adjusting event. Dividends were adjusted with retained earnings when paid.

(b) Company purchased machinery spares under terms of contract where inventory of spares was delivered by supplier against payment in periodic equalised instalments. Though title of such inventory was not passed on to the Company, the Company exercise effective control on the inventory of spares. Under Ind AS, as effective control over inventory remains with Company, same has been recognised as purchased inventory. After discounting, gross amount outstanding has been recognised as liability on OBS date. During the year ended 31 March 2016, periodic instalment payments charged to profit and loss under Previous GAAP has been reversed. Under Ind AS, actual consumption of spares had been charged to Statement of Profit and Loss and Interest expenses recognised for unwinding of discount.

9. Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in the profit or loss but are shown in the statement of profit and loss as "Other Comprehensive Income". Net Profit along with Other Comprehensive Income constitute Total Comprehensive Income. The concept of Other Comprehensive Income did not exist under the Indian GAAP.

21. Note No. 57 of Audited Standalone Financial Statements

Previous GAAP figures have been reclassified/regrouped to conform to the presentation requirements under Ind AS and the requirements laid down in Division-II to the Schedule-III of the Companies Act 2013.

As per our report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

For and on behalf of the Board of
Hindalco Industries Limited

RAJIV SINGHI
Partner
Membership No. 53518

Praveen Kumar Maheshwari
CFO

Satish Pai – Managing Director
DIN-06646758

Place : Mumbai
Dated : 30th May, 2017

Anil Malik
Company Secretary

M.M. Bhagat – Director
DIN-00006245

INDEPENDENT AUDITOR'S REPORT ON THE ABRIDGED CONSOLIDATED INDIAN ACCOUNTING STANDARDS (IND-AS) FINANCIAL STATEMENTS

To The Members of Hindalco Industries Limited

The accompanying Abridged Consolidated Ind-AS Financial Statements, which comprise the Abridged Consolidated Balance Sheet as at 31st March 2017, the Abridged Consolidated Statement of Profit and Loss (including other comprehensive income), Abridged Consolidated Cash Flow Statement and Abridged Statement of Changes in Equity for the year then ended, and summary of significant accounting policies and other explanatory information, are derived from the audited Consolidated Ind-AS Financial Statements of Hindalco Industries Limited ('the Company') for the year ended 31st March 2017. We expressed an unmodified opinion on those financial statement in our report dated 30th May, 2017.

The abridged Consolidated Ind-AS Financial Statements do not contain all the disclosures required by the Accounting Standards as specified in Companies (Indian Accounting Standard) Rules, 2015 (as amended) under Section 133 of the Act and accounting principles generally accepted in India, applied in the preparation of the audited Consolidated Ind–AS Financial Statements of the Company. Reading the Abridged Consolidated Ind-AS Financial Statements, therefore, is not a substitute for reading the audited Consolidated Ind-AS Financial Statements of the Company. Those Consolidated Ind-AS Financial Statements, and the Abridged Consolidated Ind-AS Financial Statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

Management's Responsibility for the Abridged Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of a summary of the audited Consolidated Financial Statements in accordance with Section 136(1) read with Rule 10 of Companies (Accounts) Rules, 2014 and are based on the audited Consolidated Ind-AS Financial Statements for the year ended 31st March 2017, prepared in accordance with Accounting Standards as specified in Companies (Indian Accounting Standard) Rules, 2015 (as amended) under Section 133 of the Act and accounting principles generally accepted in India.

Auditors' Responsibility

Our responsibility is to express an opinion on the abridged Consolidated Ind-AS Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the Abridged Consolidated Ind-AS Financial Statements, prepared in accordance with Rule 10 of the of Companies (Accounts) Rules, 2014 are derived from the audited Consolidated Ind-AS Financial Statements of the Company for the year ended 31st March, 2017 and are a fair summary of those Consolidated Ind-AS Financial Statements.

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

(RAJIV SINGHI)
Partner
Membership No. 53518

Place : Mumbai
Date : 30th May, 2017

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Hindalco Industries Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements.

We have audited the Consolidated Ind AS Financial Statements of HINDALCO INDUSTRIES LIMITED ("hereinafter referred to as "the Company") and its Subsidiaries (the Company and its Subsidiaries together referred to as "the Group") and its Associate companies, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act , read with the relevant rules issued there under. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor's in term of their report referred to in sub paragraph 3 and 4 of the other matter paragraph below, other than the unaudited

INDEPENDENT AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

financial statements as certified by the management and referred to sub paragraph 5 and 6 of the other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and the statement of changes in equity for the year ended on that date.

Other Matters

1. The corresponding financial information of the Group as at and for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Consolidated Ind AS Financial Statements, are based on the previously issued Consolidated Financial Statements for the years ended March 31, 2016 and March 31, 2015, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion read with our observation on which attention drawn under emphasis of matter paragraph of our audit report dated July 21, 2016 and May 28, 2015 respectively which is also explained in Note no. 47 to the attached Consolidated Ind AS Financial Statements. These Consolidated Ind AS Financial Statements have been adjusted for differences in accounting principles to comply with Ind AS and such adjustments on transition to Ind AS which has been approved by the Company's Board of Directors have been audited by us.
2. The corresponding financial information for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 in respect of thirteenth subsidiaries and two associates included in this consolidated Ind AS Financial Statement prepared in accordance with the Ind As have been audited by other auditors / Chartered Accountants and in respect of three subsidiaries management certified Ind AS financial statement have been included in this Consolidated Financial Statement and we have relied on report of the other auditors / Chartered Accountants and Management certified Ind AS financial statements.
3. We did not audit the financial statements / financial information of ten subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 8,706.78 crore as at March 31, 2017, total revenue of ₹ 2,483.37 crore and net cash flow amounting to ₹ 6.34 crore for the year then ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include the Group's share of net loss of ₹ 14.71 crore for the year ended March 31, 2017, as considered in the Consolidated Ind AS Financial Statements, in respect of two Associate companies, whose financial statements / financial information have not been audited by us. These financial statements / financial information of Subsidiaries and Associate companies have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries and Associate companies, is based solely on the report of other auditors.
4. We did not audit the Consolidated Ind AS Financial Statements / financial information of three foreign subsidiaries whose financial statements / financial information reflect total assets of ₹ 65,657.71 crore (net) as at March 31, 2017, total revenue of ₹ 62,728.33 crore and net cash flow amounting to ₹ 303.39 crore for the year then ended on that date, as considered in the Consolidated Ind AS Financial Statements. These financial statements / financial information have been prepared by the Management of the Company and its subsidiaries in accordance with the generally accepted accounting principles in India and other recognized accounting policies and principles followed by the Company. These financial statements / financial information have been audited by a firm of Chartered Accountants and have been included in the Consolidated Ind AS Financial Statements of the Group on the basis of their Fit-For-Consolidation Report ("FFC") and our opinion in respect of these foreign subsidiaries are based solely on those FFC reports.
5. We did not audit the financial statements / financial information of a foreign subsidiary, whose financial statements / financial information reflect total assets of ₹ Nil as at March 31, 2017, total revenue of ₹ 118.16 crore and loss after tax of ₹ 51.48 crore for the year ended on that date, as considered in the Consolidated

Ind AS Financial Statements. This financial statements / financial information are unaudited and have been prepared and converted by the management of the Company into Ind AS complaint financial statements and which has been reviewed by us. Our opinion on the statement in so far as relates to the amounts included in respect of this subsidiary is based solely on such management certified financial statements.

6. We did not audit the financial statements / financial information of two foreign subsidiaries, whose Ind AS financial statements / financial information reflect total assets of ₹ 262.45 crore (net) as at March 31, 2017 (net), total revenue of ₹ 254.77 crore and net cash flow amounting to ₹ 4.39 crore for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These financial statements / financial information are audited as per the local laws of the respective country and have been converted by the management of respective subsidiary and the Company and our report in so far as it relates to the aforesaid subsidiaries, is based solely on such financial statements / financial information of the subsidiary which have been converted into Ind AS compliant financial statements and certified by the management of the respective subsidiary and have been provided to us by the management of the Company.

Our opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable that:-

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Company, its subsidiaries included in the Group and Associate companies incorporated in India including relevant records for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its Subsidiary Companies and Associate companies incorporated in India, none of the directors of the Group Companies and its Associate Companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, its Subsidiary Companies and Associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, (as amended), in our opinion and to the best of our information and according to the explanations given to us:

    i. The Consolidated Financial Statements disclose the impact of pending litigation on the consolidated financial position of the Group and its Associate companies – Refer Note No. 58(a) and 58(c) (iv) to (vi) to the Consolidated Financial Statements.

    ii. Provision has been made in the Consolidated Financial Statement, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2017.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries, Associate companies incorporated in India

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

during the year ended March 31, 2017 India, except a sum of ₹ 0.02 Crore which are held in abeyance due to pending legal cases.

iv. In the Consolidated Financial Statements, holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 by the Company, its subsidiaries and associate Companies incorporated in India has been requisitely disclosed on the basis of information available with the Company. Based on the audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company, Subsidiary Company and Associate Companies and produced to us by the Management and report of the other auditors - Refer Note No 20(c).

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

(RAJIV SINGHI)
Partner
Membership No. 53518

Place : Mumbai
Date : 30th May, 2017

Annexure - A to the Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Hindalco Industries Limited (“the Holding Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its Subsidiary Companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

(RAJIV SINGHI)
Partner
Membership No. 53518

Place : Mumbai
Date : 30th May 2017

Abridged Consolidated Balance Sheet as at 31st March, 2017

₹ in Crore

	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	63,916.41	63,957.50	55,365.99
Capital Work-in-Progress	1,740.88	4,073.28	13,959.97
Investment Property	24.29	24.85	25.48
Goodwill	17,134.96	17,735.27	16,529.98
Other Intangible Assets	3,611.14	3,955.36	4,653.94
Intangible Assets under Development	72.98	140.49	193.84
Equity Accounted Investments	1,566.26	1,492.35	1,382.11
Financial Assets:			
Investments	4,639.46	3,256.48	3,005.52
Loans	151.15	136.56	142.69
Other Financial Assets	472.39	396.29	282.18
Non-Current Tax Assets (Net)	4.78	4.00	5.56
Deferred Tax Assets (Net)	849.79	840.59	646.06
Other Non-Current Assets	1,127.88	1,124.57	1,691.45
	95,312.37	**97,137.59**	**97,884.77**
Current Assets			
Inventories	18,291.36	16,787.25	19,712.52
Financial Assets:			
Investments	8,951.76	7,688.91	6,503.29
Trade Receivables	8,274.80	7,918.40	9,272.29
Cash and Cash Equivalents	8,233.40	4,261.80	4,647.05
Bank balances other than Cash and Cash Equivalents	27.77	145.49	944.76
Loans	184.66	41.35	41.20
Other Financial Assets	2,432.56	2,405.94	2,010.42
Current Tax Assets (Net)	13.59	17.14	37.45
Other Current Assets	4,685.63	5,453.75	5,406.24
	51,095.53	44,720.03	48,575.22
Non-Current Assets or Disposal Group classified as held for sale	102.60	128.94	158.10
	51,198.13	44,848.97	48,733.32
	146,510.50	**141,986.56**	**146,618.09**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	222.72	204.89	204.89
Other Equity			
Equity Component of Compound Financial Instruments	3.78	2.76	1.93
Reserve and Surplus:			
Capital Reserve	147.36	503.22	509.85
Capital Redemption Reserve	103.67	103.67	103.67
Securities Premium Account	9,014.63	5,519.79	5,519.02
Debenture Redemption Reserve	758.34	603.06	452.17
Employees Stock Options Outstanding	36.20	44.10	33.35
Special Reserve	15.47	13.62	12.54
Business Reconstruction Reserve (refer Note 47 of Audited Consolidated Financial Statements)	5,799.30	5,799.30	6,481.58
General Reserve	21,370.72	21,370.36	21,391.52
Retained Earnings	4,477.53	2,485.85	3,320.36
Other Comprehensive Income:			
Actuarial Gain/ (Loss) on Defined Benefit Obligations	46.96	(8.35)	-
Gain/ (Loss) on Equity Instruments Fair Value through OCI	4,244.69	2,863.49	2,619.51
Gain/ (Loss) on Debt Instruments Fair Value through OCI	3.00	(1.06)	(1.08)
Effective portion of Cash Flow Hedge	(62.77)	449.79	3.94
Foreign Currency Translation Reserve	(122.80)	652.09	-
	45,836.08	40,401.69	40,448.36
Non-Controlling Interest	6.23	381.34	1,017.06
	46,065.03	**40,987.92**	**41,670.31**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities:			
Borrowings	51,855.29	57,928.93	55,130.80
Trade Payables	0.45	2.10	1.67
Other Financial Liabilities	545.43	535.66	263.69
Provisions	6,960.15	7,329.06	6,857.56
Deferred Tax Liabilities (Net)	2,866.56	2,937.55	3,471.68
Other Non-Current Liabilities	522.39	556.16	621.65
	62,750.27	**69,289.46**	**66,347.05**
Current Liabilities			
Financial Liabilities:			
Borrowings	6,595.93	9,018.84	13,459.45
Trade Payables	17,857.60	15,057.70	16,176.99
Other Financial Liabilities	10,091.26	4,367.43	5,794.24
Provisions	1,023.72	1,000.59	833.38
Current Tax Liabilities (Net)	901.83	1,034.94	851.06
Other Current Liabilities	1,224.81	1,229.52	1,484.83
	37,695.15	31,709.02	38,599.95
Liability directly associated with Disposal Group classified as held for Sale	0.05	0.16	0.78
	37,695.20	31,709.18	38,600.73
	100,445.47	100,998.64	104,947.78
	146,510.50	**141,986.56**	**14 6,618.09**

The accompanying Notes are an integral part of the Abridged Consolidated Financial Statements.

As per our report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

For and on behalf of the Board of Hindalco Industries Limited

RAJIV SINGHI
Partner
Membership No. 53518

Praveen Kumar Maheshwari
CFO

Satish Pai – Managing Director
DIN-06646758

Place : Mumbai
Dated : 30th May, 2017

Anil Malik
Company Secretary

M.M. Bhagat – Director
DIN-00006245

Abridged Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

(₹ Crore)

	Year ended 31/03/2017	Year ended 31/03/2016
Revenue from Operations	102,631.45	101,201.52
Other Income	1,111.00	1,188.81
Total Income	**103,742.45**	**102,390.33**
Expenses		
Cost of Materials Consumed	58,396.63	58,134.50
Purchases of Stock-in-Trade	89.11	1.48
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(2,824.39)	1,283.05
Excise Duty	2,447.67	2,442.61
Employee Benefits Expenses	8,546.01	8,085.88
Power and Fuel	8,514.97	9,180.43
Finance Costs	5,742.44	5,133.80
Depreciation and Amortization	4,457.24	4,346.80
(Reversal of)/ Impairment loss of Property, Plant and Equipment and Intangible Assets (Net)	11.54	160.63
Other Expenses	15,014.06	13,258.71
Total Expenses	**100,395.28**	**102,027.89**
Profit/ (Loss) from Continuing Operations before Share in Profit/ (Loss) in Equity Accounted Investments, Exceptional Items and Tax	3,347.17	362.44
Share in Profit/ (Loss) in Equity Accounted Investments (Net of Tax)	(25.14)	171.54
Profit/ (Loss) from Continuing Operations before Exceptional Items and Tax	3,322.03	533.98
Exceptional Income/ (Expenses) (Net)	(7.64)	(576.53)
Profit/ (Loss) from Continuing Operations before Tax	3,314.39	(42.55)
Income Tax Expenses:		
Current Tax	1,320.98	1,009.45
MAT Credit Entitlement	(407.34)	(112.93)
Deferred Tax	518.95	(398.09)
Profit/ (Loss) from Continuing Operations	1,881.80	(540.98)
Discontinued Operations		
Profit/ (Loss) from Discontinued Operations before Tax	0.50	(160.52)
Tax on Discontinued Operations	-	-
Profit/ (Loss) from Discontinued Operations (Net of Tax)	0.50	(160.52)
Profit/ (Loss) for the period	1,882.30	(701.50)
Other Comprehensive Income:		
Items that will not be reclassified to Profit and Loss	1,777.17	172.36
Tax on items that will not be reclassified to Profit and Loss	(118.36)	50.35
Items that will be reclassified to Profit and Loss	(1,948.24)	2,420.60
Tax on items that will be reclassified to Profit and Loss	271.45	(86.77)
Other Comprehensive Income (Net of Tax)	(17.98)	2,556.54
Total Comprehensive Income	1,864.32	1,855.04
Profit/ (Loss) attributable to:		
Owners of the Company	1,899.74	(250.74)
Non-Controlling Interests	(17.44)	(450.76)
Other Comprehensive Income attributable to:		
Owners of the Company	(12.34)	2,615.60
Non-Controlling Interests	(5.64)	(59.06)
Total Comprehensive Income attributable to:		
Owners of the Company	1,887.40	2,364.86
Non-Controlling Interests	(23.08)	(509.82)
Earnings/ (Loss) per share from:		
Continuing Operations		
Basic (₹)	9.22	(4.15)
Diluted (₹)	9.21	(4.15)
Discontinued Operations		
Basic (₹)	0.00	(0.40)
Diluted (₹)	0.00	(0.40)
Continuing and Discontinued Operations		
Basic (₹)	9.22	(4.55)
Diluted (₹)	9.21	(4.55)

The accompanying Notes are an integral part of the Abridged Consolidated Financial Statements.

