

ANNUAL REPORT
2015-16

HINDALCO INDUSTRIES LIMITED



BIG ON GROWTH
BASED ON STRONG FUNDAMENTALS



Mr. Aditya Vikram Birla

We live by his values.

Integrity, Commitment, Passion, Seamlessness and Speed.

THE CHAIRMAN'S LETTER TO SHAREHOLDERS



Dear Shareholders,

Global Economy

The global scenario continues to be trapped in a low growth trajectory, despite the steep drop in crude oil and commodity prices. Furthermore, a barrage of monetary stimulus has driven down interest rates close to zero in many of the advanced economies. With the monetary stimulus option by and large exhausted, governments are more likely to turn to fiscal and structural measures to revive growth.

The IMF projects global growth to inch up from 3.1% in 2015, to 3.2% in 2016, and increasing to 3.5% in 2017. Growth in the advanced economies is projected at 1.9% in 2016, with US growth pegged at 2.4%, Europe at 1.5% and Japan at 0.5%. Growth in the emerging markets in 2016, overall, is projected at 4.1%, much of it coming from China, India and the ASEAN region. Growth in Latin America is expected to be only 0.5%, on account of a 3.8% decline in growth in Brazil. No sustained upside is seen in oil and commodity prices in 2016.

The path ahead for the global economy remains challenging, with greater uncertainties thrown in. Concerns persist about the slowdown in China and its ability to shift smoothly from export-led to domestic-led growth. Fiscal pressures will accentuate in the oil producing countries, including the rich Middle-East countries. Financial markets remain nervous and exchange rate volatility has been pronounced. This is reinforced by the impending reversal of the interest rate cycle in the US.

Indian Economy

Against the backdrop of a muted global economy, India's economy is an outperformer. For 2016-17, GDP growth is projected at 7.5%. This would make it the fastest growing among the large economies. This is particularly creditable in the context of two successive unfavourable monsoons and a decline in exports. Recent data indicate a 5.7% year-on-year growth in eight of the key core sector industries, against 2.3% growth registered last year.

Inflationary pressures have been contained. The rise in the consumer price index averaged 4.9% in 2015-16, down from 5.9% in the previous year. The wholesale price index declined 2.5% on an averaged basis, compared to a rise of 2.0% in the previous year. In 2015-16, merchandise exports and imports each fell over 15% over 2014-15. The trade deficit in 2015-16 was US\$ 118.5 billion, a decline of 14% over the previous year. The current account deficit narrowed sharply from US\$ 26.1 billion to US\$ 22.0 billion, representing 1.4% of GDP. India's foreign exchange reserves, as at March-end 2016 were US\$ 360.2 billion. The government is also committed to meeting the current year's fiscal target of 3.5% of GDP. Overall, the economic fundamentals are sound.

There have also been positive moves on the policy front, in areas related to ease of doing business, promoting start-ups, rationalising the tax structure and administration, and opening up more areas for foreign investment through the automatic route. The government is substantially stepping up infrastructure spending.

Having said that, some issues come to the fore. For instance, capital investment will take time to revive, given stretched corporate balance sheets, low capacity utilization, (at only 72.5% in the organized industrial sector), and competition from imports. Slow global output and trade growth will continue to impact exports. There is also the overhang of non-performing assets in the banking sector. Much more also needs to be done to "monsoon-proof" the Indian economy.

The growth in the manufacturing sector has been subdued, including a decline in the output of capital goods.

Your Company's Performance

Your Company attained a consolidated revenue of US\$ 15 billion (₹ 100,042 crore) and PBITDA of US\$ 1.5 billion (₹ 10,007 crore). This was despite a sharp drop in LME and the decline in aluminium ingot premium that caused a large adverse metal price lag. Further, the interest and

"Your Company attained a consolidated revenue of US\$ 15 billion (₹ 100,042 crore) and PBITDA of US\$ 1.5 billion (₹ 10,007 crore)."

THE CHAIRMAN'S LETTER TO SHAREHOLDERS

depreciation charges rose significantly in line with the commissioning of new facilities. However, higher volumes and a significant reduction in the cost of production enabled your Company record a robust performance.

The year 2015-16 was indeed a milestone year for your Company. Aluminium and alumina production at 1.1 million tons and 2.7 million tons respectively has been the highest ever achieved as were the shipments of flat rolled products. Your Company's three Greenfield projects – Mahan Aluminium, Aditya Aluminium and Utkal Alumina ramped up to their full capacity. Utkal, in fact, has positioned itself in the lowest decile on the global alumina cost curve on the back of very efficient logistics in a remote terrain and robust operational performance.

Of the 4 coal blocks – two in Chhatisgarh and two in Jharkhand - bagged by your Company in the auction process, both the Gare Palma mines in Chhatisgarh have become operational.

Your Company's Copper business also put in a commendable performance. Copper production for the year was at a record level of 388 KT. The continued thrust on value addition led to a higher production of continuous cast rods.

The year also marked the culmination of Novelis' large scale investment programme, started four years ago. Novelis' Aluminium recycling center in Germany, the world's largest of its kind, is stabilizing well. Additionally, it commissioned two new automotive lines in the US and in Europe. In all, the 5 automotive finishing lines consolidate Novelis' leadership in the high growth Auto segment.

Importantly, Novelis' auto shipments increased 47% during the year, in line with the strategic portfolio shift that is underway.

Outlook

The overall outlook for commodity markets continues to be challenging. The macroeconomic headwinds persist and the uncertain global macros pose many concerns. However, your Company's structural positioning in the markets that it serves has strengthened significantly, following the completion of its ambitious Greenfield investments in India and the ongoing enrichment of the product portfolio in Novelis.

Our People: Our Pride

Despite yet another challenging year, we have achieved good results. This has been largely due to deft cost management, a concerted move towards on-streaming of new capacities, focus on efficiency improvement, productivity and customer centricity. Our employees have unflinchingly rallied around us. And for this, I would say a big "thank you" to all of them".

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"Your Company's structural positioning in the markets that it serves has strengthened significantly, following the completion of its ambitious Greenfield investments in India and the ongoing enrichment of the product portfolio in Novelis. "

“The Chairman’s Series launched last year for senior leaders in the areas of business strategy, finance and personal leadership saw 150 of our senior most leaders recourse to these learning interventions.”

The Aditya Birla Group: In perspective

At the Group level, we have done well both in terms of revenue and earnings. As a matter of fact, the EBIDTA attained has been the highest ever.

Having worked extensively on the people front for over a decade, I am happy to state that our leadership processes are now mature. At the management level we have built quality bench strength.

The Chairman’s Series launched last year for senior leaders in the areas of business strategy, finance and personal leadership saw 150 of our senior most leaders recourse to these learning interventions.

To create a leadership pipeline to the Business Head roles within the next couple of years, we have created the Aditya Birla Fellows programme. The managers who have won this recognition are put in charge of critical Group-wide projects under my personal oversight. Up until now, we have named 14 managers who have tremendous potential to rise to the stature of Business Heads, going forward.

A slew of other initiatives have been set afoot to grow leaders from within. To do so, we have announced a hiring freeze at the middle and senior management levels for the next 3 years. It paves the way for accelerated talent growth.

In this context, I am happy to state that our accelerated leadership programme Cutting Edge, which prepares high potential leaders for P&L positions across our Group is gaining traction. It was launched last year. Up until now, 20 of the 35 graduates of this programme have already moved roles to take on higher responsibilities.

Furthermore, the 250+ youngsters who joined us over 6 years ago as Group Management Trainees, in our Leadership Associate Programmes (Lead) and Leadership Programme for Experienced youngsters (Leap), are shaping well. In the last 2 years nearly a 100 from this slot have moved across functions and businesses. Additionally, we have 25 mid-career participants who have joined us in the Group Manufacturing Leadership Programme. They too are making significant contributions in our manufacturing business units.

The first batch of 14 participants in “Spring Board”, (a programme designed specially for high calibre women) graduated commendably to higher roles. The second batch of 39 women leaders is making good progress on their way to greater responsibilities. As of now, we have nearly 5,000 women – 14 percent in the managerial cadre.

THE CHAIRMAN'S LETTER TO SHAREHOLDERS

In the last 3 years, we have had more than 1100 inter-business and over 1000 intra-business transfers of employees across levels.

At Gyanodaya, the Aditya Birla Global Centre for Leadership Learning over 2000 managers enrolled for learning programmes. With a mix of academics and live case studies, these programmes enable our people to keep abreast of the developments in their area and stay contemporary. Side by side the Gyanodaya Virtual Campus hosts more than 500 e-learning modules in multiple languages. During the year, over 25,000 employees chose to access these programmes.

The Aditya Birla Group Leadership Programme aimed at securing young talent from the top tier Business Schools of India has become aspirational. I am happy to record that our Group's brand attractiveness has taken a quantum leap across 35 top B-Schools in India. Our Group features among the formidable Top-5 in the A C Nielsen – CRI Campus Recruitment India Index 2015.

In sum

All these moves are a testament to our commitment to accord a World of Opportunity for our people and they are leveraging it. Our people are fully aware of what business needs to succeed. They are committed to contribute their best to our values based, performance driven, meritocratic culture. We are future ready.

Your sincerely



Kumar Mangalam Birla

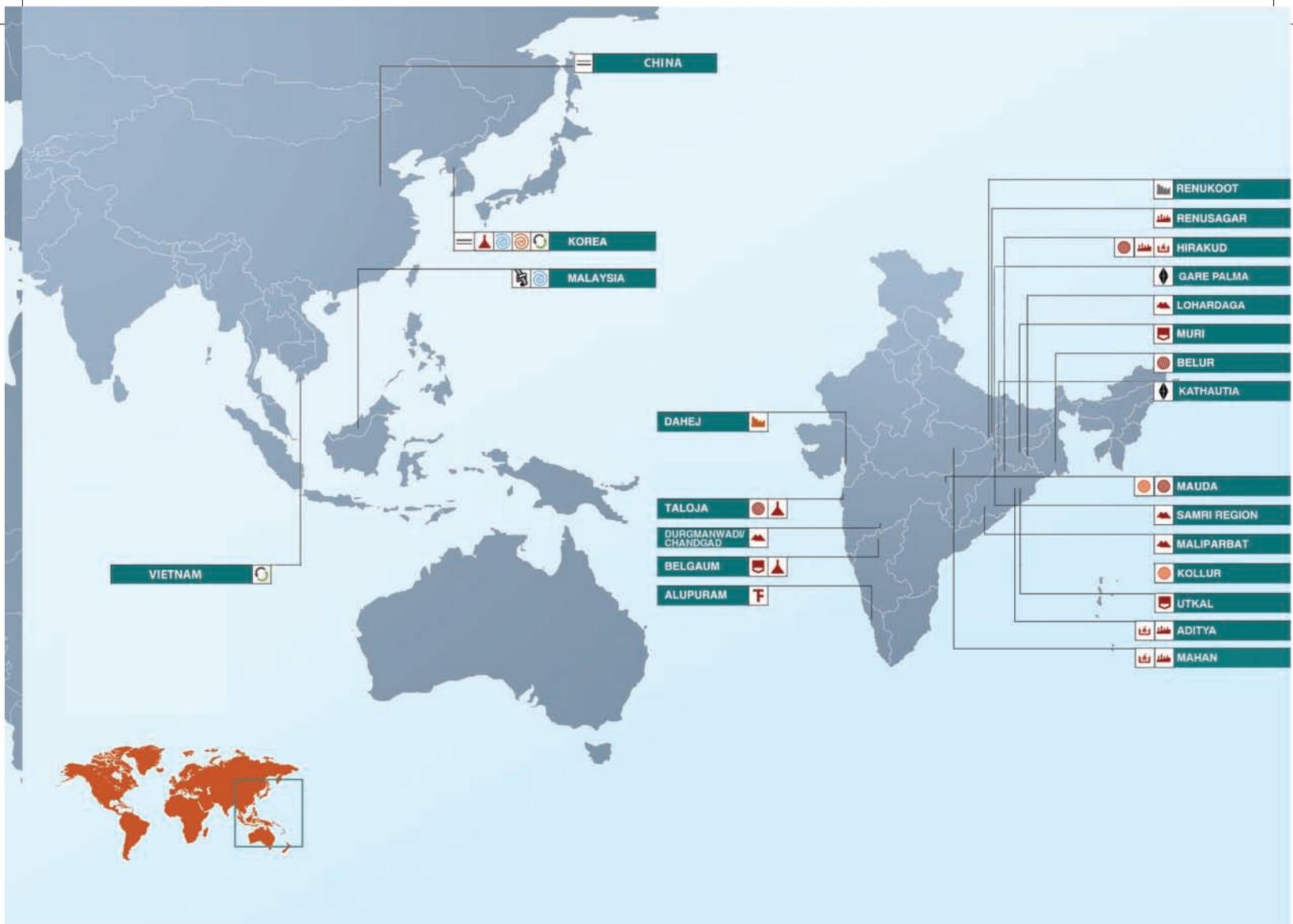
“ The Aditya Birla Group Leadership Programme aimed at securing young talent from the top tier Business Schools of India has become aspirational.”

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...DIVERSE WORLD

SUBSIDIARIES	UNIT LOCATED AT	Product Types
Novelis Inc	North America	<ul style="list-style-type: none"> • Rolled Product • Foil • Recycled Product
	Europe	<ul style="list-style-type: none"> • Rolled Product • Recycled Product
	Asia	<ul style="list-style-type: none"> • Rolled Product • Recycled Product
	South America	<ul style="list-style-type: none"> • Rolled Product • Alumina • Aluminium • Recycled Product



WIDE OPERATIONS

- | | | |
|--|--|--|
|  Alumina Refinery |  Coating |  Integrated Aluminium Complex |
|  Aluminium Extrusion Plant |  Cold Rolled |  Integrated Copper Complex |
|  Aluminium Foil Plant |  Continuous Casting |  Power Plant |
|  Aluminium Rolled Product Plant |  Converting |  R & D / Technology Centre |
|  Aluminium Smelter |  Copper Mines |  Recycling |
|  Bauxite Mines |  Finishing | |
|  Coal Mines |  Hot Rolled | |

OUR VALUES



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BOARD OF DIRECTORS
Non-Executive Directors

Mr. Kumar Mangalam Birla, *Chairman*

Mrs. Rajashree Birla

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. Debnarayan Bhattacharya
Managing Director
(Non-Executive Vice-Chairman,
w.e.f. 1st August, 2016)

Mr. Satish Pai
Deputy Managing Director
(Managing Director, w.e.f. 1st August, 2016)

Mr. Praveen Kumar Maheshwari, CFO
(Whole-time Director, w.e.f. 28th May, 2016)

COMPANY SECRETARY

Mr. Anil Malik
President

CORPORATES

Mr. Bharat Bhushan Jha
Senior President
(Corporate Projects & Procurement)

Mr. Samik Basu
Chief Human Resource 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
President (Chemicals)

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

Mr. B. Arun Kumar
President (Operations)

SUBSIDIARIES
Novelis Inc.

Mr. Debnarayan Bhattacharya, *Vice-Chairman*
Mr. Steve Fisher, *President & CEO*

Utkal Alumina International Limited

Mr. Vijay Sapra, *President*

AUDITOR

Singhi & Co., Kolkata

COST AUDITOR

R. Nanabhoy & Co., Mumbai

(₹ crore)

	2015-16	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
PROFITABILITY											
	USD in Mn *										
Net Sales and Operating Revenues	5,246	34,318	34,525	27,851	26,057	26,597	23,859	19,522	18,220	19,201	18,313
Cost of Sales	4,739	31,000	31,108	25,359	23,853	23,492	20,705	16,572	15,184	15,800	14,298
Operating Profit	507	3,318	3,417	2,492	2,204	3,105	3,155	2,950	3,036	3,401	4,015
Depreciation and Impairment**	195	1,277	837	823	704	690	687	667	645	588	638
Other Income	163	1,066	882	1,124	983	616	347	260	637	493	370
Interest and Finance Charges	363	2,375	1,637	712	436	294	220	278	337	281	242
Profit before Tax and Exceptional Items	112	732	1,825	2,081	2,047	2,737	2,595	2,265	2,690	3,026	3,505
Exceptional Items (Net)	-	-	578	396	-	-	-	-	-	-	-
Profit before Tax	112	732	1,247	1,685	2,047	2,737	2,595	2,265	2,690	3,026	3,505
Tax for current year	19	125	355	298	347	500	469	462	611	705	940
Tax adjustment for earlier years (Net)	-	-	(33)	(26)	-	-	(11)	(113)	(151)	(541)	-
Net Profit	93	607	925	1,413	1,699	2,237	2,137	1,916	2,230	2,861	2,564
FINANCIAL POSITION											
Gross Fixed Assets (excluding CWIP)	6,634	43,955	35,434	26,804	15,073	14,478	14,287	13,793	13,393	12,608	11,253
Capital Work-in-Progress (CWIP)	466	3,083	10,744	17,277	23,605	16,257	6,030	3,703	1,390	1,120	1,476
Depreciation and Impairment	1,682	11,141	9,374	8,749	7,975	7,328	6,703	6,059	5,506	4,799	4,246
Net Fixed Assets	5,418	35,897	36,804	35,332	30,703	23,407	13,615	11,438	9,277	8,929	8,483
Investments (including Current)	3,391	22,467	21,251	21,907	20,482	18,087	18,247	21,481	19,149	14,108	8,675
Other Long term Assets/(Liabilities) - (Net)	22	148	556	1	440	1,017	3,384	-	-	-	-
Net Current Assets	1,324	8,772	9,043	7,686	8,046	5,318	4,780	2,716	5,068	4,051	3,741
Capital Employed	10,155	67,284	67,653	64,926	59,671	47,829	40,025	35,634	33,493	27,088	20,900
Loan Funds	4,307	28,537	28,649	27,020	24,508	14,572	9,038	6,357	8,324	8,329	7,359
Deferred Tax Liability (Net)	253	1,679	1,748	1,174	1,191	1,225	1,287	1,366	1,411	1,324	1,126
Net Worth	5,595	37,068	37,255	36,732	33,972	32,032	29,700	27,911	23,758	17,436	12,415
Net Worth represented by:											
Share Capital	31	207	207	206	191	191	191	191	170	123	104
Share Warrants/Suspense	-	-	-	-	541	541	-	-	-	140	-
Reserves and Surplus #	5,564	36,861	37,049	36,526	33,240	31,300	29,509	27,720	23,588	17,174	12,311
	5,595	37,068	37,255	36,732	33,972	32,032	29,700	27,911	23,758	17,436	12,415
Business Reconstruction Reserve (BRR)											
**Impairment of fixed assets adjusted against BRR	86	562	95	-	-	-	-	-	101	-	-
Other Adjustment against BRR (including deferred tax)	18	121	2	86	-	-	-	-	(34)	-	-
	104	682	97	86	-	-	-	-	67	-	-
Dividend											
Preference Shares (including Dividend Distribution Tax)	-	-	-	-	-	-	-	-	0.03	0.03	-
Equity Shares (including Dividend Distribution Tax)	35	228	246	207	300	335	334	301	269	265	202
RATIOS AND STATISTICS											
	Unit	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Operating Margin	%	9.67	9.90	8.95	8.46	11.67	13.22	15.11	16.66	17.71	21.92
Net Margin	%	1.77	2.68	5.07	6.52	8.41	8.96	9.81	12.24	14.90	14.00
Gross Interest Cover	Times	1.85	1.75	1.50	1.61	3.62	5.74	5.23	5.48	6.08	10.50
Net Interest Cover	Times	1.85	2.63	5.08	7.31	12.67	15.92	11.55	10.90	13.88	18.09
ROCE	%	4.62	5.12	4.30	4.16	6.34	7.03	7.14	9.04	12.21	17.93
ROE	%	1.64	2.48	3.85	5.00	6.98	7.19	6.86	9.39	16.41	20.66
Basic EPS	₹	2.94	4.48	7.09	8.88	11.69	11.17	10.82	14.82	22.23	25.52
Diluted EPS	₹	2.94	4.48	7.09	8.87	11.68	11.16	10.81	14.82	22.11	25.52
Cash EPS	₹	9.12	8.53	11.22	12.55	15.29	14.76	14.58	19.10	26.80	31.87
Dividend per Share	%	100	100	100	140	155	150	135	135	185	170
Capital Expenditure	₹ in Cr.	1,153	2,286	5,050	7,343	8,453	6,318	2,860	1,121	1,049	1,516
Foreign Exchange earnings on Export	₹ in Cr.	12,490	13,334	8,292	7,572	7,857	7,096	5,268	5,148	6,434	6,973
Debt Equity Ratio	Times	0.77	0.77	0.74	0.72	0.45	0.30	0.23	0.35	0.48	0.59
Book value per Share	₹	179.51	180.41	177.92	177.44	167.31	155.14	145.87	139.73	142.09	118.97
Market Capitalisation	₹ in Cr.	18,162	26,638	29,266	17,538	24,774	40,040	34,682	8,850	20,260	13,963
Number of Equity Shareholders	Nos.	392,888	338,655	361,686	441,166	383,724	320,965	339,281	435,064	335,337	520,019
Number of Employees	Nos.	24,118	21,976	20,902	20,238	19,975	19,341	19,539	19,867	19,667	20,366
Average Cash LME (Aluminium)	USD	1,592	1,888	1,773	1,976	2,317	2,257	1,868	2,234	2,623	2,663
Average Cash LME (Copper)	USD	4,852	6,556	7,103	7,855	8,485	8,140	6,112	5,885	7,521	6,985

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

Including Employee Stock Options Outstanding

Figures for 2007-08 onwards include figures of Indian Aluminium Company Limited amalgamated pursuant to Scheme of Amalgamation with effect from 01.04.2007.

(₹ crore)

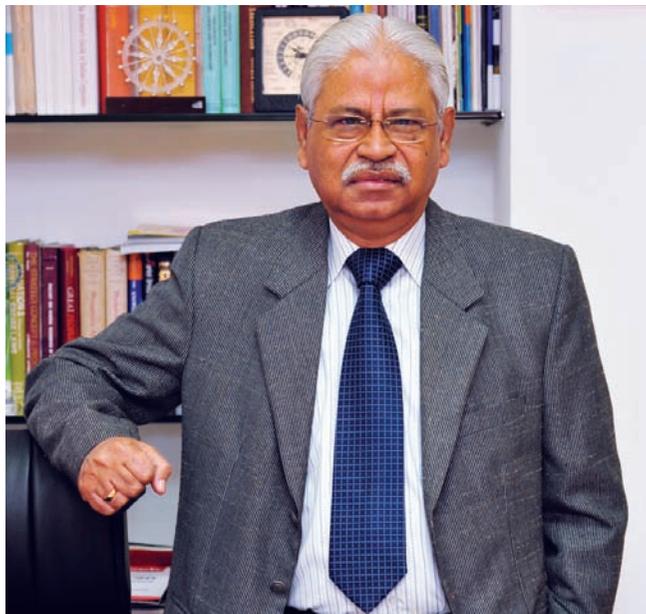
	2015-16	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
PROFITABILITY											
Net Sales and Operating Revenues	15,292	100,042	104,281	87,695	80,193	80,821	72,202	60,708	65,963	60,013	19,316
Cost of Sales	13,948	91,250	95,337	79,409	72,356	72,637	64,274	50,962	62,993	53,378	14,886
Operating Profit	1,344	8,792	8,944	8,286	7,837	8,184	7,929	9,746	2,970	6,635	4,431
Depreciation and Impairment**	655	4,287	3,591	3,553	2,861	2,864	2,759	2,784	3,038	2,488	865
Other Income	186	1,215	1,105	1,017	1,012	783	513	323	691	656	409
Interest and Finance Charges	772	5,049	4,178	2,702	2,079	1,758	1,839	1,104	1,228	1,849	313
Profit before Tax and Exceptional Items	103	671	2,280	3,049	3,909	4,345	3,843	6,181	(605)	2,954	3,662
Exceptional Items (Net)	88	577	1,940	396	-	-	-	-	-	-	-
Profit before Tax	14	94	340	2,653	3,909	4,345	3,843	6,181	(605)	2,954	3,662
Tax for current year	79	515	289	568	903	820	974	1,932	(805)	1,189	958
Tax adjustment for earlier years (Net)	(0)	(0)	(33)	(43)	(17)	(34)	(10)	(103)	(149)	(548)	0
Profit/ (Loss) from Continuing Operations	(64)	(421)	84	2,128	3,023	3,559	2,879	4,352	349	2,313	2,703
Profit/ (Loss) from Discontinuing Operations	(24)	(158)	-	-	-	-	-	-	-	-	-
Profit/ (Loss) before Minority Interest and share in Associates	(89)	(579)	84	2,128	3,023	3,559	2,879	4,352	349	2,313	2,703
Minority Interest	(69)	(449)	(596)	20	(20)	211	366	424	(172)	219	16
Share in (Profit)/ Loss of Associates (Net)	(27)	(175)	(175)	(67)	16	(50)	57	3	37	(100)	1
Net Profit	7	45	854	2,175	3,027	3,397	2,456	3,925	484	2,193	2,686
FINANCIAL POSITION											
Gross Fixed Assets (excluding CWIP)	17,490	115,880	101,940	87,914	60,054	53,961	48,207	45,622	46,220	42,112	14,271
Capital Work-in-Progress (CWIP)	634	4,201	14,111	23,059	33,834	22,798	9,253	5,801	2,949	2,457	1,917
Depreciation and Impairment	5,316	35,221	29,981	26,750	22,126	18,661	15,802	16,622	14,404	7,405	5,035
Net Fixed Assets	12,808	84,861	86,070	84,223	71,763	58,098	41,657	34,801	34,765	37,164	11,153
Investments (including Current)	2,162	14,324	12,346	12,961	12,601	10,551	10,855	11,246	10,389	14,008	7,874
Other Long term Assets/(Liabilities) - (Net)	(925)	(6,129)	(4,680)	(3,749)	(3,105)	(2,154)	618	-	-	-	-
Net Current Assets	2,177	14,422	15,161	16,881	16,250	11,588	11,236	5,172	3,011	4,254	4,257
Capital Employed	16,222	107,478	108,898	110,316	97,508	78,084	64,366	51,219	48,165	55,426	23,285
Loan Funds	10,104	66,945	67,058	64,756	56,951	40,859	29,366	23,999	28,310	32,352	8,443
Minority Interest	59	389	956	1,781	1,759	1,709	2,217	1,737	1,287	1,615	857
Deferred Tax Liability (Net)	261	1,731	2,555	3,175	3,468	3,605	3,760	3,938	2,811	4,172	1,172
Net Worth	5,798	38,414	38,329	40,605	35,330	31,911	29,023	21,545	15,758	17,286	12,814
Net Worth represented by:											
Share Capital	31	207	207	206	191	191	191	191	170	123	104
Share Warrants/Suspense	-	-	-	6	541	541	-	-	-	140	-
Reserves and Surplus #	5,767	38,207	38,122	40,393	34,597	31,179	28,832	21,353	15,588	17,023	12,709
	5,798	38,414	38,329	40,605	35,330	31,911	29,023	21,545	15,758	17,286	12,814
Business Reconstruction Reserve (BRR)											
**Impairment of Fixed Assets adjusted against BRR	86	562	95	-	-	-	-	-	146	-	-
Other Adjustments against BRR (including deferred tax)	18	120	2	86	-	500	(3,439)	304	4,471	-	-
	104	682	97	86	-	500	(3,439)	304	4,617	-	-
Dividend											
Preference Shares (including Dividend Distribution Tax)	-	-	-	-	-	-	-	-	0.03	0.03	-
Equity Shares (including Dividend Distribution Tax)	40	259	260	244	303	359	334	303	271	268	204
RATIOS AND STATISTICS											
	Unit	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Operating Margin	%	8.79	8.58	9.45	9.77	10.13	10.98	16.05	4.50	11.06	22.94
Net Margin	%	0.04	0.82	2.48	3.77	4.20	3.40	6.47	0.73	3.65	13.90
Gross Interest Cover	Times	1.95	1.95	1.85	2.04	3.16	3.56	6.99	2.35	3.30	9.91
Net Interest Cover	Times	1.98	2.41	3.44	4.26	5.10	4.59	9.12	2.98	3.94	15.44
ROCE	%	5.32	5.93	5.21	6.14	7.82	8.83	14.22	1.29	8.67	17.07
ROE	%	0.12	2.23	5.36	8.57	10.64	8.46	18.22	3.07	12.69	20.96
Basic EPS	₹	0.22	4.14	10.91	15.81	17.74	12.84	22.17	3.21	17.04	26.73
Diluted EPS	₹	0.22	4.13	10.91	15.81	17.74	12.83	22.16	3.21	16.95	26.73
Cash EPS	₹	20.98	21.53	28.73	30.75	32.70	27.25	37.88	23.40	36.38	35.33
Capital Expenditure	₹ in Cr	3,708	6,202	11,306	14,090	13,802	8,408	5,983	2,452	2,989	2,349
Debt Equity Ratio	Times	1.74	1.75	1.59	1.61	1.28	1.01	1.11	1.80	1.87	0.66
Book value per Share	₹	186.02	185.61	196.67	184.53	166.68	151.61	112.59	92.68	140.86	122.79

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

Including Employee Stock Options Outstanding

Figures for 2007-08 onwards include the figures of Novelis Inc., a foreign subsidiary, acquired by the Company on 16.05.2007 through its wholly-owned overseas subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS



D. Bhattacharya
Managing Director

Highlights

Industry and Economy

The year 2015-16 was a challenging year for commodities. The energy price deflation that started late last fiscal year continued and oil prices remained low amidst sharp volatility. Sentiments remained fragile, which led to bouts of risk aversion. This manifested in a stronger USD and depressed commodity prices for a larger part of the financial year.

The global economy went through rough times and painted a mixed picture, with overall growth declining to ~2.5%. The economic activity remained subdued. Growth in emerging economies—while still accounting for around 70% of the global growth—declined for the fifth consecutive year, registering a low in post Global Financial Crisis period. On the other hand, a modest recovery continued in the US while other advanced economies, particularly Europe, continued to struggle.