As per our report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

For and on behalf of the Board of Hindalco Industries Limited

RAJIV SINGHI
Partner
Membership No. 53518

Praveen Kumar Maheshwari
CFO

Satish Pai – Managing Director
DIN-06646758

Place : Mumbai
Dated : 30th May, 2017

Anil Malik
Company Secretary

M.M. Bhagat – Director
DIN-00006245

Abridged Consolidated Statement of Changes in Equity for the year ended March 31, 2017

A. Equity Share Capital

(₹ Crore)

Particulars	Amount
Balance as at April 01, 2015	**204.89**
Shares issued on exercise of Share Options	-
Balance as at March 31, 2016	**204.89**
Shares issued on exercise of Share Options	0.15
Shares issued in Qualified Institutional Placement	17.68
Balance as at March 31, 2017	**222.72**

B. Other Equity

(₹ Crore)

											Other Comprehensive Income (OCI)							
	Equity Component of Compound FI	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Debenture Redemption Reserve	Employees Stock Options Outstanding	Special Reserve	Business Reconstruction Reserve (BRR)	General Reserve	Retained Earnings	Actuarial Gain(Loss) on Defined Benefit Obligation	Equity Instruments FVTOCI	Debt Instruments FVTOCI	Cash Flow Hedging Reserve	Foreign Currency Translation Reserve	Attributable to Owners of the Company	Attributable to NCI	Total Other Equity
Balance as at April 01, 2015	**1.93**	**509.85**	**103.67**	**5,519.02**	**452.17**	**33.35**	**12.54**	**6,481.58**	**21,391.52**	**3,320.36**	**-**	**2,619.51**	**(1.08)**	**3.94**	**-**	**40,448.36**	**1,017.06**	**41,465.42**
Profit/ (Loss) for the period		-	-	-	-	-	-	-	-	(250.74)	-	-	-	-	-	(250.74)	(450.76)	(701.50)
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	(3.32)	243.98	0.02	434.14	1,940.78	2,615.60	(59.06)	2,556.54
Total Comprehensive Income for the period	-	-	-	-	-	-	-	-	-	(250.74)	(3.32)	243.98	0.02	434.14	1,940.78	2,364.86	(509.82)	1,855.04
Share in Equity Accounted Entities	0.83	-	-	0.69	0.89	3.66	-	-	-	(21.32)	-	-	-	-	-	(15.25)	-	(15.25)
Employee share-based payments	-	-	-	0.08	-	7.09	-	-	2.49	-	-	-	-	-	-	9.66	-	9.66
Dividend Paid (including Dividend Distribution Tax)	-	-	-	-	-	-	-	-	-	(247.31)	-	-	-	-	-	(247.31)	(6.06)	(253.37)
Transfer to/from Retained Earnings	-	-	-	-	150.00	-	1.08	-	-	(151.08)	-	-	-	-	-	-	-	-
Transfer from OCI - Actuarial Gain/Loss	-	-	-	-	-	-	-	-	-	5.03	(5.03)	-	-	-	-	-	-	-
Transfer to Non-Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	41.65	-	41.65	-	41.65
Realised Gain (Loss) on Equity FVTOCI recycled in Equity	-	-	-	-	-	-	-	-	-	15.30	-	-	-	-	-	15.30	-	15.30
Adjustment against BRR	-	-	-	-	-	-	-	(682.28)	-	-	-	-	-	-	-	(682.28)	-	(682.28)
Currency Translation Adjustment	-	23.45	-	-	-	-	-	-	-	-	-	-	-	(29.94)	(1,288.69)	(1,295.18)	88.81	(1,206.37)
Other Adjustments - Disposal/ Loss of Control	-	(30.08)	-	-	-	-	-	-	(23.65)	(184.39)	-	-	-	-	-	(238.12)	(208.65)	(446.77)
Balance as at March 31, 2016	**2.76**	**503.22**	**103.67**	**5,519.79**	**603.06**	**44.10**	**13.62**	**5,799.30**	**21,370.36**	**2,485.85**	**(8.35)**	**2,863.49**	**(1.06)**	**449.79**	**652.09**	**40,401.69**	**381.34**	**40,783.03**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	-	-	1,899.74	-	-	-	-	-	1,899.74	(17.44)	1,882.30
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	281.28	1,381.20	4.06	(448.11)	(1,230.77)	(12.34)	(5.64)	(17.98)
Total Comprehensive Income	-	-	-	-	-	-	-	-	-	1,899.74	281.28	1,381.20	4.06	(448.11)	(1,230.77)	1,887.40	(23.08)	1,864.32
Issue of Equity Share Capital	-	-	-	3,332.32	-	-	-	-	-	-	-	-	-	-	-	3,332.32	0.60	3,332.92
Share Issue Expenses	-	-	-	(42.67)	-	-	-	-	-	-	-	-	-	-	-	(42.67)	-	(42.67)
Share in Equity Accounted Entities	1.02	-	-	186.16	5.28	(0.08)	-	-	-	(79.22)	-	-	-	-	-	113.16	-	113.16
Employee share-based payments	-	-	-	19.03	-	(7.82)	-	-	0.36	-	-	-	-	-	-	11.57	-	11.57
Dividend Paid (including Dividend Distribution Tax)	-	-	-	-	-	-	-	-	-	(247.93)	-	-	-	-	-	(247.93)	-	(247.93)
Transfer to/from Retained Earnings	-	-	-	-	150.00	-	1.85	-	-	(151.85)	-	-	-	-	-	-	-	-
Transfer from OCI - Actuarial Gain/Loss	-	-	-	-	-	-	-	-	-	225.97	(225.97)	-	-	-	-	-	-	-
Transfer to Non-Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	(50.72)	-	(50.72)	-	(50.72)
Currency Translation Adjustment	-	(8.37)	-	-	-	-	-	-	-	-	-	-	-	(13.73)	428.24	406.14	(10.15)	395.99
Other Adjustments - Disposal/ Loss of Control	-	(347.49)	-	-	-	-	-	-	-	344.97	-	-	-	-	27.64	25.12	(342.48)	(317.36)
Balance as at March 31, 2017	**3.78**	**147.36**	**103.67**	**9,014.63**	**758.34**	**36.20**	**15.47**	**5,799.30**	**21,370.72**	**4,477.53**	**46.96**	**4,244.69**	**3.00**	**(62.77)**	**(122.80)**	**45,836.08**	**6.23**	**45,842.31**

The accompanying Notes are an integral part of the Abridged Consolidated Financial Statements.

As per our report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

RAJIV SINGHI
Partner
Membership No. 53518

Place : Mumbai
Dated : 30th May, 2017

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

Satish Pai – Managing Director
DIN-06646758

M.M. Bhagat – Director
DIN-00006245

Abridged Consolidated Cash Flow Statement for the year ended 31st March, 2017

(₹ Crore)

	Year ended 31/03/2017	Year ended 31/03/2016
A. Cash flow from Operating activities		
Net Cash Generated/ (Used) - Operating Activities	12,687.47	11,687.74
B. Cash flow from Investment activities		
Net Cash Generated/ (Used) - Investing Activities	(2,788.53)	(3,521.82)
C. Cash flow from Financing activities		
Net Cash Generated/ (Used) - Financing Activities	(5,552.27)	(8,861.85)
Net Increase/ (Decrease) in Cash and Cash Equivalents	4,346.67	(695.93)
Add : Opening Cash and Cash Equivalents	4,261.60	4,655.77
Add : Cash and Cash Equivalents on Disposal	(298.90)	(1.74)
Add : Effect of exchange variation on Cash and Cash Equivalents	(87.42)	303.50
Closing Cash and Cash Equivalents	**8,221.95**	**4,261.60**
Reconciliation of Closing Cash and Cash Equivalents with Balance Sheet:		
Cash and Cash Equivalents as per Balance Sheet	8,233.40	4,261.80
Less: Fair Value adjustments in Liquid Investments	(11.45)	(0.20)
Cash and Cash Equivalents as per Cash Flow Statement	**8,221.95**	**4,261.60**

The accompanying Notes are an integral part of the Abridged Consolidated Financial Statements.

As per our report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

RAJIV SINGHI
Partner
Membership No. 53518

Place : Mumbai
Dated : 30th May, 2017

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

Satish Pai – Managing Director
DIN-06646758

M.M. Bhagat – Director
DIN-00006245

Notes forming part of the Abridged Financial Statements

1. **Note 1 of Audited Consolidated Financial Statements**

   Company Overview

   Hindalco Industries Limited ("the Company/Parent") was incorporated in India in the year 1958 having its registered office at Century Bhavan, 3rd Floor., Dr. Annie Besant Road, Worli, Mumbai 400 030.

   The Company has two main stream of business Aluminium and Copper.

   In Aluminium, the company caters to the entire value chain starting from mining of bauxite and coal through production of value added products for various application.

   The Company along with its subsidiaries has manufacturing operations in eleven countries including India spread over four continents North America, South America, Asia and Europe. Apart from primary aluminium, the company produces aluminium sheet, extrusion and light gauge products for use in packaging market which includes beverage and food, can and foil products as well as for use in automotive, electronics, architecture, transportation and industrial product markets.

   The Company also has one of the largest single location Copper smelting facility in India.

   The equity shares of the Company are listed on the Indian Stock Exchanges (National Stock Exchange & Bombay Stock Exchange) and GDRs are listed on the Luxemburg Stock Exchange.

2. **Note 2 of Audited Consolidated Financial Statements**

   Basis of Preparation

   The Consolidated Financial Statements ("the financial statements") relate to the Company and its subsidiaries (collectively "the Group") and its interest in associates and joint ventures. The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards ("Ind-AS") as prescribed under section 133 of the Companies Act 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standard) Amendment Rules 2016 and other accounting principles generally accepted in India.

   These financial statements are the first financial statement of the Group prepared under Ind-AS.

   The financial statements for all periods up to and including the year ended March 31, 2016, were prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of The Companies (Accounts) Rules 2014, (as amended) the Companies Act, 2013 and in accordance with the Generally Accepted Accounting Principal in India.

   The Group followed the provisions of Ind-AS 101 in preparing its Opening Ind-AS Balance Sheet (OBS) as of the date of transition i.e. April 01, 2015. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at March 31, 2015 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arose from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at April 01, 2015 as required by Ind-AS 101.

   The Group's consolidated financial statements for the year ended March 31, 2017 have been approved by the Board of Directors of the Company in their meeting held on May 30, 2017.

   The financial statements have been prepared under the historical cost convention on accrual basis except for following assets and liabilities which have been measured at fair value:

   - Financial instruments - Measured at fair value;
   - Assets held for sale - Measured at fair value less cost of sale;
   - Plan assets under defined benefit plans - Measured at fair value; and
   - Employee share-based payments - Measured at fair value

   In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and entities controlled by the Group and its subsidiaries take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for employee share-based payment, leasing transactions and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

In preparing the financial statements in conformity with Ind-AS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

The Consolidated Financial Statements are presented in Indian Rupees (INR/₹) which is also the Parent's Functional Currency and all values are rounded to nearest crore with two decimal except when otherwise stated.

3. Note 3 of Audited Consolidated Financial Statements

Significant Accounting Policies:

A. Principles of Consolidation

Subsidiaries

Subsidiaries are the entities (including structured entities) over which the Group has control. The Group controls an entity when the group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains the control until the date the Group ceases to control the subsidiary.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised profits on transactions between group companies are eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra-group transactions or undistributed earnings of Group's entity included in consolidated profit and loss, if any.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements to ensure conformity with the group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impractical to do so.

Non-controlling interest in the profit / loss and equity of the subsidiaries are shown separately in the consolidated statement of profit and loss and the consolidated balance sheet, respectively.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. This results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

In case the Group ceases to consolidate a subsidiary because of a loss of control, any retained interest in the entity is remeasured to its fair value. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial assets. When the Group loses control over a subsidiary, it derecognises the assets, including goodwill, and liabilities of the subsidiary, carrying amount of any non-controlling interests, cumulative translation differences recorded in equity and recognise resulting difference between the fair value of the investment retained and the consideration received and total of amount derecognised as gain or loss attributable to the Parent. In addition, amounts, if any, previously recognised in other comprehensive income in relation to that entity are reclassified to profit or loss or retained earnings, as would be required if the parent had directly disposed of the related assets or liabilities.

Interest in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies, generally accompanying a shareholding between 20% and 50% of the voting rights.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's interest in its associates or joint ventures are accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. Under equity method, the investment in an associate or a joint venture is initially recognised at cost and adjusted thereafter to recognise the changes in the Group's share of net assets of the associate or joint venture since the acquisition date. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as Goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognised in equity as Capital Reserve in the period in which the investment is acquired.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income (OCI) is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of that changes, when applicable, in the statement of changes in equity. Unrealised gains or losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses of an associate or a joint venture equals or exceeds its interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the group resumes recognising its share of those profits only after its share of the profit equals the share of losses not recognised.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the impairment loss in statement of profit and loss. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases. Goodwill relating to associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate.

If ownership interest in an associate or a joint venture is reduced but significant influence or joint control is retained, the Group continues to use the equity method, and only proportionate share of the amount previously recognised in other comprehensive income are reclassified to consolidated statement of profit and loss where appropriate.

When the Group classified its investments, or a portion thereof, in associate or joint venture as held for sale, it discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

Upon loss of significant influence over the associate or joint venture, the group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture and the fair value of retained investment and proceeds from disposal is recognised in profit or loss.

B. Business Combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group and fair value of any assets or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind-AS.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The excess of the sum of the consideration transferred the amount of any non-controlling interests in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquired entity over the acquisition-date fair value of the net identifiable assets acquired is recognised as goodwill. Any gain on a bargain purchase is recognised is in other comprehensive income and accumulated in equity as Capital Reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase, otherwise the gain is recognised directly in equity as Capital Reserve.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of contingent consideration are recognised in profit or loss.

When a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit and loss or other comprehensive income, as appropriate.

Where it is not possible to complete the determination of fair values by the end of the reporting period in which the combination occurs, a provisional assessment of fair values is made and any adjustments required to those provisional values, and the corresponding adjustments to goodwill, are finalised within 12 months of the acquisition date.

C. Interest in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind-ASs applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

D. Property, Plant and Equipment

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Cost may also include effective portion on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment recycled from hedge reserve as basis adjustment.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs and effective portion of cash flow hedges of foreign currency recycled from the hedge reserve as basis adjustment.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Group, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised. All other costs are expensed as incurred.

Capital work-in-progress

Capital work-in-progress assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

Depreciation

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives or, in the case of leased assets (including leasehold improvements), over the lease term if shorter. The lease period is considered by excluding any lease renewals options, unless the renewals are reasonably certain. Depreciation is recorded using the straight line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset.

The useful life of the items of Property, Plant and Equipment estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act , 2013.

Freehold land is not depreciated.

Depreciation commences when the assets are ready for their intended use. Depreciated assets in property and accumulated depreciation accounts are retained fully until they are removed from service.

Disposal of assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit and loss.

Mining Reserves, Resources and Rights

Mineral reserves, resources and rights (together Mining rights) which can be reasonably valued, are recognised in the assessment of fair values on acquisition. Exploitable mineral rights are amortised using the unit of production basis over the commercially recoverable reserves. Mineral resources are included in amortisation calculations where there is a high degree of confidence that they will be extracted in an economic manner. Commercially recoverable reserves are proved and probable reserves. Changes in the commercial recoverable reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

E. Stripping cost

The stripping cost incurred during the production phase of mines is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met.

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to ore provided all the following conditions are met:

- It is probable that the future economic benefits (improved access to ore body) associated with the stripping activity will flow to the entity
- The entity can identify the component of the ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

The stripping activity asset is subsequently amortised on a unit of production basis over the life of the identified component of the ore body. The expenditure which cannot be specifically identified to have been incurred to access ore is charged to revenue, based on stripping ratio as per the mining plan .

F. Investment Property

Investment properties held to earn rentals or for capital appreciation or both are stated in the consolidated balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the consolidated statement of profit and loss. Transfer to, or from, investment property is at the carrying amount of the property.

G. Intangible Assets (Other than goodwill)

Intangible assets acquired separately

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset is recognised. Where no internally-generated intangible asset can be recognized, development expenditure is charged to the consolidated statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible assets acquired in a business combination

Identified intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the consolidated statement of profit and loss when the asset is derecognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

H. Non-current assets (or disposal groups) held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

I. Goodwill

Goodwill arising on acquisition is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and Joint venture is described above.

J. Impairment

Impairment of tangible and intangible assets excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit and loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

Refer accounting policy on "Goodwill" for impairment of goodwill.

K. Foreign Currency Transactions and Translation

Transactions in foreign currencies are recorded by the group entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss with the exception of the following:

- exchange differences on foreign currency borrowings relating to qualifying assets under construction are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedge accounting policies); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit and loss on repayment of the monetary items.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measures at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

For the purposes of presenting Consolidated Financial Statements, the assets, liabilities and equity (except retained earnings) of foreign operations are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their income and expenses are translated at the exchange rates prevailing at the date of transactions. For practical reason, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income and accumulated in equity. Accumulated exchange differences arising from translation and attributable to non-controlling interests are allocated to, and recognised as part of, non-controlling interests in the consolidated balance sheet.

On the disposal of a foreign operation all of the exchange differences accumulated in OCI relating to that particular foreign operation attributable to the owners of the Group is recognised the consolidated statement of profit and loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated statement of profit and loss. For partial disposals of investment in associates or joint arrangements that do not result in the Group losing significant influence or joint control, the proportionate share of the accumulated exchange differences is recognised to the consolidated statement of profit and loss.

Any goodwill and fair value adjustments arising in business combinations or acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates prevailing at the reporting date and resulting exchange differences are recognised in other comprehensive income.

L. Provisions and Contingencies

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Restructurings

A restructuring provision is recognised when there is a detailed formal plan for the restructuring which has raised a valid expectation in those affected. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind-AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with Ind-AS 18 - Revenue from Contracts with Customers.

Restoration, rehabilitation and decommissioning

Close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of the estimated future costs of restoration to be incurred during the life of the mining operation and post closure. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

The initial close-down and restoration provision is capitalised. Subsequent movements in the close-down and restoration provisions for ongoing operations, including those resulting from new disturbance related to expansions or other activities qualifying for capitalisation, updated cost estimates, changes to the estimated lives of operations, changes to the timing of closure activities and revisions to discount rates are also capitalised within "Property, plant and equipment".

Environmental liabilities

Environment liabilities are recognised when the group becomes obliged, legally or constructively to rectify environmental damage or perform remediation work.

Litigation

Provision is recognised once it has been established that the group has a present obligation based on consideration of the information which becomes available up to the date on which the groups Consolidated Financial Statements are finalised and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

M. Leases

Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lesser

Amounts due from lessee under finance leases are recorded as receivables at the amount of net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lesser is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the consolidated statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Variable increases in lease payments which are linked to an inflation price index are considered as contingent rentals and are not recognised on a straight-line basis. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

N. Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads. Costs of inventories include the transfer from equity any gains/losses on qualifying cash flow hedges for foreign currency purchases of raw materials.

Cost is determined using the weighted average cost basis. However, the same cost basis is applied to all inventories of a particular class. Inventories of stores and spare parts are valued at weighted average cost basis after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

However, materials and other supplies held for use in the production of inventories (finished goods, work-in-progress) are not written down below the cost if the finished products in which they will be used are expected to sell at or above cost.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

O. Trade Receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expect to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component (or when the entity applies the practical expedient) or pricing adjustments embedded in the contract.

Trade receivables which arise from contracts where the sale price is provisional and revenue model have the character of a commodity derivative are measured at fair value. The fair value is measured at forward rate and recognised as an adjustment to revenue.

Loss allowance for expected life time credit loss is recognised on initial recognition.

P. Financial Instruments

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification of financial assets

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under Ind-AS 32 - Financial Instruments: Presentation). All other non-derivative financial assets are 'debt instruments'.

Financial assets at amortised cost and the effective interest method

Debt instruments are measured at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis in investment income.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Financial assets at fair value through other comprehensive income (FVTOCI)

Debt instruments are measured at FVTOCI if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and selling assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the consolidated statement of profit and loss as interest income. When the debt instrument is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the consolidated statement of profit and loss as a reclassification adjustment.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the other comprehensive income is directly reclassified to retained earnings.

For equity instruments measured at fair value through other comprehensive income no impairments are recognised in the consolidated statement of profit and loss.

Dividends on these investments in equity instruments are recognised in the consolidated statement of profit and loss as dividend income when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Financial assets at FVTPL

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Group designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the consolidated statement of profit and loss.

Dividend income on investments in equity instruments at FVTPL is recognised in the consolidated statement of profit and loss as dividend income when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

Impairment of financial assets

On initial recognition of the financial assets, a loss allowance for expected credit loss is recognised for debt instruments at amortised cost and FVTOCI. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income in the consolidated statement of profit and loss and does not reduce the carrying amount of the financial asset in the consolidated balance sheet.

Expected credit losses of a financial instrument is measured in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the consolidated statement of profit and loss.

Derecognition of financial assets

The Group derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the consolidated statement of profit and loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (convertible instruments) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are

- the amount of the obligation under the contract, as determined in accordance with Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Financial liabilities

Financial liabilities are classified as either 'Financial Liabilities at FVTPL' or 'Other Financial Liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired or incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may also be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind-AS 109 Financial Instruments permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the consolidated statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

The net gain or loss recognised in the consolidated statement of profit and loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Q. Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio).

The full fair value of a hedging derivative is classified as a non-current asset or liability when the residual maturity of the derivative is more than 12 months and as a current asset or liability when the residual maturity of the derivative is less than 12 months.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated statement of profit and loss, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the consolidated statement of profit and loss from that date.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit and loss, and is included in the ‘other gains and losses’ line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the consolidated statement of profit and loss in the periods when the hedged item affects the consolidated statement of profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the consolidated statement of profit and loss.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to the consolidated statement of profit and loss on the disposal of the foreign operation.

R. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits and highly liquid investments with an original maturity of three months or less which are readily convertible in cash and subject to insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

S. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Group considers a period of twelve months or more as a substantial period of time.

Transaction cost in respect of long-term borrowings are amortised over the tenure of respective loans using effective interest method. All other borrowing costs are recognised in the consolidated statement of profit and loss in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

T. Accounting for Government Grants

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the consolidated statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized in the consolidated balance sheet by setting up the grant as deferred income.

Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the consolidated statement of profit and loss in the period in which they become receivable.

Grants related to income are presented under other income in the consolidated statement of profit and loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Emission allowances are initially recognised as an intangible asset measured at fair value when the group is granted the allowances and able to exercise control with a corresponding recognition of a grant at the same amount under deferred income. As carbon dioxide is emitted, the corresponding tons of emission allowances initially recognised under deferred income is reclassified and recognized in the consolidated statement of profit and loss.

Emission allowances are not amortised as their carrying value equals their residual value and therefore the depreciable basis zero, as their value is constant until delivery to the authorities. Emission allowances are subject to impairment test.

The provision for the liability to deliver allowances is recognised based on actual emission. The provision is measured at the carrying amount of allowances to the extent that the provision will be settled using allowances on hand with any excess emission being measured at the market value of the allowances at the period end. The group records the expense in the consolidated statement of profit and loss under other expenses.

When the emission allowances for the carbon dioxide emitted are delivered to the authorities, the intangible asset as well as the corresponding provision are derecognized from the consolidated balance sheet without any effect on the consolidated statement of profit and loss.

U. Employee Benefits

Retirement benefit, medical costs and termination benefits

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement and medical plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. In countries where there is a deep market in high-quality corporate bonds, the market rate on those bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation are used.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the consolidated statement of profit and loss. Past service cost is recognised in the consolidated statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in the consolidated statement of profit and loss in the line item employee benefits expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit retirement plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the consolidated statement of profit and loss in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

V. Employee Share-based Payments

Equity-settled transactions

Equity-settled share-based payments to employees are measured at the fair value of options at the grant date. The fair value of options at the grant is expensed over the vesting period with a corresponding increase in equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested options forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "General Reserve".

When the options are exercised, the Company issues new equity shares of the Company of ₹ 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account is credited to share capital (nominal value) and Securities Premium Account.

Cash-settled transactions

Cash-settled share-based payments to employees are measured initially at the fair value of the liability at the grant date. The fair value is expensed over the period until the vesting date with recognition of corresponding liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the consolidated statement of profit and loss.

W. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's entities operate and generate taxable income using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities using a weighted average probability.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and the corresponding tax bases used in the computation of taxable profit. Where the local currency is not the functional currency, deferred tax is recognised on temporary difference arising from exchange rate changes between the closing rate and the historical purchase price of non-monetary assets translated at the exchange rate at the date of purchase if those non-monetary assets have tax consequences. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the consolidated statement of profit and loss and included in deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

Current and deferred tax for the period

Current and deferred tax are recognised in the consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

X. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

Y. Revenue Recognition

The Group derives revenue principally from sale of speciality alumina, aluminium, aluminium value added products, copper, precious metals, di-ammonium phosphate and other materials. The Group recognises revenue from sale of goods when the goods are delivered and titles have been passed at which time all the following conditions are satisfied:

(a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

(b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(c) the amount of revenue can be measured reliably;

(d) it is probable that the economic benefits associated with the transaction will flow to the Group; and

(e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from services recognised in the accounting year in which services are rendered.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs and contract signing bonuses.

Shipping and handling amounts invoiced to customers are included in revenue and the related shipping and handling costs incurred are included in freight expenses when the Group is acting as principal in the shipping and handling arrangement.

Revenue excludes taxes that are collected on behalf of Government Authorities.

For sales incentives to its customers, the Group makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions from revenue. In making these estimates, the Group considers historical results that have a predictive value of the amount that the Group expects for the transferred goods and services. The actual amounts may differ from these estimates and are accounted for prospectively.

Certain of the Group's sales contracts provide for provisional pricing based on the price on the London Metal Exchange Limited (LME) or London Bullion Markets Association (LBMA), as specified in the contract, when shipped. Final settlement of the prices is based on the applicable price for a specified future period. The Group's provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract with a corresponding adjustment to revenue.

Revenue from irrevocable bill and hold/ holding certificate contracts is recognised when it is probable that delivery will be made, goods have been identified and kept separately, are ready for delivery in the present condition and usual payment terms for such contracts applies. Under these arrangements, revenue is recognised once legal title has passed and all significant risks and rewards of ownership of the asset sold are transferred to the customer.

Export incentives and subsidies are recognized when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received.

Claim on insurance companies, railway authorities and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Z. Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4. Note 4 of Audited Consolidated Financial Statements

Measurement of fair value

A. Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

B. Marketable and non-marketable equity securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

C. Derivatives

Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date. Options are valued using appropriate option pricing models and credit spreads are applied where deemed to be significant.

D. Embedded derivatives

Embedded derivatives that are separated from the host contract are valued by comparing the forward curve at contract inception to the forward curve as of the balance sheet date. Changes in the present value of the cash flows related to the embedded derivative are recognized in the Consolidated Balance Sheet and in the Consolidated Statement of Profit and Loss.

5. **Note 5 of Audited Consolidated Financial Statements**

Critical accounting judgment and key sources of estimation uncertainty

The application of accounting policies requires management to make estimates and judgments in determining certain revenues, expenses, assets, and liabilities. The following paragraphs explains areas that are considered more critical, involving a higher degree of judgment and complexity.

(a) Business Combination

In a business combination consideration, assets and liabilities are recognized at estimated fair value and any excess purchase price included in goodwill. In the businesses the Group operates, fair values of individual assets and liabilities are normally not readily observable in active markets. This requires the use of valuation models to estimate the fair value of assets acquired and liabilities assumed. Such valuations are subject to numerous assumptions and thus uncertain.

(b) Impairment of non-current assets

Ind-AS 36 requires that the Group assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include internal and external factors such as the Group's market capitalization, significant changes in the Group's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. CGU is usually the individual plant, unless the asset or asset group is an integral part of a value chain where no independent prices for the intermediate products exist, a group of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant interdependencies.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Group uses internal business plans, quoted market prices and the Group's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed for a period of three to five years with projections thereafter. The Group does not include a general growth factor to volumes or cash flows for the purpose of impairment tests, however, cash flows are generally increased by expected inflation and market recovery towards previously observed volumes is considered.

(c) Employee retirement plans

The Group provides both defined benefit employee retirement plans and defined contribution plans. Measurement of pension and other superannuation costs and obligations under such plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality.

The Group provides defined benefit plans in several countries and in various economic environments. The discount rate is based on the yield on high quality corporate bonds. In geographies when the Corporate Bond market is not developed, Government bond yield is considered as discount rate. Assumptions for salary increase in the remaining service period for active plan participants are based on expected salary increase for each country or economic area. Changes in these assumptions can influence the net asset or liability for the plan as well as the pension cost.

(d) Environmental liabilities and Asset Retirement Obligation (ARO)

Group's industrial and mining activities are subject to a wide range of environmental laws and regulations, including end of life remediation regulations. The extant of site and off-site contamination, the remediation methods and requirements that relevant environmental authorities may impose, are uncertain. Remediation and closure activities expected to be conducted far in to the future are less accurately measured than near term planned activities. Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs. Consequently, there is significant uncertainty inherent in the estimates.

(e) Taxes

The Group calculates income tax expense based on reported income in different legal entities. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures all of which may be uncertain. Economic conditions may change and lead to a different conclusion regarding recoverability. Tax authorities in different jurisdiction may challenge the Group's computation of tax payable from prior periods. Such process may lead to changes to prior periods taxable income, resulting in change to income tax expenses in the period of change.

(f) Recognition of deferred tax liability on undistributed profits

The extent to which the Group can control the timing of reversal of deferred tax liability on undistributed profits of its subsidiaries requires judgement.

(g) Classification of leases

The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

(h) Useful lives of depreciable/ amortisable assets (tangible and intangible)

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

(i) Recoverability of advances/ receivables

At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factor.

(j) Fair value measurements

The Group applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Group's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(k) Impairment of goodwill

In accordance with Ind-AS 36, goodwill are reviewed at least annually for impairment. If a loss in value is indicated, the recoverable amount is estimated as the higher of the CGU's fair value less cost to sell, or its value in use. Directly observable market prices rarely exist for the Group's assets, however, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Group for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

(l) Decision on joint operation and associate

The Group has invested in certain joint ventures and consortiums which are accounted for as joint arrangements. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes in relation to its interest in a joint operation.

(m) Contingent assets and liabilities, uncertain assets and liabilities.

Liabilities that are uncertain in timing or amount are recognized when a liability arises from a past event and an outflow of cash or other resources is probable and can be reasonably estimated. Contingent liabilities are possible obligations where a future event will determine whether Group will be required to make a payment to settle the liability, or where the size of the payment cannot be determined reliably. Material contingent liabilities are disclosed unless a future payment is considered remote. Evaluation of uncertain liabilities and contingent liabilities and assets requires judgment and assumptions regarding the probability of realization and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts.

6. Note 6 of Audited Consolidated Financial Statements

Recent Accounting Pronouncements

Amendment to Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind-AS 7, 'Statement of cash flows' and Ind-AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind-AS 7 Statement of Cash Flows:

The amendment to Ind-AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind-AS 102 Share-based Payment:

The amendment to Ind-AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of Withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

7. This Abridged Consolidated Financial Statements has been compiled from Audited Consolidated Financial Statements of the Group and containing the salient features of Consolidated Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow and Statement of Changes in Equity as per first proviso to sub-section 1 of section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014. Complete set of Consolidated Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow, Statement of Changes in Equity and notes thereto prepared as per the requirements of Division II of the Schedule III of the Companies Act, 2013 are available at the Company's website at link www.hindalco.com.

8. **Note 11 of Audited Consolidated Financial Statements**

Non-Current Investments

(₹ Crore)

	As at		
	31/03/2017	**31/03/2016**	**01/04/2015**
Note 11 (a) of Audited Consolidated Financial Statements			
Aggregate amount of quoted and unquoted investments, market value of quoted investments are given below:			
Aggregate amount of quoted investments and market value thereof	4,572.65	3,193.78	2,920.33
Aggregate amount of unquoted investments	66.81	62.70	85.19

9. **Note 18 of Audited Consolidated Financial Statements**

Current Investments

(₹ Crore)

	As at		
	31/03/2017	**31/03/2016**	**01/04/2015**
Note 18 (a) of Audited Consolidated Financial Statements			
Aggregate amount of quoted and unquoted investments, market value of quoted investments are given below:			
Aggregate amount of quoted investments and market value thereof	7,655.30	4,079.69	4,192.46
Aggregate amount of unquoted investments	1,296.46	3,609.22	2,310.83

10. **Note 20 of Audited Consolidated Financial Statements**

Cash and Cash Equivalents

(₹ Crore)

	As at		
	31/03/2017	**31/03/2016**	**01/04/2015**
Balance with Banks:			
Deposits with initial maturity of less than three months	1,157.14	1,492.90	1,227.82
Current Accounts	2,884.31	2,604.82	3,110.34
Cheques and drafts on hand	17.11	52.51	14.81
Cash on hand	0.49	0.48	0.65
Liquid investments - (a)	4,174.35	111.09	293.43
	8,233.40	4,261.80	4,647.05

(a) Proceeds from issuance of equity shares of the Company through Qualified Institutional Placement has been temporarily invested in liquid mutual funds.