The gradual slowdown and rebalancing of economic activity in China that is moving away from investment and infrastructure led economic growth to consumption and services led growth continued to impact its growth momentum. As a result, the growth rate in China declined substantially. China, the major driver of Global economic growth in the past decade, appears to be

struggling with this transition and this has weighed heavily on the commodities.

Lower energy and commodity prices had a significant adverse impact on energy and commodity exporting countries such as Brazil, Chile, Russia and the Middle East, thus leading to economic slowdown and growth uncertainty.

The talks about gradual tightening of monetary policy in the United States, in the context of a resilient US economic recovery, added to uncertainty, even as several other major central banks such as ECB and BOJ continued with easy money policy. All of this had an impact on the commodity, forex and equity markets globally. The fear of possible RMB devaluation also contributed to the fragile sentiments; making investors risk averse for the larger part of 2015-16.

In the recent months, the prices of most commodities appear to have bottomed out and have rallied on the back of improved sentiments with respect to Chinese demand. This was aided by USD weakness following accommodative policies by the US Fed. During past few months, there has been a strong recovery in most commodity prices. However, the sustainability of these prices is so far uncertain in this challenging global macroeconomic scenario.

In FY 16, the Aluminium industry witnessed significant challenges as the average realisations crashed. The average aluminium LME was 16% lower than the previous year while the premiums were sharply lower by 68 % as compared with FY 15.

The aluminium demand continued to remain strong. However, the surplus attributed to overcapacity in China has been a major hurdle in recovery of commodity price for a while. During the year, a sharp decline in realisations forced Chinese producers to curtail capacity to the tune of 4.5 Mn tonnes in 2015. However, the rally in aluminium prices during the last quarter of FY 16 has put a question mark on these curtailments and some of the smelters have reportedly restarted.

The cost deflation, especially energy costs coupled with depreciation of several local currencies vis-a-vis USD resulted in a downward shift in the aluminium cost curve thus putting pressure on the LME prices. However, now the prices appear to have bottomed out.

In the Indian context, the demand scenario was encouraging. The expected economic turnaround and improving industrial activity augurs well for your company. The decline in domestic coal prices in

India was a major relief. Depreciation of Indian Rupee also helped your company to some extent. However, imports of aluminium in various forms was a major bane for the Indian producers as imports surged in FY 16.

Against this challenging backdrop, your company delivered an exceptional operational performance. The aluminium business delivered highest ever production crossing a Million tonne mark for the first time. The three Greenfield projects have now ramped up to their full capacity. The operating efficiencies are improving following the ramp up of the two world class smelters and Utkal alumina refinery. This has improved the cost efficiencies of your company. Your company's focus on Value added products is also yielding desired results and is set to contribute significantly to the profitability.

The copper business, a strategic component of our portfolio, continued to deliver robust operational and financial performance supporting the results from Indian operations.

Your Company registered a consolidated turnover of US \$15 billion (₹100,042 crore) and PBIDTA of US \$1.5 billion (₹10,007 crore).

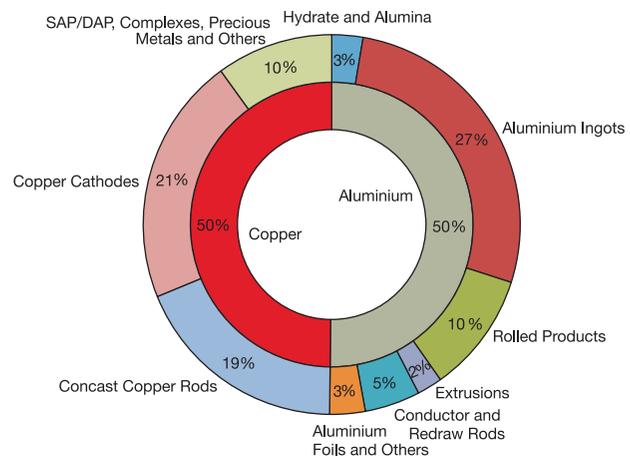
Novelis, your company's wholly owned subsidiary, also faced significant head winds as it continued to ramp up production from the newly commissioned facilities. A sharp decline in regional premium (that unlike LME cannot be hedged) resulted in a Metal Price Lag (MPL), which impacted its financial performance throughout the year.

Operationally, however, it delivered a strong performance. This strong performance was primarily achieved on the back of sharp focus on product portfolio that resulted in pricing power. Novelis indeed has progressed remarkably well on its strategic path, and auto investments made by it has already started showing the desired results.

Some of the highlights of FY 16 are –

- Consolidated Revenues again crossed ₹ 1 lakh crore mark despite sharply lower aluminium and copper LME.
- Consolidated PBIDTA at USD 1.5 Bn (₹ 10,007 crore) in a challenging industry environment and after Metal Price lag (MPL) impact at Novelis.
- Stable standalone Revenue despite sharp fall in realisations.
 - ♦ Aluminium Revenues at ₹ 17,125 crore, up 21% primarily driven by higher volumes despite 16% decline in LME and ~68% drop in local market premium.

- ♦ Copper Revenues (17,209 crore) declined 16% following 20% decline in Copper LME.
- ♦ Standalone PBIDTA at ₹ 4,384 crore up 2%.
- Record Production
 - ♦ Aluminium (1.1 Mn tonnes); production crossed 1 Mn tonnes for the first time.
 - ♦ Alumina production at record 2.7 Mn tonnes (including Utkal).
 - ♦ Copper - 388 KT cathode production with a strong increase in value added CC rods production.
- All the Greenfield projects achieved full ramp up.
- Long distance conveyor (~21 Km), the first of its kind, commissioned at Utkal Alumina, which is considered as one of the lowest cost refineries in the world.



Novelis:

- Record FRP shipments, up 2% YoY to 3,123 KT.
- Revenues decreased 11% to \$9.9 billion in fiscal 2016, as higher shipments were more than offset by a fall in aluminium prices and a sharp drop in local market premiums.
- Excluding metal price lag, Adjusted EBITDA increased 7% YoY to \$963 million.
- Record automotive shipments; up 47% YoY; automotive shipments increased to 15% of FRP shipment portfolio – up from 11% the previous year.
- Completed commissioning of all 5 new automotive finishing lines to capture long term demand.

Aditya Birla Minerals Limited

Aditya Birla Minerals Limited (ABML), Australia, a subsidiary of the Company, has sold 100% of the

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shares in Birla Mt Gordon Pty Ltd to M/s Lighthouse Minerals Holdings Pty Ltd on 27th October, 2015.

Further, Metals X Ltd, a listed company in Australia, made a takeover offer for shares of ABML. As per the offer, the Shareholders of ABML will receive A\$ 0.08 per share of ABML in cash and 1 share of Metals X Ltd for every 4.5 shares of ABML. The Company has accepted the said offer on 19th July, 2016 in respect of its entire shareholding of ABML.

Business Performance Review:

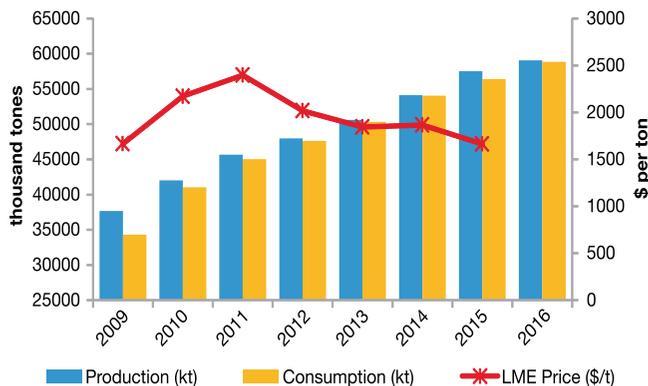
Aluminium Business –

Industry Review:

Aluminium is a relatively new metal and has seen widespread applications across both the industrial and consumer sectors. On the industrial side, aluminium is heavily used in electrical power transmission, machinery and equipment, and construction. Housing, in particular, makes heavy use of the lightweight material as a substitute for steel and wood in doors, windows and siding. On the consumer side, aluminium is used in a variety of retail products, including cans, packaging, air conditioners, furniture and vehicles.

Auto makers have long faced regulatory and competitive pressure to make their vehicles both greener and safer. Many of the benefits of fuel efficient engines have been undercut by increases in weight that come with added safety and comfort. But with increasingly stringent fuel economy standards coming around the world, we believe that auto makers will be forced to increase their focus on making cars lighter, accelerating a shift to new materials and here aluminium is the preferred choice. Over the past five years, considerable progress has been made in aluminium-intensive vehicle production.

Trend in Global Production (kt), Consumption (kt) and LME Price (\$/t) of Aluminium



Global demand for aluminium has historically tended to outperform that for other metals, with the weak price performance more due to supply pressures than any issues with demand. In 2015, the global primary aluminium demand increased at around 4% to 56 Mn tonnes. The increase in consumption was primarily driven by China despite a sharp decline in consumption growth rate from 10% to around 6.7%. China continued to be a major consumer of aluminium accounting for almost 51% of the global consumption. Elsewhere in Asia, consumption declined in Japan but was compensated by higher demand from India and the Middle East.



Aluminium consumption in the North Americas has recovered well since the global financial crisis. In CY 2015, the consumption increased to around 6.3 Mn tonnes a rise of 2.5% over the previous year. The EU consumption growth continued to be lacklustre growing at ~1.3%.

The Indian demand increased sharply and was one of the best globally albeit on a smaller base. The Indian primary aluminium consumption increased to 1.87 Mn tonnes at 9.7%, primarily driven by robust demand from electrical, transportation, building and construction and packaging sectors.

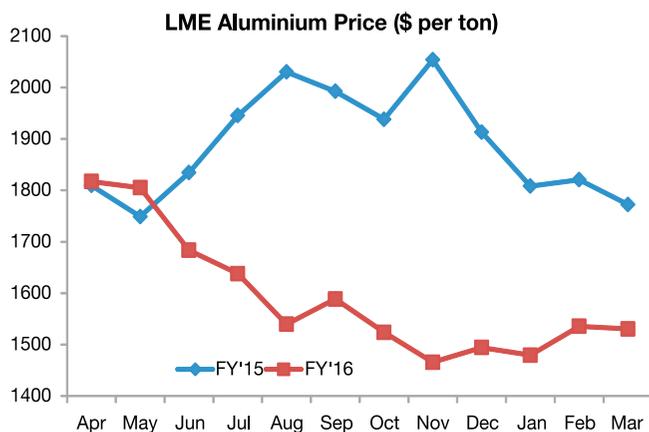
Having said that, the Indian industry witnessed a strong surge in imports in various forms; including from the countries that subsidise their aluminium industry in some form or other. This adversely impacted the Indian aluminium industry. Perhaps in recognition of this, in the Union Budget 2016, the import duty on aluminium was increased from 5% to 7.5%.

The calendar year 2015 witnessed substantial smelter closures globally, mostly in higher-cost producing areas such as Europe, the US and China. A sharp decline in LME prices coupled with crash in premium resulted in many smelters becoming unviable. However, the costs too declined sharply, especially for certain set of players due to local currency depreciation vis-a-vis USD. This resulted in a sharp decline in USD costs

for many smelters. Currency depreciation along with energy deflation has resulted in a sharp decline in operating costs and hence the Aluminium cost curve has shifted downward.

The Chinese smelters after resorting to exports of metal, including primary metal disguised as semi-finished metal, that witnessed a sharp surge in the early part of this fiscal were forced to cut production as the spread between LME & premium and SHFE narrowed. The SHFE was already depressed and had fallen to almost 10,000 RMB/T levels in November 2015 from 15,000 RMB/T in December 2014. Weak global prices led to over 4 Mn tonnes of Chinese capacity curtailments by early January 2016. Outside China, US suffered a double whammy of depressed LME and rising USD making the smelters unviable resulting in several closures.

Despite these closures, 2015 registered a surplus of around 1 Mn tonnes as most closures were back ended. This surplus is projected to be marginal (< 200 KT) in 2016 and some analysts are even projecting a deficit in 2016.



The LME prices continued to remain depressed till 2015 end. However, restocking in China after the New Year and certain stimulus measures in China led to sudden improvement in sentiments and the prices have started recovering since then. However, the average LME price for the financial year was 16% lower and premium were sharply lower by around 68% resulting in sharp decline in realisations.

Operational Review

Against the backdrop of such volatile and challenging environment, your company's operational performance was indeed commendable. The Greenfield projects ramped up remarkably well and all 3 new factories are operating at close to their designed capacities delivering the desired operational results. They have

started yielding the planned efficiency and productivity gains, improving the competitive strength of your company's core operations. This will go a long way in establishing the long term competitiveness of the aluminium business of the Company. The new facilities are amongst the best in the world with Utkal alumina being ranked in the top handful refineries in the world. During FY 16 the company produced record aluminium and alumina as the new capacities ramped up. The full operational benefit should be evident as these capacities stabilise during FY 17.

Your company's brownfield projects in India i.e. Hirakud FRP and Mouda Foil mill are expected to contribute to your Company's strategic goal of higher VAP proportion. These world class facilities are gearing up to produce world class products, some of them for the first time in India, paving the way for newer applications in the nascent Indian aluminium market. Your company also intends to cater to the strategic requirements of defence sector in India and is looking forward to new opportunities as "Make in India" initiative gathers momentum.

Your company won 4 coal blocks namely Kathautia, Dumri and Gare Palma IV/4 & Gare Palma IV/5 in the coal block auctions conducted during the year. Two of these mines i.e. Gare palma IV/4 and IV/5 have started producing coal giving us the security with regard to long term coal sourcing.

During the year, especially in the second half, the company's operational performance was supported by falling input prices, particularly coal and crude derivatives. The coal prices in India declined following the global trend. This was primarily on account of slack demand from power sector, increased coal production by CIL and depressed global coal prices.

The coal prices are expected to remain stable both globally and locally and this augurs well for your company as aluminium smelting business is extremely power intensive and your company runs its own captive power plants. The lower crude derivative prices, which are important inputs for smelting and refining also provided some relief on the cost front.

Alumina

Alumina production at 2.7 Million tonnes was 19% higher than the previous year, primarily on account of increased production from Utkal. Utkal produced 1.4 Mn tonnes of alumina during the year and is amongst the lowest cost alumina producers globally. The production from other refineries also increased by over 5% during the year.

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Primary Metal

In FY 16, Primary aluminium production increased by 36% to 1.1 Mn tonnes. This increase was primarily on account of higher production from Mahan and Aditya smelters, which together contributed 566 KT to production this year.

Value Added Products (VAP)

The value added downstream production including wire rods grew by 12% over last year to 423 KT. This growth was in line with your company's focussed strategy of value maximisation.

Your company's wholly owned subsidiary Novelis faced several headwinds during the financial year and yet delivered a creditable performance. Operationally it was a remarkable year for Novelis.

One of the focus areas for Novelis has been the automobile market and today it is geared to produce auto body sheet (Body-in-white or BIW) – the next big driver of aluminium rolling sheets. During the year, the total flat rolled aluminium product shipments were up 2% to 3.1 Mn tonnes. The proportion of the company's automotive shipment in its portfolio grew to 15%, up from 11% in the previous year. By the end of fiscal 2016, all five of the company's recently constructed automotive finishing lines were producing and shipping automotive sheet products to the customers. When all of these automotive finishing lines are fully utilized, automotive shipments is targeted to grow to approximately 25% of total shipments.

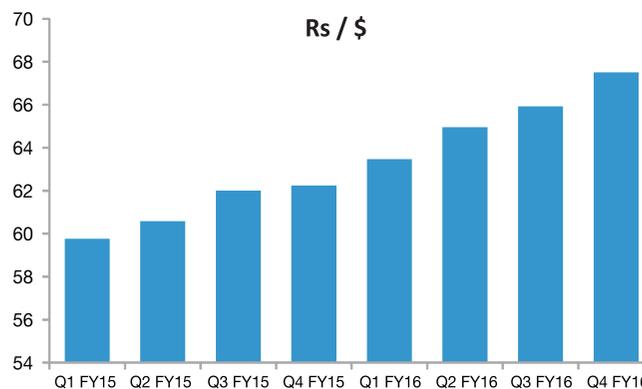
Novelis' thrust on sustainability and recycled aluminium is unparalleled. Your company has invested significantly in recycling initiatives and has developed high tech recycling capabilities, expanded aluminium scrap buying foot prints globally, widened scope of recycled scrap that can be used and developed close loop recycling systems with end users to improve efficiencies. Novelis today is well positioned to reap the benefits of these initiatives.

Financial Review

The turnover of the standalone aluminium domestic business increased by 21% to ₹ 17,125 crore vis-à-vis ₹ 14,105 crore in the previous year, despite lower realisations. This was achieved primarily on the back of higher metal volumes. Higher proportion of value added products also contributed to this revenue increase.

The standalone Aluminium EBIT declined 35% to ₹ 880 crore. The decline was primarily on account of sharp increase in depreciation even as the impact of sharp drop in realisations was partially offset by higher production. The average LME was lower by 16% and

the MJP (the relevant local market premium) was lower by 68% over the previous year.



The proactive actions by your company such as faster ramp up of the projects, higher sales of Value added products and continuous improvement in efficiencies allowed to somewhat offset the impact of the sharp decline in realisations. The input costs also declined significantly providing relief during the year.

Outlook:

Industry:

The Indian aluminium demand is expected to remain robust following the steps taken by the government to boost the industrial production and infrastructure. The government's thrust on power sector reforms would help your company as power sector is the dominant consumer of aluminium in India. The demand is also expected to get a boost following the focus on smart cities and improving prospects of business and construction industry.

The other segments that are expected to see enhanced aluminium demand are automobile and food packaging industry. Rapid urbanization, as the country continues to develop towards a more consumer-focused economy, should augment consumer-driven demand and will help in sustaining strong growth in aluminium demand into the next decade. The per capita aluminium consumption in India is still much below the global average and thus, Indian market offers a huge potential given our demography and economic outlook.

The global demand for primary aluminium is also expected to be robust and is likely to grow around 4.5% to around 59 Mn tonnes by 2016 and to 61 Mn tonnes by 2017. China, despite slowdown in the demand, will continue to be the major driver growing around 6% in 2016 and around 5% in 2017. China is expected to account for almost 53% of the global primary metal consumption in 2017, up from around

51% in 2014. The aluminium consumption pattern in China is expected to shift from infrastructure and power to packaging and automobile following the Chinese government's growth balancing efforts with increased thrust on consumer driven growth. Besides, the power sector will continue to see rising aluminium consumption globally as more and more aluminium is expected to replace copper.

The US demand is expected to remain strong growing at a CAGR of 4-5% over the next few years, as the housing recovery gains traction, car sales continue to improve and aluminium demand benefits from its new applications, particularly in the automotive sector. Western Europe is expected to grow moderately amidst economic uncertainty. The aluminium demand is expected to grow around 2.5%.

Asia and Middle East are expected to register around 5-6% growth in consumption on a relatively smaller base.

The main issue afflicting the aluminium industry has been the oversupply. In the past, unbridled Chinese capacities have resulted in oversupply and led to high inventories. This has resulted in depressed aluminium prices despite robust demand. During 2015, smelters saw a sharp decline in realisations as both LME and the local market premium dropped significantly. The SHFE aluminium prices too continued to decline. As a result, Chinese smelter capacities to the tune of 4.5 Mn tonnes were closed in 2015. Outside China also, several smelters were shut down, especially in the US as they became unviable.

Although new smelting capacities in the Western and Central China are being added, the pace of Chinese capacity addition has declined. Besides unattractive realisations, the costs are rising for the Chinese players as the bauxite supply is getting constrained and they are now relying on the bauxite from distant places. The bauxite value chain is expected to define the cost structure going forward as energy prices have bottomed out. As a result, Chinese producers are expected to witness cost pressures going forward.

In the Middle East also, new capacity growth is expected to slow down following the sharp decline in oil prices. These are positive signs for the industry besotted with oversupply. Some industry sources predict deficit in the global markets post 2017. This should result in a price recovery.

During the first quarter of CY 2016 the LME prices recovered partially due to demand pick up from China aided by robust demand in the US. The Chinese restocking after the annual vacation resulted in a

deficit and hence the LME surged over 10% in a short span. Overall the LME prices appear to have bottomed out and are expected to increase gradually. We are cautiously optimistic on the prices and expect a gradual recovery given the robust demand and slowing supply growth.

Business:

The outlook for your company's aluminium business is encouraging. The Greenfield projects have started delivering. The efficiency gains on account of new age technology are kicking in. The coal availability in the country has improved significantly. We have started mining our own coal from two of the four coal blocks that were won in the auction last year.

The new factories are stabilising and we remain committed to focussing on cost. Our emphasis on value added products continues and the integrated aluminium business model with strong presence across the value chain is expected to deliver strongly as the Indian aluminium demand grows. Your company is uniquely positioned in India as it possesses the capability and feedstock to take advantage of growing alumina chemical markets. The alumina chemicals find diverse applications in several industries such as paints, ceramics, and refractory and fire retardants.

Novelis is geared to take advantage of changing trends in global aluminium consumption pattern with its premium product portfolio comprising auto, can and high-tech products. It is well on its course to leverage its vantage position as a technology leader and major supplier of automotive sheets globally.

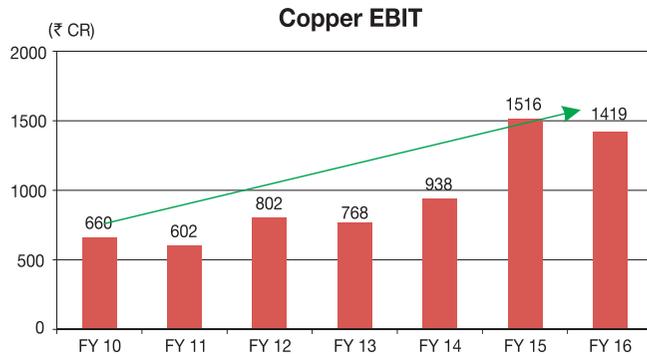
Copper Business -

Industry Review:

2015 was a challenging year for the copper demand. The refined copper consumption growth declined sharply from 5.5% in 2013 and 4.6% in 2014 to 1.6% in 2015. The global refined copper consumption in CY 2015 was around 22 Mn tonnes. This sharp decline in consumption growth trajectory was primarily on account of slower growth in Chinese demand and de-growth in Japanese consumption. The copper demand growth in China declined from 7.3% to 3 % while Japanese growth rate fell from a healthy 6% to -2%. This was a sharp decline considering that China accounted for almost 46% of global consumption and Japan another 5%. The demand growth in the US and Europe too was lacklustre. The copper demand is facing challenging times as China is moving away from investment led economy to consumer driven economy. The lower growth in grid and property sector in China is hurting the copper demand growth.

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On the supply side, in 2015, copper mine supply grew at around 3.3% vis-à-vis 2.3% growth in 2014. The supply growth outstripped the demand increase resulting in a surplus. The mine supply increased despite disruptions as some new mines came on stream.



The lower demand and ample availability of concentrate manifested in healthy TC/RC. The co-product prices especially sulphuric acid and fertilisers were also supportive as the local demand was good.

Operational Review

Your company's copper business continued to deliver robust operational performance supporting the company's overall cash flows. The copper cathode production was at 388 KT, around the same levels as last year. However, in line with your company's focus on value addition, continuous cast rods production at 157 KT during the year was higher by almost 5% over the previous year. The production of fertiliser too, was higher by 8% as compared with the previous year.

The Copper business revenues for the FY 2016 at ₹ 17,209 crore were 16% lower than the previous year. This decline was primarily on account of sharp fall in LME prices of copper. The average copper LME in FY 16 was 26% lower as compared with that in FY 15. However, the depreciation of rupee and higher value addition did offset some fall in copper prices.

Your company's copper business registered an EBIT of ₹ 1419 crore, a 6% decline as compared with FY 15. This decline was primarily on account of abolition of certain export incentive by the Government.

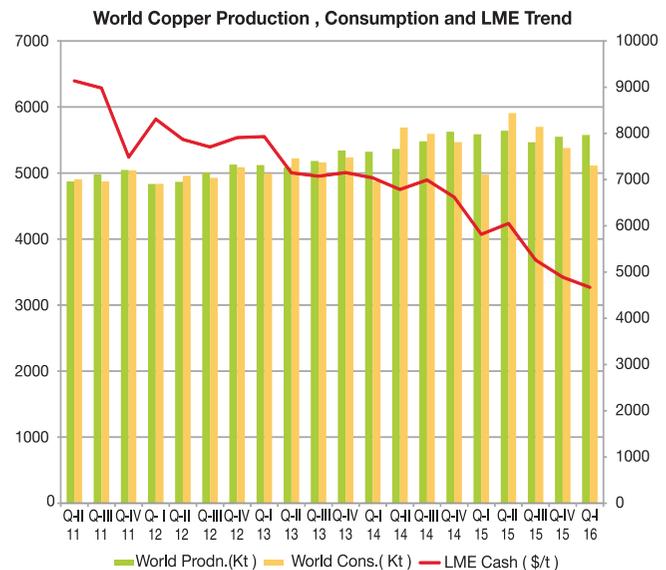
Outlook:

Industry:

The refined copper market is expected to be in marginal surplus for another 2-3 years. The demand growth rate is expected to be low and hence despite a marginal decline in supply growth, a surplus is projected in the coming years. This could keep the copper LME prices depressed.

The demand for refined copper is expected to grow around 2.5% in 2016 and 2017. The consumption growth in China and Japan is expected to moderate in view of the economic challenges faced by these economies. Elsewhere, the demand from the US and EU is expected to remain stable. The global demand for refined copper is expected to be around 22.3 Mn tonnes in 2016, with Chinese demand projected at around 10.5 Mn tonnes. Indian demand is expected to grow at a healthy 7.5-8% in 2016 reaching 0.5 Mn tonnes in 2016-17.

Refined copper production is broadly expected to keep pace with demand. China continues to be at the forefront of global refined copper production, with around 8 Mn tonnes production in 2016. The production growth is likely to be largely in Asian region, contributing over 52% of CY 2016 production, which is estimated to be around 22.4 Mn tonnes.



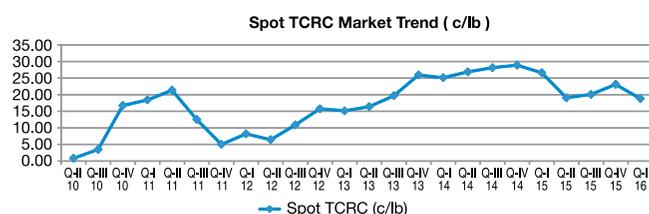
Overall, industry experts are expecting a small surplus, with production marginally higher than demand. As a result, the prices are expected to remain subdued although with some positive bias from the current levels.

The mine supply of concentrate is expected to be stable around 19 Mn tonnes against expected smelter copper production of 18 Mn tonnes.

Business:

The benchmark TC/RC for 2016 is marginally lower than 2015 levels but still is robust around 23 Cents/lb. The last few years have been relatively better for custom smelters due to improved concentrate availability and the trend is expected to continue in

FY 17, reflecting in healthy TC/RC levels even though with some moderation in comparison to FY 16.



The expected revival in demand especially from power and housing sector, bodes well for your company. With an improvement in Indian GDP, the co-product prices are also expected to be supportive and this should help the copper business. With increasing thrust on agriculture sector, the demand for DAP and sulphuric acid is expected to increase.

Financial Review and analysis

Hindalco’s consolidated revenue in FY 16 stood at ₹ 100,042 crore as compared with ₹ 104,281 crore in FY 15. Profit before interest, tax, Depreciation and amortisation was ₹ 10,007 crore as compared with ₹ 10,049 crore in FY 15. This decline was primarily due to macroeconomic headwinds faced across the businesses that resulted in sharp decline in realisations. The Metal Price lag on account of sharp fall in local market premium impacted Novelis significantly and had an adverse impact on PBIDTA (USD 172 Mn).

Standalone revenue for the year was steady at ₹ 34,318 crore as compared with 34,525 crore in FY 15. Profit before Interest, Tax, Depreciation and Amortisation (PBITDA) for the year at ₹ 4,384 crore, was marginally higher by 2%. This was achieved on the back of higher aluminium volumes, improved operating efficiencies, aided by decline in input costs and was augmented by higher other income.

Other Income

- Standalone other Income at ₹ 1,066 crore was 21% higher as compared with ₹ 882 crore in FY 15. This was mainly on account of dividend income from subsidiaries. Consolidated other income increased by 10% to ₹ 1215 crore during FY 16.

Interest

- Consolidated Interest expenses increased from ₹ 4,178 crore to ₹ 5,049 crore. In standalone business, finance costs increased from ₹ 1637 crore in FY 15 to ₹ 2,375 crore in FY 16, an increase of 45% due to progressive capitalisation of the greenfield projects.

Depreciation

- Consolidated depreciation and amortization (including impairment) increased from ₹ 3,591 crore to ₹ 4,287 crore as several projects were capitalised.
- Standalone depreciation stood at ₹ 1,277 crore as compared to ₹ 837 crore in previous year, reflecting projects ramp up.

Taxes

- The provision for tax was at ₹ 125 crore in standalone business and ₹ 515 crore in consolidated business.

Profit

- Consolidated net profit for the year was lower at ₹ 45 crore v/s ₹ 854 crore in FY 15. Exceptional items, including impairment of fixed assets and write down in value of inventories of Birla Nifty Pty Limited, amounted to ₹ 577 crore for the year, which compressed net profit. Standalone net profit stood at ₹ 607 crore as compared with ₹ 925 crore in previous year.

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. Your company’s business

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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 the only integrated aluminium producer in India, your company also has a strong commitment towards product development. Your 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 your company. Your 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.

Your 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.

Your 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. Your 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% recyclable metal and does not degrade in quality on recycling. Your Company's wholly owned subsidiary Novelis presently uses 50% of input in the form of recycled scrap – a sharp jump from 39% 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.