(b) There are no repatriation restrictions with regard to cash and cash equivalents.

(c) The details of Specified Bank Notes (SBN) held and transacted by the Group during the period from November 08, 2016 to December 30, 2016 are as below :

(₹ Crore)

	SBN	**Other Notes**	**Total**
Closing cash on hand on November 08, 2016 *	0.83	0.15	0.98
Add: Permitted receipts	1.95	4.12	6.07
Less: Permitted payments	-	(1.53)	(1.53)
Less: Amount deposited in Banks	(2.78)	(2.47)	(5.25)
Closing cash in hand on December 30, 2016	-	0.27	0.27

* Includes cash balances lying with employees/ branches on imprest basis.

Specified Bank Notes (SBN) means bank notes of denominations of existing series of the value of five hundred rupees and one thousand rupees as referred in the notification number S.O. 3407(É) dated November 08, 2016 issued by Government of India, Ministry of Finance, Department of Economic Affairs.

11. Note 23 of Audited Consolidated Financial Statements

Equity Share Capital

Note 23 (c) of Audited Consolidated Financial Statements

Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	Year ended 31/03/2017		Year ended 31/03/2016	
	Numbers	(₹ Crore)	Numbers	(₹ Crore)
Equity Shares outstanding at the beginning of the period	2,048,669,630	204.89	2,048,664,252	204.89
Equity shares allotted in Qualified Institutional Placement	176,827,659	17.68	-	-
Equity Shares allotted pursuant to exercise of ESOP	1,440,671	0.15	5,378	-
Equity Shares outstanding at the end of the period	2,226,937,960	222.72	2,048,669,630	204.89

Note 23 (d) of Audited Consolidated Financial Statements

On March 09, 2017, the Company has issued and allotted 17,68,27,659 Equity Shares of ₹ 1/- each at an issue price of ₹ 189.45 per share to raise ₹ 3,350.00 crore by way of Qualified Institutional Placement ("QIP") under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities Rules, 2014). Expenses related to the issue amounting to ₹ 42.67 crore have been adjusted against Securities Premium.

Use of the net proceeds of the Qualified Institutional Placement is intended for business purposes such as meeting working capital requirements, repayment or prepayment of debt, exploring acquisition opportunities and general corporate purposes. Pending utilisation, the proceeds (net of issue expenses) have been invested in short-term liquid investments. However, the entire amount has since been utilised for prepayment of long term debt.

Note 23 (i) of Audited Consolidated Financial Statements

The Board of Directors of the Company have recommended dividend of ₹ 1.10 per share for the year ended March 31, 2017.

12. Note 31 of Audited Consolidated Financial Statements

Revenue from Operations

(₹ Crore)

	Year ended	
	31/03/2017	31/03/2016
Sale of Products (including excise duty)	102,006.46	100,538.36
Sale of Services	39.87	41.84
Other Operating Revenues	585.12	621.32
	102,631.45	101,201.52

13. Note 40 of Audited Consolidated Financial Statements

(Reversal of)/ Impairment loss of Property, Plant and Equipment and Intangible Assets (Net)

(₹ Crore)

	Year ended	
	31/03/2017	31/03/2016
Impairment Loss/ (Reversal)	11.54	722.33
Less: Impairment Loss adjusted against Business Reconstruction Reserve (BRR) - ((b) ii)	-	(561.70)
	11.54	160.63

(a) For the year ended March 31, 2017, Novelis Inc, a subsidiary of the group, has recorded ₹ 11.54 crore as impairment loss related to its plant and equipment (including ₹ 5.12 crore towards Capital Work-in-Progress) in North America.

(b) For the year ended March 31, 2016, the Group has recorded impairment loss with regard to following:

i. Impairment loss of ₹ 160.63 crore (including ₹ 146.92 crore towards Capital Work-in-Progress) as a result of uneconomical operation of the certain assets of Novelis Inc, subsidiary of the Group.

ii. Impairment loss of ₹ 561.70 crore arising on declining commodity prices relating to Muri Alumina Unit, one of its cash generating unit of Aluminium Business, using value in use basis for recoverable amount. This entire amount has been adjusted against BRR (refer Note 47 of Audited Consolidated Financial Statements).

14. Note 42 of Audited Consolidated Financial Statements

Exceptional Income/ (Expenses) (Net)

(₹ Crore)

	Year ended	
	31/03/2017	**31/03/2016**
Exceptional Income - (a)	143.62	-
Less: Exceptional Expenses - (b)	(151.26)	(576.53)
	(7.64)	(576.53

(a) During the year ended March 31, 2017, the Group has sold its entire holding in its subsidiary, Aditya Birla Minerals Limited, Australia (ABML) by accepting an off-market take-over offer from Metals X Limited. As per the offer, a part of the proceeds was realised in cash and the balance in the equity shares of Metals X Limited. The equity shares of Metals X Limited received as part of this transaction have also been liquidated. The resultant gain of ₹ 143.62 crore arising out of these transactions is accounted for as exceptional income.

(b) Exceptional Expenses consist of followings:

i. During the year ended March 31, 2017, Novelis Inc, wholly-owned subsidiary of the Company, has sold its 59.15% equity interest in Aluminium Company of Malaysia Berhad to Towerpack Sdn. Bhd. for USD 12 million. The transaction includes Novelis's interest in the Bukit Raja, Malaysia facility, which processed aluminium within the construction/industrial and heavy and light gauge foil markets, and the wholly owned entity Alcom Nikkei Specialty Coating Sdn. Berhad. The resultant loss arising out of these transactions is ₹ 91.22 crore.

ii. Through a Gazette Notification (G.S.R 837(E) dated 31 August 2016), Ministry of Coal, Government of India has amended the applicability of the Mines and Minerals (Contribution to District Minerals Foundation) Rules, 2015 retrospectively from January 12, 2015 as against earlier applicability being later date on which District Mineral Foundation is established or October 20, 2015. Accordingly, during the year ended March 31, 2017, an amount of ₹ 60.04 crore has been provided for additional obligation that may arise as result of this amendment in respect to coal purchased by the Company through e-auction and linkage.

iii. During the year ended March 31, 2016, the Group has recorded ₹ 576.53 crore as exceptional expense which represents impairment of Fixed Assets ₹ 450.91 crore and write down in value of inventories ₹ 125.62 crore of Birla Nifty Pty Limited, a subsidiary of the Company, as a result of potential decrease in Cu grade in the ore for remaining life of the mine, economically unviable of recovery of copper and change in macro economic conditions.

15. Note 44 of Audited Consolidated Financial Statements

Discontinued Operations

A. Profit/ (Loss) from Discontinued Operations

Mahan Coal Limited (Mahan Coal) and Tubed Coal Mines Limited (Tubed Coal), joint operations of the Company, have been classified as discontinued operations since the going concern of these joint operations vitiated following de-allocation of coal blocks earlier allotted to them. Assets and liabilities of these joint operations have been classified as held for sale. Further, during year ended March 31, 2016, the Group has also classified Mt Gordon operation of Aditya Birla Minerals Limited, subsidiary of the Group, as discontinued operation in view of its decision to sale of its shareholding in Birla Mt. Gordon Pty Limited which has been subsequently sold in September, 2015. Profit/ (Loss) and Cash Flow relating to these discontinued operations are given below:

(a) Profit/ (Loss) from Discontinued Operations

(₹ Crore)

	Year ended 31/03/2017	Year ended 31/03/2016
INCOME		
Other Income	1.55	0.87
	1.55	0.87
EXPENSES		
Finance Costs	-	3.48
Employee Benefits Expenses	0.37	0.83
Depreciation and Amortization	-	1.77
(Reversal of)/ Impairment Loss of Property, Plant and Equipment and Intangible Assets	-	141.41
Other Expenses	0.68	13.90
	1.05	161.39
Profit/ (Loss) from Discontinued Operations before Tax	0.50	(160.52)
Income Tax Expenses	-	-
Profit/ (Loss) from Discontinued Operations (Net of Tax)	0.50	(160.52)
(b) Cash Flow summary for Discontinued Operations		
Net cash inflow/(outflow) from Operating activities	(0.81)	(14.93)
Net cash inflow/(outflow) from Investing Activities	108.61	(2.61)
Net cash inflow/(outflow) from Financing Activities	(100.45)	0.80
Net increase/(decrease) in cash generated from Discontinued Operation	7.35	(16.74)

B. Profit/ (Loss) on sale of Discontinued Operations

Aditya Birla Minerals Limited, one of subsidiaries of the Group, sold its Mt Gordon operation by way of sale of its 100% shareholding in Birla Mt. Gordon Pty Limited. The signing of the sale transaction occurred on September 20, 2015 and the completion of the transaction took place on October 27, 2015 subsequent to fulfilment of all conditions precedent.

(a) Details of the sale of discontinued operation Mt. Gordon Pty Limited:

	(₹ Crore)
Consideration (Net of selling expenses)	23.63
Carrying amount of Net Assets sold	(23.63)
Gain/ (Loss) on sale of Subsidiary	-

(b) The carrying amount of assets and liabilities as at the date of sale September 20, 2015 were as follows:

	(₹ Crore)
Assets:	
Property, Plant and Equipment	204.12
Other Non-current Assets	6.43
Inventories	2.84
Trade Receivables	0.37
Other Current Assets	0.05
	213.81
Liabilities:	
Trade Payables	0.69
Other Current Liabilities	189.49
	190.18
Net Assets	**23.63**

16. Note 46 of Audited Consolidated Financial Statements

Earnings/ (Loss) per Share (EPS)

(₹ Crore)

	Year ended	
	31/03/2017	**31/03/2016**
Profit/ (Loss) from Continuing Operations		
As per the Consolidated Statement of Profit and Loss	1,881.80	(540.98)
Less: Non-Controlling Interests share in Profit/ (Loss)	(17.44)	(373.08)
Profit/ (Loss) from Continuing Operations attributable to Owners of the Company	1,899.24	(167.90)
Income/ (Expenses) directly adjusted with Equity (refer Note 47 of Audited Consolidated Financial Statements)	-	(682.27)
	1,899.24	(850.17)
Profit/ (Loss) from Discontinued Operations		
As per the Consolidated Statement of Profit and Loss	0.50	(160.52)
Less: Non-Controlling Interests share in Profit/ (Loss)	-	(77.68)
Profit/ (Loss) from Discontinued Operations attributable to Owners of the Company	0.50	(82.84)
Income/ (Expenses) directly adjusted with Equity	-	-
	0.50	(82.84)
Profit/ (Loss) Continuing and Discontinued Operations		
As per the Consolidated Statement of Profit and Loss	1,882.30	(701.50)
Less: Non-Controlling Interests share in Profit/ (Loss)	(17.44)	(450.76)
Profit/ (Loss) from Continuing and Discontinued Operations attributable to Owners of the Company	1,899.74	(250.74)
Income/ (Expenses) directly adjusted with Equity refer Note 47 of Audited Consolidated Financial Statements)	-	(682.27)
	1,899.74	(933.01)
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of equity shares for basic EPS	2060348932	2048669137
Dilutive impact of Employee Stock Options Scheme	1463706	1469527
Weighted average number of equity shares for diluted EPS	2061812638	2050138664
Face value of per equity share (₹)	1.00	1.00
Earnings/ (Loss) per share from Continuing Operations		
Basic (₹)	9.22	(4.15)
Diluted (₹)	9.21	(4.15)
Earnings/ (Loss) per share from Discontinued Operations		
Basic (₹)	0.00	(0.40)
Diluted (₹)	0.00	(0.40)
Earnings/ (Loss) per share from Continuing and Discontinued Operations		
Basic (₹)	9.22	(4.55)
Diluted (₹)	9.21	(4.55)

17. Note 47 of Audited Consolidated Financial Statements

The Company had formulated a scheme of financial restructuring under sections 391 to 394 of the Companies Act 1956 (“the Scheme”) between the Company and its equity shareholders approved by the High Court of judicature of Bombay to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account titled as Business Reconstruction Reserve (“BRR”) was created during the year 2008-09 by transferring balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme. Accordingly, the Company had transferred ₹ 8,647.37 crore from Securities Premium Account to BRR and till March 31, 2016, ₹ 2,848.07 crore (01/04/2015: ₹ 2,165.80 crore) have been adjusted against BRR.

During year ended March 31, 2017, no expenses has been adjusted against BRR. However, during the year ended March 31, 2016, the Group had adjusted expenses of ₹ 682.27 crore against BRR and had the Scheme not prescribed aforesaid treatment, net profit for year ended March 31, 2016 2016 lower by ₹ 682.27 crore.

Earnings per share presented above (refer note 46 of Audited Consolidated Financial Statements) are computed based on profit or loss as if these items were not adjusted against BRR.

18. Note 49 of Audited Consolidated Financial Statements

Segment information:

The Group has three reportable segments viz. Aluminium, Copper and Novelis which have been identified taking into account the business activities it engages in and geographical areas and regulatory environments in which it operates. No operating segments have been aggregated to form these reportable segments. Description of each of the reporting segments is as under:

i. Aluminium Segment: This part of business manufactures and sells Hydrate and Alumina, Aluminium and Aluminium Products.

ii. Copper Segment: This part of business manufactures and sells Copper Cathode, Continuous Cast Copper Rods, Sulphuric Acid, DAP & Complexes, Gold, Silver and other precious metals.

iii. Novelis Segment: This represents Novelis Inc, a wholly owned foreign subsidiary, engaged in producing and selling aluminium sheet and light gauge products and operating in all four major industrialized continents: North America, South America, Europe and Asia, identified as separate reportable segment based on its geographical area and regulatory environment.

The chief operating decision maker (CODM) primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis.

A. Segment Profit or Loss:

Segment's performance are measured based on Segment EBITDA. Segment EBITDA is defined as "Earnings from Continuing Operations before Finance Costs, Exceptional Items, Tax Expenses, Depreciation and Amortization, Impairment of non-current Assets, Investment income, Fair value gains or losses on financial assets and share in profit/ loss in equity accounted entities but after allocation of Corporate Expenses". Segment EBITDA are as follows:

(₹ Crore)

	Year ended	
	31/03/2017	**31/03/2016**
Aluminium	4,032.61	2,653.67
Copper	1,437.90	1,587.58
Novelis	7,194.36	5,039.25
Total Segment EBIDTA	**12,664.87**	**9,280.50**

Segment EBITDA reconciles to Profit/ (Loss) before Tax from Continuing Operations as follows:

(₹ Crore)

	Year ended	
	31/03/2017	**31/03/2016**
Total Segment EBIDTA	12,664.87	9,280.50
Unrealized Profit of Inter-segment Sales	0.36	(0.15)
Finance Costs	(5,742.44)	(5,133.80)
Depreciation and Amortization	(4,457.24)	(4,346.80)
Impairment Loss/ (Reversal) (Net)	(11.54)	(160.63)
Exceptional Items (Net)	(7.64)	(576.53)
Share in Profit/ (Loss) of Associates	25.14	(171.54)
Investment and Treasury Income (including Interest and Dividend)	217.82	235.45
Fair value Gain/ (Loss) on Financial Assets	551.25	300.37
Other Unallocated Income/ (Expenses) (Net)	73.81	530.58
Profit/ (Loss) before Tax from Continuing Operations	3,314.39	(42.55)

Following amount are either included in the measure of segment profit or loss reviewed by the CODM or are regularly provided to the CODM:

(₹ Crore)

	Year ended 31/03/2017			Year ended 31/03/2016		
	Aluminium	**Copper**	**Novelis**	**Aluminium**	**Copper**	**Novelis**
Interest Income - (a)	64.56	45.50	68.16	55.59	56.02	78.45
Depreciation and Amortization - (b)	1,592.99	167.35	2,679.06	1,448.95	290.74	2,590.24
Impairment Loss/ (Reversal) of Non-current Assets (Net) - (b)	-	-	11.54	-	-	160.63

(a) Represents interest income from customers/ security deposits etc which are included in the measure of segment profit or loss.

(b) Does not included in the measure of segment profit or loss but provided to the CODM.