Your 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. Your 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, your company is dedicated to human health & safety, conservation of natural resources & the environment. Your 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" zero harm to its employees, community & environment. Hence Safety is considered as core value all across Hindalco and initiatives to help achieve the 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 your 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 with in the field of human resources. Since last few years, the Group has been able to establish the 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 talent 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 your company and it is ensuring that all the HR systems, processes and practices are enabling people to grow professionally and personally. Currently, your company is managing a pool of around 24,100 people in India and around 11,000 people outside India, with well laid down HR Processes like talent management, employee engagement, performance management, rewards and recognition etc. Line and HR Managers are fully equipped and are duly

supported for the 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, your company has full-fledged learning infrastructure to support its learning objectives. Your company’s strategy aims at equipping all our people across Units with business linked knowledge, technical and behavioural 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.

Summing Up

Over the years and through the slowdown in the global economy after the Global Financial Crisis, your company has successfully demonstrated benefits of a de-risked portfolio comprising upstream operations that can participate in commodity cycles and downstream operations focused on value addition that have more steady cashflow irrespective of the stage of the commodity cycle. With the full ramp-up of its Greenfield and brownfield projects, your company has strengthened its assets across the portfolio. The desired scales, product capabilities and efficiency gains have been delivered, making your company ready to reap opportunities across the markets that it serves.

During FY 16, Utkal Alumina, your company’s 100% subsidiary, has established itself as a world class asset producing alumina at an extremely competitive cost, which in turn is fed primarily to the two new age smelters.

The company crossed 1 Mn tonne aluminium production mark for the first time in its history as the new state-of-the-art facilities ramped up. Significant operating efficiency gains were achieved during the year and your company has delivered a robust operational performance. The lower input costs following a sharp decline in crude and energy prices

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 or events or otherwise.

were supportive last year. The coal price decline due to increased production in India helped your company deliver respectable profits.

The reported financial performance as anticipated was significantly impacted by higher interest and depreciation charges in the Income Statement as the projects were ramped up during the year.

Even as your company’s operational performance is expected to maintain its momentum next year, the outlook for the commodity prices remains somewhat uncertain. While prices appear to have bottomed out and have improved in the recent months, macroeconomic uncertainty following Brexit clouds the outlook. On the positive side, coal prices are broadly expected to remain soft in the near-term, which is likely to support your company’s performance.

The Indian demand is expected to be strong on the back of improved outlook for Industrial and infrastructure growth. The government’s thrust on power sector spells good news for both aluminium and copper industries. Your Company is sharpening its focus on downstream value added products in India to take advantage of the opportunities.

Aluminium usage in automobiles is rising and is expected to increase internationally. All the five new auto lines of Novelis have been commissioned and the production of automobile sheets is expected to grow substantially over coming years.

Your company has just completed a very ambitious investment program both in India and abroad that has not only increased its capacity but has also improved its competitiveness in terms of cost and product mix & quality. In the coming years, the focus will be on operational excellence and increasing the productivity of new assets. The thrust will be on cash conservation and de-leveraging.

A strong business portfolio comprising de-risked convertor businesses namely copper smelting and Novelis, along with cost competitive aluminium upstream operations, would go a long way in ensuring the long term profitable sustainability of your company and strengthening its balance sheet as and when the macro headwinds ease out.

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DIRECTORS' REPORT

Dear Shareholder,

Your Directors have pleasure in presenting the 57th Annual Report and the audited standalone and consolidated financial statements of your company for the year ended 31st March, 2016.

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(₹ crore)

	Standalone		Consolidated	
	FY16	FY15	FY16	FY15
Revenue from Operations	34,318	34,525	1,00,042	1,04,281
Other Income	1,066	882	1,215	1,105
Profit Before Interest, Tax and Depreciation (PBITDA)	4,384	4,299	10,007	10,049
Depreciation	1,277	837	4,287	3,591
Finance Costs	2,375	1,637	5,049	4,178
Profit before Exceptional Items and Tax	732	1,825	671	2,280
Exceptional Items	-	578	577	1,940
Profit before Tax	732	1,247	94	340
Tax Expenses	125	322	515	256
Profit/ (Loss) for the period from Continuing Operations	607	925	(421)	84
Profit/ (Loss) from Discontinuing Operations	-	-	(158)	-
Share in Profit/ (Loss) of Associates (Net)	-	-	175	175
Minority Interest in Profit/ (Loss) (Net)	-	-	(449)	(596)
Net Profit	607	925	45	854
Basic EPS – ₹	2.94	4.48	0.22	4.14

The amounts proposed to carry to any reserves:

Standalone Accounts : (₹ crore)

Surplus in the Statement of Profit and Loss	As at 31/03/2016	As at 31/03/2015
Balance as at the beginning of the year	1279.35	750.00
Add: Profit for the year	607.25	925.16
Less: Transferred to Debenture Redemption Reserve	(150.00)	(150.00)
Less: Dividend on Equity Shares - (a)	(206.50)	(206.52)
Less: Dividend Distribution Tax - (a) & (b)	(21.07)	(39.29)
Balance as at the end of the year	1509.03	1279.35

- Dividend on Equity Shares and Tax on Dividend include ₹ Nil (Previous year ₹ 0.02 crore) pertaining to previous year for Equity shares issued before the record date of dividend.
- Dividend Distribution Tax is net of ₹ 20.97 crore (Previous year ₹ 0.30 crore) being dividend distribution tax paid by subsidiaries.

Dividend:

For the year ended 31st March, 2016, the Board of Directors of your Company have recommended dividend of ₹ 1 per share (Previous year ₹ 1 per share) to equity shareholders aggregating to ₹ 249 crore (Previous year ₹ 246 crore) including Dividend Distribution Tax.

Equity shares that may be allotted upon exercise of Options granted under the Employee Stock Option Scheme 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.

OVERVIEW AND STATE OF THE COMPANY'S AFFAIRS

For the year ended March 31, 2016, the Company's revenue at ₹ 34,318 crore was broadly stable at FY 15 level notwithstanding the sharp fall in both aluminium and copper realisations. The steep fall in copper revenues was offset by increased revenues from aluminium business. The aluminium higher revenues were achieved primarily on the back of higher volumes and improved product mix despite a sharp decline in realisations.

Profit before Interest, Tax, Depreciation and Amortisation (PBITDA) for the year was marginally higher by 2%. This reflects a robust operational performance in a challenging year, when average realisations were much lower. PBITDA was also augmented by higher other income.

As anticipated, depreciation and finance cost increased by ₹ 1,178 crore over FY 15 following progressive capitalisation of the projects. The PBT during FY 16 (before exceptional items) was lower by 60% at ₹ 733 crore. Net profit for the year at ₹ 607 crore was lower by 34% as compared with that delivered in FY 15.

Standalone Segmental Results:

	(₹ crore)	
	FY16	FY15
Aluminium Segment		
Net Sales	17,125	14,105
Earnings Before Interest & Tax (EBIT)	880	1,349
Copper Segment		
Net Sales	17,209	20,451
Earnings Before Interest & Tax (EBIT)	1,419	1,516

Aluminium business:

During FY 16, our primary focus was on ramping up the Greenfield projects to their designed capacities and stabilise these operations. This objective was achieved during the year and all plants are now running at their designed capacities.

For the year, Alumina production (including Utkal refinery) was 2.7 Mn tonnes, an increase of 19% over FY 15. Aluminium production for the year reached a record high. It crossed the 1 Mn tonnes mark for the first time reaching 1.13 Mn tonnes an increase of 36% or almost 300 KT over that produced during the previous financial year. In spite of higher volumes, the EBIT of Aluminium segment declined because of higher depreciation following progressive capitalisation of the projects. The standalone financials do not include Utkal's financial performance.

Copper Business:

Though copper production for the year was steady at 388 KT, Fertiliser production rose by 8%. Our continued thrust on Value addition led to higher production of Continuous cast (CC) rods. The production of CC rods was higher by 5%. Despite all these initiatives for value maximisation, EBIT was 6% lower as compared with that achieved in FY15. This was primarily on account of the abolition of certain export incentive scheme during the year and challenging market conditions.

Consolidated Results:

Consolidated revenue decreased by 4% while profit before interest, depreciation and taxes was at same level compared to the last year's corresponding figures.

Net profit was lower at ₹ 45 crore on back of adverse macroeconomic conditions, higher interest cost, depreciation and loss from discontinuing operations.

Novelis Inc. (A wholly owned subsidiary):

Revenues decreased 11% to \$9.9 billion in FY 2016, as higher shipments were more than offset by a 16% decrease in average base aluminium prices and a 58% decrease in local market premiums.

For fiscal year 2016, the company recorded a net loss of \$38 million. Excluding tax effected special items, net income was \$131 million for the full year.

The rapid decline in local market premiums over the early months of FY 2016 resulted in \$172 million in negative metal price lag for the full year, and was primarily responsible for the 12% decrease in EBITDA to \$791 million in FY 2016. Excluding the impact of metal price lag in both years, EBITDA was \$963 million in FY 2016, up 7% compared to \$896 million in FY 2015.

The company more than doubled its free cash flow as compared to the prior year, generating \$160 million in FY 2016 after investing \$370 million in capital expenditure. As of March 31, 2016, the company reported a strong liquidity of \$1.2 billion.

Utkal Alumina International Limited (UAIL) (A wholly owned subsidiary):

The alumina refinery at UAIL produced 1.4 Mn tonne of alumina in FY 16 compared to 1 Mn tonne in FY 15. Of this, 130 KT of alumina was sold outside and the balance was supplied to smelters at Hindalco. The cost of production of alumina at UAIL is comparable to the world benchmark cost of production.

UAIL reported an EBITDA of ₹ 714 crore. Its net loss stood at ₹ 93 crore after accounting for interest charge of ₹ 518 crore and depreciation of ₹ 289 crore.

Aditya Birla Minerals Limited:

Aditya Birla Minerals Limited (ABML), Australia, a subsidiary of the Company, has sold 100% of the shares in Birla Mt Gordon Pty Ltd to M/s Lighthouse Minerals Holdings Pty Ltd on 27th October, 2015.

Further, Metals X Ltd, a listed company in Australia, made a takeover offer for shares of ABML. As per the offer, the Shareholders of ABML will receive A\$ 0.08

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per share of ABML in cash and 1 share of Metals X Limited for every 4.5 shares of ABML. The Company has accepted the said offer on 19th July, 2016 in respect of its entire shareholding of ABML.

There were no other material changes and commitments affecting the financial position of your Company between end of financial year and the date of report.

Business Reconstruction Reserve:

The Company had formulated a scheme of financial restructuring under Sections 391 to 394 of the Companies Act 1956 ("the Scheme") between the Company and its equity shareholders approved by the High Court of judicature of Bombay to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created during the year 2008-09 by transferring balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme. Accordingly, the Company had transferred ₹ 8,647.37 crore from Securities Premium Account to BRR and till 31st March, 2015, ₹ 250.33 crore and ₹ 2,165.80 crore have been adjusted against BRR in stand-alone and consolidated accounts respectively. During the year, following expenses has been adjusted with BRR in both accounts:

- (a) ₹ 279.46 crore towards expenses on exited Projects.
- (b) Impairment loss of ₹ 367.31 crore (Net of deferred tax ₹ 194.39 crore).
- (c) Provision of ₹ 35.50 crore towards diminution in value of investments.

Had the Scheme not prescribed aforesaid treatment, the impact on results and Earnings per Share (EPS) would have been as under:

- i) Standalone and Consolidated Net Profit for the year ended 31st March, 2016 lower by ₹ 682.27 crore.
- ii) Standalone and Consolidated Basic and Diluted EPS for the year ended 31st March, 2016 lower by ₹ 3.30.

HUMAN RESOURCES

Several innovative people – focused initiatives have been instituted at the Group level, and these are translated into action at all of the Aditya Birla Group Companies. Our basic objective is to ensure

that a robust talent pipeline and a high-performance culture, centred around accountability is in place. We feel this is critical to enable us retain our competitive edge.

RESEARCH AND DEVELOPMENT

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

The R&D activities of your Company include process, product and application development, to develop short term as well as long term solutions to the issues faced by nonferrous sector, such as raw material quality, cost effective management of waste generated during processing, recovery of value from byproduct 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 multi-disciplinary 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:

Hindalco Marketing:

Hindalco awarded the Top Exporter - Gold Trophy in the category of large enterprise for outstanding performance in financial year 2013-14. This was the second consecutive year that Hindalco has won the top award in this category. This recognition of excellence in exports, is an award administered by EEPC (formerly Engineering Export Promotion Council), an export promotion council under Union Ministry of Commerce and Industry, Government of India.

The London Metal Exchange in March, 2016 approved Aluminium Ingots & Sows produced at Aditya and Mahan Smelters as good delivery brands against its high grade primary Aluminium contracts.

Aditya Aluminium:

Aditya Aluminium wins Safety Award by the National Safety Council of India - Certificate of Appreciation in recognition of appreciable achievement in Occupational Safety and Health.

Belagavi Alumina:

Belagavi Alumina wins the State Safety Award - Unnatha Suraksha Puraskara - by the National Safety Council of Karnataka State for outstanding work in safety performance and management systems in the manufacturing sector category.

Belur Rolling Plant:

Belur Rolling Plant wins First Prize in Industrial Relations category, for the 16th Long Term Settlement signed at a 78 year old unit, which has contributed towards survival and profitability of the plant, presented by the National HRD Network Eastern Regional Zenith Awards & Recognition Programme held in January 2016.

Birla Copper:

Birla Copper Dahej wins the Greentech Environment Gold Award for 2015, in the Metal & Mining sector, for continual sustainable development approach, presented by the Greentech Foundation, New Delhi.

Birla Copper Dahej awarded the Greentech Gold Safety Award 2015 in the Metal & Mining Sector for outstanding achievement in Safety Management.

Birla Copper Dahej wins the FAI Environmental Protection Award - 2015 constituted by the Fertilizer Association of India for control of pollution.

Gare Palma Coal Mines:

Gare Palma Coal Mines wins First Prize in the HR Best Practices category, for cultural change brought about in the newly acquired mines, presented by the National HRD Network Eastern Regional Zenith Awards & Recognition Programme held in January 2016.

Hirakud:

Hirakud Complex awarded the Greentech Safety Gold Award 2015 in Metal, Mining & CPP Sector category presented by the Greentech Foundation, New Delhi.

Hirakud Power wins the CII Odisha State Award 2015, First Prize, for Best Practices in Environment, Health & Safety.

Utkal Alumina International Limited:

(wholly owned subsidiary)

Utkal Alumina awarded the OTV (Odisha Television) CSR Award 2015 in the category of Women's Empowerment.

Individual:

Mr. D. Bhattacharya, Managing Director Hindalco and Vice Chairman, Novelis, named Global Leader of the Year by CEO India, for his multiple distinctions achieved on the world stage and leading the Aditya Birla Group's metals business in a highly volatile environment.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements for the year ended 31st March, 2016 have been prepared by your Company in accordance with the provisions of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, applicable Accounting Standards and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations" and forms part of the full Annual Report.

Consolidated Financial Statements (CFS) were approved by the Board of Directors on 28th May, 2016 which incorporated accounts of Aditya Birla Minerals Limited (ABML), Australia, a subsidiary of the Company, for six months ended 30th September, 2015, as full year accounts of ABML were not available at that time. ABML has subsequently finalized its accounts for the year ended 31st March, 2016. Accordingly, the Board of Directors in the meeting held on 21st July, 2016 approved updated CFS based on full year accounts of ABML which is a part of full Annual Report.

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EMPLOYEE STOCK OPTION SCHEMES

ESOS – 2006:

During the year ended 31st March, 2016, the Company has allotted 3,185 fully paid-up equity share of ₹ 1/- each (Previous year 373,666) on exercise of options under ESOS 2006 for which the Company has realised ₹ 0.03 crore (Previous year ₹ 3.83 crore) as exercise money. The weighted average share price at the exercise date was ₹ 134.70 per share (Previous year ₹ 168.73 per share).

ESOS – 2013:

During the year ended 31st March, 2016, the Company has allotted 2,193 fully paid-up equity share of ₹ 1/- each (Previous year 18,848) on exercise of options under ESOS 2013 for which the Company has realised ₹ 0.03 crore (Previous year ₹ 0.22 crore) as exercise money. The weighted average share price at the exercise date was ₹ 114.30 per share (Previous year ₹ 154.54 per share).

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.

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 and has implemented all of its stipulations.

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 2015-16, 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', '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, 2016 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 I** 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 II** to the full and Abridged Annual Report.

DIRECTORS

Board constitution and changes:

Mr. Y.P. Dandiwala (DIN:01055000), was appointed as an Independent Director of the Company for a term of five years which was also approved by the members in the Annual General Meeting held on 16th September, 2015. At the same Annual General Meeting, Mr. Kumar Mangalam Birla and Mr. Satish Pai were reappointed as the Directors of the Company.

Mr. N. J. Jhaveri passed away, hence ceased to be a Director w.e.f. 6th June, 2015.

Mr. D. Bhattacharya (DIN:00033553) will demit the office as the Managing Director w.e.f. the close of business hours of 31st July 2016. He is appointed as the Vice Chairman of the Board.

Mr. Satish Pai (DIN:06646758) is appointed as the Managing Director for a term of 5 years w.e.f. opening hours of 1st August 2016.

Mr. Praveen Kumar Maheshwari (DIN:00174361) is appointed as the Whole-time Director for a term of 5 Years w.e.f. 28th May,2016. He is also the Chief Financial Officer of the Company.

Mr. Girish Dave (DIN:00036455) is appointed as an Independent Director for a term of 5 years w.e.f. 28th May, 2016.

These changes are based on recommendation of the Nomination and Remuneration Committee. The Board places on record its deep appreciation for the services rendered by Mr. Bhattacharya as the Managing Director of your Company.

Notices pursuant to Section 160 of the Companies Act, 2013, have been received from members proposing Mr. Praveen Kumar Maheshwari and Mr. Girish Dave as Directors of the Company.

Smt. Rajashree Birla (DIN:00022995) and Mr. D. Bhattacharya (DIN:00033553) will retire from office by rotation at the ensuing Annual General Meeting, and being eligible, offers themselves for reappointment.

The Board recommends the appointment of Mr. Satish Pai, Mr. Praveen Kumar Maheshwari and Mr. Girish Dave and reappointment of Smt. Rajashree Birla and Mr. D. Bhattacharya. Items seeking your approval on the above are included in the Notice convening the Annual General Meeting.

Brief resume of the directors being appointed/reappointed forms part of the notice of the ensuing Annual General Meeting.

All the directors being appointed/reappointed have given required declaration under Companies Act, 2013 and Listing Regulations.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and 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 III** to the full Annual Report.

Meetings of the Board:

The Board of Directors of your Company met 5 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 have 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.

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Board members have evaluated Independent Directors, Non executive Directors, Executive Directors, Committee and Chairman of the Board. 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 requirement. 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. Dandiwalla, Independent Directors of your Company. Mr. D. Bhattacharya: Managing Director, Mr. Satish Pai: Deputy Managing Director and Mr. Praveen Kumar Maheshwari: Chief Financial Officer 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. D. Bhattacharya: Managing Director, Mr. Satish Pai: Deputy 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 or access to the Chairman of the Audit Committee.

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

AUDITORS

Statutory Auditors:

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit

and Auditors) Rules, 2014, M/s Singhi & Co, Chartered Accountants were appointed as Statutory Auditors of the Company from the conclusion of fifty fifth Annual General Meeting held on 24th September, 2014, until the conclusion of fifty-eighth Annual General meeting to be held in the calendar year 2017, subject to ratification of their appointment at every Annual General Meeting.

Resolution seeking your ratification is included in the Notice convening the Annual General Meeting. The observation made in the Auditor's Report are self explanatory and therefore, do not call for any further comments under Section 134(3)(f) of the Act.

Cost Auditors:

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company have on the recommendation of the Audit Committee, appointed M/s. Nanabhoy & Co., Cost Accountants, Mumbai as Cost Auditors, to conduct the cost audit of your Company for the financial year ending 31st March, 2017, 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 Auditor:

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 had appointed BNP & Associates, Company Secretaries, Mumbai as Secretarial Auditor for conducting the Secretarial Audit of your Company for the financial year ended 31st March, 2016. The Report of the Secretarial Auditor is annexed as **Annexure IV** 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 and Mr. D. Bhattacharya, Managing 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 2015-16 the Company has spent ₹ 34.15 crore under Section 135 of the Companies Act, 2013 on CSR Activities, which represent 2.20% of average net profits of the Company for last three Financial Years.

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

RISK MANAGEMENT

Pursuant to the requirement of Listing Regulations, the Company has constituted Risk Management Committee, 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, 2016 is given in **Annexure VI** 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 (IA) function 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.

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

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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 statement on the performance and financial position of each of the subsidiaries, associates and Joint Venture is attached as **Annexure VII** 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:

- Your Company has not issued any shares with differential voting.
- There was no revision in the financial statements. However the Board of Directors in the meeting held on 21st July, 2016 approved Consolidated Financial Statements (updated) as disclosed in the Directors Report.
- Your Company has not issued any sweat equity shares.
- Mr. D. Bhattacharya and Mr. Satish Pai are directors on the Board of Novelis Inc, wholly owned subsidiary. They are in receipt of annual fee of US\$ 1,50,000 and US\$ 1,50,000 respectively in the calendar year 2015.
- There was 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 31st March, 2016, there were no deposits which were unpaid or unclaimed and due for repayment.

- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- There were no frauds reported by the Auditors u/s 143(12) of the Companies Act, 2013.

APPRECIATION

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

Your Company's employees are instrumental in your Company scaling new heights, year after year. Their commitment and contribution is deeply acknowledged. Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board



Kumar Mangalam Birla
Chairman
(DIN: 00012813)

Mumbai
Dated : 21st July, 2016

Annexure-I

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) THE STEPS TAKEN ON CONSERVATION OF ENERGY

- i. Periodic Energy audit in all units.
- ii. Replacement of Metallic Fan blade of Cooling Towers with FRP blades.
- iii. Rationalization of motor, pump & fan capacities.
- iv. Replacement of inefficient pumps & motors with high efficiency pumps & motors.
- v. Reduction in line losses through power factor improvement by capacitor installation.
- vi. Installation of translucent roofing sheet/sun pipe light to use more natural light.
- vii. Replacement of conventional light with energy efficient LED Light.
- viii. Reduction in DC Power consumption in pots by optimizing pot voltage.
- ix. Conversion loss reduction in Aluminium Smelter through Rectifier replacement.
- x. Installation of VFD in variable load application.
- xi. Combustion efficiency improvement and loss reduction in Furnaces.
- xii. Compressed Air system efficiency improvement.
- xiii. Efficiency improvement in Boilers through process optimization.
- xiv. Auxiliary power reduction through automation.

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

During the year, the following projects are implemented:

- i. 1 MW Solar PV Power Plant at Alupuram, Kerala unit.
- ii. Roof top Solar PV installation at Belur, WB unit.
- iii. Use of biomass as a supplementary fuel in our boilers.
- iv. Use of translucent roofing sheet/Sun light pipe for more use of Natural light and use of turbo ventilators in place of conventional exhaust fans.

(c) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT & PROJECTS

The Capital investment on Energy conservation equipment & projects for the year was ₹ 86.80 crore.

B. TECHNOLOGY ABSORPTION

(a) Efforts Made Towards Technology Absorption:

- Specialty alumina product development for ceramic, polishing and other applications like fire retardant fillers.
- Efficient use of low grade ores from Lohardaga and Kolhapur regions.
- Research on value added applications of process waste materials like bauxite residue, fly ash etc.
- Successful demonstration of "Gemini" trial pots at Renukoot operating at higher line current and lower specific energy consumption.
- Specific oil consumption reduction in anode baking furnace#6 at Renukoot.
- Improved product quality: AA2014 alloy extrusions, AA8021 Alu blister, 6082 T6 and 6061 T6 rods etc.
- Development of process for aerospace grade alloys and marine applications for Hirakud FRP.
- Development of AA5754 plates for tanker applications and AA5083 industrial cylinders for IOCL.

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- Impact damage of profiled Aluminium roofing sheets and design of test methodology for correlation of impact resistance to thickness and material yield properties.
- Development of new methods and tools for Rolling Plant data analysis.
- New process developed for recovery of Copper from refinery effluent.
- Design modification in Scrap Melting Furnace at Dahej.
- Design modification in TG-4 at CPP Dahej.
- Number of initiatives implemented towards improving energy efficiency, cost reductions and emissions.

(b) Benefits Derived Like Product Improvement, Cost Reduction, Product Development or Import Substitution:

- Reduction in specific energy consumption and GHG emissions.
- Improved productivity and capacity utilization.
- Increase in production of value-added products.
- Increased export volume and revenue.
- Increase in market share and profitability.
- Cost reduction.
- Quality improvement for specific products for domestic and overseas market.
- Enhancement in customer satisfaction.
- Improved copper recovery.
- Conservation of natural resources – water, energy and basic raw material.

(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
Aluminium smelters technology from M/s. Aluminium Pechiney for Aditya and Mahan smelters	2010-13	Yes	NA
Aluminum smelting technology from M/s. Kan-nac for Renukoot smelter	2010-14	Almost	Test pots trials were successful. Line basis trials planned.
Membrane Bio-reactor Technology for waste water treatment	2013-14	Yes	NA
Prayon MK 4 Di-hydrate Process	2014-15	Yes	NA

(d) Expenditure incurred on Research and Development

The Company spent ₹ 19.44 crore for Research and Development during the financial year 2015-16.

FOREIGN EXCHANGE EARNINGS & OUTGO

a) Activities related to exports

Exports during the year were ₹ 12,489.85 crore.

b) Total Foreign Exchange Used and Earned

Foreign Exchange used ₹ 16,402.49 crore.

Foreign Exchange Earned ₹ 12,490.68 crore.

Annexure-II

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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration* of Director/KMP for financial year 2015-16 (₹ in Lakhs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Kumar Mangalam Birla	173.46	(50.41)	39.9	Not applicable
2	Rajashree Birla	4.27	(32.33)	1.0	Not applicable
3	A.K.Agarwala	5.32	(35.75)	1.2	Not applicable
4	M.M. Bhagat	4.66	(43.24)	1.1	Not applicable
5	Y.P. Dandiwala **	2.27	N.A.	0.5	Not applicable
6	K.N. Bhandari	5.31	(44.69)	1.2	Not applicable
7	Jagdish Khattar	2.87	(45.95)	0.7	Not applicable
8	Ram Charan	1.85	(53.75)	0.4	Not applicable
9	D.Bhattacharya#	1990.00	(7.83)	457.5	Profit before Interest Tax and Depreciation (PBITDA) has increased by 1.98% in FY 2015-16
10	Satish Pai	1396.00	14.68	320.9	
11	Praveen Kumar Maheshwari^	325.00	6.56	N.A.	
12	Anil Malik^	89.00	5.95	N.A.	

* Remuneration includes commission payable to Non Executive Directors for the year ended 31st March, 2016 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. 14th August 2015.

Mr. D. Bhattacharya was provided Company accommodation in FY 2014-15. The perquisite value was ₹ 2.57 crore on this account. In FY 2015-16, he occupied the company accommodation for 2 months and the perquisite value was ₹ 24 lakhs on this account. If housing perquisite is not considered, the salary of Mr. Bhattacharya is increased by 3.36%.

^ Includes Employer's Contribution to Provident Fund. Last year's remuneration is also readjusted to include Employer's Contribution to Provident Fund.

- ii. The median remuneration of employees of the Company during the financial year was ₹ 4.35 lakhs.
- iii. In the financial year, there was an increase of 4.5% in the median remuneration of employees.
- iv. There were 24,118 permanent employees on the rolls of Company as on 31st March, 2016.
- v. Relationship between average increase in remuneration and company performance: (The Profit before Interest, Tax and Depreciation (PBITDA) for the financial year ended 31st March, 2016 increased by 1.98% whereas the increase in median remuneration was 4.5%). The average increase in median remuneration was in line with industry benchmark and performance of the Company.

- vi Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The details of the same is provided in point no(i) above.
- vii
 - a. Variations in the market capitalisation of the Company : The market capitalisation as on 31st March, 2016 was ₹ 18,162 crore (₹ 26,638 crore as on 31st March, 2015).
 - b. Price Earnings ratio of the Company was 29.90 as at 31st March, 2016 (28.83 as at 31st March, 2015).
 - c. Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year – The Company has made Rights Offer in 2008 @ ₹ 96.00 per share. As on 31st March, 2016, the Company's shares was quoted at ₹ 87.95 per share on National Stock Exchange. The Company shares as on 31st March, 2016 were quoted 8.39% less than the Rights offer price.
- viii Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 6.91% whereas the increase in the managerial remuneration for the same financial year was 0.30%.
- ix The key parameters for the variable component of remuneration availed by the directors: Based on the Remuneration Philosophy/Policy of the Company approved by Nomination and Remuneration Committee.
- x The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – None of the employees has remuneration more than the highest paid directors.
- xi It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy/Policy of the Company.

Annexure-III

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

Aditya Birla Group: Executive Remuneration Philosophy/Policy

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

Our business and organizational model

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

I. Objectives of the Executive Remuneration Program

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

Our executive remuneration program is intended to:

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

II. Covered Executives

Our Executive Remuneration Philosophy/Policy applies to the following:

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

III. Business and Talent Competitors

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

IV. Executive Pay Positioning

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

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

V. Executive Pay-Mix

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

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Annual Incentive Plan:

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

Long-Term Incentive:

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

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

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

VI. Performance Goal Setting

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

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

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

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

VII. Executive Benefits and Perquisites

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

Other Remuneration Elements

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

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

Risk and Compliance

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

Claw back Clause:

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

Implementation

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

Annexure-IV

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2016
 [Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
 (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
 The Members
 Hindalco Industries Limited
 Century Bhavan, 3rd Floor
 Dr. Annie Besant Road
 Worli, Mumbai 400025

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by Hindalco Industries Limited (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March, 2016 ('the audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act');
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India related to meetings and minutes;
- (ii) Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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We have also examined, on test-check basis, the relevant documents and records maintained by the Company according to the following laws applicable specifically to the Company:

- (i) The Mines Act, 1952;
- (ii) The Mines and Minerals (Regulation and Development) Act, 1957.

Based on such examination and having regard to the compliance system prevailing in the Company; the Company has complied with the provisions of the above laws during the audit period.

During the period under review, provisions of the following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Proper notice is given to all Directors to schedule the Board meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that –

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

We further report that during the audit period, the Company has:

1. Obtained consent of the Board of Directors to issue Non-Convertible Debentures aggregating up to ₹ 6,000 Crore on Private Placement basis.
2. Obtained approval from the members in the Annual General Meeting to issue Non-Convertible Debentures aggregating up to ₹ 6,000 Crore on Private Placement basis.

For BNP & Associates

Company Secretaries

[Firm Regn. No. P2014MH037400]

B. Narasimhan

Partner

FCS 1303 / CP No.10440

Place : Mumbai
Date : 28th May, 2016

Annexure-V

ANNUAL REPORT ON CSR ACTIVITIES

- 1 A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs : To actively contribute to the social and economic development of the communities and built a better sustainable way of life for weaker sections of society. The projects which are identified includes Education, Health Care, Sustainable Livelihood, Infrastructure Development and Social Change. The Company's CSR policy is available on the Company's website viz. www.hindalco.com
- 2 Composition of the CSR Committee : Mrs. Rajashree Birla, Chairperson
Mr. Askaran Agarwala, Member
Mr. Jagdish Khattar, Member
Mr. D. Bhattacharya, Member
Dr. Pragnya Ram, Group Executive President, Corporate Communication & CSR, Permanent Invitee
- 3 Average net profit of the company for last three financial years : ₹ 1,549.99 Crore
The average net profit of the Company computed u/s 198 of the Companies Act 2013, includes profit from sale of Current investments.
- 4 Prescribed CSR Expenditure (two percent of the amount as in Item 3 above) : ₹ 31.00 Crore
- 5 Details of CSR spent during the financial year:
Total amount spent for the financial year 2015-16 : ₹ 34.15 Crore
Amount unspent(as against amount mentioned at point 4 above) : Nil
Manner in which the amount spent during the financial year : Details Given Below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Projects/Activities Identified	Sector in which the project is covered	Projects/Programmes: (1) Local Area/ Others. (2) The States/ District where the project undertaken	Amount Outlay (Budget) Project/ Programme wise (₹ in Lakhs)	Amount Spent on the Project/ Programmes (₹ in Lakhs)	Cumulative Expenditure up to reporting period (₹ in Lakhs)	Amount Spent: Direct or through implementing agency
1	Pre School Education Balwadies/play schools/crèches; Strengthening Anganwadis	Education	Sonbhadra(UP); Singrauli(MP); Howrah(WB); Lohardaga, Gumla & Latehar (Jharkhand); Balrampur (Chhattisgarh); Belgaum(Karnataka)	12.00	12.53	12.53	Direct
2	School Education Program Enrolment awareness programmes/events; Formal schools; Education Material(Study materials, Uniform, Books etc.); Scholarship (Merit and Need based assistance) School competitions /Best teacher award; Cultural events Quality of Education (support teachers, Improved education methods); Specialised Coaching; Exposure visits/awareness Formal schools inside campus(Company Schools) Support to Midday Meal Project	Education	Ranchi, Hazaribaug, Daltanganj, Lohardaga, Gumla & Latehar (Jharkhand); Sonbhadra(UP); Singrauli(MP); Howrah(WB);Balrampur (Chhattisgarh); Sambalpur (Odisha); Belgaum (Karnataka); Ernakulam (Kerala); Bharuch(Gujarat), Nagpur (Maharashtra)	1010.00	1107.18	1107.18	Direct
3.	Education support programs: Knowledge Centre/Library; Adult/Non Formal Education; Celebration of National days; Computer education; Reducing drop out and Continuing Education; Kasturba Gandhi Balika Vidyalaya; Career counselling	Education	Nagpur, Kolhapur (Maharashtra); Ranchi, Lohardaga, Daltanganj, Gumla & Latehar (Jharkhand); (Sonbhadra(UP); Singrauli(MP); Howrah(WB); Balrampur (Chhattisgarh) ; Sambalpur(Odisha); Belgaum (Karnataka);	206.00	222.24	222.24	Direct
4.	Vocational and Technical Education: Strengthening ITI's; Skill Based Individual training Programmes	Education	Ranchi, Lohardaga,Gumla & Latehar (Jharkhand); Sonbhadra(UP); Singrauli(MP); Belgaum(Karnataka); Bharuch(Gujarat)	55.00	61.44	61.44	Direct
5.	School Infrastructure: New School Building Construction; Renovation and Maintenance of School buildings; School Sanitation & drinking Water; School Furniture & Fixtures.	Education	Belgaum(Karnataka);Sambalpur (Odisha); Balarampur (Chhattisgarh); Howrah(WB); Sonbhadra(UP) and Singrauli(MP)	53.00	60.20	60.20	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Projects/Activities Identified	Sector in which the project is covered	Projects/Programmes: (1) Local Area/ Others. (2) The States/ District where the project undertaken	Amount Outlay (Budget) Project/ Programme wise (₹ in Lakhs)	Amount Spent on the Project/ Programmes (₹ in Lakhs)	Cumulative Expenditure up to reporting period (₹ in Lakhs)	Amount Spent: Direct or through implementing agency
6.	Preventive Health Care : Immunization; Pulse Polio Programme; Health Check up camps; Mobile Dispensary; Malaria/Diarrhoea Control Programme; School Health Check ups; Yoga and fitness classes	Health Care	Ranchi, Daltanganj, Hazaribaug, Lohardaga, Gumla & Latehar (Jharkhand) ; Sonbhadra(UP); Singrauli(MP); Howrah(WB); Balrampur (Chhattisgarh); Sambalpur (Odisha); Belgaum (Karnataka); Ernakulum (Kerala); Bharuch(Gujarat); Kolhapur and Raigad(Maharashtra)	84.00	100.91	100.91	Direct
7.	Curative Health Care program: Hospitals/ Dispensaries/ Clinics; General Health Check up camps; Specialised Health Camps; Eye Camps; Surgical Camps; Tuberculosis;	Health Care	Ranchi, Lohardaga, Gumla & Latehar (Jharkhand) ; Sonbhadra(UP); Singrauli(MP); Howrah(WB); Balrampur (Chhattisgarh) ; Sambalpur(Odisha); Belgaum (Karnataka); Ernakulum (Kerala); Bharuch(Gujarat); Kolhapur and Raigad(Maharashtra)	208.00	215.07	215.07	Direct
8.	Reproductive and Child Health: Mother and Child Care; Adolescent Health Care; Infant and Child Health; Support to Family Planning programmes; Nutritional Programmes for mother and Child	Health Care	Sonbhadra(UP); Howrah(WB); Ranchi & Lohardaga, Daltanganj (Jharkhand); Balrampur (Chhattisgarh); Sambalpur(Odisha); Belgaum(Karnataka); Bharuch (Gujarat).	21.00	27.30	27.30	Direct
9.	Quality / Support Program: Referral services; Treatment of BPL, Old age and Needy patients; HIV-AIDS Awareness; RTI/STD Awareness; Support to differently abled; Ambulance Services; Blood Donations/Grouping	Health Care	Balrampur(Chhattisgarh); Sambalpur,(Odisha); Belgaum(Karnataka); Kolhapur, Nagpur(Maharashtra); Bharuch(Gujarat); Sonbhadra(UP); Singrauli(MP); Howrah(WB); Daltanganj, Lohardaga (Jharkhand)	32.00	40.31	40.31	Direct
10.	Health Infrastructure: Renovation of Health centres; Village / Community Sanitations; Individual Toilets; Repair and installation of new drinking water sources; Water purifications.	Health Care	Singrauli(MP); Sonbhadra(UP); Balrampur (Chhattisgarh); Sambalpur(Odisha); Lohardaga (Jharkhand); Kolhapur (Maharashtra); Belgaum (Karnataka); Ernakulum(Kerala); Bharuch(Gujarat).	711.00	769.54	769.54	Direct
11.	Agriculture and Farm Based: Agriculture and Horticulture trainings; Transfer of technology; Support to Demonstration Plots; Agricultural implements and inputs; Exposure Visits; Integrated Agriculture / Horticulture programmes; Soil Health and Organic farming.	Environment and Sustainable Livelihood	Bharuch(Gujarat); Sambalpur (Odisha); Ranchi, Lohardaga, Daltanganj (Jharkhand); Balrampur (Chhattisgarh); Sonbhadra(UP); Singrauli(MP)	87.00	114.72	114.72	Direct
12	Animal Husbandry: Animal Vaccination and Treatment; Breed improvement; Milk productivity improvement programmes and Trainings	Environment and Sustainable Livelihood	Kolhapur(Maharashtra); Belgaum (Karnataka) Sonbhadra(UP); Singrauli (MP); Lohardaga (Jharkhand); Sambalpur(Odisha); Balrampur (Chhattisgarh)	7.31	10.24	10.24	Direct
13.	Non farm & Skills Based Income generation Program: Capacity Building Programmes; Rural enterprise Development and Income Generation programme(IGP) support; Support to SHGs for IGP	Environment and Sustainable Livelihood	Ranchi, Lohardaga, Gumla & Latehar (Jharkhand) ; Sonbhadra(UP); Singrauli(MP); Howrah(WB); Balrampur (Chhattisgarh) ; Sambalpur(Odisha); Belgaum (Karnataka); Ernakulum (Kerala); Bharuch(Gujarat); Kolhapur(Maharashtra)	47.00	49.67	49.67	Direct
14.	Natural Resource conservation programs & Non-conventional Energy: Bio gas support Programme; Solar Energy Support; Other energy efficient supports; Plantations; Soil Conservation; Land development; Water Conservation and harvesting structures; Development of Common pasture land;	Environment and Sustainable Livelihood	Ranchi, Lohardaga (Jharkhand) ; Sonbhadra(UP); Singrauli(MP); Balrampur (Chhattisgarh) ; Sambalpur(Odisha); Ernakulum (Kerala); Kolhapur and Raigad (Maharashtra)	75.00	84.63	84.63	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Projects/Activities Identified	Sector in which the project is covered	Projects/Programmes: (1) Local Area/ Others. (2) The States/ District where the project undertaken	Amount Outlay (Budget) Project/ Programme wise (₹ in Lakhs)	Amount Spent on the Project/ Programmes (₹ in Lakhs)	Cumulative Expenditure up to reporting period (₹ in Lakhs)	Amount Spent: Direct or through implementing agency
15.	Livelihood Infrastructure: Construction of Check Dams; Lift Irrigation	Environment & Sustainable Livelihood	Howrah(WB);Lohardaga, Ranchi (Jharkhand);Sonbhadra(UP) and Singrauli(MP)	31.00	31.38	31.38	Direct
16.	Rural Infrastructure development: Construction and Repair of Community Infrastructures:	Rural Development projects	Balarampur(Chhattisgarh); Howrah(WB); Lohardaga, Ranchi (Jharkhand); Sambalpur, (Odisha); Sonbhadra(UP); Singrauli(MP); Ernakulum(Kerala); Kolhapur(Maharashtra); Belgaum(Karnataka)	201.00	205.99	205.99	Direct
17.	Institutional building & strengthening: Strengthening and Formation of Community Based Organisations/ SHGs	Social Empowerment	Balarampur(Chhattisgarh); Howrah(WB); Lohardaga (Jharkhand); Sambalpur(Odisha); Sonbhadra(UP) and Singrauli(MP);	22.00	26.95	26.95	Direct
18.	Support to development organizations: Support to Old age Homes; Orphanages etc.	Social Empowerment	Bharuch(Gujarat); Raigad (Maharashtra); Ernakulum(Kerala);Howrah(WB); Lohardaga (Jharkhand); Sambalpur(Odisha); Sonbhadra(UP)	2.25	2.87	2.87	Direct
19.	Social Security: Support to Old age, Widow, physically Challenged Persons/ poor.	Social Empowerment	Ranchi and Lohardaga(Jharkhand); Sonbhadra(UP); Singrauli(MP)	11.70	14.65	14.65	Direct
20.	Awareness programmes: Community Awareness programmes/ Campaign against social abuse, early marriages, HIV prevention etc.	Social Empowerment	Belgaum(Karnataka); Bharuch(Gujarat), Hazaribaug (Jharkhand)	6.74	7.35	7.35	Direct
21.	Social Events to minimise causes of poverty: Support to mass marriages, widow remarriages; National days celebrations; Support with basic amenities;	Social Empowerment	Bharuch(Gujarat);Kolhapur (Maharashtra); Ernakulum(Kerala); Sambalpur (Odisha); Balarampur(Chhattisgarh); Ranchi, Lohardaga (Jharkhand) Singrauli(MP).	16.00	19.05	19.05	Direct
22.	Promotion of heritage/culture/ Sports: Support to rural cultural programmes, Festivals & Melas.	Promotion of heritage/Art and culture	Ernakulum(Kerala); Belgaum (Karnataka); Kolhapur (Maharashtra) Bharuch(Gujarat)	66.00	70.55	70.55	Direct
23.	Overheads			135.00	159.75	159.75	Direct
24.	Total (₹ in Lakhs)			3100.00	3414.52	3414.52	

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

Not Applicable

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is:

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

Mr. D. Bhattacharya
Managing Director
(DIN: 00033553)

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

Date : 28th May, 2016

“This report was approved by the Corporate Social Responsibility Committee in their meeting held on 27th May, 2016.”

Form No. MGT – 9

[EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2016]

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

1. REGISTRATION AND OTHER DETAILS:

1	CIN	L27020MH1958PLC011238
2	Registration Date	15th December, 1958
3	Name of the Company	Hindalco Industries Limited
4	Category/Sub-category of the Company	Public Limited Company by shares and having share capital
5	Address of the Registered office & contact details	Century Bhavan, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai 400 030. Tel.: 022-66626666, Fax.: 2422 7586/2436 2516
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	In House Ahura Centre, 1st Floor, 'B' Wing, Mahakali Caves Road Mumbai, 400 093. Tel.: 022 6691 7001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Aluminium and Aluminium Products	24202	37%
2	Copper and Copper Products	24201	48%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON 31ST MARCH, 2016

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Hindalco Guinea SARL	NA	Subsidiary	100%	2(87)(ii)
2	Minerals & Minerals Limited	U26990JH1970PLC000875	Subsidiary	100%	2(87)(ii)
3	Utkal Alumina International Limited	U13203OR1993PLC003416	Subsidiary	100%	2(87)(ii)
4*	Utkal Alumina Technical and General Services Limited	U93090OR2013PLC017341	Subsidiary	100%	2(87)(ii)
5	Suvas Holdings Limited	U40300MH2000PLC128785	Subsidiary	100%	2(87)(ii)
6	Renukeshwar Investments & Finance Limited	U65910UP1994PLC017080	Subsidiary	100%	2(87)(ii)
7	Renuka Investments & Finance Limited	U65910UP1994PLC017081	Subsidiary	100%	2(87)(ii)
8	Dahej Harbour and Infrastructure Limited	U45201GJ1998PLC035047	Subsidiary	100%	2(87)(ii)
9	Lucknow Finance Company Limited	U65992UP1989PLC010802	Subsidiary	100%	2(87)(ii)
10	Hindalco-Almex Aerospace Limited	U27203MH2007PLC166651	Subsidiary	97%	2(87)(ii)
11**	Hindalco do Brasil Industria e Comercio de Alumina Ltda	NA	Subsidiary	100%	2(87)(ii)
12	Tubeid Coal Mines Limited	U10100MH2007PLC174466	Subsidiary	60%	2(87)(ii)
13	East Coast Bauxite Mining Company Private Limited	U13203OR2007PTC009597	Subsidiary	74%	2(87)(ii)
14	Mauda Energy Limited	U40103MH2009PLC196230	Subsidiary	100%	2(87)(ii)
15	Birla Resources Pty Limited	NA	Subsidiary	100%	2(87)(ii)
16	Aditya Birla Minerals Limited	NA	Subsidiary	51%	2(87)(ii)
17*	Birla Maroochydore Pty Limited	NA	Subsidiary	51%	2(87)(ii)
18*	Birla Nifty Pty Limited	NA	Subsidiary	51%	2(87)(ii)
19	A V Minerals (Netherlands) N.V.	NA	Subsidiary	100%	2(87)(ii)
20**	A V Metals Inc.	NA	Subsidiary	100%	2(87)(ii)
21**	Novelis Inc.	NA	Subsidiary	100%	2(87)(ii)
22**	Novelis (India) Infotech Ltd.	NA	Subsidiary	100%	2(87)(ii)
23**	4260848 Canada Inc.	NA	Subsidiary	100%	2(87)(ii)
24**	4260856 Canada Inc.	NA	Subsidiary	100%	2(87)(ii)
25**	8018227 Canada Inc.	NA	Subsidiary	100%	2(87)(ii)
26**	Novelis Corporation (Texas)	NA	Subsidiary	100%	2(87)(ii)
27**	Logan Aluminium Inc. (Delaware)	NA	Subsidiary	40%	2(87)(ii)
28**	Novelis Acquisitions LLC	NA	Subsidiary	100%	2(87)(ii)
29**	Novelis Holdings Inc	NA	Subsidiary	100%	2(87)(ii)
30**	Novelis South America Holdings LLC	NA	Subsidiary	100%	2(87)(ii)
31**	Novelis do Brasil Ltda	NA	Subsidiary	100%	2(87)(ii)
32**	Novelis Laminas France SAS	NA	Subsidiary	100%	2(87)(ii)
33**	Novelis PAE SAS	NA	Subsidiary	100%	2(87)(ii)
34**	Novelis Aluminium Beteiligungs GmbH	NA	Subsidiary	100%	2(87)(ii)
35**	Novelis Deutschland GmbH	NA	Subsidiary	100%	2(87)(ii)
36**	Novelis Sheet Ingot GmbH (Germany)	NA	Subsidiary	100%	2(87)(ii)

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
37**	Novelis Aluminium Holding Company	NA	Subsidiary	100%	2(87)(ii)
38**	Novelis Italia SpA	NA	Subsidiary	100%	2(87)(ii)
39**	Alcom Nikkei Speciality Coatings Sdn Berhad	NA	Subsidiary	100%	2(87)(ii)
40**	Aluminium Company of Malaysia Berhad	NA	Subsidiary	59.15%	2(87)(ii)
41**	Novelis de Mexico SA de CV	NA	Subsidiary	99.99%	2(87)(ii)
42**	Novelis Korea Limited	NA	Subsidiary	100%	2(87)(ii)
43**	Novelis Switzerland SA	NA	Subsidiary	100%	2(87)(ii)
44**	Novelis UK Ltd.	NA	Subsidiary	100%	2(87)(ii)
45**	Novelis Europe Holdings Limited	NA	Subsidiary	100%	2(87)(ii)
46**	Novelis Services Limited	NA	Subsidiary	100%	2(87)(ii)
47**	Novelis (Shanghai) Aluminium Trading Company	NA	Subsidiary	100%	2(87)(ii)
48**	Novelis (China) Aluminium Products Co. Ltd.	NA	Subsidiary	100%	2(87)(ii)
49**	Novelis MEA Ltd (Dubai)	NA	Subsidiary	100%	2(87)(ii)
50**	Novelis Vietnam Company Limited	NA	Subsidiary	100%	2(87)(ii)
51**	Novelis AG (Switzerland)	NA	Subsidiary	100%	2(87)(ii)
52**	Brecha Energetica Ltda	NA	Subsidiary	99.99%	2(87)(ii)
53**	Brito Energetica Ltda	NA	Subsidiary	99.99%	2(87)(ii)
54	Aluminium Norf GmbH	NA	Associate	50%	2(6)
55	Deutsche Aluminium Verpackung Recycling GmbH	NA	Associate	30%	2(6)
56	France Aluminium Recyclage SA	NA	Associate	20%	2(6)
57	Aditya Birla Science and Technology Company Private Limited	U74200MH2006PTC158951	Associate	49%	2(6)
58	Idea Cellular Limited	L32100GJ1996PLC030976C	Associate	6.34%	2(6)
59**	Novelis Global Employment Organisation Inc.	NA	Subsidiary	100%	2(87)(ii)
60**	Novelis Services (North America) Inc.	NA	Subsidiary	100%	2(87)(ii)

* 100% Subsidiary of Utkal Alumina International Limited.
 ** 100% subsidiary of A V Minerals (Netherlands) N.V.
 ** 100% subsidiary of A V Metals Inc.
 * Subsidiaries of Aditya Birla Minerals Limited with 51% of holding.
 ** 100% Subsidiaries of Novelis Inc.

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31st March 2015)				No. of Shares held at the end of the year (As on 31st March 2016)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2,398,696	-	2,398,696	0.12	2,398,696	-	2,398,696	0.12	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	745,082,362	-	745,082,362	36.08	745,082,362	-	745,082,362	36.08	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	16,316,130	-	16,316,130	0.79	16,316,130	-	16,316,130	0.79	-
Sub Total (A) (1)	763,797,188	-	763,797,188	36.99	763,797,188	-	763,797,188	36.99	-
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	763,797,188	-	763,797,188	36.99	763,797,188	-	763,797,188	36.99	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	21,898,565	22,650	21,921,215	1.06	50,257,260	22,650	50,279,910	2.43	129.37
b) Banks/FI	43,474,184	62,660	43,536,844	2.11	5,252,270	60,460	5,312,730	0.26	(87.80)
c) Central Govt/ State Govt(s)	58,040	287,480	345,520	0.02	58,040	287,480	345,520	0.02	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	215,317,901	6,080	215,323,981	10.43	336,035,248	6,080	336,041,328	16.27	56.06
f) FIs	574,208,373	23,740	574,232,113	27.81	402,953,132	23,740	402,976,872	19.51	(29.82)
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	854,957,063	402,610	855,359,673	41.42	794,555,950	400,410	794,956,360	38.50	(7.06)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31st March 2015)				No. of Shares held at the end of the year (As on 31st March 2016)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	86,741,720	295,255	87,036,975	4.21	107,800,394	297,829	108,098,223	5.23	24.20
ii) Overseas	-	32,554,920	32,554,920	1.58	-	32,554,920	32,554,920	1.58	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	124,802,625	13,075,644	137,878,269	6.68	154,745,626	12,214,214	166,959,840	8.09	21.09
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	9,979,311	770,021	10,749,332	0.52	18,162,788	770,021	18,932,809	0.92	76.13
c) Others (specify)									
i) Non Resident Indians	8,619,070	2,014,179	10,633,249	0.51	10,288,097	1,741,488	12,029,585	0.58	13.13
ii) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
iv) Clearing Members	3,665,936	-	3,665,936	0.18	6,416,267	-	6,416,267	0.31	75.02
v) Trusts	3,874,552	-	3,874,552	0.19	3,873,717	-	3,873,717	0.19	(0.02)
vi) Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	237,683,214	48,710,019	286,393,233	13.87	301,286,889	47,578,472	348,865,361	16.89	21.81
Total Public (B)	1,092,640,277	49,112,629	1,141,752,906	55.29	1,095,842,839	47,978,882	1,143,821,721	55.39	0.18
C. Shares held by Custodian for GDRs & ADRs									
Shares held by Custodian	144,860,149	27,830	144,887,979	7.02	142,796,712	27,830	142,824,542	6.92	(1.42)
Shares held by Promoters	14,542,309	-	14,542,309	0.70	14,542,309	-	14,542,309	0.70	-
Sub Total (C)	159,402,458	27,830	159,430,288	7.72	157,339,021	27,830	157,366,851	7.62	(1.29)
Grand Total (A+B+C)	2,015,839,923	49,140,459	2,064,980,382	100.00	2,016,979,048	48,006,712	2,064,985,760	100.00	0.36

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	IGH Holdings Private Limited	349,963,487	16.95	-	349,963,487	16.95	-	0.00
2	Turquoise Investments and Finance Private Limited	124,012,468	6.01	-	124,012,468	6.01	-	0.00
3	Trapti Trading & Investments Pvt Ltd	93,063,124	4.51	-	93,063,124	4.51	-	0.00
4	Grasim Industries Ltd	54,542,475	2.64	-	54,542,475	2.64	-	0.00
5	Aditya Birla Nuvo Limited	33,506,337	1.62	-	33,506,337	1.62	-	0.00
6	Pilani Investment & Ind. Corp. Ltd.	29,185,398	1.41	-	29,185,398	1.41	-	0.00
7	Umang Commercial Company Limited	27,330,360	1.32	-	27,330,360	1.32	-	0.00
8	Birla Institute of Technology and Science	21,583,090	1.05	-	21,583,090	1.05	-	0.00
9	Trustee Holding Shares Under the Scheme of Merger of HIL/IGCL/IGFL on Behalf of Hindalco	16,316,130	0.79	-	16,316,130	0.79	-	0.00
10	Birla Group Holdings Private Limited	6,731,467	0.33	-	6,731,467	0.33	-	0.00
11	Mr. Kumar Mangalam Birla	865,740	0.04	-	865,740	0.04	-	0.00
12	Manav Investment & Trading Co. Ltd.	672,571	0.03	-	672,571	0.03	100	0.00
13	Aditya Vikram Kumar Mangalam Birla Huf	648,632	0.03	-	648,632	0.03	-	0.00
14	Rajashree Birla	612,470	0.03	-	612,470	0.03	-	0.00
15	TGS Investment And Trade Private Limited	4,485,249	0.22	-	4,485,249	0.22	-	0.00
16	Vasavadatta Bajaj	121,319	0.01	-	121,319	0.01	-	0.00
17	Neerja Birla	114,640	0.01	-	114,640	0.01	-	0.00
18	Kumar Mangalam Birla F & N G of Ananyashree Birla	35,895	-	-	35,895	0.00	-	0.00
19	Global Holdings Private Limited	6,336	-	-	6,336	0.00	-	0.00
20*	PT Indo Bharat Rayon	9,633,890	0.47	-	9,663,890	0.47	-	-
21*	PT Sunrise Bumi Textile	3,004,167	0.15	-	3,004,167	0.15	-	-
22*	PT Elegant Textile Industry	1,902,752	0.09	-	1,902,752	0.09	-	-
23*	Surya Kiran investments Pte Ltd.	1,500	-	-	1,500	0.00	-	-
	Total	778,339,497	37.69	-	778,339,497	37.69	0.03	0.00

*Includes 0.7% shares held by GDR.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

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

Note : There is no change in Shareholding of Promoters between 01/04/2015 to 31/03/2016.