B. Segment Revenue:

The segment revenue is measured in the same way as in the Statement of Profit and Loss. However, sales between operating segments are on arm's lengths basis in a manner similar to transactions with third parties and are eliminated on consolidation. Segment Revenue and reconciliation of the same with total revenue as follows:

(₹ Crore)

	Year ended 31/03/2017			Year ended 31/03/2016		
	Segment Revenue	**Inter-segment Revenue**	**Revenue from external customers**	**Segment Revenue**	**Inter-segment Revenue**	**Revenue from external customers**
Aluminium	20,602.30	22.85	20,579.45	18,835.38	34.72	18,800.66
Copper	19,448.27	8.03	19,440.24	18,429.24	11.84	18,417.40
Novelis	62,611.76	-	62,611.76	63,983.46	-	63,983.46
Total	**102,662.33**	**30.88**	**102,631.45**	**101,248.08**	**46.56**	**101,201.52**

Revenue of approximately ₹ 4,359.88 crore (31/03/2016: ₹ 1,195.36 crore) included in revenue from Copper Segment arose from a single external customer which is more than 10% of the Company's total revenue during the reported period.

Novelis's ten largest customers accounted for approximately 63% and 60% of Novelis segment's total "Revenue from operations" for the year ended March 31, 2017 and 2016, respectively, out of which two major customer contributes to 27% (₹ 16,905.18 crore) [previous year: 30% (₹ 19,195.04 crore)] and 10% (₹ 6,261.18 crore) [(previous year: 4% (₹ 2,559.34 crore)) of the groups total "Revenue from Operations", respectively.

The Company's operations is located in India. The amount of its revenue from external customers analysed by the country in which customers are located irrespective of origin of the goods or services are given below:

(₹ Crore)

	Year ended	
	31/03/2017	**31/03/2016**
India	23,296.31	23,865.74
Outside India	79,335.14	77,335.78
	102,631.45	101,201.52

C. Segment Assets:

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. However, certain assets like investments, investment accounted for using equity method, loans, assets classified as held for sale, current and deferred tax assets etc. are not considered to be segment assets as they are managed at corporate level. Further, corporate administrative assets of an entity having operation which are part of more than one reporting segments are not allocated to individual segments as they also managed at corporate levels and does not linked to any specific segment.

In case of Novelis segment, all the assets of Novelis Inc. are considered as part of segment assets as it solely represents Novelis Inc. a separate legal entity as separate segment.

Segment assets and reconciliation of the same with total assets as follows:

(₹ Crore)

	As at		
	31/03/2017	31/03/2016	01/04/2015
Aluminium	51,676.19	51,437.79	53,198.62
Copper	9,018.72	9,435.79	9,947.99
Novelis	65,914.20	67,253.31	68,590.65
Total Segment Assets	126,609.11	128,126.89	131,737.26
Investment Property	24.29	24.85	25.48
Investments (Non-current and Current)	13,591.22	10,945.39	9,508.81
Equity Accounted Entities	1,566.26	1,492.35	1,382.11
Assets classified as held for sale	102.60	128.94	158.10
Other Corporate Assets	4,617.02	1,268.14	3,806.33
Total Assets	**146,510.50**	**141,986.56**	**146,618.09**

During the year ended 31/03/2017, capital expenditure relating to Aluminium, Copper and Novelis segments are ₹ 905.41 crore, ₹ 227.44 crore and ₹ 1,583.13 crore respectively (31/03/2016: Aluminium ₹ 952.08 crore, Copper ₹ 161.15 crore and Novelis ₹ 2,080.10 crore).

The total of non-current assets excluding financial assets, investments accounted for using equity method and current and deferred tax assets analysed by the country in which assets are located are given below.

(₹ Crore)

	As at		
	31/03/2017	31/03/2016	01/04/2015
India	43,613.63	44,002.76	46,553.38
Outside India	44,014.91	47,008.56	45,867.27
	87,628.54	**91,011.32**	**92,420.65**

D. Segment Liabilities:

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment. In measurement of Aluminium and Copper segment's liabilities, items like borrowings, current and deferred tax liabilities, liabilities associated with assets classified as held for sale etc. are no considered to be segment liabilities as they are managed at corporate level. Further, corporate administrative liabilities of an entity having operation which are part of more than one reporting segments are not allocated to individual segments as they also managed at corporate levels and does not linked to any specific segment.

In case of Novelis segment, all the liabilities of Novelis Inc. except borrowings, are considered as part of segment liabilities as it solely represents Novelis Inc. a separate legal entity as separate segment.

Segment liabilities and reconciliation of the same with total liabilities as follows:

(₹ Crore)

	As at		
	31/03/2017	31/03/2016	01/04/2015
Aluminium	5,904.40	4,660.17	4,156.89
Copper	3,633.71	2,804.61	3,063.37
Novelis	24,375.41	23,176.54	24,418.42
Total Segment Liabilities	33,913.52	30,641.32	31,638.68
Borrowings (Non-current and Current, including current Maturity)	63,817.45	67,551.85	70,027.91
Liabilities associated with Disposal Group held for sale	0.05	0.16	0.78
Other Corporate Liabilities	2,714.45	2,805.31	3,280.41
Total Liabilities	**100,445.47**	**100,998.64**	**104,947.78**

19. **Note 55 of Audited Consolidated Financial Statements**

Interest in Other Entities

A. **Subsidiaries:**

The Group's wholly-owned subsidiaries along with country of incorporation, place of operation and principal activities are set out below.

Name of Entity	Principal Activity	Country of Incorporation	Place of Operation
Minerals & Minerals Limited	Mining	India	India
Renukeshwar Investments & Finance Limited	Investment	India	India
Renuka Investments & Finance Limited	Investment	India	India
Dahej Harbour and Infrastructure Limited	Cargo services	India	India
Lucknow Finance Company Limited	Investment	India	India
Mauda Energy Limited	Power Generation	India	India
Utkal Alumina International Limited	Manufacturing	India	India
Utkal Alumina Technical & General Services Limited	Technical Services	India	India
Hindalco Guinea SARL	Dormant	South Africa	South Africa
Aditya Birla Chemicals (Belgium) BVBA $	Mining	Belgium	Belgium
Birla Resources Pty Limited @	Dormant	Australia	Australia
Birla Maroochydore Pty Limited *	Mining	Australia	Australia
Birla Nifty Pty Limited *	Mining	Australia	Australia
Birla Mt. Gordon Pty Limited ^	Mining	Australia	Australia
AV Minerals (Netherlands) N.V.	Investment	Netherland	Netherland
Hindalco Do Brasil Industria Comercia de Alumina Ltda	Subsidiary	Brazil	Brazil
AV Metals Inc.	Investment	Canada	Canada
Novelis Inc.	Manufacturing	Canada	Canada
Albrasilis - Aluminio do Brasil Industria e Comercio Ltda.	Manufacturing	Brazil	Brazil
Novelis do Brasil Ltda.	Manufacturing	Brazil	Brazil
Brecha Energetica Ltda.	Dormant	Brazil	Brazil
Brito Energetica Ltda.	Dormant	Brazil	Brazil
4260848 Canada Inc.	Manufacturing	Canada	Canada
4260856 Canada Inc.	Manufacturing	Canada	Canada
8018227 Canada Inc	Manufacturing	Canada	Canada
8018243 Canada Limited	Manufacturing	Canada	Canada
Novelis (China) Aluminum Products Co. Limited	Manufacturing	China	China
Novelis (Sanghai) Aluminum Trading Company	Manufacturing	China	China
Novelis Lamines France SAS	Distribution Services	France	France
Novelis PAE SAS	Engineering	France	France
Novelis Aluminium Beteiligungs GmbH	Manufacturing	Germany	Germany
Novelis Deutschland GmbH	Manufacturing	Germany	Germany
Novelis Sheet Ingot GmbH	Manufacturing	Germany	Germany
Novelis Aluminium Holding Company	Intermediate subsidiary	Ireland	Ireland
Novelis Italia SpA	Manufacturing	Italy	Italy

Name of Entity	Principal Activity	Country of Incorporation	Place of Operation
Novelis (India) Infotech Ltd.	Information Technology	India	India
Novelis de Mexico SA de CV	Dormant	Mexico	Mexico
Alcom Nikkei Specialty Coatings Sdn Berhad #	Manufacturing	Malaysia	Malaysia
Al Dotcom Sdn Berhad #	Manufacturing	Malaysia	Malaysia
Novelis Korea Ltd.	Manufacturing	South Korea	South Korea
Novelis AG	Manufacturing	Switzerland	Switzerland
Novelis Switzerland SA	Manufacturing	Switzerland	Switzerland
Novelis Europe Holdings Limited	Intermediate subsidiary	UK	UK
Novelis UK Ltd.	Manufacturing	UK	UK
Aluminum Upstream Holdings LLC	Dormant	USA	USA
Eurofoil, Inc. (USA)	Dormant	USA	USA
Novelis Corporation	Manufacturing	USA	USA
Novelis Services Limited	Management Company	UK	UK
Novelis Global Employment Organization	Dormant	USA	USA
Novelis South America Holdings LLC	Intermediate subsidiary	USA	USA
Novelis Acquisitions LLC	Manufacturing	USA	USA
Novelis Holdings Inc.	Intermediate subsidiary	USA	USA
Novelis Delaware LLC	Manufacturing	USA	USA
Novelis Services (North America) Inc.	Cash management service provider	USA	USA
Novelis Vietnam Company Limited	Manufacturing	Vietnam	Vietnam
Novelis MEA Limited	Import and export aluminium	UAE	UAE
Novelis Asia Holdings (Singapore) Pte. Limited	Dormant	Singapore	Singapore

$ Merged with Grasim Industries Limited pursuant to the scheme of Amalgamation.

* Subsidiaries of Aditya Birla Minerals Limited (ABML), which entire equity interest sold by the Group on 21/07/2016. (refer Note 56 A of Audited Consolidated Financial Statements)

Subsidiaries of Aluminium Company of Malaysia Berhad, which entire equity interest sold by the Group on 30/09/2016. (refer Note 56 B of Audited Consolidated Financial Statements)

@ Dissolved on March 30, 2017 and returned capital.

^ The Group sold entire equity interest on 20/09/2015.

B. Non-Controlling Interests (NCI)

The Group has following non-wholly owned subsidiaries:

Name of Entity	Principal Activity	Country of incorporation	Ownership interest held by the Group		
			31/03/2017	31/03/2016	01/04/2015
Suvas Holdings Limited	Power Generation	India	51.00%	51.00%	51.00%
Hindalco-Almex Aerospace Limited	Manufacturing	India	97.18%	97.18%	97.18%
East Coast Bauxite Mining Company Private Limited	Mining	India	74.00%	74.00%	74.00%
Aditya Birla Chemicals (India) Limited $	Mining	India	-	-	54.65%
Aditya Birla Minerals Limited *	Mining	Australia	-	51.00%	51.00%
Aluminum Company of Malaysia Berhad #	Manufacturing	Malaysia	-	59.15%	59.15%

$ Merged with Grasim Industries Limited pursuant to the scheme of Amalgamation from April 01, 2015.

* The Group sold entire equity interest on 21/07/2016. (refer Note 56 A of Audited Consolidated Financial Statements)

The Group sold entire equity interest on 30/09/2016. (refer Note 56 B of Audited Consolidated Financial Statements)

Non of above non-wholly owned subsidiary is material to the Group, therefore financial information about these non-wholly owned subsidiary are not disclosed separately.

C. Joint Operations

The Group is engaged in various arrangements on a joint basis with other companies. In assessing whether joint control exists for these arrangements, management evaluate the structure and legal framework and contracts governing the arrangement combined with an assessment of which decisions that significantly influence the return from the arrangement. The Group assesses joint arrangements as joint operations where the Group has rights to the assets and obligations for the liabilities related to the arrangement. Basis of this the Group has identified following joint arrangement as joint operations:

Details of the Group's joint operations, proportion of ownership interests, principal activities and country of incorporation are given below. The principal place of business of all these entities is the same as the respective country of incorporation.

Name of the joint operations	Principal activities	Country of Incorporation	Group's proportion of ownership interest		
			31/03/2017	31/03/2016	01/04/2015
Mahan Coal Limited	Mining	India	50.00%	50.00%	50.00%
Tubed Coal Mines Limited	Mining	India	60.00%	60.00%	60.00%
Logan Aluminium Inc.	Rolling and finishing	USA	40.00%	40.00%	40.00%
Aluminium Norf GmbH	Rolling and recycling	Germany	50.00%	50.00%	50.00%

D. Investments in Associates:

Details of Associates of the Group are set out below. The country of incorporation is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held. The Group's interests in these entities are accounted for using equity method in the Consolidated Financial Statements.

Name of Entity	Country of incorporation	Proportion of Ownership Interests (%)			Carrying Amount (₹ Crore)		
		31/03/2017	31/03/2016	01/04/2015	31/03/2017	31/03/2016	01/04/2015
IDEA Cellular Limited (Idea)	India	6.33%	6.34%	6.35%	1,552.69	1,479.84	1,337.50
Aditya Birla Science & Technology Company Pvt. Ltd. (ABSTCPL)	India	49.00%	49.00%	49.00%	13.56	12.50	13.04

IDEA Cellular Limited (Idea) is listed the on stock exchange and its market value as at 31/03/2017 is ₹ 1,960.30 crore (31/03/2016: ₹ 2,516.31 crore and 01/04/2015: ₹ 4,201.46 crore). Other than Idea, no other entity mentioned above is listed on any public stock exchange.

Summarised financial information in respect of the Group's material associates are set out below. These information is based on their Ind-AS financial statements after alignment of Group's accounting policies.

(₹ Crore)

	ABSTCPL			Idea		
	31/03/2017	31/03/2016	01/04/2015	31/03/2017	31/03/2016	01/04/2015
Summarised Balance Sheet						
Total Assets	150.53	152.73	152.24	96,704.69	80,125.50	58,314.77
Total Liabilities	122.85	127.21	125.63	71,972.45	56,575.02	37,240.52
Net Assets	27.68	25.52	26.61	24,732.24	23,550.48	21,074.25
Group's share of Net Assets of Associates	13.56	12.50	13.04	1,566.40	1,493.55	1,337.50
Dividend Received	-	-	-	13.70	13.70	-
Carrying Amount	13.56	12.50	13.04	1,552.70	1,479.85	1,337.50
Contingent Liabilities						
Share of Contingent Liabilities incurred jointly with other investors of the associate	0.28	0.41	0.28	1,027.32	937.86	1,028.25

(₹ Crore)

	Year ended 31/03/2017		Year ended31/03/2016	
	ABSTCPL	Idea	ABSTCPL	Idea
Summarised Statement of Profit and Loss				
Total Revenues	56.36	35,575.74	58.67	35,949.41
Total Profit for the period	0.36	(399.70)	(3.02)	2,728.13
Other comprehensive income for the period	(0.29)	(4.33)	0.25	(13.93)
Group's share of Profits of Associates	0.18	(25.31)	(1.48)	173.01
Group's share of Other comprehensive income of Associates	(0.14)	(0.27)	0.12	(0.88)
Reconciliation to carrying amounts				
Opening net assets	25.52	23,550.49	26.61	21,074.26
Profit/(Loss) for the year	0.36	(399.70)	(3.02)	2,728.13
Other comprehensive income	(0.29)	(4.33)	0.25	(13.93)
Amounts directly recognised in equity	2.09	1,585.78	1.68	(237.98)
Closing net assets	27.68	24,732.24	25.52	23,550.48
Group's share (%)	49.00%	6.33%	49.00%	6.34%
Group's share (Amount)	13.56	1,566.40	12.50	1,493.55
Dividend Received	-	(13.70)	-	(13.70)
Carrying amount	13.56	1,552.70	12.50	1,479.85

E. Interests in Joint Ventures:

Details of Joint Ventures that are material to the group set out below. The entities listed below have share capital consisting solely equity shares, which are directly held by the Group. The country of incorporation is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held. No entity listed below is listed on any public stock exchange. The Group's interests in these entities are accounted for using equity method in the Consolidated Financial Statements.

	Country of incorporation	Proportion of Ownership Interests			Carrying Amount (₹ Crore)		
		31/03/2017	31/03/2016	01/04/2015	31/03/2017	31/03/2016	01/04/2015
MNH Shakti Limited (MNH Shakti)	India	15.00%	15.00%	15.00%	12.77	12.77	12.77
Hydromine Global Minerals (GMBH) Limited (Hydromine)	British Virgin Islands	45.00%	45.00%	45.00%	0.70	0.08	31.58

MNH Shakti has been classified as held for sale since April 01, 2015 whereas Hydromine classified as held for sale on March 31, 2016. Accordingly, Equity accounting for consolidation discontinued for MNH Shakti from April 01, 2015 and for Hydromine from March 31, 2016 and investment in both the joint ventures carried at recoverable as part of "Not-current assets classified as held for sale" since said dates.

20. Note 56 of Audited Consolidated Financial Statements

Disposal of Subsidiaries

A. During July 2016, the Company sold its entire share holding in its subsidiary, Aditya Birla Minerals Limited, Australia (ABML) by accepting the off-market takeover announced by Metals X Limited. A part of the proceeds were realised in cash and the balance in Equity shares of Metals X Limited.