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name	Shareholding		Cumulative shareholding during the year (01.04.15 to 31.03.16)								
		No. of shares at the beginning (01/04/15)/ end of the year (31/03/16)	% of the total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the Company				
1	LIFE INSURANCE CORPORATION OF INDIA	231510564	11.21	3-Apr-15			231510564	11.21				
				17-Apr-15	2416879	Purchase	233927443	11.33				
				24-Apr-15	7019565	Purchase	240947008	11.67				
				1-May-15	5563556	Purchase	246510564	11.94				
				8-May-15	6136351	Purchase	252646915	12.23				
				15-May-15	9024085	Purchase	261671000	12.67				
				22-May-15	4286779	Purchase	265957779	12.88				
				29-May-15	4157616	Purchase	270115395	13.08				
				5-Jun-15	1395169	Purchase	271510564	13.15				
				19-Jun-15	3905655	Purchase	275416219	13.34				
				26-Jun-15	1218839	Purchase	276635058	13.40				
				30-Jun-15	1913223	Purchase	278548281	13.49				
				3-Jul-15	4766427	Purchase	283314708	13.72				
				10-Jul-15	4544291	Purchase	287858999	13.94				
				17-Jul-15	2062222	Purchase	289921221	14.04				
				28-Aug-15	8817412	Purchase	298738633	14.47				
					304921221	14.77	4-Sep-15	6182588	Purchase	304921221	14.77	
				2	GOVERNMENT OF SINGAPORE	15550443	0.75	3-Apr-15			15550443	0.75
								10-Apr-15	161842	Purchase	15712285	0.76
								24-Apr-15	-13700	Sell	15698585	0.76
1-May-15	-453587	Sell	15244998					0.74				
8-May-15	-325429	Sell	14919569					0.72				
5-Jun-15	43372	Purchase	14962941					0.72				
12-Jun-15	-22620	Sell	14940321					0.72				
3-Jul-15	411953	Purchase	15352274					0.74				
10-Jul-15	267381	Purchase	15619655					0.76				
17-Jul-15	-131841	Sell	15487814					0.75				
31-Jul-15	4380271	Purchase	19868085					0.96				
7-Aug-15	4559874	Purchase	24427959					1.18				
14-Aug-15	1974896	Purchase	26402855					1.28				
21-Aug-15	-50628	Sell	26352227					1.28				
28-Aug-15	815194	Purchase	27167421					1.32				
4-Sep-15	-1646331	Sell	25521090					1.24				
8-Sep-15	-139427	Sell	25381663					1.23				
11-Sep-15	-342150	Sell	25039513					1.21				
2-Oct-15	227691	Purchase	25267204					1.22				
9-Oct-15	775421	Purchase	26042625					1.26				
23-Oct-15	-16984	Sell	26025641					1.26				
30-Oct-15	-246043	Sell	25779598					1.25				
6-Nov-15	-37659	Sell	25741939					1.25				
13-Nov-15	2325801	Purchase	28067740					1.36				
20-Nov-15	-26852	Sell	28040888					1.36				
4-Dec-15	66285	Purchase	28107173					1.36				
11-DEC-15	-74335	Sell	28032838					1.36				
18-Dec-15	-1644370	Sell	26388468					1.28				
31-Dec-15	599510	Purchase	26987978					1.31				
8-Jan-16	779079	Purchase	27767057					1.34				
15-Jan-16	-16391	Sell	27750666					1.34				
29-Jan-16	557479	Purchase	28308145					1.37				
5-Feb-16	1164816	Purchase	29472961					1.43				
12-Feb-16	295295	Purchase	29768256					1.44				
26-Feb-16	-681425	Sell	29086831					1.41				
4-Mar-16	3684328	Purchase	32771159					1.59				
11-Mar-16	3741908	Purchase	36513067					1.77				
18-Mar-16	1467216	Purchase	37980283					1.84				
	38857580	1.88	31-Mar-16					877297	Purchase	38857580	1.88	

S. No.	Name	Shareholding		Cumulative shareholding during the year (01.04.15 to 31.03.16)						
		No. of shares at the beginning (01/04/15)/ end of the year (31/03/16)	% of the total shares of the Company	Date	Increase/ Decrease In shareholding	Reason	No. of shares	% of total shares of the Company		
3	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED	27836657	1.53	3-Apr-15			27836657	1.35		
				24-Apr-15	-304020	Sell	27532637	0.13		
				8-May-15	-48350	Sell	27484287	0.13		
				15-May-15	-37204	Sell	27447083	0.13		
				22-May-15	-48122	Sell	27398961	0.13		
				29-May-15	-243459	Sell	27155502	0.13		
				30-Jun-15	-30381	Sell	27125121	1.31		
				24-Jul-15	-35879	Sell	27089242	1.31		
				7-Aug-15	-36209	Sell	27053033	1.31		
				14-Aug-15	-559551	Sell	26493482	1.28		
				21-Aug-15	-704930	Sell	25788552	1.25		
				28-Aug-15	-41614	Sell	25746938	1.25		
				4-Sep-15	248503	Purchase	25995441	1.26		
				8-Sep-15	300000	Purchase	26295441	1.27		
				11-Sep-15	267225	Purchase	26562666	1.29		
				25-Sep-15	-289532	Sell	26273134	1.27		
				2-Oct-15	-7826	Sell	26265308	1.27		
				16-Oct-16	-35059	Sell	26230249	1.27		
				30-Oct-15	-507807	Sell	25722442	1.25		
				20-Nov-15	-520303	Sell	25202139	1.22		
				27-Nov-15	360000	Purchase	25562139	1.24		
				11-DEC-15	-323219	Sell	25238920	1.22		
				18-Dec-15	-2177189	Sell	23061731	1.12		
				31-Dec-15	2128040	Purchase	25189771	1.22		
				15-Jan-16	1709557	Purchase	26899328	1.30		
				22-Jan-16	1244211	Purchase	28143539	1.36		
				29-Jan-16	34121	Purchase	28177660	1.36		
				5-Feb-16	1152077	Purchase	29329737	1.42		
				12-Feb-16	1852486	Purchase	31182223	1.51		
				19-Feb-16	57940	Purchase	31240163	1.51		
		26-Feb-16	-83930	Sell	31156233	1.51				
		4-Mar-16	-1500000	Sell	29656233	1.44				
		11-Mar-16	-700000	Sell	28956233	1.40				
		18-Mar-16	-2409000	Sell	26547233	1.29				
		31-Mar-16	-982701	Sell	25564532	1.24				
4	ABU DHABI INVESTMENT AUTHORITY	25564532	1.24	3-Apr-15			30440817	1.47		
		30440817	1.47	17-Apr-15	-930890	Sell	29509927	1.43		
				29-May-15	-1825304	Sell	27684623	1.34		
				5-Jun-15	-493575	Sell	27191048	1.32		
				12-Jun-15	-6426	Sell	27184622	1.32		
				19-Jun-15	71700	Purchase	27256322	1.32		
				14-Aug-15	34475	Purchase	27290797	1.32		
				28-Aug-15	-154254	Sell	27136543	1.31		
				4-Sep-15	-332219	Sell	26804324	1.30		
				18-Sep-15	-65550	Sell	26738774	1.29		
				25-Sep-15	-459620	Sell	26279154	1.27		
				23-Oct-15	-1103265	Sell	25175889	1.22		
				27-Nov-15	-109254	Sell	25066635	1.21		
				4-Dec-15	-747116	Sell	24319519	1.18		
				18-Mar-16	-1973184	Sell	22346335	1.08		
				3-Apr-15			26886585	1.30		
		5	ORBIS SICAV GLOBAL BALANCED FUND	22346335	1.08	10-Apr-15	307174	Purchase	27193759	1.32
				24430468	1.18	17-Apr-15	527592	Purchase	27721351	1.34
						4-Dec-15	1443569	Purchase	29164920	1.41
						11-Dec-15	4025580	Purchase	33190500	1.61
				29-Jan-16	-494088	Sell	32696412	1.58		
				5-Feb-16	-3180316	Sell	29516096	1.43		
				12-Feb-16	-4905665	Sell	24610431	1.19		
				19-Feb-16	-4501904	Sell	20108527	0.97		
				26-Feb-16	-500000	Sell	19608527	0.95		
				3-Apr-15	-	-	17884643	0.87		
6	SPURCEGROVE INVESTMENT MANAGEMENT LTD.	17884643	0.87	31-Mar-16	-	-	17884643	0.87		
		17884643	0.87							
7	DIMENSIONAL EMERGING MARKETS VALUE FUND	19688159	0.95	3-Apr-15			19688159	0.95		
				10-Apr-15	243864	Purchase	19932023	0.97		
				17-Apr-15	112657	Purchase	20044680	0.97		
				24-Apr-15	87301	Purchase	20131981	0.97		
				1-May-15	258709	Purchase	20390690	0.99		
				15-May-15	272592	Purchase	20663282	1.00		
				22-May-15	130079	Purchase	20793361	1.01		
				29-May-15	92025	Purchase	20885386	1.01		
				30-Oct-15	-416681	Sell	20468705	0.99		
				6-Nov-15	-648070	Sell	19820635	0.96		
				13-Nov-15	-485671	Sell	19334964	0.94		
				20-NOV-15	-969369	Sell	18365595	0.89		
				27-Nov-15	-287072	Sell	18078523	0.88		
				18-Dec-15	-499483	Sell	17579040	0.85		

S. No.	Name	Shareholding		Cumulative shareholding during the year (01.04.15 to 31.03.16)						
		No. of shares at the beginning (01/04/15)/ end of the year (31/03/16)	% of the total shares of the Company	Date	Increase/ Decrease In shareholding	Reason	No. of shares	% of total shares of the Company		
8	BLACKROCK FUND ADVISORS A/C ISHARES INDI	12909252	0.63	3-Apr-15			12909252	0.63		
				10-Apr-15	934344	Purchase	13843596	0.67		
				17-Apr-15	547083	Purchase	14390679	0.70		
				24-Apr-15	122940	Purchase	14513619	0.70		
				1-May-15	110646	Purchase	14624265	0.71		
				15-May-15	270468	Purchase	14894733	0.72		
				22-May-15	516348	Purchase	15411081	0.75		
				29-May-15	258174	Purchase	15669255	0.76		
				5-Jun-15	-1215501	Sell	14453754	0.70		
				12-Jun-15	-235727	Sell	14218027	0.69		
				19-Jun-15	-319754	Sell	13898273	0.67		
				26-Jun-15	38591	Purchase	13936864	0.67		
				3-Jul-15	-25280	Sell	13911584	0.67		
				24-Jul-15	16509	Purchase	13928093	0.67		
				31-Jul-15	19955	Purchase	13948048	0.68		
				7-Aug-15	40082	Purchase	13988130	0.68		
				14-Aug-15	11036	Purchase	13999166	0.68		
				28-Aug-15	66216	Purchase	14065382	0.68		
				4-Sep-15	-716715	Sell	13348667	0.65		
				8-Sep-15	-193752	Sell	13154915	0.64		
				11-Sep-15	-26910	Sell	13128005	0.64		
				25-Sep-15	78597	Purchase	13206602	0.64		
				9-Oct-15	488670	Purchase	13695272	0.66		
				16-Oct-15	150360	Purchase	13845632	0.67		
				30-Oct-15	42960	Purchase	13888592	0.67		
				20-Nov-15	11392	Purchase	13899984	0.67		
				4-Dec-15	-515919	Sell	13384065	0.65		
				11-DEC-15	-98325	Sell	13285740	0.64		
				25-Dec-15	-186300	Sell	13099440	0.63		
				31-Dec-15	25685	Purchase	13125125	0.64		
				15-Jan-16	-126925	Sell	12998200	0.63		
		22-Jan-16	-97527	Sell	12900673	0.62				
		12-Feb-16	-106436	Sell	12794237	0.62				
		19-Feb-16	-41184	Sell	12753053	0.62				
		26-Feb-16	56628	Purchase	12809681	0.62				
		4-Mar-16	-113178	Sell	12696503	0.61				
		18-Mar-16	50880	Purchase	12747383	0.62				
		25-Mar-16	259488	Purchase	13006871	0.63				
		31-Mar-16	115004	Purchase	13121875	0.64				
9	VANGUARD EMERGING MARKETS STOCK INDEX FUND	13121875	0.64	3-Apr-15			13121875	0.64		
		15251374	0.74	1-May-15	49412	Purchase	15300786	0.74		
				8-May-15	56150	Purchase	15356936	0.74		
				26-Jun-15	-359480	Sell	14997456	0.73		
				14-Aug-15	-56150	Sell	14941306	0.72		
				21-Aug-15	-134760	Sell	14806546	0.72		
				28-Aug-15	-262782	Sell	14543764	0.70		
				4-Sep-15	-359360	Sell	14184404	0.69		
				8-Sep-15	-65134	Sell	14119270	0.68		
				11-Sep-15	-123530	Sell	13995740	0.68		
				25-Sep-15	-49412	Sell	13946328	0.68		
				30-Sep-15	-148236	Sell	13798092	0.67		
				20-Nov-15	-45033	Sell	13753059	0.67		
				27-Nov-15	-10508	Sell	13742551	0.67		
				18-Dec-15	-66096	Sell	13676455	0.66		
				25-Dec-15	-32292	Sell	13644163	0.66		
				15-Jan-16	-88396	Sell	13555767	0.66		
				22-Jan-16	-46248	Sell	13509519	0.65		
				5-Feb-16	-165580	Sell	13343939	0.65		
				12-Feb-16	-67515	Sell	13276424	0.64		
				26-Feb-16	-69909	Sell	13206515	0.64		
				4-Mar-16	-75373	Sell	13131142	0.64		
				11-Mar-16	37940	Purchase	13169082	0.64		
				18-Mar-16	-53605	Sell	13115477	0.64		
				25-Mar-16	-86991	Sell	13028486	0.63		
		10	CITY OF NEW YORK GROUP TRUST	13028486	0.63	3-Apr-15			13028486	0.63
				15007476	0.73	17-Apr-15	186580	Purchase	15194056	0.74
						24-Apr-15	44113	Purchase	15238169	0.74
						8-May-15	1868030	Purchase	17106199	0.83
						29-May-15	284310	Purchase	17390509	0.84
						28-Aug-15	-4213430	Sell	13177079	0.64
				18-Sep-15	-338890	Sell	12838189	0.62		
				25-Sep-15	169645	Purchase	13007834	0.63		
				16-Oct-15	-84415	Sell	12923419	0.63		
				6-Nov-15	90960	Purchase	13014379	0.63		

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name: Mr. Kumar Mangalam Birla						
	At the beginning of the year	4/1/2015		865,740	0.04	865,740	0.04
	Changes during the year		No change				
	At the end of the year	3/31/2016				865,740	0.04
2	Name: Smt. Rajashree Birla						
	At the beginning of the year	4/1/2015		612,470	0.03	612,470	0.03
	Changes during the year		No change				
	At the end of the year	3/31/2016				612,470	0.03
3	Name: Mr. A.K. Agarwala						
	At the beginning of the year	4/1/2015		116,148	0.01	116,148	0.01
	Changes during the year		No change				
	At the end of the year	3/31/2016				116,148	0.01
4	Name: Mr. M.M. Bhagat						
	At the beginning of the year	4/1/2015		4,050	0.00	4,050	0.00
	Changes during the year		No change				
	At the end of the year	3/31/2016				4,050	0.00
5	Name: Mr. K.N. Bhandari						
	At the beginning of the year	4/1/2015		3,571	0.00	3,571	0.00
	Changes during the year		Market Purchase			1,500	0.00
	At the end of the year	3/31/2016				5,071	0.00
6	Name: Mr. Y.P. Dandiwala						
	At the beginning of the year	4/1/2015		N.A.			
	Changes during the year		N.A.				
	At the end of the year	3/31/2016				206	0.00
7	Name: Mr. Ram Charan						
	At the beginning of the year	4/1/2015	Nil	-	-	-	-
	Changes during the year						
	At the end of the year	3/31/2016	Nil	-	-	-	-
8	Name: Mr. Jagdish Khattar						
	At the beginning of the year	4/1/2015		2,500	0.00	2,500	0.00
	Changes during the year		No change				
	At the end of the year	3/31/2016				2,500	0.00
9	Name: Mr. D.Bhattacharya						
	At the beginning of the year	4/1/2015		138,265	0.01	138,265	0.01
	Changes during the year		No change				
	At the end of the year	3/31/2016				138,265	0.00
10	Name: Mr. Satish Pai						
	At the beginning of the year	4/1/2015		Nil			
	Changes during the year		Market Purchase			30,000	0.00
	At the end of the year	3/31/2016				30,000	0.00
11	Name: Mr. Praveen Kumar Maheshwari						
	At the beginning of the year	4/1/2015	Nil	-	-	-	-
	Changes during the year						
	At the end of the year	3/31/2016	Nil	-	-	-	-
12	Name: Mr. Anil Malik						
	At the beginning of the year	4/1/2015	Nil	-	-	-	-
	Changes during the year						
	At the end of the year	3/31/2016	Nil	-	-	-	-

V. INDEBTEDNESS

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

₹ in crore

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	23,371.93	5,634.64	-	29,006.57
ii) Interest due but not paid	0.02	-	-	0.02
iii) Interest accrued but not due	558.42	4.21	-	562.63
Total (i+ii+iii)	23,930.37	5,638.85	-	29,569.22
Change in Indebtedness during the financial year				
Addition	3,542.58	10,483.40	-	14,025.98
Reduction	2,776.69	11,479.20	-	14,255.89
Net Change*	765.89	(995.80)	-	(229.91)
Indebtedness at the end of the financial year				
i) Principal Amount	24,221.00	4,545.33	-	28,766.33
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	531.54	4.83	-	536.37
Total (i+ii+iii)	24,752.54	4,550.16	-	29,302.70

* Including Exchange Rate Difference on Foreign Exchange Borrowings

Note : 1. Includes current maturities of long term loan

2. Includes Sales tax deferral

3. Cash Credit - Movement is not available, hence not considered for movement

4. Addition / Reduction excluding Interest payment

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL FOR THE YEAR ENDED 31ST MARCH, 2016

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

(₹ In crore)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. D. Bhattacharya Managing Director	Mr. Satish Pai Whole time Director	
	Name			
	Designation			
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.11	11.69	29.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.14	1.72	2.86
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	
2	Stock Option			
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- as % of profit			
	- Others, specify...			
5	Others, please specify - Employer's contribution to Provident Fund	0.65	0.55	1.20
	Total (A)	19.90	13.96	33.86
	Ceiling as per the Companies Act, 2013			63.57

B. Remuneration to other Directors:

(₹ In crore)

SN.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. Kumar Mangalam Birla	Smt. Rajashree Birla	Mr. A.K. Agarwala	Mr. M.M. Bhagat	Mr. K.N. Bhandari	Mr. Y.P. Dandiwalwa	Mr. Ram. Charan	Mr. Jagdish Khattar	
1	Independent Directors									
	Fee for attending board committee meetings				0.06	0.05	0.02	0.01	0.02	0.16
	Commission				0.05	0.05	0.02	0.02	0.03	0.17
	Others, please specify									-
	Total (1)				0.11	0.10	0.04	0.03	0.05	0.33
2	Other Non-Executive Directors	-								
	Fee for attending board committee meetings	0.03	0.02	0.05						0.10
	Commission	1.73	0.04	0.05						1.82
	Others, please specify									
	Total (2)	1.76	0.06	0.10						1.92
	Total (B)=(1+2)	1.76	0.06	0.10	0.11	0.10	0.04	0.03	0.05	2.25
	Overall Ceiling as per the Companies Act, 2013 (11% of net profit as per Section 198)									69.93

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

(₹ In crore)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Mr. Praveen Kumar Maheshwari Chief Financial Officer	Mr. Anil Malik Company Secretary	
	Name			
	Designation			
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.88	0.84	3.72
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.28	0.02	0.30
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- as % of profit			
	- Others, specify...			
5	Others, please specify - Employer's contribution to Provident Fund	0.09	0.03	0.12
	Total	3.25	0.89	4.14

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

A. COMPANY

Penalty	There were no penalties/punishment/compounding of offences for year ended 31st March,2016
Punishment	
Compounding	

B. DIRECTORS

Penalty	There were no penalties/punishment/compounding of offences for year ended 31st March,2016
Punishment	
Compounding	

C. OTHER OFFICERS IN DEFAULT

Penalty	There were no penalties/punishment/compounding of offences for year ended 31st March,2016
Punishment	
Compounding	

Annexure-VII

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

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	₹ crore & Foreign Currency in Million	
1	Minerals & Minerals Limited	India	INR	0.05	1.11	5.35	4.19	-	19.87	0.11	0.08	0.03	-	100.00		
2	Renuka Investments & Finance Limited	India	INR	9.25	23.59	33.48	0.64	27.83	7.03	6.75	0.67	6.08	-	100.00		
3	Renukeshwar Investments & Finance Limited	India	INR	4.80	20.54	25.39	0.05	25.32	3.55	3.53	0.24	3.29	-	100.00		
4	Suvas Holdings Limited	India	INR	7.08	(0.04)	16.75	9.70	-	0.06	0.03	0.01	0.02	-	51.00		
5	Utkal Alumina International Limited	India	INR	3,971.76	(1,045.64)	8,575.72	5,649.60	0.05	2,299.70	(93.40)	(0.04)	(93.36)	-	100.00		
6	Hindalco-Almex Aerospace Limited	India	INR	88.56	(12.53)	79.97	3.94	13.03	37.58	(2.59)	-	(2.59)	-	97.18		
7	Lucknow Finance Company Limited	India	INR	9.90	5.67	16.41	0.83	5.88	2.45	1.56	0.52	1.04	-	100.00		
8	Dahjei Harbour and Infrastructure Limited	India	INR	50.00	43.18	111.22	18.04	-	90.37	64.88	13.30	51.58	72.00	100.00		
9	East Coast Bauxite Mining Company Private Limited	India	INR	0.01	(0.03)	0.01	0.02	-	0.00	-	-	-	-	74.00		
10	Tubed Coal Mines Limited	India	INR	45.29	(24.26)	21.25	0.21	-	-	(1.55)	0.88	(2.43)	-	60.00		
11	Mauda Energy Limited	India	INR	0.18	(0.17)	0.00	0.00	-	-	(0.14)	-	(0.14)	-	100.00		
12	Aditya Birla Minerals Limited *	Australia	INR	316.95	(1,187.79)	162.02	(40.35)	-	0.00	(228.38)	(52.59)	(175.79)	-	51.00		
			AUD	62.00	(234.00)	32.00	(8.00)	-	-	(47.00)	(11.00)	(36.00)	-	-		
13	Birla Nifty Pty Limited ^ *	Australia	INR	443.96	517.32	650.05	273.60	-	1,001.99	(555.76)	143.19	(698.95)	-	51.00		
			AUD	87.41	(102.00)	127.99	53.87	-	207.90	(115.31)	29.71	(145.02)	-	-		
14	Birla Maroochydore Pty Limited ^ *	Australia	INR	50.79	(105.57)	10.17	(11.89)	-	-	(61.85)	(18.99)	(42.86)	-	51.00		
			AUD	10.00	(21.00)	2.00	21.82	-	-	(12.83)	(3.83)	(9.00)	-	-		
15	Birla Resources Pty Limited *	Australia	INR	3.30	0.01	3.33	0.02	-	-	0.04	0.00	0.04	-	100.00		
			AUD	0.65	0.00	0.65	0.00	-	-	0.01	0.00	0.01	-	-		
16	A V Minerals (Netherlands) N.V. *	Netherlands	INR	10,900.92	(232.63)	10,668.29	-	10,866.58	-	(0.63)	-	(0.63)	-	100.00		
			USD	1,645.30	(35.11)	1,610.19	(0.00)	1,609.93	-	(0.10)	-	(0.10)	-	-		
17	A V Metals Inc # *	Canada	INR	10,385.45	(25.43)	10,360.05	0.03	10,360.08	0.01	0.00	-	0.00	-	100.00		
			USD	1,567.50	(3.84)	1,563.66	0.00	1,563.67	0.00	0.00	-	0.00	-	-		
18	Novelis Inc. # # *	Canada	INR	10,470.65	(162.10)	66,939.78	56,631.23	4,290.17	65,477.44	306.16	303.07	3.09	-	100.00		
			USD	1,580.36	(24.47)	10,103.36	8,547.47	647.52	10,009.53	46.80	46.33	0.47	-	-		
19	4260848 Canada Inc. *	Canada	INR	812.57	(5.17)	822.15	14.74	-	-	(0.46)	2.39	(2.85)	-	100.00		
			USD	122.64	(0.78)	124.09	2.23	-	-	(0.07)	0.37	(0.44)	-	-		
20	4260856 Canada Inc. *	Canada	INR	1,218.90	(6.46)	1,218.90	6.46	-	-	-	3.56	(3.56)	-	100.00		
			USD	183.97	(0.98)	183.97	0.98	-	-	-	0.54	(0.54)	-	-		
21	Novelis South America Holdings LLC *	USA	INR	-	-	-	-	-	-	-	-	-	-	100.00		
			USD	-	-	-	-	-	-	-	-	-	-	-		
22	Aluminum Upstream Holdings LLC (Delaware) *	USA	INR	-	-	-	-	-	-	-	-	-	-	-		
			USD	-	-	-	-	-	-	-	-	-	-	-		
23	Novelis (India) Infotech Ltd.	India	INR	1.00	1.22	2.49	0.27	-	-	0.11	0.02	0.09	-	100.00		
24	Novelis Corporation (Texas) *	USA	INR	11,137.47	(8,977.55)	16,086.71	13,926.80	-	24,066.22	124.29	19.62	104.67	-	100.00		
			USD	1,681.00	(1,355.00)	2,428.00	2,102.00	-	3,679.00	19.00	3.00	16.00	-	-		
25	Novelis de Mexico SA de CV *	Mexico	INR	0.05	(0.05)	-	-	-	-	-	-	-	-	99.99		
			USD	0.01	(0.01)	-	-	-	-	-	-	-	-	-		
26	Novelis do Brasil Ltda. *	Brazil	INR	1,767.38	3,480.09	9,830.29	4,582.82	-	10,385.52	1,582.27	630.30	951.97	-	99.99		
			Reais	958.53	1,887.41	5,331.40	2,486.46	-	5,648.45	860.56	342.81	517.75	-	-		
27	Novelis Korea Limited *	Korea	INR	676.88	3,010.57	8,546.78	4,859.33	-	11,325.42	296.79	75.26	221.53	-	100.00		
			Won	116,905.00	519,960.00	1,476,127.00	839,262.00	-	2,000,958.00	52,436.00	13,296.00	39,140.00	-	-		

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
28	Atcom Nikkei Specialty Coatings Sdn Berhad *	Malaysia	INR	20.79	41.76	93.12	30.57	-	237.75	7.06	2.49	4.57	-	59.15
			Ringgit	12.25	24.61	54.87	18.01	-	146.60	4.35	1.53	2.82	-	
29	Aluminum Company of Malaysia Berhad *	Malaysia	INR	227.97	34.91	324.60	61.71	-	466.11	4.64	2.09	2.55	-	59.15
			Ringgit	134.33	20.57	191.27	36.36	-	287.41	2.86	1.29	1.57	-	
30	AI Dotcom Sdn. Berhad *	Malaysia	INR	-	-	-	-	-	-	-	-	-	-	-
			Ringgit	-	-	-	-	-	-	-	-	-	-	-
31	Novelis UK Ltd. *	England	INR	1,391.33	631.50	2,777.74	754.92	-	3,357.22	61.20	8.68	52.52	-	100.00
			Pounds	146.09	66.31	291.66	79.27	-	340.48	6.21	0.88	5.33	-	
32	Novelis Services Limited *	Wales	INR	1,331.79	849.97	2,192.06	10.30	-	602.45	394.62	62.74	331.88	-	100.00
			USD	201.01	128.29	330.85	1.55	-	92.10	60.33	9.59	50.74	-	
33	Novelis Deutschland GmbH *	Germany	INR	841.39	103.89	5,453.76	4,508.48	-	21,325.02	(10.35)	0.14	(10.49)	-	100.00
			Euro	111.50	13.77	722.73	597.46	-	2,951.25	(1.43)	0.02	(1.45)	-	
34	Novelis Aluminium Beteiligungs GmbH *	Germany	INR	-	-	-	-	-	-	-	-	-	-	100.00
			Euro	-	-	-	-	-	-	-	-	-	-	
35	Novelis Switzerland SA *	Switzerland	INR	34.50	2,084.43	3,118.45	989.53	-	4,516.14	578.96	93.08	485.88	-	100.00
			Francs	5.00	303.57	451.99	143.42	-	671.18	86.04	13.83	72.21	-	
36	Novelis Laminés France SAS *	France	INR	23.39	23.37	51.96	5.20	-	9.31	1.46	0.42	0.14	-	100.00
			Euro	3.10	3.10	6.89	0.69	-	1.29	0.20	0.06	0.14	-	
37	Novelis Italia SPA *	Italy	INR	724.43	(219.47)	952.70	447.74	-	1,393.04	8.87	2.44	6.43	-	100.00
			Euro	96.00	(29.08)	126.25	59.33	-	192.79	1.23	0.34	0.89	-	
38	Novelis Aluminium Holding Company *	Ireland	INR	22.64	1,246.41	6,706.84	5,437.79	-	3.62	(285.19)	12.96	(298.15)	-	100.00
			Euro	3.00	165.17	888.78	720.61	-	0.50	(39.47)	1.79	(41.29)	-	
39	Eurofoil Inc. (USA) (New York) *	USA	INR	-	-	-	-	-	-	-	-	-	-	-
			USD	-	-	-	-	-	-	-	-	-	-	
40	Novelis Global Employment Organization Inc *	USA	INR	-	1.98	1.98	-	-	-	-	-	-	-	100.00
			USD	-	0.30	0.30	-	-	-	-	-	-	-	
41	Novelis PAE SAS *	France	INR	30.49	98.76	307.41	178.16	-	105.79	8.76	0.48	8.28	-	100.00
			Euro	4.04	13.09	40.74	23.61	-	14.64	1.21	0.07	1.14	-	
42	Novelis Europe Holdings Limited *	Wales	INR	325.29	1,896.81	3,797.94	1,575.84	-	4.45	(125.81)	-	(125.81)	-	100.00
			USD	49.10	286.29	573.23	237.84	-	0.68	(19.23)	-	(19.23)	-	
43	Novelis AG (Switzerland) *	Switzerland	INR	6.90	1,356.01	4,912.53	3,549.62	-	3,831.98	(108.12)	1.96	(110.08)	-	100.00
			Francs	1.00	196.54	712.02	514.48	-	569.50	(16.07)	0.29	(16.36)	-	
44	Logan Aluminium Inc. (Delaware) *	USA	INR	0.00	(31.21)	1,529.41	1,860.62	-	2,644.09	3.27	3.02	0.25	-	40.00
			USD	0.00	(49.99)	230.84	280.83	-	404.20	0.50	0.46	0.04	-	
45	ALBRASILUS - Alumínio do Brasil Industria e Comércio Ltda *	Brazil	INR	-	-	-	-	-	-	-	-	-	-	-
			Reals	-	-	-	-	-	-	-	-	-	-	
46	Novelis Holdings Inc	USA	INR	-	1,925.21	1,925.23	0.02	-	-	21.40	(853.39)	374.79	-	100.00
			USD	-	290.58	290.58	0.00	-	-	3.27	(54.02)	57.29	-	
47	8018227 Canada Inc. *	USA	INR	-	(241.99)	2,330.53	2,572.52	-	-	(100.86)	2.79	(103.65)	-	100.00
			USD	-	(36.52)	351.75	388.28	-	-	(15.42)	0.43	(15.85)	-	
48	8018243 Canada Limited *	USA	INR	-	-	-	-	-	-	-	-	-	-	-
			USD	-	-	-	-	-	-	-	-	-	-	
49	Novelis Delaware LLC *	USA	INR	-	-	-	-	-	-	-	-	-	-	-
			USD	-	-	-	-	-	-	-	-	-	-	
50	Novelis Acquisitions LLC *	USA	INR	-	-	-	-	-	-	-	-	-	-	100.00
			USD	-	-	-	-	-	-	-	-	-	-	
51	Novelis Sheet Ingot GmbH (Germany) *	Germany	INR	150.92	-	1,696.17	1,545.25	-	414.68	(205.36)	-	(205.36)	-	100.00
			Euro	20.00	-	224.77	204.77	-	57.39	(28.42)	-	(28.42)	-	
52	Novelis MEA Ltd (Dubai) *	UAE	INR	6.04	124.62	943.79	813.12	-	2,818.09	75.34	-	75.34	-	100.00
			USD	0.91	18.81	142.45	122.73	-	430.80	11.52	-	11.52	-	

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

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
53	Novelis (Shanghai) Aluminum Trading Company*	China	INR	22.72	81.74	189.27	84.80	-	394.11	39.60	9.90	29.70	-	100.00
			CNY	22.14	79.65	184.43	82.64	-	381.63	38.35	9.59	28.76	-	
54	Novelis (China) Aluminum Products Co. Ltd.*	China	INR	364.42	(90.11)	1,287.04	1,012.73	-	199.68	(69.31)	(15.82)	(53.49)	-	100.00
			CNY	355.11	(87.80)	1,254.14	986.83	-	193.36	(67.12)	(15.32)	(51.80)	-	
55	Novelis Vietnam Company Limited (Vietnam)*	Vietnam	INR	6.25	27.41	161.70	128.05	-	425.17	23.96	5.25	18.70	-	100.00
			Dong	20,820.00	91,368.31	539,010.53	426,822.22	-	1,417,226.98	79,852.14	17,513.37	62,338.77	-	
56	Novelis Asia Holdings (Singapore)*	Singapore	INR	-	-	-	-	-	-	-	-	-	-	-
			SGD	-	-	-	-	-	-	-	-	-	-	-
57	Novelis Services (North America) Inc.*	USA	INR	-	-	0.01	0.01	-	-	-	-	-	-	100.00
			USD	-	-	0.00	0.00	-	-	-	-	-	-	
58	Brecha Energetica Ltda*	Brazil	INR	0.00	-	0.00	-	-	-	-	-	-	-	99.99
			Reais	0.00	-	0.00	-	-	-	-	-	-	-	
59	Brito Energetica Ltda*	Brazil	INR	0.00	-	0.00	-	-	-	-	-	-	-	99.99
			Reais	0.00	-	0.00	-	-	-	-	-	-	-	
60	Hindalco Guinea SARL*	South Africa	INR	0.01	(0.01)	0.01	0.00	-	-	0.00	-	0.00	-	100.00
			USD	0.00	(0.00)	0.00	0.00	-	-	0.00	-	0.00	-	
61	Hindalco Do Brazil Industria Comercio de Alumina LTDA - (e)*	Brazil	INR	254.98	(269.23)	223.00	237.25	-	193.11	(86.79)	-	(86.79)	-	100.00
			Reais	104.65	(112.38)	120.94	128.67	-	105.03	(47.20)	-	(47.20)	-	
62	Utkal Alumina Technical & General Services Ltd.@	India	INR	0.05	(0.01)	0.04	0.00	-	-	(0.00)	-	(0.00)	-	100.00

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

^ Subsidiary of Aditya Birla Minerals Limited

Subsidiary of AV Minerals (Netherlands) N.V.