	(₹ Crore)
(a) Gain/(Loss) on Disposal of Subsidiary	
Consideration received(Cash ₹ 64.75 crore, ₹ 284.91 crore of fair value of shares received in exchange)	349.66
Net Assets disposed	(421.62)
Non-controlling interest	206.60
Selling cost	(3.55)
Foreign currency translation	(8.65)
Gain/ (Loss) on disposal	**122.44**
(b) Analysis of assets and liabilities as at disposal date over which control was lost	
ASSETS	
Non-current Assets	
Property, plant and equipment	107.81
Intangible Assets	33.79
Capital work in progress	1.78
Other non-current Assets	11.36
Current Assets	
Financial assets	
Cash and cash equivalents	295.69
Trade receivables	95.34
Inventories	174.11
Other financial assets	2.54
Other current assets	5.44
Total Assets	**727.86**
LIABILITIES	
Non-current Liabilities	
Long term provision	(197.29)
Current Liabilities	
Financial liabilities	
Trade and other payables	(34.12)
Other current financial liabilities	(48.20)
Short term provisions	(26.63)
Total Liabilities	**(306.24)**
Net Assets	**421.62**

B. On September 30, 2016, the Group sold its 59.15% equity interest in Aluminium Company of Malaysia Berhad (ALCOM), a previously consolidated subsidiary, to Towerpack Sdn. Bhd. for USD 12 million. The transaction includes our interest in the Bukit Raja, Malaysia facility, which processed aluminum within the construction/industrial and heavy and light gauge foil markets, and the wholly-owned entity Alcom Nikkei Specialty Coatings Sdn. Berhad.

	(₹ Crore)
(a) Gain/(Loss) on Disposal of Subsidiary	
Consideration received	76.79
Net assets disposed	(275.14)
Non-controlling interest	135.88
Selling cost	(9.76)
Foreign currency translation	(18.99)
Gain (loss) on disposal	**(91.22)**
(b) Analysis of assets and liabilities as at date of disposal over which control was lost	
ASSETS	
Non-current Assets	
Property, plant and equipment	113.32
Capital work-in-progress	1.17
Current Assets	
Financial assets	
Cash and cash equivalents	86.94
Trade receivables	50.20
Short term loans and advances (at amortised cost)	0.36
Inventories	83.24
Other current assets	0.63
Total Assets	**335.86**
LIABILITIES	
Non-current liabilities	
Financial liabilities - Other financial liabilities	
Other financial liabilities	(0.41)
Deferred tax liabilities	(11.66)
Long term provision	(9.21)
Current Liabilities	
Financial liabilities	
Trade and other payables	(35.11)
Other current financial liabilities	(0.03)
Current tax liabilities (net)	(1.32)
Short term provisions	(2.61)
Other current liabilities	(0.37)
Total Liabilities	**(60.72)**
Net Assets	**275.14**

21. Note 57 of Audited Consolidated Financial Statements

Related Party Transactions

The Group's related parties principally consist of its associates, joint ventures, trusts and its key managerial personnel. The Group routinely enters into transactions for sale and purchase of products and rendering and receiving services with these related parties. Transactions and balances between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions and balances between the Group and other related parties, included in the financial statements, are disclosed below.

A. Associates and Joint Ventures:

(a) Transactions

(₹ Crore)

	Year ended 31/03/2017		Year ended 31/03/2016	
	Associates	**Joint Ventures**	**Associates**	**Joint Ventures**
i. Services rendered	**0.03**	**-**	**-**	**-**
Hydromine Global Minerals GMBH Limited	-	-	-	-
Idea Cellular Limited	0.03	-	-	-
ii. Interest and dividend received	**19.21**	**-**	**19.79**	**-**
Idea Cellular Limited	14.65	-	14.65	-
Aditya Birla Science & Technology Company Pvt. Ltd.	4.56	-	5.14	-
iii. Services Received	**15.26**	**-**	**15.31**	**-**
Idea Cellular Limited	3.16	-	3.27	-
Aditya Birla Science & Technology Company Pvt. Ltd.	12.10	-	12.04	-
iv. Deposits, Loans and Advances made during the year	**-**	**-**	**-**	**0.50**
Hydromine Global Minerals GMBH Limited	-	-	-	0.50
v. Deposits, Loans and Advances received back during the year	**2.45**	**-**	**-**	**-**
Aditya Birla Science & Technology Company Pvt. Ltd.	2.45	-	-	-
vi. Guarantees and Collateral securities taken back during the year	**-**	**-**	**-**	**23.85**
MNH Shakti Limited	-	-	-	23.85

(₹ Crore)

	As at 31/03/2017		As at 31/03/2016		As at 01/04/2015	
	Associates	**Joint Ventures**	**Associates**	**Joint Ventures**	**Associates**	**Joint Ventures**
(b) Outstanding Balances						
i. **Debit Balances**	**0.40**	**0.03**	**0.39**	**0.03**	**0.44**	**0.03**
Idea Cellular Limited	0.40	-	0.39	-	0.44	-
Aditya Birla Science & Technology Company Pvt. Ltd.	0.00	-	-	-	0.00	-
Hydromine Global Minerals GMBH Limited	-	0.03	-	0.03	-	0.03
ii. **Credit Balances**	**0.10**	**-**	**0.10**	**-**	**0.11**	**-**
Idea Cellular Limited	0.10	-	0.10	-	0.11	-

(₹ Crore)

		As at 31/03/2017		As at 31/03/2016		As at 01/04/2015	
		Associates	Joint Ventures	Associates	Joint Ventures	Associates	Joint Ventures
iii	**Deposits, Loans and Advances**	**55.49**	**-**	**57.94**	**0.63**	**58.69**	**0.12**
	Aditya Birla Science & Technology Company Pvt Ltd	55.49	-	57.94	-	57.94	-
	Hydromine Global Minerals GMBH Limited	-	-	-	0.63	-	0.12
	Idea Cellular Limited	-	-	-	-	0.75	-
iv	**Guarantees and Collateral securities given**	**-**	**-**	**-**	**-**	**-**	**23.85**
	MNH Shakti Limited	-	-	-	-	-	23.85

B. Trusts

(₹ Crore)

		Year ended 31/03/2017	Year ended 31/03/2016
(a)	**Contribution to Trusts**	**281.49**	**266.60**
	Hindalco Employee's Gratuity Fund, Kolkata	12.65	10.84
	Hindalco Employee's Gratuity Fund, Renukoot	40.98	33.68
	Hindalco Employees Provident Fund Institution, Renukoot	163.94	160.42
	Hindalco Superannuation Scheme, Renukoot	7.19	7.75
	Hindalco Industries Limited Employees' Provident Fund II	51.18	48.51
	Hindalco Industries Limited Senior Management Staff Pension Fund II	4.46	4.34
	Hindalco Industries Limited Office Employees' Pension Fund	1.09	1.06

C. Key Managerial Personnel

(₹ Crore)

		Year ended 31/03/2017	Year ended 31/03/2016
(a)	**Managerial Remuneration**	**70.49**	**34.85**
	Mr. D. Bhattacharya - Managing Director (till 31/07/2016) *	48.29	19.90
	Mr. Satish Pai - Managing Director (w.e.f 01/08/2016) **	18.52	14.95
	Mr. Praveen Maheshwari - Whole Time Director (w.e.f 28/05/2016) and Chief Financial Officer **	3.68	-

* Includes Gratuity ₹ 9.14 crore (31/03/2016: ₹ Nil) and Leave encashment ₹ 7.62 crore (31/03/2016: ₹ Nil)

** Excluding gratuity, leave encashment provisions and compensation under Employee Stock Option Scheme

(b) Directors' Remuneration	**8.46**	**4.30**
Mr. Kumar Mangalam Birla	5.21	1.76
Smt. Rajashree Birla	0.11	0.06
Mr. D Bhattacharya	1.15	1.03
Mr. A.K.Agarwala	1.16	1.08
Mr. M.M. Bhagat	0.23	0.12
Mr. K.N. Bhandari	0.21	0.10
Mr. Y.P. Dandiwala (appointed w.e.f 14/08/2016)	0.17	0.05
Mr. Ram Charan	0.03	0.03
Mr. Jagdish Khattar	0.12	0.07
Mr. Girish Dave (appointed w.e.f 28/05/2016)	0.07	-

(c) Outstanding Balances

(₹ Crore)

	As at	
	31/03/2017	**31/03/2016**
Credit Balances		
Directors' Remuneration payable	0.01	-

22. Note 58 of Audited Consolidated Financial Statements

Contingent Liabilities

(₹ Crore)

		As at	
	31/03/2017	**31/03/2016**	**01/04/2015**
The Group had contingent liabilities at March 31, 2017 in respect of:			
(a) Claims against the company not acknowledged as debt (Disputed demands for excised duty, custom duty, sales tax etc. and other matters not acknowledged as debts, pending at various appellate authorities)	1,008.03	892.15	887.29
(b) Guarantees excluding financial guarantees	0.63	39.33	238.36
(c) Other money for which the Company is contingently liable:			
i. Bills discounted with banks	-	-	0.87
ii. Customs duty on Capital Goods and Raw Materials imported under EPCG Scheme/ Advance License, against which export obligation is to be fulfilled (excluding convictable portion).	347.08	325.81	328.03

iii. Corporate Guarantee of USD 215 Million issued in favour of M/s Volkswagen AG on behalf of M/s Novelis Inc. to ensure Novelis will supply as per its future commitments to Volkswagen AG and its subsidiaries.

iv. The Company has received a notice dated 24th March, 2007 from Collector (Stamp), Kanpur, Uttar Pradesh, alleging that stamp duty of ₹ 252.96 crore is payable in view of order dated 18 November, 2002, of the Hon'ble High Court of Allahabad approving the scheme of arrangement for merger of Copper business of Indo Gulf Corporation Limited with the Company. The Company is of the opinion that it has a very strong case as there is no substantive/computation provision for levy/calculation of stamp duty on court order approving the scheme of arrangement under the Companies Act, 1956, within the provisions of Uttar Pradesh Stamp Act, moreover, the properties in question are located in the State of Gujarat and, thus, the Collector (Stamp), Kanpur, has no territorial jurisdiction to make such a demand. It is pertinent to note that the Company in 2003-04 has already paid the stamp duty which has been accepted as per the provisions of the Bombay Stamp Act, 1958, with regard to transfer of shareholding of Indo Gulf Corporation Limited as per the Scheme of Arrangement. Furthermore, the demand made is on an incorrect assumption. The Company's contention, amongst the various other grounds made, is that the demand is illegal, against the principles of natural justice, incorrect, bad in law and mollified. The Company has filed a writ petition before the Hon'ble High Court of Allahabad, inter alia, on the above said grounds, which is pending determination.

v. The Company has an agreement with Uttar Pradesh Power Corporation Limited (UPPCL), under which banking of surplus energy with UPPCL is permitted and such banked energy may be drawn as and when required at free of cost. However, UPPCL has raised demand of ₹ 55.32 crore with retrospective effect from 1 April 2009 on the alleged ground that drawl of energy against the banked energy is not permissible during peak hours. The UPPCL has also included ₹ 32.15 crore in the bill as late payment surcharge up to 31 March 2016. Thus, the total amount outstanding till 31 March 2016 is ₹ 87.47 crore. However, if the case is decided against the Company, 107.4 million units valuing ₹ 22.97 crore will be treated as energy banked with UPPCL and, accordingly the net liability will be ₹ 64.50 crore. The Company has challenged the demand by filing a petition on 27 December 2013 under section 86(i)(f) read with other relevant provisions of Electricity Act, 2003 seeking quashing/setting aside the demand. The matter has been heard on 12 February 2014 and the Hon'ble Uttar Pradesh Electricity Regulatory Commission (UPERC), vide its order dated 24 February 2014, has directed the UPPCL to restrain from taking any coercive action till final order of UPERC. The Company believes that it has a strong case and no provision towards this is required.

vi. The Company received a demand notice from Deputy Director of Mines (DDM), Sambalpur, vide letter No. 474/Mines, dated 19.03.2015 under section 21(5) of the Mine and Mineral (Development and Regulation) Act, 1957 ("MMDR Act, 1957"), to deposit an amount of ₹ 31.04 crore towards cost price of Coal for the period from 2004-05 to 2010-11 towards alleged excess production of coal over and above the quantity approved under Mining Plan, Environment Clearance and Consent to Operate in respect of Talabira-I Coal Mine during the said period. The Company challenged the said order before the Hon'ble Revisional Authority, Ministry of Coal, Government of India, New Delhi on the ground that the DDM has no jurisdiction or authority to call upon the Company to pay the cost of coal for alleged violation, if any and the said demand is arbitrary and without lawful authority. Further, the Company has not carried out mining operation outside mining lease area and hence provisions of Section 21(5) of the MMDR Act, 1957 is not applicable. Hence, the said demand is contrary to the provisions of the MMDR Act, 1957 and Mineral Concession Rules, 1960. Interim stay has been granted by the Hon'ble Divisional Authority, Ministry of Coal and matter is pending hearing. In view of the above Management is of the view that no provision is required.

vii. The Company has furnished bank guarantees to Nominated Authority of Ministry of Coal towards fulfilment of certain conditions of the agreements signed by it in respect of the four coal blocks awarded to it through auction. Two of the above awarded coal blocks have already achieved the peak rated capacity and hence fulfilled the required conditions for return of the respective bank guarantees for which the Company has already represented and submitted applications to the designated authorities. For balance two coal blocks some of the conditions could not be fulfilled despite best efforts for reasons beyond its control as certain approvals/clearances that are under the purview of the concerned State Government have been delayed. The Company has made representation with the Nominated Authority in this regard and is confident that its request will be considered favourably. Accordingly, no provision has been made for this.

viii. For contingent liabilities relating to associates and joint ventures refer to Note 55 D of Audited Consolidated Financial Statements.

23. Note 59 of Audited Consolidated Financial Statements

Commitments

(₹ Crore)

	As at		
	31/03/2017	**31/03/2016**	**01/04/2015**
The Group's commitments with regard to various items at March 31, 2017 in respect of:			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	401.87	314.10	607.24
(b) Purchase commitments in relation to Materials and Services	34,815.36	40,172.14	52,471.59

(c) The Company, along with Aditya Birla Nuvo Limited, Grasim Industries Limited and Birla TMT Holdings Pvt. Limited (the Sponsors), being promoters of Idea Cellular Limited (Idea), has given the following undertakings to the Facility Agent:

i. The Sponsors shall collectively continue to hold at least 33% of the equity capital of Idea till the end of FY 2015-16 and shall not, without prior written approval of the Facility Agent, divest, transfer, assign, dispose of, pledge, charge, create any lien or in any way encumber 33% of shareholdings in Idea. Consequent upon the infusion of fresh equity capital of Idea, if the Sponsors' stake gets diluted from 40% to 33% in the equity capital of Idea, the Sponsors agree and undertake to obtain the prior consent of the Rupee Facility Agent and, in other circumstances, the Sponsors agree and undertake to obtain the prior consent of the secured lenders representing 51% of the aggregate outstanding secured loans.

ii. The Sponsors shall collectively continue to hold 26% of the equity capital of Idea after FY 2015-16 and shall not, without the prior written approval of the Rupee Facility Agent, divest, transfer, assign, dispose of, pledge, charge, create any lien or in any way encumber 26% shareholdings in the capital of Idea.

iii. Not divest, without prior approval of the Facility Agent in writing, the shareholdings in the equity capital of Idea that may result in a single investor along with its affiliates holding more than 25% of the equity capital of Idea.

iv. "The Board of Directors of Idea Cellular Limited (Idea), an Associate of the Company have approved the amalgamation of Vodafone India Limited (VIL) and its wholly owned subsidiary Vodafone Mobile Services Limited (VMSL) with Idea, subject to requisite regulatory and other approvals. As a promoter of Idea, the Company has undertaken to indemnify (liable jointly and severally with other promoters of Idea) to the promoters of VIL and its wholly owned subsidiary VMSL up to US$ 500 million, if Idea fails to meet some of its indemnity obligation under the implementation agreement for proposed amalgamation of VIL and VMSL with Idea."

(d) The Company has given the following undertakings in connection with the loan of Utkal Alumina International Limited (UAIL), a wholly owned subsidiary:

i. To hold minimum 51% equity shares in UAIL.

ii. To ensure to meet the Financial Covenants, except Fixed Asset Coverage Ratio, as provided in the loan agreements.