Subsidiary of AV Metals Inc.

@ Subsidiary of Utkal Alumina International Limited.

Details	FC to INR			FC to USD		
	Avg for the year	Closing as of 31-March-16	Details	Avg for the year	Closing as of 31-March-16	
AUD	48.1417	50.7878	CHF	1.029138	1.041341	
CAD	49.8330	51.0872	EUR	1.104614	1.138950	
CHF	67.2866	68.9941	GBP	1.508201	1.437450	
EUR	72.2575	75.4611	JPY	0.008335	0.008889	
GBP	98.6021	95.2382	CNY	0.157966	0.154892	
JPY	0.5455	0.5890	BRL	0.281763	0.278296	
NOK	7.9085	8.0124	SGD	0.721934	0.741922	
SGD	47.2037	49.1561	SEK	0.118214	0.123245	
USD	65.4151	66.2550	KRW	0.000866	0.000873	
CNY	10.3272	10.2624	MYR	0.248287	0.256148	
BRL	18.3865	18.4385	VND	0.000045	0.000045	
SEK	7.7330	8.1656				
KRW	0.0566	0.0579				
MYR	16.2177	16.9711				
VND	0.0030	0.0030				

Name of subsidiaries which have been liquidated or sold off during FY 16

Aditya Birla Chemicals (India) Limited	Merged with Grasim Industries Ltd. w.e.f. 1st April, 2015
Aditya Birla Chemicals (Belgium) BVBA	Merged with Grasim Industries Limited w.e.f. 1st April, 2015
Birla MT Gordon Pty Limited	Disposed of on 27 th October, 2015
Aluminum Upstream Holdings LLC (Delaware)	Amalgamated with Novelis South America Holding LLC w.e.f. 2 nd December, 2015
Al Doccom Sdn Berhad	Dissolved w.e.f. 21 st January, 2016
Eurofill Inc. (USA) (New York)	Amalgamated with Novelis PAE Corporation w.e.f. 1st Nov, 2015
Novelis Global Employment Organization Inc	Formerly known as Novelis PAE Corporation change w.e.f. 15 th December, 2015
ALBRASILIS - Alumínio do Brasil Industria e Comércio Ltda	Dissolved 18 th November, 2015
8018243 Canada Limited	Amalgamated with Novelis Inc w.e.f. 31 st March, 2016
Novelis Delaware LLC	Amalgamated with Novelis Inc w.e.f. 31 st March, 2016
Novelis Asia Holdings (Singapore)	Struck off w.e.f. 17 th March, 2016

Name of subsidiaries which are yet to commence operations during FY 16

- 1 Mauda Energy Limited
- 2 Tubed Coal Mines Limited
- 3 East Coast Bauxite Company Private Limited
- 4 Suwas Holdings Limited
- 5 Utkal Alumina Technical and General Services Ltd
- 6 Birla Maroochydore Pty Ltd
- 7 Birla Resources Pty Ltd
- 8 Al Doccom Sdn. Berhad
- 9 Novelis South America Holdings LLC
- 10 Aluminum Upstream Holdings LLC (Delaware)
- 11 Novelis Aluminium Beteiligungs GmbH
- 12 Novelis PAE Corporation (Delaware)
- 13 ALBRASILIS - Alumínio do Brasil Industria e Comércio Ltda
- 14 Novelis Asia Holdings (Singapore)
- 15 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		Network to Shareholding as per latest audited balance sheet (₹ in crore)	Profit/Loss for the year			Base on why the associate/joint venture is not considered
			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	
Associates									
1	Aditya Birla Science and Technology Company Private Limited	31-Mar-16	9,800,000	9.80	11.14	(1.05)		Note A	
2	Idea Cellular Limited	31-Mar-16	228,340,226	228.34	1,634.15	195.33		Note A	
3	Associates of Novellis Inc. @	31-Mar-16	-	-	-		Note B	Note B	Note B
Joint Ventures									
1	Mahan Coal Limited ©	31-Mar-16	195,750,000	195.75	172.91	(0.63)		Note A	
2	Hydromine Global Minerals (GMBH) Limited ©	31-Mar-16	64,650	0.34	0.31	(0.01)		Note A	
3	MNH Shakti Limited ©	31-Mar-16	12,765,000	12.77	12.69			Note A	

@ Associates of Novellis Inc., includes following companies for which separate information is not available
 Aluminium Norr GmbH
 Deutsche Aluminium Verpackung Recycling GMBH
 France Aluminium Recyclage SA

© Operations not started yet.
 Note A : There is significant influence due to percentage holding of share capital
 Note B : Non-availability of 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 : 21st July, 2016

For and on behalf of the Board of
 Hindalco Industries Limited

Kumar Mangalam Birla – Chairman

DIN-00012813

D. Bhattacharya – Managing Director

DIN-00033553

M.M. Bhagat – Director

DIN-00006245

Praveen Kumar Maheshwari

CFO

Anil Malik

Company Secretary

SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

At the Aditya Birla Group, we endeavour to become the leading Indian conglomerate for sustainable business practices across our global operations by 2017.

To achieve this vision, we are innovating from the traditional sustainability models to one consistent with our vision to build sustainable businesses capable of operating in the world we hope to see emerge in 2030 and 2050. It is in our own interests, to contribute to mitigate our impact in every way we can, and also prepare for further mitigation and potential adaptation to planetary changes as we go forward.

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, stress plus pollution and an overload of waste, if left unchecked, would set the planet on a possibly irreversible course to un-sustainability. It is therefore intuitive that laws be tightened over time and imperative that the Aditya Birla Group remain ahead of the curve.

Our first step has been to set up a sustainability programme in our current operations, under the heading “Responsible Stewardship”. By doing so, we try to move from merely following local laws to aligning ourselves voluntarily with 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) and others. We are working hard to develop and improve our management systems and their performance by making sure that they conform to the Aditya Birla Group’s Sustainability Framework of Policies, Technical Standards, and Guidance Notes by giving our employees the chance to train, learn, understand, and apply improvement techniques to 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 a platform for the future.

However, if we are to create sustainable business models and systems, “Responsible Stewardship” by itself is not enough and we need other components

to help us with a greater transformation. We need to understand how many laws will need to change in order to support a sustainable world. Our performance will need to be improved further to meet these laws, possibly by redesigning our business models. We call this “Future Proofing” our businesses. This has two components; the first, we call “Strategic Stakeholder Engagement” which involves scanning the time horizon for disruptions by discussing the global megatrends with experts in the fields of climate, water, human rights, supply chain management, biodiversity transparency and reporting, in order to understand what constraints might be placed on our businesses by 2030 and 2050. By doing so, we are able to build our capability 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. The second part of our “Future Proofing” programme is to test our current business models and strategies against various scenarios designed to simulate what the world will potentially look like in 2030 and 2050. To achieve these results, sustainable businesses will take time, particularly when we consider some of our complex supply chains. By pushing to be the leader today, we are giving ourselves the best possibility of achieving long term success.

It is interesting to note that nowhere are sustainable strategies more important than in the land masses of India, China and South East Asia, because over half the population of the planet lives there. 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 sustainable development not just a business “nice to do” but has also become a central business imperative because, “Businesses cannot survive on a planet that fails”.

Business through Sustainability – the Hindalco Way

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. Our business is geared to ride on these changing patterns and today boasts of a de-risked portfolio through a strong accent on conversion business.

By virtue of being the only integrated aluminium producer in India, we also have a strong commitment towards product development. We have 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 our business. Hindalco follows holistic approach to address the multi-dimensional facets of resource sustainability throughout the value chain. As we continue to serve the increased demands of the society for sustainable metals, we recognize the limited availability of resources and impacts of resource extraction. Our strategy is to have a good mix of captive sources as well as long-term sourcing arrangement based on long term cost and sustainability parameters. Our mining practices, regeneration activities and community engagement are aimed at minimizing 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. We believe systems and work practices are critical in conserving resources, energy and environment and ensuring health and safety.

Aluminium is a 100% recyclable metal and does not degrade in quality on recycling. Our wholly owned subsidiary Novelis Inc presently uses 50% of input in the form of recycled scrap a sharp jump from 39% during the last year. It also announced the commercial debut of Evercan™ high recycled-content aluminium beverage can sheet. Novelis has invested in major recycling initiatives, including advanced equipment and technology to process diversified scrap.

Energy Conservation and its efficient use continue to be one of the focus areas of your company. Your company has an Energy policy supported by a robust Energy Management Organization structure. Energy Audits, Quality Circles, OPEX Committees, Energy Conservation month, suggestion scheme are some among many efforts at plant level towards energy conservation. Through the Suggestion Scheme employees are encouraged, recognized and suitably rewarded to come up with energy savings ideas. All these measures ensure increased participation across the hierarchy.

PAT (Perform Achieve & Trade) scheme has been enacted and launched by the Bureau of Energy Efficiency (BEE) under the aegis of Ministry of Power, Government of India. Based on the threshold energy consumption norm, five units of the company were under cycle-1 of the scheme. Your Company had made detailed plan and executed number of projects to meet the Target set under cycle-1 of the scheme. The M&V (monitoring & verification) audit were carried out during

2015-16 and the actual overall reduction achieved is higher than the target.

Your company has initiated several projects on “Value from Waste” and “Emission Control through technological innovation”. This has resulted in re-use of Wastes and improvement in quality of emission from our process.

Strengthening of Safety Management System, Involvement of People, Effective Training and Periodic assessment to correct deviations has resulted in improvement of Safety Performance of the company. Our aim is Zero Fatality.

Your company has implemented various initiatives to reduce water consumption. This has resulted in 15 % reduction in Specific Water consumption in Aluminium Sector over last year.

We continue to maintain our thrust on inclusive growth as we believe in triple bottom line accounting and trusteeship management concept. We have carried out several projects aimed at development of neighbouring communities and society. Our focus areas are health care, education, sustainable livelihood, infrastructure and social reform.

Business Responsibility Report:

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular dated 4th November, 2015 issued by Securities and Exchange Board of India, those listed entities which have been submitting sustainability reports to overseas regulatory agencies/ stakeholders based on internationally accepted reporting frameworks need not prepare a separate report for the purpose of the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business, but only furnish the same to their stakeholders along with the details of the framework under which their Business Responsibility Report has been prepared and a mapping of the principles contained in the aforesaid guidelines to the disclosures made in their sustainability reports.

Hindalco has been publishing its Sustainability Report since FY11 on Global Reporting Initiative (GRI) Framework. The report for 2014-15 titled ‘Business through Sustainability’ has been rated as A+ rating based on Global Reporting Initiatives (GRI G 3.1) standards by an external independent assessing agency.

The Company will also publish its Sustainability Report for FY 2015-16. This will be hosted on our 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.

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

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, 2015 to 31st March, 2016			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	ITC Code	Product Description		
		7601	Aluminium Ingots		
		7606	Aluminium Rolled Products		
		7605	Aluminium Redraw Rods		
		740311	Copper Cathodes		
		740710	Continuous Cast Copper Rods		
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	(i) Aluminium Ingots / Rolled Products (ii) Copper Cathodes (iii) Concast Copper Rods			
9.	Total number of locations where business activity is undertaken by the Company	i. 5 major International Locations • USA • Germany • United Kingdom • Brazil • South Korea			
		ii. Number of National Locations: • 4 Aluminium; • 1 Copper Unit • 4 Chemical Units (including one unit of Utkal Alumina International Limited, wholly owned subsidiary of the Company) • 4 Power Units • 5 Rolled FRP • 2 Extrusions • 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)	₹ 206.52 crore
2.	Total Turnover (INR)	₹ 34,317.66 crore
3.	Total Profits after taxes (INR)	₹ 607.25 crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR was ₹ 34.15 crore in FY 16 which is 2.2% 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, 2016, the Company has 55(fifty five) subsidiaries - 13 (thirteen) domestic and 42 (forty two) foreign.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):
Hindalco's Sustainability Report covers the India Operations including Greenfield Projects, along with overseas subsidiary Novelis Inc. Further, Novelis Inc., also publishes Sustainability Report based of Global Reporting Initiative (GRI) framework.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?
At present, suppliers and distributors with whom the Company does business, do not participate in the Business Responsibility initiatives of the Company directly.

Section D: BR Information

1. Details of Director/Directors responsible for BR:
 - a) Details of the Director/Director responsible for implementation of the BR policy/policies

DIN Number	00013496
Name	Mr. Jagdish Khattar
Designation	Independent Director

b) Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	N.A.
2.	Name	Mr. Anil Malik
3.	Designation	President & Company Secretary
4.	Tel: No.	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 the these principles to the disclosures will form part of the Sustainability Report 2015-16, which will be available on our website www.hindalco.com.

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CORPORATE GOVERNANCE REPORT

GOVERNANCE PHILOSOPHY

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

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

Compliance with Corporate Governance Guidelines

The Company is fully compliant with the requirements of the prevailing and applicable Corporate Governance Code. Your Company's compliance with these requirements is presented in the full Annual Report.

BOARD OF DIRECTORS

Composition of the Board

Your Company's Board comprises of 8 Non Executive Directors as on 31st March, 2016 with considerable

experience in their respective fields. Of these, 5 Directors are Independent Directors. Regulation 17, of the SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015 the 'Listing Regulations' requires that the Board of Directors of the company shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors comprising non-executive directors. Further where the regular non-executive Chairman is a promoter of the company or is related to any promoter or person occupying management positions at the Board level or at one level below the Board, at least one-half of the Board of the company shall consist of independent directors and we are in compliance with the same.

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

The details of the Directors with regard to outside directorships and committee positions as at 31st March, 2016 are as follows :

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

Includes Directorship in seven listed companies and one unlisted company.

¹ Independent Director means a director defined as such under Regulation 16 of the Listing Regulations and Section 149 of the Companies Act, 2013.

² Mr. A. K. Agarwala was an Executive Director till 10th September 2003. Thereafter, he has moved to other responsibilities in the Aditya Birla Group.

³ Appointed as an Independent director w.e.f. 14th August, 2015.

⁴ Excludes Directorship held in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

⁵ Represents only membership/chairmanship of Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies.

⁶ No other Director is related to any other Director on the Board except for Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla who are son and mother respectively.

⁷ Ceased as Director w.e.f. 6th June, 2015 due to demise.

Board's functioning and Procedure

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

Board Meetings

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

Since the Companies Act, 2013, read with the relevant rules made thereunder, facilitates the participation of

Director in Board/Committee Meetings through video conferencing or other audio visual mode the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing.

The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion. The details of Board meetings held during FY 2015-2016 are as outlined below:

Date of Board Meeting	City	No. of Directors Present
28 th May, 2015	Mumbai	6 out of 10
14 th August, 2015	Mumbai	7 out of 10
16 th September, 2015	Mumbai	9 out of 10
10 th November, 2015	Mumbai	9 out of 10
9 th February, 2016	Mumbai	10 out of 10

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

Name of Director	No of Board Meetings		Attended Last AGM [@]
	Held	Attended	
Mr. Kumar Mangalam Birla	5	5	Yes
Mrs. Rajashree Birla	5	3	Yes
Mr. A.K. Agarwala	5	5	Yes
Mr. M.M Bhagat	5	5	Yes
Mr. K.N Bhandari	5	5	Yes
Mr. Jagdish Khattar	5	4	Yes
Mr. Ram Charan	5	1	No
Mr. Y.P. Dandiwala ¹	5	3	Yes
Mr. D. Bhattacharya	5	5	Yes
Mr. Satish Pai	5	5	Yes

@ AGM held on 16th September, 2015

1. Inducted as an Independent Director w.e.f 14th August, 2015

PERFORMANCE EVALUATION OF BOARD

A formal evaluation mechanism is in place for evaluating the performance of the Board, Committees, individual directors and Chairman of the Board.

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing

Obligations and Disclosures Requirement) Regulations, 2015, the Directors have 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 and Chairman of the Board. 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.

INDEPENDENT DIRECTOR'S MEETING

During the year under review, the Independent Directors met on 9th February, 2016 without the presence of non independent directors and members of the management interalia to discuss:

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All new Independent Directors inducted on the Board are given an orientation. Induction and training A letter of appointment together with an induction kit is given to Independent Directors at the time of their appointment setting out their roles, functions, duties and responsibilities. The Directors are familiarised with your Company's business and its operations. Interactions are held between the Directors and senior management of your Company. Directors are familiarised with the organisational set-up, functioning of various departments, internal control processes and relevant information pertaining to your Company. They are periodically updated on the industry scenario,

changes in regulatory framework and the impact thereof on the working of your Company.

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

COMMITTEES OF THE BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Constitution of Audit Committee and its functions

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

The Committee comprises of three Non Executive Directors, all of whom are Independent Directors. Due to the death of Mr. N. J. Jhaveri, member of the Audit Committee, the Committee was reconstituted with the following members:

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

During the year, the Audit Committee met 4 times i.e on 28th May, 2015, 14th August, 2015, 10th November, 2015 and 9th February, 2016 to deliberate on various matters. The attendance of each Audit Committee members are as follows:

Name of Audit Committee Members	No of meetings Attended
Mr. M.M Bhagat	4
Mr. K.N Bhandari	4
Mr. Y.P. Dandiwala [@]	2

@ Appointed w.e.f. 14th August, 2015

1. The Chairman of the Audit Committee, Mr. M.M. Bhagat was present at the last Annual General Meeting of your Company held on 16th September, 2015.
2. Mr. D. Bhattacharya, Managing Director, Mr. Satish Pai, Deputy Managing Director and Mr. Praveen Kumar Maheshwari, CFO are the permanent invitees to the Committee.
3. Mr. Anil Malik, Company Secretary, is the Secretary to the Committee.

Role of Audit Committee:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed and effectiveness of audit process;

9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

B. The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

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SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

CORPORATE GOVERNANCE REPORT

SHAREHOLDER INFORMATION

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6. Statement of deviations:

- a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations .
- b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations .

STAKEHOLDER'S RELATIONSHIP COMMITTEE

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

Due to the demise of Mr. N.J. Jhaveri the Committee was reconstituted with the following members:

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

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

During the year under review, the Committee met four times i.e on 28th May, 2015, 14th August, 2015, 10th November, 2015 and 9th February, 2016 to deliberate on various matters referred above. Details of attendance by Directors for the Committee meetings are as follows:

Name of the Director	Held	Attended
Mr. K.N Bhandari	4	4
Mr. M.M Bhagat	4	4
Mr. A.K. Agarwala [@]	4	2

[@] Inducted as a member w.e.f 14th August, 2015

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

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

Details of complaints received, disposed off and pending during the year, number of shares transferred

during the year, time taken for affecting these transfers and the number of share transfers pending are furnished in the "Shareholder Information" section of this Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Directors of whom two are Independent. Due to the death of Mr. N.J. Jhaveri, member of the Committee, the Nomination and Remuneration Committee was reconstituted with the following members:

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

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

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

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

During the year under review, the Committee met twice i.e on 14th August, 2015 and 16th September, 2015 to deliberate on various matters referred above. The details of attendance of the members is as below:

Name of the Director	Held	Attended
Mr. M.M Bhagat	2	2
Mr. Kumar Mangalam Birla	2	2
Mr. K.N Bhandari [@]	2	1

[@] Inducted as a member w.e.f 14th August, 2015.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The CSR Committee comprises of four Directors of whom two are Non executive, one Independent and one Executive.

Due to the demise of Mr. N.J. Jhaveri the Committee was reconstituted with the following members:

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

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

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

- Formulate and Recommend CSR Policy to the Board indicating the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause(a);
- Provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

During the year under review, the Committee met twice i.e on 10th November, 2015 and 9th February, 2016 to deliberate on various matters referred above. The details of attendance of the members is as below:

Name of the Director	Held	Attended
Mrs. Rajashree Birla	2	2
Mr. A.K.Agarwala	2	2
Mr. D. Bhattacharya	2	2
Mr. Jagdish Khattar [®]	2	2

[®] Inducted as a Member w.e.f. 14th August, 2015

RISK MANAGEMENT COMMITTEE

The Company has a robust risk management framework to identify, monitor and minimise risk.

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

- Mr. A.K. Agarwala – Chairman
- Mr. D.Bhattacharya – Member
- Mr. Satish Pai – Member
- Mr. R.K. Kasliwal – Member
- Mr. Anil Mathew – Member

Mr. Anil Malik, Company Secretary acts as Secretary to the Committee.

During the year under review, the Committee met four times i.e on 25th May, 2015, 13th August, 2015,

5th November, 2015 and 6th February, 2016 to deliberate on various matters. Details of attendance by the Committee members are as follows:

Name of the Member	Held	Attended
Mr. A.K. Agarwala	4	4
Mr. D. Bhattacharya	4	4
Mr. R.K. Kasliwal	4	4
Mr. Satish Pai	4	1
Mr. Anil Mathew	4	4

Non Executive Director's Compensation and Disclosure

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

Remuneration of Directors and Others

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

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

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

For FY - 2015-16, the Board has approved payment of ₹ 2.0 Crores (Previous Year ₹ 4.0 Crores) as Commission to the Non- Executive Directors of the Company pursuant to the authority given by the shareholders at the Annual General Meeting held on 24th September, 2014 to pay Commission not exceeding 1% of the net profits of the Company to the Non Executive Directors of the Company. The Amount of Commission payable is determined after assigning weightage to attendance and the type of meeting and other responsibilities.

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

The details of Remuneration, fees paid etc. to Directors for the year ended 31st March, 2016**(a) Non- Executive Directors:**

Name of Director	Sitting Fees Paid (₹ in Lakhs)	Commission payable (₹ in Lakhs)	Total Amounts Paid/ Payable in 2015-16 (₹ in Lakhs)
Mr. Kumar Mangalam Birla	2.90	173.46	176.36
Mrs. Rajashree Birla	1.90	4.27	6.17
Mr. A. K. Agarwala	4.90	5.32	10.22
Mr. M. M. Bhagat	5.50	4.66	10.16
Mr. K. N. Bhandari	4.50	5.31	9.81
Mr. Ram Charan	0.50	1.85	2.35
Mr. Jagdish Khattar	2.40	2.87	5.27
Mr. Y. P. Dandiwala	2.00	2.27	4.27

Notes:

1. No Director is related to any other Director on the Board, except Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, who are son & mother respectively.
2. Your Company has a policy of not advancing any loan to its Directors except to Executive Director in the course of normal employment.
3. The Company has obtained shareholders' approval for payment of commission to its Non-Executive Directors & Independent Directors, not exceeding 1% of Net Profit of the Company.
4. Stock Options were not granted to any Non-Executive Directors.

(b) Paid to Executive Directors:

Executive Director	Relationship with other Directors	Remuneration paid during 2015-16			
		All elements of remuneration package i.e., salary, benefits, bonuses, pension etc.	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Mr. D. Bhattacharya Managing Director	None	₹ 13,02,08,282	₹ 6,87,62,000 See note (a)	See note (b)	See note (c)
Mr. Satish Pai Dy. Managing Director	None	₹ 9,26,37,586	₹ 4,69,61,000 See note (a)	See note (b)	See note (d)

- (a) Mr. D. Bhattacharya was paid a sum of ₹ 6,87,62,000 towards performance bonus linked to achievement of targets and Mr. Satish Pai was paid a sum of ₹ 4,69,61,000 towards performance bonus linked to achievement of targets.
- (b) The appointment is subject to termination by three months notice in writing on either side. No severance fee is payable to the Managing Director or Whole Time Director.
- (c) 17,97,030 stock options were granted on 23rd August 2007 & 25th January 2008 & 9th October, 2013 to Mr. D. Bhattacharya. These Stock Options are vested 25% each year over a period of 4 years from date of grant. The Managing Director was granted 8,27,482 restrictive stock units (RSU) on 9th October, 2013 which will be vested after expiry of three years from date of grant. 1,35,050 Options vested in him were exercised by Mr. D. Bhattacharya.
- (d) 7,82,609 stock options were granted on 9th October, 2013 to Mr. Satish Pai. These Stock Options are vested 25% each year over a period of 4 years from the date of grant.

All Directors have disclosed their shareholding in the Company. None of the Directors are holding any debentures of the Company.

Details of Shareholding of Directors as on March 31st, 2016 are as follows:

NAME OF THE DIRECTORS	SHARES (₹ 1 paid up)
Mr. Kumar Mangalam Birla	8,65,740
Mrs. Rajashree Birla	6,12,470
Mr. A. K. Agarwala	1,16,148
Mr. M. M. Bhagat	4,050
Mr. K. N. Bhandari	5,071
Mr. Y.P Dandiwala	206
Mr. Ram Charan	NIL
Mr. Jagdish Khattar	2,500
Mr. D. Bhattacharya	1,38,265
Mr. Satish Pai	30,000

Code of Conduct

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

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

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

We hereby confirm that :

All Directors and Senior Management have affirmed compliance with Code of Conduct for the financial year ended 31st March, 2016.

D. Bhattacharya
Managing Director

Place : Mumbai

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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

SUBSIDIARY COMPANIES

Your Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during previous financial year.

The company has adopted a policy for determining 'material' subsidiaries and the policy can be accessed on your Company's website viz: www.hindalco.com The Audit Committee reviews the financial statements and investments made by unlisted subsidiary companies once in a year. The minutes of the Board meetings as well as statements of all significant transactions of the unlisted subsidiary companies are placed before the Board for their review.

DISCLOSURES

(A) Related Party Transaction

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

(B) Non Compliances/Strictures/penalties Imposed

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

(C) Disclosure of Accounting Treatment

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

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 31st March, 2015, ₹ 250.33 crore and ₹ 2,165.80 crore have been adjusted against BRR in stand-alone and consolidated accounts respectively. During the year, following expenses has been adjusted with BRR in both accounts:

- (a) ₹ 279.46 crore towards expenses on exited Projects.
- (b) Impairment loss of ₹ 367.31 crore (Net of deferred tax ₹ 194.39 crore).
- (c) Provision of ₹ 35.50 crore towards diminution in value of investments.

Had the Scheme not prescribed aforesaid treatment, the impact on results and Earnings per Share (EPS) would have been as under:

- i) Standalone and Consolidated Net Profit for the year ended 31st March, 2016 lower by ₹ 682.27 crore.
- (ii) Standalone and Consolidated Basic and Diluted EPS for the year ended 31st March, 2016 lower by ₹ 3.30.

(D) Risk Management

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

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

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

(F) Remuneration of Directors

This is included separately in this Section.

(G) Management

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

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

(H) Shareholders

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

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

Whistle Blower Policy

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

Prevention of Sexual Harassment

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

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

During Fiscal 2016, the Company has received one complaint on sexual harassment, which has been substantiated and appropriate actions were taken.

There were no complaints pending for more than 90 days during the year.

CEO/CFO Certification

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

- A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. They have indicated to the auditors and the Audit committee:
 1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

REPORT ON CORPORATE GOVERNANCE

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

COMPLIANCE

A certificate from the Statutory Auditors confirming compliance with the conditions of Corporate

Governance as stipulated in Listing Regulations forms part of Annual Report.

GENERAL BODY MEETINGS

Details of Annual General Meetings:

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

Year	AGM	Location	Date	Time
2014-15	AGM	Birla Matushri Sabhagar	16 th September, 2015	3.00 p.m
2013-14	AGM	Ravindra Natya Mandir	24 th September, 2014	2.30 p.m
2012-13	AGM	Ravindra Natya Mandir	10 th September, 2013	2.30 p.m

In the last three years special resolutions were passed by shareholders.

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

MEANS OF COMMUNICATION

- Quarterly Results:

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

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

General Shareholder Information

Provided in the 'Shareholders Information' section.

Status of compliance of Non mandatory requirement

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Hindalco Industries Limited

We have examined the compliance of the conditions of Corporate Governance of M/s Hindalco Industries Limited ('the Company'), for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Regulation as applicable.