24. Note 60 of Audited Consolidated Financial Statements

Leases

A. Finance Lease Commitments

The Group has finance leases for various items of plant and machinery. The Group's obligations under finance leases are secured by the lessor's title to leased assets. Future minimum lease payments under finance lease together with present value of lease payments are as under:

(₹ Crore)

	Minimum lease payments			Present value of minimum lease payments		
	31/03/2017	31/03/2016	01/04/2015	31/03/2017	31/03/2016	01/04/2015
Not later than 1 year	77.45	91.94	81.44	66.00	76.46	71.82
Later than 1 year and not later than 5 years	111.73	173.65	233.48	97.48	147.52	199.67
Later than 5 years	22.13	25.45	31.22	16.21	19.88	23.15
Total minimum lease payments	211.31	291.04	346.14	179.69	243.86	294.64
Less: Amount representing finance charges	(31.62)	(47.18)	(51.50)	-	-	-
Present value of minimum lease payment payments	179.69	243.86	294.64	179.69	243.86	294.64

B. Operating Lease Commitments

The Group has entered into operating leases on certain items of property, plant and equipment, leasehold land etc. During the year ended March 31, 2017, the Group has paid ₹ 286.13 crore (March 31, 2016: ₹ 228.03 crore) towards minimum lease payment. Future minimum rental payable under non-cancellable operating leases are as follow:

(₹ Crore)

	As at		
	31/03/2017	31/03/2016	01/04/2015
Not later than 1 year	215.93	199.47	6.92
Later than 1 year and not later than 5 years	453.55	573.88	5.35
Later than 5 years	264.03	360.92	21.53
	933.51	**1,134.27**	**33.80**

25. Note 61 of Audited Consolidated Financial Statements

On May 10, 2017, Novelis Korea limited (Novelis Korea), a subsidiary of Novelis Inc., entered into definitive agreements with Kobe Steel Ltd. (Kobe) under which Novelis Korea and Kobe will jointly own and operate the Ulsan manufacturing plant currently owned by Novelis Korea. To effect the transaction, Novelis Korea will form a new wholly owned subsidiary, Ulsan Aluminum, Ltd. (UAL) and will contribute the assets of the Ulsan plant to UAL. Kobe will purchase up to 50% of the outstanding shares of UAL for a purchase price of $315 million. The agreements contemplate that each of Novelis Korea and Kobe will supply input metal to UAL and UAL will produce flat-rolled aluminum products exclusively for Novelis Korea and Kobe. The transaction is expected to close in September 2017, subject to customary closing conditions.

26. Note 62 of Audited Consolidated Financial Statements

Additional information required under Schedule III of the Companies Act, 2013

A. Information regarding subsidiaries, associates and joint ventures included in the Consolidated Financial Statements for the year ended March 31, 2017:

	Net Assets i.e. total Assets minus total Liabilities		Share in Profit/ (Loss)		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ Crore)	As % of Consolidated Profit/ (Loss)	Amount (₹ Crore)	As % of Other Comprehensive Income	Amount (₹ Crore)	As % of Comprehensive Income	Amount (₹ Crore)
Parent:		-						
Hindalco Industries Limited	102.75%	47,332.56	82.71%	1,556.89	-2980.65%	535.92	112.26%	2,092.81
Subsidiaries:								
Indian:								
Minerals & Minerals Limited	0.00%	1.71	0.03%	0.55	0.00%	-	0.03%	0.55
Utkal Alumina International Limited	6.09%	2,804.35	-6.07%	(114.18)	-1.28%	0.23	-6.11%	(113.95)
Utkal Alumina Technical & General Services Limited	0.00%	0.04	0.00%	-	0.00%	-	0.00%	-
Suvas Holdings Limited	0.02%	8.28	0.00%	0.03	0.00%	-	0.00%	0.03
Renuka Investments & Finance Limited	0.39%	177.58	0.49%	9.26	-375.64%	67.54	4.12%	76.80
Renukeshwar Investments & Finance Limited	0.24%	111.42	0.35%	6.54	-263.68%	47.41	2.89%	53.95
Dahej Harbour and Infrastructure Limited	0.18%	83.24	1.64%	30.89	-0.17%	0.03	1.66%	30.92
Lucknow Finance Company Limited	0.04%	17.59	0.10%	1.81	-0.06%	0.01	0.10%	1.82
Hindalco-Almex Aerospace Limited	0.17%	77.18	0.12%	2.18	0.11%	(0.02)	0.12%	2.16
East Coast Bauxite Mining Company Private Limited	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	-
Mauda Energy Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign:								
Birla Resources Pty Limited	0.00%	-	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Aditya Birla Minerals Limited (Consolidated)	0.00%	-	-2.73%	(51.48)	-94.94%	17.07	-1.85%	(34.41)
AV Minerals (Netherlands) N.V.	23.23%	10,702.21	-0.03%	(0.53)	1249.17%	(224.60)	-12.08%	(225.13)
AV Metals Inc.	22.02%	10,141.89	0.00%	-	1213.18%	(218.13)	-11.70%	(218.13)
Novelis Inc. (Consolidated)	21.76%	10,024.79	34.59%	651.08	4339.43%	(780.23)	-6.93%	(129.15)
Hindalco Do Brasil Industria Comercia de Alumina Ltda	0.20%	93.18	-6.74%	(126.91)	40.93%	(7.36)	-7.20%	(134.27)
Hindalco Guinea SARL	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-Controlling Interest	0.01%	6.23	-0.93%	(17.44)	31.37%	(5.64)	-1.24%	(23.08)
Associates								
Indian:								
Idea Cellular Limited (Consolidated)	-1.10%	(504.62)	-0.79%	(14.89)	-3090.82%	555.73	29.01%	540.84
Aditya Birla Science and Technology Company Private Limited	0.01%	2.56	0.01%	0.18	17.46%	(3.14)	-0.16%	(2.96)

	Net Assets i.e. total Assets minus total Liabilities		Share in Profit/ (Loss)		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ Crore)	As % of Consolidated Profit/ (Loss)	Amount (₹ Crore)	As % of Other Comprehensive Income	Amount (₹ Crore)	As % of Comprehensive Income	Amount (₹ Crore)
Joint Ventures								
Indian:								
MNH Shakti Limited - (a)	0.00%	-	0.00%		0.00%		0.00%	-
Foreign:								
Hydromine Global Minerals (GMBH) Limited (Consolidated) - (b)	0.00%		0.00%		0.00%		0.00%	-
	176.01%	81,080.17	102.75%	1,933.97	84.43%	(15.18)	102.92%	1,918.79
Consolidation Adjustments	-76.01%	(35,015.14)	-2.75%	(51.67)	15.57%	(2.80)	-2.92%	(54.47)
	100.00%	46,065.03	100.00%	1,882.30	100.00%	(17.98)	100.00%	1,864.32

Information regarding subsidiaries, associates and joint ventures included in the Consolidated Financial Statements for the year ended March 31, 2016:

Parent:								
Hindalco Industries Limited	102.86%	42,159.47	-78.67%	551.90	-53.69%	(1,372.69)	-44.25%	(820.79)
Subsidiaries:								
Indian:								
Minerals & Minerals Limited	0.00%	1.16	0.00%	0.03	0.00%	-	0.00%	0.03
Utkal Alumina International Limited	7.12%	2,918.44	12.89%	(90.39)	-0.02%	(0.50)	-4.90%	(90.89)
Utkal Alumina Technical & General Services Limited	0.00%	0.04	0.00%	-	0.00%	-	0.00%	-
Suvas Holdings Limited	0.02%	7.04	0.00%	0.02	0.00%	-	0.00%	0.02
Renuka Investments & Finance Limited	0.25%	100.78	-0.77%	5.38	-0.55%	(14.09)	-0.47%	(8.71)
Renukeshwar Investments & Finance Limited	0.14%	57.47	-0.43%	2.99	-0.36%	(9.16)	-0.33%	(6.17)
Dahej Harbour and Infrastructure Limited	0.26%	106.48	-6.03%	42.31	0.00%	(0.05)	2.28%	42.26
Lucknow Finance Company Limited	0.04%	15.77	-0.16%	1.13	0.00%	-	0.06%	1.13
Hindalco-Almex Aerospace Limited	0.18%	75.02	0.34%	(2.37)	0.00%	(0.05)	-0.13%	(2.42)
East Coast Bauxite Mining Company Private Limited	0.00%	(0.02)	0.00%	-	0.00%	-	0.00%	-
Mauda Energy Limited	0.00%	-	0.02%	(0.14)	0.00%	-	-0.01%	(0.14)
Foreign:								
Birla Resources Pty Limited	0.01%	3.31	-0.01%	0.04	0.00%	(0.02)	0.00%	0.02
Aditya Birla Minerals Limited (Consolidated)	1.17%	478.14	130.66%	(916.58)	-4.15%	(106.00)	-55.12%	(1,022.58)
AV Minerals (Netherlands) N.V.	26.03%	10,668.29	0.09%	(0.63)	24.70%	631.42	34.00%	630.79
AV Metals Inc.	25.28%	10,360.03	0.00%	-	24.10%	616.03	33.21%	616.03
Novelis Inc. (Consolidated)	25.26%	10,353.58	25.73%	(180.50)	40.37%	1,032.09	45.91%	851.59
Hindalco Do Brasil Industria Comercia de Alumina Ltda	-0.10%	(41.19)	16.21%	(113.69)	-0.05%	(1.24)	-6.20%	(114.93)
Hindalco Guinea SARL	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-Controlling Interest	0.93%	381.34	64.26%	(450.76)	-2.31%	(59.06)	-27.48%	(509.82)

	Net Assets i.e. total Assets minus total Liabilities		Share in Profit/ (Loss)		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ Crore)	As % of Consolidated Profit/ (Loss)	Amount (₹ Crore)	As % of Other Comprehensive Income	Amount (₹ Crore)	As % of Comprehensive Income	Amount (₹ Crore)
Associates								
Indian:								
Idea Cellular Limited (Consolidated)	-2.82%	(1,157.60)	-18.33%	128.61	65.88%	1,684.27	97.73%	1,812.88
Aditya Birla Science and Technology Company Private Limited	0.01%	4.51	0.21%	(1.48)	-0.01%	(0.18)	-0.09%	(1.66)
Joint Ventures								
Indian:								
MNH Shakti Limited - (a)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign:								
Hydromine Global Minerals (GMBH) Limited (Consolidated) - (b)	0.00%		0.00%		0.00%		0.00%	-
	186.62%	76,492.06	145.99%	(1,024.13)	93.91%	2,400.77	74.21%	1,376.64
Consolidation Adjustments	-86.62%	(35,504.14)	-45.99%	322.63	6.09%	155.77	25.79%	478.40
	100.00%	40,987.92	100.00%	(701.50)	100.00%	2,556.54	100.00%	1,855.04

(a) MNH Shakti Limited, joint venture of the Group, has classified as held for sale and not included in Consolidated Financial Statements as equity accounting for the same has been discontinued.

(b) Hydromine Global Minerals (GMBH) Limited, joint venture of the Group, has classified as held for sale and not included in Consolidated Financial Statements as equity accounting for the same has been discontinued.

27. Note 63 of Audited Consolidated Financial Statements

First-time adoption of Ind-AS

For all periods up to and including the year ended March 31, 2016, the Group had prepared its consolidated financial statements in accordance with the Companies (Accounting Standards) Rules 2006 (as amended) and other provisions of the Act ("previous GAAP"). These are the first Consolidated Financial Statements of the Group prepared in accordance with Ind-AS. The accounting policies, set out in Note 3, have been applied in preparing the Consolidated Financial Statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and the opening consolidated Ind-AS balance sheet on the date of transition i.e. April 01, 2015.

In preparing its opening Ind-AS balance sheet as at April 01, 2015, the Group has applied optional exemptions and mandatory exceptions prescribed in Ind-AS 101 First time Adoption of Indian Accounting Standards, and adjusted the amounts reported previously in Consolidated Financial Statements prepared in accordance with previous GAAP. The principal adjustments made by the Group in restating its Consolidated Financial Statements prepared in accordance with previous GAAP and how the transition from previous GAAP to Ind-AS has affected the Group's financial position, financial performance and cash flows is set out below.

A. Exemptions and Exceptions Availed

In the transition from previous GAAP to Ind-AS, the Group has applied following optional exemptions and mandatory exceptions:

(I) Optional Exemptions Availed

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind-AS while an entity transiting from previous GAAP to Ind-AS. Such exemptions that the group opted to avail are given below.

(a) Share-based payment transactions

As per Ind AS 101, at the date of transition, an entity may elect to:

i. Apply Ind AS 102 Share-based Payment to equity instruments that vested before date of transition to Ind-ASs.

ii. Not apply Ind AS 102 to equity instruments that vested before date of transition to Ind-ASs.

As permitted by Ind AS 101, the Group has elected the option (i) above to apply requirements of Ind AS 102 to equity instruments that vested before date of transition i.e. April 01, 2015.

(b) Leases

As per Ind AS 101, and entity may apply paragraphs 6-9 of Appendix C of Ind AS 17 determining whether an arrangement contains a Lease on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

As permitted by Ind AS 101, the Company has elected to avail the exemption as provided in paragraph D9. If an arrangement is determined to be classified as lease, the classification of lease as operating or finance has been made from inception of the arrangement.

(c) Designation of previously recognized financial instruments

At the date of transition to Ind AS i.e., April 01, 2015, As per paragraph D19, D19A and D19B, a financial liability can be designated as at fair value through profit and loss provided it meets the criteria in paragraph 4.2.2 of Ind AS 109 and financial asset can be designated at fair value through profit and loss if requirements of paragraph 4.1.5 of Ind AS 109 are met and an equity investments can be designated as at fair value through other comprehensive income if requirements of paragraph 5.7.5 of Ind AS 109 are met.

As permitted by Ind AS 101, Company has elected to avail the option. This has resulted in assessment of classification for all categories based on facts and circumstances that exist on the date of transition. Resulting classifications have been applied retrospectively.

(d) Fair value measurement of financial assets or financial liabilities at initial recognition

As per paragraph D20 of Ind AS 101, Despite the requirements of paragraphs 7 and 9 of Ind AS 101, an entity may apply the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind ASs.

Paragraph B5.1.2A (b) of Ind AS 109 requires entity to recognize day one gain or loss on initial recognition of the financial instrument if the fair value at initial recognition is different from transaction price and is based on a valuation technique that only uses observable market data or current market transactions.

As permitted by Ind AS 101, Company has elected to avail the option and has applied the requirements prospectively to transactions entered into on or after transition date of April 01, 2015.

(e) Decommissioning liabilities included in the cost of Property, Plant and Equipment

As per paragraph D21 of Ind AS 101, A first-time adopter need not comply with the requirements Appendix 'A' of Ind AS 16 Changes in Existing Decommissioning, Restoration and Similar Liabilities, for changes in such liabilities that occurred before the date of transition to Ind ASs. If a first-time adopter uses this exemption, it shall:

i. measure the liability as at the date of transition to Ind ASs in accordance with Ind AS 37;

ii. to the extent that the liability is within the scope of Appendix A of Ind AS 16, estimate the amount that would have been included in the cost of the related asset when the liability first arose, by discounting the liability to that date using its best estimate of the historical risk adjusted discount rate(s) that would have applied for that liability over the intervening period; and

iii. calculate the accumulated depreciation on that amount, as at the date of transition to Ind ASs, on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted by the entity in accordance with Ind ASs.

As permitted by Ind AS101, Company has elected to avail the exemption and accounted for the decommission liabilities as per paragraph (i), ii, and iii above on the date of transition.

(f) Business Combinations

As per Ind-AS 101, at the date of transition, an entity may elect not to apply Ind-AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind-AS). However, if the entity restates any business combinations to comply Ind-AS 103, it has to restates all later business combinations and also applies Ind-AS 110, Consolidated Financial Statements, from that same date.

The Group has opted not to apply Ind-AS 103 retrospectively to past business combinations that occurred before the date of transition to Ind-AS. The same exemption has applied by the Group for its past acquisition of investments in associates, interests in joint ventures and interests in joint operations.

In accordance with Ind-AS 101, the Group has tested goodwill for impairment at the date of transition to Ind-AS. No goodwill impairment was deemed necessary at 1 April 2015 the transition date.

(g) Cumulative translation differences

As per Ind-AS 101, the cumulative translation differences for all foreign operations may deemed to be zero at the transition date. In such case, the gain or loss on a subsequent disposal of any foreign operation excludes translation difference that arose before the date of transition to Ind-ASs but include later translation difference. by transferring the entire amount accumulated in foreign currency translation reserve (FCTR) as per previous GAAP to retained earnings.

The Group has opted to avail this exemption and transferred entire cumulative translation differences lying in Foreign Currency Translation Reserve under previous GAAP to retained earnings on transition date.

(h) Joint ventures - transitions from proportionate consolidation to the equity method

Ind-AS 101 provides an exemption for changing from proportionate consolidation method to equity method. As per the exemption, when changing from proportionate consolidation method to equity method, an entity should recognise its investment in a joint venture at date of transition as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. The balance of the investment in joint venture at the date of transition to Ind-ASa, determined as above is regarded as the deemed cost of the investment at initial recognition. The Group has opted to avail this exemption for its joint ventures.