We state that such compliance is neither an assurance as 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 Registration No. 302049E

(RAJIV SINGHI)
Partner
Membership No. 053518

Camp: Mumbai
Dated: 28th May, 2016

1. Annual General Meeting
 - Date and Time : 14th September, 2016 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, 2016 : On or before 14th September, 2016
 - Financial reporting for the half year ending September 30, 2016 : On or before 14th December, 2016
 - Financial reporting for the quarter ending December 31, 2016 : On or before 14th February, 2017
 - Financial reporting for the year ending March 31, 2017 (Audited) : On or before 30th May, 2017
 - Annual General Meeting for the year ended March 31, 2017 : On or before 30th September, 2017
3. Dates of Book Closure : 8th September, 2016 to
14th September, 2016
4. Dividend Payment Date : On or After 14th September, 2016
5. Registered Office : Century Bhavan, 3rd Floor,
Dr. Annie Besant Road,
Worli, Mumbai - 400 030.
Tel: (91-22) 6662 6666
Fax: (91-22) 2422 7586 / 2436 2516
E-Mail: anil.malik@adityabirla.com
Website: www.adityabirla.com
CIN No. L27020MH1958PLC011238
6. a. Listing Details:

Equity Shares	Global Depository Receipts (GDRs)	Non-Convertible Debentures
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001. National Stock Exchange of India Limited “Exchange Plaza”, Bandra Kurla Complex Bandra (East), Mumbai – 400 051.	Societe de la Bourse de Luxembourg Societe Anonyme, RC B6222, B.P.165, L-2011, Luxembourg	National Stock Exchange of India Limited “Exchange Plaza”, Bandra Kurla Complex Bandra (East), Mumbai – 400 051.

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

- b. Overseas Depository for GDRs : J.P. Morgan Chase Bank
60 Wall Street, New York, NY 10260
Tel.: 1-302-552 0253
Fax: 1-302-552 0320

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c. Domestic Custodian of GDRs : Citibank N.A.
Custody Services
FIFC, 11th Floor, C54 & 55, G Block
Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051
Tel.: 91-22-61756895
Fax: 91-22-26532205

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

8. Details of Debenture issued:

Interest Payment Date	Interest	Series	Date of allotment	Tenure	Record Date	ISIN No.
25th April	Annually	9.55% Series (2012) – I	25 th April, 2012	10 Years	7 days prior to each interest and/or redemption payment	INE038A07258
27th June	Annually	9.55% Series (2012) – II	27 th June, 2012	10 Years	7 days prior to each interest and/or redemption payment	INE038A07266
2nd August	Annually	9.60% Series (2012) – III	2 nd August, 2012	10 Years	7 days prior to each interest and/or redemption payment	INE038A07274

9. Stock Code:

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

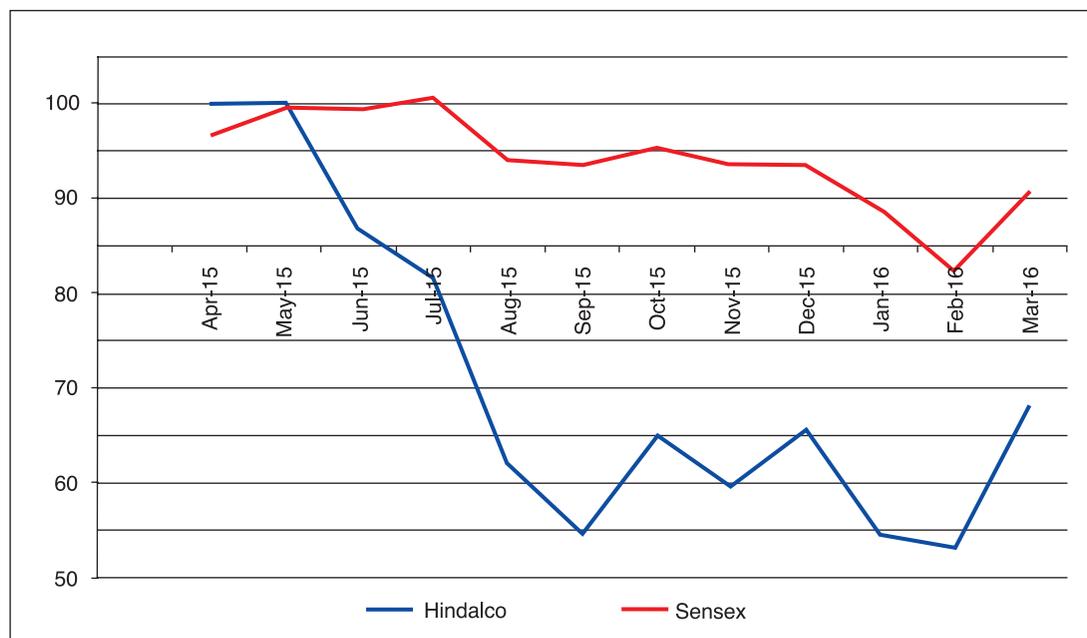
Stock Exchange	Reuters	Bloomberg
Bombay Stock Exchange	HALC.BO	HNDL IN
National Stock Exchange	HALC.NS	NHNDL IN
Luxembourg Stock Exchange (GDRs)	(GDRs)	HDCL LI

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

10. Stock Price Data

	Bombay Stock Exchange				National Stock Exchange				Luxembourg Stock Exchange		
	High	Low	Close	Volume	High	Low	Close	Volume	High	Low	Close
	(In ₹)			(In Nos)	(In ₹)			(In Nos)	(In US\$)		
March-16	92.70	68.60	87.90	3,22,61,530	92.50	68.60	87.95	29,84,83,120	1.37	1.02	1.33
February-16	72.10	58.85	68.65	3,25,25,278	72.20	58.80	68.75	22,28,47,294	1.06	0.89	1.01
January-16	85.80	66.50	70.55	2,66,54,051	85.90	66.35	70.50	14,40,01,922	1.26	0.94	1.04
December-15	86.00	73.05	84.75	2,36,69,127	86.00	73.00	84.75	17,87,29,971	1.29	1.10	1.28
November-15	84.50	73.30	77.05	3,19,48,479	84.40	73.20	77.05	18,78,76,260	1.28	1.11	1.16
October-15	92.65	70.25	84.05	3,42,91,429	92.40	70.25	84.05	21,71,45,241	1.40	1.08	1.29
September-15	79.80	67.55	70.65	2,26,00,271	79.60	67.50	70.80	16,93,19,786	1.19	1.03	1.08
August-15	112.00	75.50	80.05	2,49,44,816	112.25	75.25	80.05	15,98,58,829	1.73	1.18	1.21
July-15	114.70	99.20	105.20	1,15,32,303	114.60	99.05	105.20	11,00,18,198	1.78	1.60	1.65
June-15	129.85	111.10	112.00	1,11,58,197	129.80	111.00	111.90	10,31,22,521	2.03	1.70	1.77
May-15	145.00	128.50	129.15	1,22,87,503	145.10	128.55	129.25	11,01,64,819	2.23	1.94	2.02
April-15	141.80	127.50	129.05	1,22,94,277	141.70	127.05	128.60	12,65,23,486	2.27	2.01	2.03

11. Stock Performance:



12. Stock Performance over the past few years:

Absolute Returns (in %)			
	1YR	3YR	5YR
Hindalco	-31.8%	-4.0%	-57.9%
SENSEX	-9.4%	34.5%	30.3%
NIFTY	-8.9%	36.2%	32.6%

Annualised Returns (in %)			
	1YR	3YR	5YR
Hindalco	-31.8%	-1.3%	-15.9%
SENSEX	-9.4%	10.4%	5.4%
NIFTY	-8.9%	10.8%	5.8%

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

Investors Service Department

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

14. Share Transfer System : Share transfer in physical form are registered and returned within a period of 15 days of receipt, provided the documents are clear in all respects. Officers of the Company have been authorized to approve transfers up to 10,000 Shares in physical form under one transfer deed and one Director of the Company has been authorized to approve the transfers exceeding 10,000 shares under one transfer deed. The total number of shares transferred in the physical form during the year was 6,33,113.

Transfer Period (In days)	2015-16		
	No. of Transfers	%	No. of Shares
1-10	426	98.84	5,97,949
11-15	5	1.16	35,164
15 and above	0	0	0
Total	431	100	6,33,113

15. Investor Services

- a. Complaints received during the year:

Nature of complaints	2015-16		2014-2015	
	Received	Cleared	Received	Cleared
Relating to Transfers, Transmissions Dividend, Interest, Redemption, Demat – Remat, Rights Issue and Change of Address etc.	29	29	19	17*

*Note : In the last quarter for the year 2015, two complaints were pending due to non receipt of demand draft from bank towards dividend payment which were resolved in April 2015.

- b. Shares pending for transfer : Nil

16. Distribution of Shareholding:

No. of Equity Shares held	As on 31 st March, 2016			
	No. of Shareholders	% of Shareholders	No. of Shares held	% Shareholding
1-1000	3,63,093	92.42	6,28,80,487	3.05
1001-2000	13,936	3.55	2,07,76,564	1.01
2001-5000	9,477	2.40	3,03,34,259	1.47
5001-10000	3,348	0.85	2,40,21,594	1.16
10001-50000	2,338	0.60	4,63,05,399	2.24
50001-100000	201	0.05	1,41,13,923	0.68
100001 and above	495	0.13	1,86,65,53,534	90.39
Total	3,92,888	100.00	2,06,49,85,760	100.00

17. Dematerialisation of Shares and Liquidity : Around 98% of outstanding shares have been dematerialized. Trading in Hindalco Shares is permitted only in the dematerialized form.
18. Details on use of public funds obtained in 3 yrs : Not Applicable.
19. Outstanding GDR/Warrants/Convertible Bonds : 157,366,851 GDRs are outstanding as on 31st March, 2016. Each GDR represents one underlying equity share.
20. Commodity price risk or foreign exchange risk and hedging activities : Your Company hedges its foreign currency exposure in respect of its imports and exports as per its policies. Your company has constituted Risk Management Committee consisting of Directors/Executives of the Company. Your Company has commodity/Foreign exchange hedging from time to time considering various factors as per the policy of the Company.

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21 . Locations of Plants and Mines:

ALUMINIUM & POWER		COPPER
<p>Renukoot Plant* P.O. Renukoot -231217 Dist: Sonebhadra, Uttar Pradesh Tel: (05446) 252077-9 Fax: (05446) 252107/426</p> <p>Renusagar Power Division P. O. Renusagar Dist. Sonebhadra, Uttar Pradesh Tel: (05446)277161-3/278592-5 Fax: (05446) 277164</p> <p>Hirakud Smelter Hirakud 768 016 Dist: Sambalpur, Odisha Tel: (0663) 2481307/1452 Fax: (0663) 2481356</p> <p>Hirakud Power Post Box No.12 Hirakud 768 016 Dist: Sambalpur, Odisha Tel: (0663) 2481307 Fax: (0663) 2481342/365-2541642</p> <p>Mahan Aluminium Hindalco Industries Ltd. NH-75-E, Singrauli, Sidhi Road, P.O., Bargawan, Pin-486886, Dist: Singrauli, M.P. Telephone No. 07805281014</p> <p>Aditya Aluminium Hindalco Industries Ltd. Lapanga, Dist Sambalpur - 768212 Odisha Phone: 0663-2114424 Fax: 0663-2590434</p> <p>Gare Palma IV/4 Coal Mine Gare Palma IV/4 Coal Mine Post-Milupara, Tehsil-Tammar, Disst.- Raigarh-496001 (CG) (Chhattisgarh)-496107</p> <p>Gare Palma IV/5 Coal Mine Gare Palma IV/5 Underground Coal Mines Village & Post-Milupara Tehsil-Tamnar, Dist: Raigarh (Chhattisgarh)-496107</p>	<p>Kathautia Coal Mine Kathautia Open Cast Coal Mine (Koccm) Village-Kathautia, P.O.-Naudihia PS,-Pandwa, Dist: Palamau Jharkhand-822123</p> <p>Dumri Coal Mine 103, Commerce Tower Near Mahavir Tower, Main Road Ranchi-834001 Tel: (0651) 2330944/48 Fax: (0651) 2330782</p> <p>Muri Alumina Post Chotamuri-835 101 Dist: Ranchi Jharkhand Phone: (06522) 244253/334 Fax: (06522) 244342</p> <p>Belgaum Alumina Village Yamanapur Belgaum 590 010 Karnataka Tel: (0831) 2472716 Fax: (0831) 2472728</p> <p>Samri Mines Hindalco Colony Baba Chowk, Jashpur Mode AT/PO - Kusmi Dist. Balrampur - Ramanujganj Chattisgarh - 497224</p>	<p>Birla Copper Division P. O. Dahej Lakhigam Dist: Bharuch – 392 130, Gujarat Tel: (02641) 256004/06, 251009 Fax: (02641) 251002</p> <p>SHEET, FOIL, PACKAGING & EXTRUSIONS</p> <p>Belur Sheet 39, Grand Trunk Road Belurmath 711 202 Dist: Howrah, West Bengal Tel: (033) 2654 7210/12 Fax: (033) 2654 9982/5740</p> <p>Taloja Sheet Plot 2, MIDC Industrial Area Taloja A.V. Dist: Raigad Navi Mumbai - 410 208 Maharashtra Tel: (022) 2741 2261, 66292929 Fax: (022) 2741 2430/31</p> <p>Alupuram Extrusions Alupuram, P.B. No.30 Kalamassery-683 104 Dist: Ernakulam Kerala Tel: (0484) 2532441-48 Fax: (0484) 2532468</p> <p>Mouda Unit Village Dahali Ramtek Road Mouda Nagpur-441 104 Tel: (07115) 660777/786</p> <p>Hirakud FRP Hindalco Industries Limited Hirakud-768016 Dist- Sambhalpur Odisha Tel: (0663) 6625000 Fax No.(0663) 2481344</p> <p>Kollur Works Village Kollur Re Puram Mandal Via Mutangi Medak Dist Andhra Pradesh – 502 300 Tel: (08455) 288722 Fax: (08455) 288828</p>
CHEMICALS		
MINES		

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

22. Investor Correspondence : The Company Secretary
Hindalco Industries Limited
Century Bhavan, 3rd floor,
Dr. Annie Besant Road,
Worli, Mumbai - 400 030.
Tel: (91-22) 6662 6666
Fax: (91-22) 2422 7586 / 2436 2516
Email: anil.malik@adityabirla.com

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

Category of Shareholders	2016				2015			
	No. of Share holders	% of Share holders	No. of Shares held	% Share holding	No. of Share Holders	% of Share holders	No of Shares held	% Share holding
Promoters*	18	0.00	77,83,39,497	37.69	19	0.01	77,83,39,497	37.69
Mutual Funds & UTI	137	0.03	5,02,79,910	2.43	118	0.03	2,19,21,215	1.06
Banks/ Financial Institutions/Ins/Govt	107	0.03	33,82,76,455	16.38	109	0.03	25,92,06,345	12.55
FII's	428	0.11	40,29,76,872	19.52	467	0.14	57,42,32,113	27.82
Corporates	3,281	0.84	11,15,21,346	5.40	3,093	0.91	8,70,36,975	4.21
Individuals/Shares In Transit/Trust	3,80,842	96.93	19,61,82,633	9.51	3,27,569	96.73	15,61,68,089	7.56
NRIs/ OCBs/Foreign Nationals	8,074	2.06	4,45,84,505	2.16	7,279	2.15	4,31,88,169	2.09
GDRs	1	0.00	14,28,24,542	6.91	1	0.00	14,48,87,979	7.02
Total	3,92,888	100.00	2,06,49,85,760	100.00	3,38,655	100.00	2,06,49,80,382	100.00

*Includes GDRs held by Promoter Group Companies

24. Per share data:

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Net Earnings (₹ in Crore)	607	925	1,413	1,699	2,237
Cash Earnings (₹ in Crore)	1,884	1,762	2,236	2,403	2,927
EPS (₹)	2.94	4.48	7.09	8.88	11.69
CEPS (₹)	9.12	8.53	11.20	12.55	15.29
Dividend per share (₹)	1.00 [@]	1.00	1.00	1.40	1.55
Dividend pay out (%)	37.48 [@]	26.59	14.70	17.60	15.00
Book Value per share (₹)	1,79.51	1,80.41	1,77.92	1,77.44	1,67.31
Price to earning (x)*	29.90	28.83	20.00	10.30	11.10
Price to cash earning (x)*	9.60	15.14	12.70	7.30	8.50
Price to Book Value (x)*	0.49	0.72	0.80	0.50	0.80

*Stock Prices as on 31st March.

[@]proposed dividend

25. OTHER USEFUL INFORMATION FOR SHAREHOLDERS

Shareholders who have not yet encashed their dividend warrants for the years 2009-2010 to 2014-2015 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 2007-2008 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, as under the amended provisions of Section 205B of the Act, no claim shall lay for the unclaimed dividends from IEPF by the Members.

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
18 th September, 2009	2008-09	October, 2016
3 rd September, 2010	2009-10	October, 2017
23 rd September, 2011	2010-11	October, 2018
11 th September, 2012	2011-12	October, 2019
10 th September, 2013	2012-13	October, 2020
24 th September, 2014	2013-14	October, 2021
16 th September, 2015	2014-15	October, 2022

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

As you are aware, Rule 11 of Companies (Accounts) Rules, 2014 provide that in case of all listed Companies the Financial Statements may be sent by electronic mode to such members whose shareholding is in dematerialised format and whose e-mail IDs are registered with depository for communication purposes and by despatch of physical copies through any recognised mode of delivery as specified under Section 20 of the Companies Act, 2013 in all other cases.

Keeping in view the aforesaid green initiative, your Company has sent e-mail to the Shareholders, the Annual Report and other documents in electronic form at the e-mail address provided by them and made available to us by the Depository.

Unclaimed Shares in Physical Form

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

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

- Aggregate no of shareholders and outstanding shares lying in Unclaimed Suspense account lying as at 1st April, 2015:
4210 shareholders holding 13,09,322 equity shares.
- Number of shareholders who approached the issuer for transfer of shares from Unclaimed Suspense Account during the year.
29 shareholders consisting 12,370 equity shares.
- Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year.
29 shareholders consisting 12,370 equity shares.
- Aggregate number of shareholders and outstanding shares lying in Unclaimed Suspense Account as at 31st March, 2016.
4,181 shareholders holding 12,96,952 equity shares.

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.

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SOCIAL REPORT

“As a nation we have embarked on the journey of social change through inclusive growth. A shared sense of community through shared responsibilities, both by the Government and corporates, is apparent today. We have always been engaged in reaching out to communities through the spirit and culture of giving and caring, the spirit of compassion and service, which has been a legacy passed on from the Birla family, generation after generation. Our CSR activities are focused and strategic. We plough in resources, both financial and manpower where our work truly impacts the lives of the underprivileged. At the Aditya Birla Group level, through our outreach programmes, we pan out to 7.5 million people across 5,000 villages. Of this, Hindalco’s community engagement reaches out to a rural population of nearly 11.19 lakh, spread over 672 villages and 33 urban slums.”

— Mrs. Rajashree Birla

Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development

Our focus is on healthcare, education, sustainable livelihood, infrastructure and social reform.

Health Care:

This year we conducted 1,556 rural medical and awareness camps servicing 1,53,825 villagers. Among these feature family welfare camps, health check-ups for ailments such as malaria, filaria, 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, 19 dispensaries/clinics housed at Renukoot, Renusagar, Singrauli, Taloja, Lapanga, Belagavi, Dahej, Muri, Lohardaga, Samri, Alupuram, Kathautia and Durgmanwadi, over 1,46,970 patients were given the necessary medical attention.

Furthermore, our support extended to the Government-run primary health centres, where 1,83,477 patients were cared for. Our Samri Unit provided an incubator to the local Primary Health Centers.

Over 1,230 patients afflicted with chronic ailments were examined and medical advise/treatment given at Renukoot, Renusagar and Singrauli. In surgical camps 148 patients underwent surgeries.

At the Eye camps, conducted by us, 3,570 persons were treated. Of these, 503 patients at Lohardaga, Renukoot, Belagavi, Dahej, Hirkud and Belur were operated for cataract, and intra-ocular lens fitted for their vision.

For the differently abled, in 10 medical camps organised at Renukoot and Durgmanwadi 2,176 persons were tended. Among them 16 patients underwent polio corrective surgery and can now walk.

At dental check-up camps in Renukoot, Belur, Renusagar, Muri, Dahej, Mouda and Kollur 4,089 persons received treatment.

In Renukoot, Renusagar and Lohardaga, over 365 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 47 camps in Singrauli, Taloja, Belagavi, Lohardaga, Lapanga, Dahej, Kathauti, Renusagar and Renukoot on STD/RTI and AIDS awareness, 7,186 persons underwent tests and many were given treatment in line with the diagnosis.

In collaboration with the sickling cell of Rotary International, Sambalpur, we conducted 5 sickling detection and counselling camps. These benefitted 250 patients.

At Muri, 14 ambulances, for use in emergencies, have been allocated. Over 4,140 people have availed of this service.

We held 47 health check-up and blood grouping camps at schools in Samri, Lohardaga, Hirkud, Renukoot, Lapanga, Dahej, Muri, Belur, Kathautia and Belagavi. More than 6,508 school students were examined and taken care of.

At Hirakud and Renukoot 52 malnourished children are being provided nutritional support.

Mother and Child Health Care:

In collaboration with the District Health Department, over 2,24,941 children were immunised against polio. Further, more than 19,142 children were immunised against BCG, DPT and hepatitis B across your Company's units.

More than 1,00,281 expectant mothers and their children leveraged our 23 family welfare centres at Renukoot, Renusagar and Lohardaga to avail the services offered under our Safe Motherhood and Child Survival Programme.

Nearly 12,420 women participated in 372 camps on anti-natal, post-natal care, mass immunisation, nutrition and escort services for institutional delivery. These camps, organised at Renukoot, Samri and Lohardaga, form part of our reproductive and child health care programmes.

Our focused programme on adolescent health care covered 5,376 girls at Kanyashrams, Govt. Girls High Schools and Kasturba Gandhi Balika Vidyalayas.

As a result of our intensive motivational drive towards responsible family raising, 587 villagers opted for planned families at Renukoot, Lohardaga, Samri, Muri and Hirakud.

Safe Drinking Water and Sanitation:

This year we installed 89 hand pumps, repaired 901 hand pumps and dug wells. Consequently, more than 77,750 villagers have access to safe drinking water.

In the villages prone to water borne diseases, our Samri Unit provided 25 Life Straw Community Water Filters (recommended by WHO), to Anganwadis, Schools, Health Centres and common public places.

We constructed 111 toilets and repaired 10 school toilets to make them operational. Besides this, we availed of Government schemes and contributed from our own funds as well to build 4,287 toilets. We were able to act as catalysts and motivate 3,148 households to have sanitation facilities, leveraging Government schemes. Thus, we facilitated the construction of 7,546 individual toilets at Dahej, Lohardaga, Singrauli, Belagavi, Renukoot, Muri, Samri, Lapanga, Durgmanwadi and Taloja.

Education:

We run 40 Balwadis at Renukoot, Renusagar, Lohardaga, Samri, Durgmanwadi, Belagavi Kathautia and Singrauli. Through these, we have mentored 1,241 students from underprivileged families. We extend support to 75 Anganwadis at Renukoot, Singrauli,

Samri, Belur, Alupuram, Lohardaga Dahej and Kollur where 3,228 children are enrolled.

At our 10 Aditya Birla Public Schools at Renukoot, Renusagar, Dahej and Muri, we have enrolled 7,338 rural students. Additionally, 1,799 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 2,546 girls at the 12 Kasturba Gandhi Balika Vidyalayas (KGBV). This project operates in Renukoot, Belur, Lohardaga, Muri, Samri, Hirakud and Kathautia.

We have tied up with 28 primary schools under the Sarva Siksha Abhiyan (SSA) initiatives at Renukoot, Lohardaga, Dahej, Kathautia and Samri. Over 3,240 students in these schools have received technical support, study materials, school bags and uniforms.

Teacher support was extended to primary schools in Bharuch (Gujarat), Lohardaga, Gumla and Latehar districts of Jharkhand.

Under the 'Shala Praveshotsav' programme 14,210 students from Grade 1st to 8th in 73 schools of Bharuch district in Gujarat 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 11,756 students at most of our Units.

To encourage the spirit of excellence, 2,600 students from the rural schools supported by us were awarded scholarships and 100 girl students of class XI were given "Mahan Jyoti scholarship" of ₹ 1,000 each at Singrauli.

To address the issue of school dropouts, we organised 219 'meet the parent' counselling events at Renukoot, Lohardaga, Singrauli, Samri, Durgmanwadi Belagavi, Lapanga and Dahej. Through this process we managed to bring 607 students back to school. At the same time, we also began coaching classes for students weak in Maths, Science and English to enable them get through the exams.

In Lapanga, Singrauli, Alupuram, Dahej, Lohardaga, Garepalma and Samri mines, where the dropout rate among secondary level girl students is high, we provide bus services to encourage them continue their education.

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

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“Kishore-Kishori” clubs are being run through 30 centres at 30 villages in Muri. Up until now, 1,045 village youths have received formal training on personality development, leadership, communication, etc. We are also running 3 “Sanskar Kendras” at Singrauli and Lohardaga.

We have a roster of 2,053 students at 41 Non-Formal Schools run in Singrauli, Muri and Lohardaga. At our 6 adult literacy programmes at Renusagar, Singrauli and Lapanga 326 participants evinced keen interest.

At Renukoot, Renusagar, Belur, Muri, Singrauli, Durgmanwadi and Kollur, we conducted 6-month computer literacy programmes. These benefitted 570 rural students and helped to enhance their skills on various operating systems for self-development.

Our career counselling camps at Durgmanwadi, Singrauli, Renukoot, Lohardaga, Dahej and Belur saw the active participation of 4,239 aspiring students. Subsequently, many of them joined technical and vocational training programmes.

We organised sports and cultural programmes in more than 87 schools where 21,374 students participated.

We have constructed new school buildings at Singrauli (3) and Samri (1), one additional class room at Belagavi and Renukoot each, and repaired 11 school buildings.

Sustainable Livelihood:

On the agricultural front, we reached out to 19,411 farmers, to enable increase their productive. Training in crop diversification, advance cropping techniques and other processes to improve yield, floriculture, integrated pest management, and the post-harvest technology has been a value addition to their skills. These agri-based programmes were at Muri, Dahej, Singrauli, Lapanga, Renukoot, Renusagar and Lohardaga. At the “Kishan Mela” at Muri 8,850 farmers were actively involved.

More than 16,309 farmers were given agricultural tools, seeds, fertilisers and insecticides during the agriculture support programmes, organised at Renukoot, Renusagar, Singrauli, Samri, Lapanga, Hirakud and Lohardaga.

To comprehend contemporary cropping pattern and techniques, 46 farmers from Dahej and surrounding four villages were taken for an exposure visit to Nasik in Maharashtra. Similarly, 43 farmers from Renusagar went on a trip to Surabhi Sodh Sansthan, Chunar, UP, to learn more about watershed, dairy and drip-irrigation projects. Over 40 farmers from Singrauli were taken to Gram Sudhar Samiti, Siddhi, Jabalpur, MP, to study multi-cropping techniques and organic farming.

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 45 farmers club at Renukoot and Renusagar benefitting 1,052 farmers.

Agricultural farmland levelling, trench digging and construction of check dams at Renukoot, Renusagar, Singrauli, Samri, Belagavi and Dahej, benefitted 8,553 farmers. Additionally, 250 farmers were supported with lift and drip-irrigation facilities in villages at Renukoot, Singrauli and Lohardaga mines.

At Renukoot, Singrauli, Samri, Hirakud and Durgmanwadi, we have developed 30 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 9 biogas units at Singrauli and 1 at Renukoot. Lapanga has installed 9 solar street lights in two villages.

Under the carbon credit programme of DFID, Lapanga, we distributed 35 units of solar home light systems and smokeless wood stoves to SHG members. This programme directly benefitted 175 people.

Under the social forestry programme, we developed nurseries at Renukoot, Lohardaga, Samri and Singrauli, distributing saplings to 88,526 farmers.

Additionally, we have constituted 6 village development committees (VDCs) comprising of 70 members at Lapanga. Their function is similar to SHGs and they share the responsibility to steer the socio-economic and cultural development of the villages.

Through our farmer support initiatives, 43,413 animals were immunised in veterinary camps held at our units.

Vocational Training:

We provided vocational skills training to 7,841 people at Renukoot, Renusagar, Lohardaga, Muri, Hirakud, Lapanga, Singrauli, Belagavi, Kollur and Dahej.

We sponsored 173 students from Belagavi, Lohardaga, Renukoot and Singrauli to the ITI's/Pan ITIs for semi-skilled job-oriented training.

Self Help Group (SHG):

Across Hindalco, over 1,368 self-help groups empower 19,067 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 formed 204 new SHGs.

Infrastructure Development:

Our activities here continue. As in the past, we have helped the locals through building of check dams, bore wells, water harvesting structures, and approach roads, internal concrete roads in villages, drainage systems, river steps and maintaining bathing ghats. Alongside, we have constructed additional classrooms, repaired school buildings, and erected boundary walls, maintained play grounds and health centres, as also built community halls. Through our interventions, we have reached out to 1,95,902 people across all our units. At Renukoot, Lohardaga and Durgmanwadi, we have facilitated the electrification to 17 villages benefitting 2,168 inhabitants. In addition, we have provided 3 solar street lights at Samri and Renukoot, 9 solar lights at Renukoot, Singrauli, Lohardaga.

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. This year, our programmes reached out to 3,08,838 people.

Our Investment:

For the year 2015-16, our CSR spend was ₹ 34.15 crore, which is nearly 2.2% of the average net profit of the Company for the last 3 financial years. In addition, we mobilised ₹ 73.11 crore through 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.



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INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

TO THE MEMBERS OF HINDALCO INDUSTRIES LIMITED

We have audited the accompanying standalone financial statements of **HINDALCO INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements based on our 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 in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan, and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to

Note No. 43 of the Financial Statement, explaining that in compliance to the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956, approved by the Hon'ble Bombay High Court, vide order dated

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29th June, 2009, the management of the Company has, during the year, identified and adjusted following against Business Reconstruction Reserve:

- a. provision for diminution in the carrying value of Investments in one of its Subsidiaries and of a Jointly Controlled Entity aggregating to ₹ 35.50 crore,
- b. impairment loss of ₹ 561.70 crore (deferred tax of ₹ 194.39 crore) related to one of its cash generating units,
- c. expenses of ₹ 279.46 crore for exited project, against Business Reconstruction Reserve.