(i) Joint operations - transitions from the equity method to accounting for assets and liabilities

As per Ind-AS 101, when changing from the consolidation or proportionate consolidation to accounting for assets and liabilities in respect of its interests in joint operation, an entity has, at the date of transition to Ind ASs, derecognise the investment that was previously accounted for using the equity method and recognised its share of each of the assets and the liabilities in respect of its interest in the joint operation, including any goodwill that might have formed part of the carrying amount of the investment. The initial carrying amounts of the assets and liabilities has been measured by disaggregating them from the carrying amount of the investment at the date of transaction to Ind ASs on the basis of the information used by the Group in applying the equity method.

(II) Mandatory Exceptions

Ind-AS 101 prohibits retrospective application of some aspects of other Ind-AS. while an entity transiting from previous GAAP to Ind-AS. Such exemptions relevant to the Group are set out below.

(a) Estimates

As per paragraph 14 of Ind AS 101, An entity's estimates in accordance with Ind ASs at the date of transition to Ind ASs shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

The estimates at April 01, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian - GAAP did not require estimation:

- Fair valuation of financial instruments carried at FVTPL and/or FVTOCI
- Impairment of financial assets based on expected credit loss model
- Determination of the discounted value for financial instruments carried at amortised cost
- Discounted value of liability for decommissioning costs.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015, the date of transition to Ind AS and as of March 31, 2016.

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing As at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition if retrospective application is impracticable. The Company has accordingly determined the classification of financial assets based on the facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively.

(c) Non-controlling interests

Ind-AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement need to be followed even if this results in the non-controlling interests having a deficit balance. Ind-AS 101 requires the above requirement to be followed prospectively from the date of transition.

However, if a first-time adaptor elects to apply Ind-AS 103 retrospectively to the past business combinations, it also has to apply Ind-AS 110 from the same date. Since the Group has opted not to apply Ind-AS 103 retrospectively, consequently, the Group has applied the above requirement prospectively.

B. Reconciliation between Previous GAAP and Ind-AS

Ind-AS requires an entity to reconcile equity, total comprehensive income and cash flow for prior periods. The following tables represents the reconciliations of these items from Previous GAAP to Ind-AS.

(a) Reconciliation of Total Equity as at March 31, 2016 and April 01, 2015

(₹ Crore)

	Note to First-time Adoption	As at 31/03/2016	As at 01/04/2015
Total Equity (Shareholder's Fund) as per Previous GAAP		38,802.60	39,284.65
Adjustments:			
Treasury Shares	1	(34.45)	(34.45)
Fair valuation of Investments	2	2,517.16	2,593.03
Financial Guarantee	3	2.54	(0.13)
Employee Share-based Payment	4	(33.66)	(49.23)
Property, Plant and Equipment	5, 6 & 7	(121.01)	(98.79)
Amortization of transaction fees of term loan	6 & 7	348.27	369.33
Other Adjustments	8	238.37	316.49
Deferred Tax on undistributed profits of associate and above Adjustments	9	(731.90)	(710.59)
Total adjustments		2,185.32	2,385.66
Total Equity as per Ind-AS		**40,987.92**	**41,670.31**

(b) Reconciliation of Net Profit/ (Loss) and Total Comprehensive Income for the year ended March 31, 2016

(₹ Crore)

	Note to First-time Adoption	Year ended 31/03/2016
Net Profit/ (Loss) as per Previous GAAP		(404.19)
Adjustments:		
Change in fair valuation of Investments through Profit or Loss	2	(81.88)
Financial Guarantee	3	0.82
Employee Share-based Payment	4	15.14
Property, Plant and Equipment	5, 6 & 7	(21.88)
Amortization of transaction fees of term loan	6 & 7	(30.43)
Other Adjustments	8	(184.15)
Deferred Tax on undistributed profits of associate and above Adjustments	9	5.07
Total adjustments		(297.31)
Profit/ (Loss) as per Ind-AS		**(701.50)**
Other Comprehensive Income as per Ind AS	10	2,556.54
Total Comprehensive Income as per Ind AS		**1,855.04**

(c) Impact of Ind-AS adoption on the Statement of Cash Flow for the year ended March 31, 2016

(₹ Crore)

	Previous GAAP	Adjustments	Ind-AS
Net Cash Generated/ (Used) - Operating Activities	10,270.98	1,416.76	11,687.74
Net Cash Generated/ (Used) - Investing Activities	(3,281.15)	(240.67)	(3,521.82)
Net Cash Generated/ (Used) - Financing Activities	(7,259.43)	(1,602.42)	(8,861.85)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(269.60)	(426.33)	(695.93)
Add : Opening Cash and Cash Equivalents	4,370.52	285.25	4,655.77
Add : Cash and Cash Equivalents on Acquisition/ Disposal	(1.74)	-	(1.74)
Add : Effect of exchange variation on Cash and Cash Equivalents	62.17	241.33	303.50
Closing Cash and Cash Equivalents	**4,161.35**	**100.25**	**4,261.60**

(d) Analysis of changes in Cash and Cash Equivalents under Ind AS

(₹ Crore)

	As at	
	31/03/2016	01/04/2015
Cash and Cash Equivalents as per previous GAAP	4,161.35	4,370.52
Adjustments:		
Cash and Cash Equivalents on change in consolidation method i.e. subsidiary/ associate to joint operation under Ind AS	(10.64)	(4.94)
Liquid Investments classified as Cash and Cash Equivalents under Ind AS	111.09	293.43
Fair Value adjustments in Liquid Investments	(0.20)	(3.24)
	100.25	285.25
Cash and Cash Equivalents in Statement of Cash Flow as per Ind AS	**4,261.60**	**4,655.77**

C. Notes to First-time Adoption

Notes to first-time adoption and reconciliation of previous GAAP with Ind-AS

1. Treasury Shares

The Company's share held by Trident Trust has been classified as treasury shares. Trident Trust is a trust created wholly for the benefit of the Company and is being managed by trustees appointed by it.

2. Financial Instruments Fair Value through Profit and Loss or Other Comprehensive Income

Under Ind-AS, the Group has recognized the financial instruments under three categories e.g. Fair Value through Profit and Loss (FVTPL), Fair Value through Other Comprehensive Income (FVTOCI) and at amortized cost. On the date of transition, the fair value impact on FVTPL and FVTOCI instruments has been taken in "Retained Earning" and "OCI" respectively. As at 31 March, 2016 the fair value impact on FVTPL instruments has been taken in the consolidated statement of profit and loss whereas fair value on FVTOCI instruments has been routed through OCI. As at 01 April, 2015 the Group has exercised one time option and classified the investments in equity instruments as FVTOCI. The gain/(loss) on any future extinguishment of such equity investments will not be reflected in the consolidated statement of profit and loss.

3. Financial Guarantee

Under Ind-AS, the Group has recognised fair value of financial guarantee provided to its subsidiary companies. The fair value of such guarantee as at April 01, 2015 has been recognised as additional capital investment in its subsidiaries Group and is amortised over tenure of the loan. Subsequently in the year ended March 31, 2016, increase in the fair value of financial guarantee on account of refinancing of borrowings was recognised as additional investment in its subsidiary. The impact of amortisation of such fair value of guarantee has been recognised in the consolidated statement of profit and loss as interest income for the year ended March 31, 2016.

4. Employee Share-based Payment

(a) Under the previous GAAP, the Group had recognised the cost of equity-settled employee share-based payment using the intrinsic value method. Under Ind-AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Adjustment has been done to take additional charge arising due to change from intrinsic value to fair value of ESOSs outstanding.

(b) Adjustment to record accelerated charge for Stock Appreciation Rights (SARs) based on graded vesting method since commencement of the service period in accordance with Ind AS 102 - Share based Payment.

5. Property Plant and Equipment:

(a) As per Ind-AS 16, Property Plant and Equipment, Group has decapitalised certain costs which were capitalised as a part of cost of fixed assets under previous GAAP. Such costs along with accumulated depreciation on such costs has been decapitalised on the date of transition.

(b) Under Ind-AS, the Group has recognised the asset retirement obligations on the basis of present value of expected outflow at the end of useful life of the asset with debit to Property Plant and Equipment. During the year ended 31 March 2016 depreciation expense was recognised under Ind-AS for such items of Property Plant and Equipments and finance cost was recognised for unwinding of discount on provision for asset retirement obligation.

(c) As per Ind-AS 16, Property Plant and Equipment, Group has capitalised certain costs which were not required to be capitalised as a part of cost of Property, Plant and Equipment/capital work in progress under previous GAAP. During the year ended 31 March 2016 depreciation expense on such costs were recognised in the consolidated statement of profit and loss.

(d) As per Ind-AS 16, Property Plant and Equipment, Group has decapitalised certain items of Property Plant and Equipments over which Group did not have exclusive right to use. During the year ended 31 March 2016 depreciation expense was reversed in the consolidated statement of profit and loss.

6. **Borrowing Costs**

   (a) Under previous GAAP, transaction costs in connection with borrowings or cost or fees on debt modification is expensed as incurred. Under Ind AS any such fees or costs are included in the amount of liability and charged to profit or loss using effective interest method/ amortised over the remaining life of the modified debt.

   (b) Under previous GAAP, the Group had recognised transaction costs incurred in respect of borrowings in the statement of profit and loss or capitalised as part of cost of Property, Plant and Equipment/ Capital work progress in the year in which costs were incurred. Under Ind-AS 109, such transaction costs are adjusted against carrying value of borrowing and are amortised using effective interest rate method over the tenure of the loan. Accordingly loan were debited and corresponding credit was given to retained earnings or property plant and equipment on date of transition. Under Ind-AS, finance cost has been charged to statement of profit and loss for amortisation of such transaction cost during the year ended March 31, 2016. A portion of such transaction cost that would be eligible for capitalisation as borrowing cost has been capitalised using effective interest rate method.

7. **Finance Lease**

   The Group has classified certain arrangements as finance lease under Ind AS which was treated as operating lease under previous GAAP. This classification resulted in recognition of Property Plant and Equipment on lease with corresponding credit to finance lease obligation. During the year ended March 31, 2016 there is increase in depreciation and finance cost whereas there is decrease in rental expense.

8. **Other Significant Adjustments**

   (a) Under previous GAAP, provision was created for proposed dividend considering it as an adjusting event. Under Ind-AS, provision for proposed dividend was reversed as under Ind-AS this does not qualify as an adjusting event. Dividends were adjusted with retained earnings when paid.

   (b) Group purchased machinery spares under terms of contract where inventory of spares was delivered by supplier against payment in periodic equalised instalments. Though title of such inventory was not passed on to the Group, the Group exercise effective control on the inventory of spares. Under Ind-AS, as effective control over inventory remains with Group, same has been recognised as purchased inventory. After discounting, gross amount outstanding has been recognised as liability on OBS date. During the year ended March 31, 2016, periodic instalment payments charged to profit and loss under previous GAAP has been reversed. Under Ind-AS, actual consumption of spares had been charged to the Consolidated Statement of Profit and Loss and Interest expenses recognised for unwinding of discount.

   (c) Under previous GAAP, the Group has accounted for provisions at undiscounted amount whereas under Ind AS, long-term provisions are to be recognised on discounted amount and the carrying amount of provision increases in each period by unwinding of discount to reflect the passage of time.

   (d) Under Ind AS, remeasurements i.e. Actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expenses on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under previous GAAP, these remeasurements were forming part of the profit or loss for the year.

   (e) The Group deemed cumulative translation differences on foreign operations lying in Foreign Currency Translation Reserve under previous GAAP, stands to be nil by transferring the same to retained earnings on April 01, 2015, the Ind AS transition date.

   (f) Under previous GAAP, Logan Aluminium Inc and Tubed Coal Mines Limited were considered as a Subsidiary whereas under Ind-AS the same has been classified as joint operations and accordingly the proportionate consolidation of their assets, liabilities and results has been recorded.

9. **Deferred Tax Adjustments**

   Under previous GAAP, deferred tax accounting was done using the income statement approach, which focused on differences between taxable profits and accounting profits for the period whereas in Ind AS balance sheet approach required to be followed, which focuses on temporary differences between carrying amount of an asset or liability in the balance sheet and its tax base. This resulted in recognition of deferred tax on new temporary differences which was not required in previous GAAP. In addition, deferred tax recognition for consolidation adjustments i.e. unrealised profits, undistributed profits etc. also required to be done.

10. Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period has to be included in profit or loss for the period, unless accounting standard requires or permits otherwise. Items of income and expense that are not recognised in the profit or loss but are shown in the Consolidated Statement of Profit and Loss as "Other Comprehensive Income". Net Profit along with Other Comprehensive Income constitute Total Comprehensive Income. The concept of Other Comprehensive Income did not exist under the previous GAAP.

28. Note 64 of Audited Consolidated Financial Statements

Previous GAAP figures have been reclassified/regrouped to conform to the presentation requirements under Ind-AS and the requirements laid down in Division-II to the Schedule-III of the Companies Act 2013.

As per our report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E

For and on behalf of the Board of Hindalco Industries Limited

RAJIV SINGHI
Partner
Membership No. 53518

Praveen Kumar Maheshwari
CFO

Satish Pai – Managing Director
DIN-06646758

Place : Mumbai
Dated : 30th May, 2017

Anil Malik
Company Secretary

M.M. Bhagat – Director
DIN-00006245

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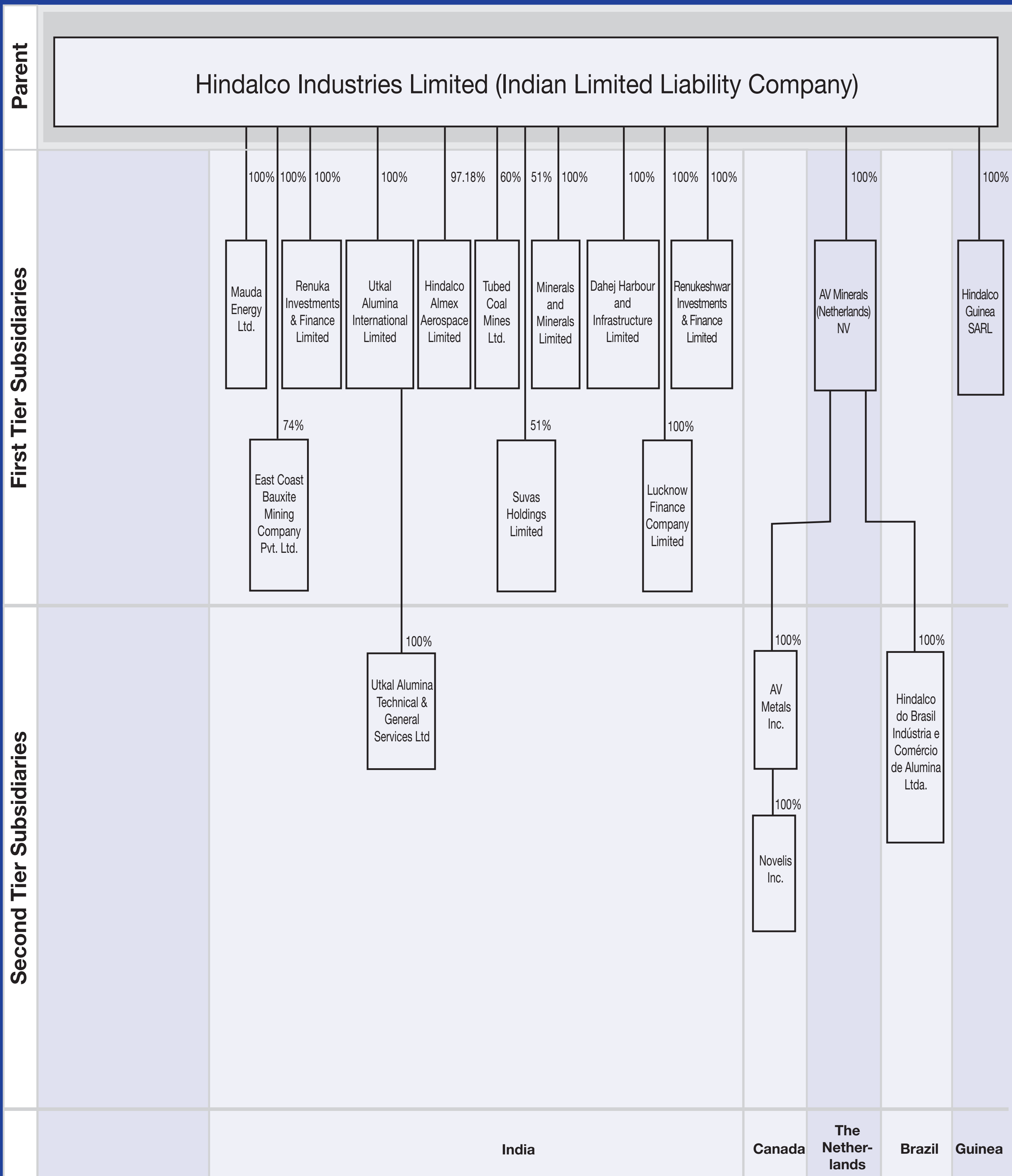
Hindalco Corporate Structure Diagram



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