Had the above impact be considered the reported profit before tax and profit after tax of ₹ 732.61 crore and ₹ 607.25 crore, respectively, would have been converted in to loss before tax of ₹ 144.05 crore and loss after tax of ₹ 75.02 crore.

Our report is not qualified 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 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, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, 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'; 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 Auditors) Rules, 2014, 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 on its financial position in its financial statements – Refer Note 50A(a), c(iii) and c(iv) to the financial statements.
 - ii. the Company has long-term contracts including derivative contracts as at 31st March, 2016 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 ₹ 0.09 crore which are held in abeyance due to pending legal cases.

For SINGHI & CO.

Chartered Accountants
Firm Registration No. 302049E

(RAJIV SINGHI)

Partner
Membership No. 53518

Place : Mumbai
Date : 28th May, 2016

Annexure A referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

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) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased program designed to cover all items over a period of three 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 has 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 are held in the name of the Company, except in the following cases:

Particulars	Total Number of Cases	Whether Leasehold/ Freehold	Gross Block (as at 31st March, 2016) Amount	Remarks
Unit – Birla Copper Dahej Industrial Area, Lakhigam, Dahej, Taluka: Vagra, Dist: Bharuch (199.68 acre)	4	Leasehold	₹ 21.30 crore	Lease deed is pending
Unit – Birla Copper Block No: 42 Kesrol, Dist: Bharuch (6.13 acre)	1	Freehold	₹ 0.06 crore	Registration in the name of the Company is pending
Unit – Aditya Aluminium 12 Villages of Aditya Aluminium Project (253.29 acre)	1	Leasehold	₹ 57.94 crore	Lease deed is pending

- II. As per the information and explanations given to us, the inventories 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 paragraphs 3(III), 3(III)(a) to 3(III)(c) of the said order are not applicable.
- IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, 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 Sections 73, 74, 75 and 76 of the Act and Rules framed thereunder to the extent notified.
- VI. We have broadly reviewed the books of account maintained by the 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, however not 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, Wealth 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, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues were in arrears as at 31st March, 2016, for a period of more than six months from the date they became payable .

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- (b) According to the information and explanation given to us, the dues of Sales Tax, Income Tax, Duty of Custom, Wealth Tax, 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, 2016, are as under:

Name of the Statute	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	3.94	2003-2004, 2012-2013 to 2015-2016	The Hon'ble Supreme Court of India
		8.87	1986-1987, 1989-1990, 1991-1992, 1992-1993, 1999-2000 to 2003-2004, 2005-2006, 2006-2007	The Hon'ble High Court
		1.37	2002-2003, 2005-2006	Tribunal
		59.70	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	2.45	1989-1990 to 1995-1996, 2000-2001, 2009-2010, 2011-2012	The Hon'ble High Court
		157.74	1988-1990 to 2014-2015	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		178.94	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 Hon'ble High Court
		73.69	2002-2003 to 2013-2014	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		22.96	2004-2005 to 2013-2014	Asst Commissioner/Commissioner/ Revisionary Authorities Level
The Customs Act, 1962	Customs Act	22.78	2009-2010 and 2010-2011	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		5.29	2006-2007	Asst Commissioner/Commissioner/ Revisionary Authorities Level
The Income-tax Act, 1961	Income Tax	1,396.30	2008-2009 to 2011-2012	Commissioner of Income Tax (Appeals)
Adhoshanrachna Vikas Evam Parayavaran Upkar Adhinyam, 2005	Chhattisgarh Development and Environment Cess	0.27	2005-2006 to 2011-2012	The Hon'ble Supreme Court of India
Shakti Nagar Special Area Development Authority	Cess on Coal	3.98	1997-1998 to 2011-2012	The Hon'ble Supreme Court of India
The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act & Rules ("BOCW Act")	Cess	100.00	2011-2012	The Hon'ble Supreme Court of India
Green Cess	Cess	6.16	2012-2013 to 2015-2016	The Hon'ble Supreme Court of India

- 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. Further, as at the Balance Sheet date, the Company does not have any loans or borrowing from the Government.
- 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 of the Act.

- XII. The Company is not a Nidhi Company. Accordingly, paragraph 3(XII) of the Order is not applicable.
- XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable, and details of such transactions have been disclosed in the financial statements as required under Accounting Standard (AS)-18, Related Party Transactions.
- XIV. The Company has not made any preferential allotment or private placement of shares or fully or partly converted debentures during the year. Accordingly, paragraph 3(XIV) of the Order is not applicable to the Company.
- 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 him. Accordingly, paragraph 3(XV) of the Order is not applicable.
- 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 : 28th May, 2016

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 31st March, 2016, in conjunction with our audit of the 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 the 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.

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 the 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 applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical

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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 the 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 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 31 March, 2016, 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 : 28th May, 2016

Balance Sheet as at 31st March, 2016

		As at 31/03/2016	(₹ crore) As at 31/03/2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	'2'	206.52	206.52
Reserves and Surplus	'3'	36,861.37	37,048.74
		37,067.89	37,255.26
Non-Current Liabilities			
Long-Term Borrowings	'4'	23,896.04	22,973.85
Deferred Tax Liabilities (Net)	'5'	1,679.25	1,748.28
Other Long-Term Liabilities	'6'	577.86	474.63
Long-Term Provisions	'7'	553.94	455.90
		26,707.09	25,652.66
Current Liabilities			
Short-Term Borrowings	'8'	4,640.99	5,675.53
Trade Payables:	'9'		
Dues of Micro Enterprises and Small Enterprises		4.28	2.40
Dues of Creditors other than Micro Enterprises and Small Enterprises		3,939.72	3,649.25
Other Current Liabilities	'10'	2,499.75	2,678.13
Short-Term Provisions	'11'	1,266.97	1,087.41
		12,351.71	13,092.72
		76,126.69	76,000.64
ASSETS			
Non-Current Assets			
Fixed Assets:			
Tangible Assets	'12'	32,700.57	26,035.87
Intangible Assets	'13'	112.91	24.02
Capital Work-in-Progress		3,083.27	10,743.61
Intangible Assets under Development		0.33	0.02
		35,897.08	36,803.52
Non-Current Investments	'14'	14,797.33	14,781.75
Long-Term Loans and Advances	'15'	1,200.08	1,454.73
Other Non-Current Assets	'16'	80.08	31.44
		51,974.57	53,071.44
Current Assets			
Current Investments	'17'	7,669.53	6,468.93
Inventories	'18'	8,412.11	8,821.23
Trade Receivables	'19'	2,018.52	1,832.18
Cash and Bank Balances	'20'	217.82	984.18
Short-Term Loans and Advances	'21'	4,300.87	3,879.67
Other Current Assets	'22'	1,533.27	943.01
		24,152.12	22,929.20
		76,126.69	76,000.64

Significant Accounting Policies

'1'

The accompanying Notes are an integral part of the 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 : 28th May, 2016Praveen Kumar Maheshwari
CFOAnil Malik
Company SecretaryFor and on behalf of the Board of
Hindalco Industries LimitedKumar Mangalam Birla – Chairman
DIN-00012813
D. Bhattacharya – Managing Director
DIN-00033553
M.M. Bhagat – Director
DIN-00006245

Statement of Profit and Loss for the year ended 31st March, 2016

	Note No.	Year Ended 31/03/2016	Year Ended 31/03/2015	(₹ Crore)
INCOME				
Revenue from Operations:	'23'			
Gross Revenue from Operations		36,759.90	36,869.21	
Less: Excise Duty		2,442.24	2,344.18	
Net Revenue from Operations		34,317.66	34,525.03	
Other Income	'24'	1,066.21	882.21	
Total Income		35,383.87	35,407.24	
EXPENSES				
Purchases of Stock-in-Trade	'25'	1.48	37.04	
Cost of Materials Consumed	'26'	19,209.45	21,056.29	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	'27'	191.70	67.81	
Employee Benefits Expenses	'28'	1,698.06	1,589.48	
Power and Fuel	'29'	6,508.06	5,200.77	
Finance Costs	'30'	2,374.76	1,637.09	
Depreciation and Amortization	'31'	1,277.00	837.03	
Impairment Loss/(Reversal) (Net)	'32'	-	-	
Other Expenses	'33'	3,390.75	3,157.12	
Total Expenses		34,651.26	33,582.63	
Profit Before Exceptional Items and Tax		732.61	1,824.61	
Exceptional Items (Net)	'34'	-	577.70	
Profit Before Tax		732.61	1,246.91	
Tax Expenses:	'35'			
Current Tax		119.63	321.52	
MAT Credit Entitlement		(119.63)	(602.97)	
Deferred Tax		125.36	636.48	
Tax Adjustments for earlier years (Net)		-	(33.28)	
Profit for the year		607.25	925.16	
Earnings Per Share (EPS):	'36'			
Basic EPS (₹)		2.94	4.48	
Diluted EPS (₹)		2.94	4.48	

Significant Accounting Policies

The accompanying Notes are an integral part of the 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 : 28th May, 2016

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of
Hindalco Industries Limited

Kumar Mangalam Birla – Chairman
DIN-00012813
D. Bhattacharya – Managing Director
DIN-00033553
M.M. Bhagat – Director
DIN-00006245

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Cash Flow Statement for the year ended 31st March, 2016

	Year Ended 31/03/2016	(₹ crore) Year Ended 31/03/2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	732.61	1,246.91
Adjustments for:		
Finance Costs	2,374.76	1,637.09
Depreciation and Amortization	1,277.00	837.03
Impairment Loss/(Reversal) (Net)	-	-
Employee Share Based Payments	6.91	7.22
Provisions/Provisions Written-back (Net)	(9.40)	53.35
Unrealised Foreign Exchange (Gain)/Loss (Net)	(1.81)	49.19
Loss/(Gain) on Derivative Transactions (Net)	(101.95)	118.10
Loss/(Gain) on Assets held for Sale (Net)	(2.25)	8.36
Other Non-operating (Income)/Expenses (Net)	-	(361.11)
Investing Activities (Net)	<u>(1,019.56)</u>	<u>(553.75)</u>
Operating Profit Before Working Capital Changes	3,256.31	3,042.39
Changes in Working Capital:		
Inventories	470.03	376.91
Trade and Other Receivables	202.68	(1,290.84)
Trade and Other Payables	54.53	(849.38)
Cash Generation from Operation	3,983.55	1,279.08
Payment of Direct Taxes	<u>(386.92)</u>	<u>(249.81)</u>
Net Cash Generated/(Used) - Operating Activities	<u>3,596.63</u>	<u>1,029.27</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(1,332.92)	(2,073.35)
Sale of Fixed Assets	37.50	31.95
(Purchase)/Sale of Investments in Subsidiaries (Net)	(109.16)	(724.13)
Return of Capital from Subsidiary	-	1,393.96
(Purchase)/Sale of other Investments (Net)	(745.33)	594.53
Loans and Deposits Given/(Received back) (Net)	580.43	47.31
Interest Received	445.01	361.70
Dividend Received	166.05	49.90
Net Cash Generated/(Used) - Investing Activities	<u>(958.42)</u>	<u>(318.13)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Shares (Net of Expenses)	0.06	4.05
Proceeds from Long-Term Borrowings	3,542.58	7,972.50
Prepayment of Long-Term Borrowings	(2,542.58)	(6,922.50)
Repayment of Long-Term Borrowings	(234.11)	(498.89)
Proceeds/(Repayment) of Short-Term Borrowings (Net)	(996.00)	1,268.54
Finance Costs Paid	(2,372.63)	(2,424.89)
Dividend Paid (including Dividend Distribution Tax)	(225.12)	(241.27)
Net Cash Generated/(Used) - Financing Activities	<u>(2,827.80)</u>	<u>(842.46)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(189.59)	(131.32)
Add: Opening Cash and Cash Equivalents	303.57	434.89
Closing Cash and Cash Equivalents	<u>113.98</u>	<u>303.57</u>

Notes:

- The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS)-3 – “Cash Flow Statement”.
- Previous year figures have been regrouped/rearranged, wherever necessary.

As per our report annexed.

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

RAJIV SINGHI

Partner

Membership No. 53518

Place : Mumbai

Dated : 28th May, 2016

Praveen Kumar Maheshwari

CFO

Anil Malik

Company Secretary

For and on behalf of the Board of
Hindalco Industries Limited

Kumar Mangalam Birla – Chairman

DIN-00012813

D. Bhattacharya – Managing Director

DIN-00033553

M.M. Bhagat – Director

DIN-00006245

Notes forming part of the Financial Statements

1. Significant Accounting Policies:**A. Accounting Convention**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on an accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). All the assets and liabilities are classified as current or non-current as per the criteria set out in Schedule III to the Companies Act, 2013.

B. Use of Estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

C. Fixed Assets

- (a) Tangible Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price and any directly attributable cost of bringing the assets to its working condition and any obligatory decommissioning costs for its intended use.
- (b) Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Cost includes any directly attributable expenditure on making the asset ready for its intended use.
- (c) Machinery spares, which can be used only in connection with an item of Tangible Asset and whose use is not of regular nature, are written off over the estimated useful life of the relevant asset.
- (d) Certain directly attributable pre-operative expenses during construction period are included under Capital Work-in-Progress. These expenses are allocated to the cost of Fixed Assets when the same are ready for intended use.

D. Depreciation and Amortization

- (a) Depreciation on Tangible Assets, except leasehold land, has been provided using Straight-Line Method over the estimated useful life of the assets in a manner prescribed in Part C of Schedule II of the Companies Act, 2013, which is also in line with management estimated useful life. Leasehold lands are amortized over the period of lease on straight-line basis.
- (b) Intangible Assets, except Mining Rights, are amortized over their estimated useful lives on straight-line basis. Mining Rights are amortized over the period of lease on straight line basis or on the basis of production, proportional to mineral resources expected to be ultimately economically recoverable, whichever is higher.

E. Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over

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the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in the prior accounting period is reversed if there has been an improvement in recoverable amount.

F. Leases

Lease payments under an operating lease are recognized as expense in the Statement of Profit and Loss as per the terms of lease agreement.

G. Investments

- (a) Long-term investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.
- (b) Current investments are stated at lower of cost and fair value.

H. Inventories

- (a) Inventories of stores and spare parts are valued at or below cost after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Inventory of other items are valued 'at Cost or Net Realizable Value, whichever is lower'. Cost is generally determined on weighted-average cost basis and wherever required, appropriate overheads are taken into account. Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.
- (b) Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and enters into the determination of earnings when the inventory is sold.

I. Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year end balance of foreign currency monetary item is translated at the year end rates. Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized as income or expense in the period in which they arise. Foreign currency monetary items, which are used as hedge instruments or hedged items, are accounted as per accounting policy on derivative financial instruments.

J. Employee Benefits

Employee benefits of short-term nature are recognized as expense, as and when these accrue. Long-term employee benefits and post-employment benefits, whether funded or otherwise, are recognized as expense based on actuarial valuation at year end using the projected unit credit method. For discounting purpose, market yield of Government Bonds at the Balance Sheet date is used. Actuarial gains or losses are recognized immediately in the Statement of Profit and Loss.

K. Employee Share Based Payments

Equity settled stock options granted to employees pursuant to the Company's stock option schemes are accounted for as per the intrinsic value method prescribed by Employee Stock Option Scheme and permitted

by the SEBI guidelines and the Guidance Note on Share Based Payment issued by the Institute of Chartered Accountants of India (ICAI). The intrinsic value of the option, being excess of market value of the underlying share at the date of grant of option, over its exercise price is recognized as deferred employee compensation with a credit to Employee Stock Options Outstanding Account. The deferred employee compensation is amortized to Statement of Profit and Loss on straight-line basis over the vesting period of the option. In case of forfeiture of option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employees Stock Options Outstanding Account are transferred to the General Reserve.

L. Revenue Recognition

Sales revenue is recognized on transfer of significant risk and rewards of the ownership of the goods to the buyer and stated at net of trade discount and rebates. Dividend income on investments is accounted for when the right to receive the payment is established. Export incentive, certain insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

M. Borrowing Costs

Borrowing costs, directly attributable to the acquisition or construction of qualifying assets, are capitalized. Other borrowing costs are recognized as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on temporary investment of those borrowings is deducted from the borrowing costs incurred.

N. Taxation

- (a) Provision for current income tax is made in accordance with the Income-tax Act, 1961. Deferred tax assets and deferred tax liabilities are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- (b) 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 in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of credit to Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

O. Derivative Financial Instruments

- (a) The Company uses derivative financial instruments such as Forwards, Swaps, Options, futures, etc., to hedge its risks associated with foreign exchange fluctuations. Risks associated with fluctuations in the price of the products (e.g., Copper, Alumina, Aluminium, Coal and precious metals) are minimized by undertaking hedging using appropriate derivative instruments. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts. In some cases, the embedded derivatives may be designated in a hedge relationship. The fair values of all such derivative financial instruments are

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recognized as assets or liabilities at the Balance Sheet date. All such derivative financial instruments are used as risk management tools only and not for speculative purposes.

- (b) For derivative financial instruments and foreign currency monetary items designated as Cash Flow hedges, the effective portion of the fair value of the hedge instruments are recognized in Hedging Reserve and reclassified to 'Revenue from Operations', 'Cost of Materials Consumed' or 'Other Expenses' in the period in which the Statement of Profit and Loss is impacted by the hedged items or in the period when the hedge relationship no longer qualifies as cash flow hedge. In cases where the exposure gives rise to a non-financial asset, the effective portion is reclassified from Hedging Reserve to the initial carrying amount of the non-financial asset as a 'basis adjustment' and recycled to the Statement of Profit and Loss when and the manner in which the respective non-financial asset affects the Statement of Profit and Loss in future periods. The ineffective portion of the change in fair value of such instruments is recognized in the Statement of Profit and Loss in the period in which they arise. If the hedging relationship ceases to be effective or it becomes probable that the expected forecast transaction will no longer occur, hedge accounting is discontinued and the fair value changes arising from the derivative financial instruments are recognized in 'Other Expenses' in the Statement of Profit and Loss.
- (c) For derivative financial instruments designated as Fair Value hedges, the fair value of both the derivative financial instrument and the hedged item, are recognized in 'Revenue from Operations', 'Cost of Materials Consumed' or 'Other Expenses' in the Statement of Profit and Loss till the period the relationship is found to be effective. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, future gains or losses on the derivative financial instruments are recognized in 'Other Expenses' in the Statement of Profit and Loss.
- (d) If no hedging relationship is designated, the fair value of the derivative financial instruments is marked-to-market through the Statement of Profit and Loss and included in 'Other Expenses'.

P. Research and Development

Expenditure incurred during research and development phase is charged to revenue when no intangible asset arises from such research. Assets procured for research and development activities are generally capitalized.

Q. Government Grants

Government Grants are recognized when there is a reasonable assurance that the same will be received. Revenue grants are recognized in the Statement of Profit and Loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other capital grants are credited to Capital Reserve.

R. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized, or disclosure for contingent liability is made, when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

2. Share Capital:

	(₹ crore)	
	As at	
	31/03/2016	31/03/2015
Authorized:		
2,500,000,000 (Previous year 2,500,000,000) Equity Shares of ₹ 1/- each	250.00	250.00
25,000,000 (Previous year 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each	5.00	5.00
	255.00	255.00
Issued:		
2,065,539,406 (Previous year 2,065,534,028) Equity Shares of ₹ 1/- each - (a)	206.55	206.55
	206.55	206.55
Subscribed and Paid-up:		
2,065,532,009 (Previous year 2,065,526,631) Equity Shares of ₹ 1/- each fully paid-up	206.55	206.55
Less: Face Value of 546,249 (Previous year 546,249) Equity Shares forfeited	0.05	0.05
	206.50	206.50
Add: Forfeited Shares (Amount originally Paid up)	0.02	0.02
	206.52	206.52

(a) Issued Equity Share Capital includes 7,397 Equity Shares (Previous year 7,397 Equity Shares) of ₹ 1/- each issued on Rights basis kept in abeyance due to legal case pending.

(b) Reconciliation of Shares Outstanding at the beginning and at the end of the reporting period:

	2015-16		2014-15	
	Numbers	₹ crore	Numbers	₹ crore
Equity Shares Outstanding at the beginning of the period	2,064,980,382	206.50	2,064,587,868	206.46
Equity Shares Allotted pursuant to exercise of ESOP	5,378	-	392,514	0.04
Equity Shares Outstanding at the end of the period	2,064,985,760	206.50	2,064,980,382	206.50

(c) Rights, Preferences and Restrictions attached to Equity Shares:

The Company has one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(d) Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:

	31/03/2016		31/03/2015	
	Number of Shares Held	Percentage of Holding	Number of Shares Held	Percentage of Holding
IGH Holdings Private Limited	349,963,487	16.95	349,963,487	16.95
Turquoise Investment and Finance Pvt. Limited	124,012,468	6.01	124,012,468	6.01
Morgan Guaranty Trust Company of New York (represents GDRs)	157,366,851	7.62	159,430,288	7.72
Life Insurance Corporation of India and its Associate Funds	304,921,221	14.77	228,087,441	11.05

(e) Shares Reserved for Issue under Options:

The Company has reserved equity shares for issue under the Employee Stock Option Schemes. (refer Note No. 42 on "Employee Share Based Payment" for details of Employee Stock Option Schemes).

(f) **The Company during the preceding 5 years:**

- i. Has not allotted shares pursuant to contracts without payment received in cash.
- ii. Has not issued shares by way of bonus shares.
- iii. Has not bought back any shares.

3. Reserves and Surplus:

	(₹ crore)	
	As at	
	<u>31/03/2016</u>	<u>31/03/2015</u>
Capital Reserve		
Balance as at the beginning of the year	144.54	144.54
Capital Redemption Reserve		
Balance as at the beginning of the year	101.57	101.57
Business Reconstruction Reserve (refer Note No. 43)		
Balance as at the beginning of the year	8,397.04	8,494.33
Less: Adjusted during the year	<u>(682.27)</u>	<u>(97.29)</u>
Balance as at the end of the year	7,714.77	8,397.04
Securities Premium Account		
Balance as at the beginning of the year	4,890.89	4,885.24
Add: Premium on issue of shares under Employees Stock Option Scheme	<u>0.06</u>	<u>5.65</u>
Balance as at the end of the year	4,890.95	4,890.89
Debenture Redemption Reserve		
Balance as at the beginning of the year	450.00	300.00
Add: Created during the year	<u>150.00</u>	<u>150.00</u>
Balance as at the end of the year	600.00	450.00
Employee Stock Options Outstanding		
Balance as at the beginning of the year	14.08	8.43
Add: Compensation for the year - (a)	7.05	7.28
Less: Transferred to Securities Premium Account on exercise of Options	(0.01)	(1.63)
Less: Transferred to General Reserve on unexercised Options lapsed/ cancelled	<u>(0.74)</u>	<u>-</u>
Balance as at the end of the year	20.38	14.08
Hedging Reserve (refer Note No. 49 (g))		
Balance as at the beginning of the year	419.97	433.52
Gain/(Loss) recognized during the year	775.58	195.96
(Gain)/Loss recycled during the year	<u>(667.46)</u>	<u>(209.51)</u>
Balance as at the end of the year	528.09	419.97
General Reserve		
Balance as at the beginning of the year	21,351.30	21,408.34
Add: Transferred from Employee Stock Options Outstanding	0.74	-
Less: Depreciation on adoption of Schedule II	-	(57.04)
Balance as at the end of the year	21,352.04	21,351.30
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	1,279.35	750.00
Add: Profit for the year	607.25	925.16
Less: Transferred to Debenture Redemption Reserve	(150.00)	(150.00)
Less: Dividend on Equity Shares - (b)	(206.50)	(206.52)
Less: Dividend Distribution Tax - (b) & (c)	<u>(21.07)</u>	<u>(39.29)</u>
Balance as at the end of the year	1,509.03	1,279.35
	36,861.37	37,048.74

- (a) Includes ₹ 0.14 crore (Previous year ₹ 0.06 crore) relating to options granted to employees of a subsidiary of the Company which has been realised from that company.
- (b) Dividend on Equity Shares and Tax on Dividend include ₹ Nil (Previous year ₹ 0.02 crore) pertaining to previous year for Equity Shares issued before the record date of dividend.
- (c) Dividend Distribution Tax is net of ₹ 20.97 crore (Previous year ₹ 0.30 crore) being dividend distribution tax paid by subsidiaries.

4. Long-Term Borrowings:

	(₹ crore)					
	Non-Current Portion		Current Maturities *		Total	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Secured						
Debentures - (a)	6,000.00	6,000.00	-	-	6,000.00	6,000.00
Term Loans:						
From Banks - (b), (c), (d) & (e)	17,380.85	16,523.60	166.59	298.90	17,547.44	16,822.50
From Other Parties - (c) & (f)	514.27	449.25	62.63	57.96	576.90	507.21
Unsecured						
Deferred Payment Liabilities - (g)	0.92	1.00	0.08	0.33	1.00	1.33
	23,896.04	22,973.85	229.30	357.19	24,125.34	23,331.04

* Current maturities of long-term borrowings disclosed under the head "Other Current Liabilities".

- (a) Debentures comprise of the following:

	Amount	Redemption Date
30,000 9.55% Redeemable Non-Convertible Debentures of ₹ 10 lac each	₹ 3,000 crore	25 th April, 2022
15,000 9.55% Redeemable Non-Convertible Debentures of ₹ 10 lac each	₹ 1,500 crore	27 th June, 2022
15,000 9.60% Redeemable Non-Convertible Debentures of ₹ 10 lac each	₹ 1,500 crore	2 nd August, 2022

All the above Debentures are secured by all the moveable, both present and future (except moveable assets of Mahan Aluminium Project, Aditya Aluminium Project, Kalwa Plant, Silvassa Plant and Current Assets), and certain immovable properties of the Company.

- (b) During the year, the Company has refinanced outstanding Rupee Term Loan from Banks of ₹ 9,842.58 crore for Aditya Aluminium Project and extended the tenor of the loan.
- (c) Term Loans from Banks of ₹ 6,754.07 crore and from others of ₹ 99.25 crore are secured by a first ranking charge/mortgage/security interest in respect of all the moveable fixed assets of Mahan Aluminium Project and all the immovable properties of Mahan Aluminium Project, both present and future.

Out of this loan, ₹ 1,630.76 crore carry interest at the AXIS Bank's Base Rate plus 0.35% and balance loan of ₹ 5,222.56 crore carry interest at State Bank of India's base rate plus 0.50%. Original loan amount of ₹ 6,922.50 crore is repayable in 60 quarterly instalments commencing from 30th June, 2015 and ending on 31st March, 2030. The repayment in each financial year in percentage is 1, 1, 1, 3, 4, 6, 8, 8, 8, 10, 10, 10, 10, 10 and 10 of the original loan amount.

- (d) Term Loans from Banks of ₹ 9,793.37 crore is secured by a first ranking charge/mortgage/security interest in favour of State Bank of India, in respect of all the moveable and immovable fixed assets of Aditya Aluminium Project, both present and future.

The above loan carry interest at the State Bank of India's base rate plus 0.30%. Original loan amount of ₹ 9,842.58 crore is repayable in 60 quarterly instalments commencing from 1st December, 2015, and ending on 1st September, 2030. The repayment in each financial year in percentage is 0.5, 1, 1, 2, 3.5, 5, 7, 8, 8, 9, 10, 10, 10, 10, 10 and 5 of the original loan amount.

- (e) During the year, the Company has entered into an agreement with a group of Indian bankers for Term Loan of up to ₹ 2,000 crore out of which ₹ 1,000 crore has been drawn on 31st March, 2016. This loan of ₹ 1,000 crore (Axis Bank ₹ 150 crore, Central Bank of India ₹ 200 crore, IDFC Bank ₹ 250 crore, State Bank of Mysore ₹ 100 crore, State Bank of Hyderabad ₹ 100 crore, State Bank of Patiala ₹ 50 crore and HDFC Bank ₹ 150 crore) is secured by a second ranking charge/mortgage/security interest in favour of Axis Trustee Services Ltd., in respect of all the moveable and immovable fixed assets of Mahan Aluminium and Aditya Aluminium Project both present and future. However, the Company has not yet created security on immovable fixed assets of Mahan Aluminium and Aditya Aluminium Project.

The above loan carry interest at the base rate of respective lenders plus fixed margin aggregating to 9.8% as at 31st March, 2016, and is repayable in 8 equal quarterly instalments commencing from 31st March, 2019.

- (f) Term Loans from Other Parties include Foreign Currency Term Loans from Export Development Canada (EDC) of USD 72.10 million (₹ 477.65 crore) which is secured by a *pari passu* first charge on all movable fixed assets of Mahan Aluminium Project and a second charge on current assets of the Company, both present and future.

Original EDC loan of USD 100 million carry interest at the LIBOR plus 3.50% and are repayable in 43 quarterly instalments commencing from 30th June, 2013, and ending on 31st December, 2023. The repayment in each financial year in percentage is 9.30, 9.30, 9.30, 9.30, 9.30, 9.30, 9.30, 9.30, 9.30, 9.30, 9.30 and 7 of the original loan amount.

- (g) Deferred Payment Liabilities represent sales tax deferral which is payable in yearly instalment by FY 2018.

5. Deferred Tax Liabilities (Net):

Major components of Deferred Tax arising on account of temporary timing differences are given below:

(₹ crore)

	As at	
	31/03/2016	31/03/2015
Deferred Tax Liabilities		
Depreciation and Amortization Expenses	4,557.75	3,544.57
	4,557.75	3,544.57
Less: Deferred Tax Assets		
Unabsorbed Depreciation	2,549.63	1,457.26
Employee's Separation and Retirement Expenses	120.92	111.04
Expenses/Provisions Allowable	207.95	227.99
	2,878.50	1,796.29
	1,679.25	1,748.28

6. Other Long-Term Liabilities:

Trade Payables	7.17	5.22
Derivative Liabilities (refer Note No. 49 (c))	401.62	0.05
Liability for Capital Expenditure	33.79	74.77
Security and other Deposits	3.67	2.47
Other Payables	131.61	392.12
	577.86	474.63

- (a) Information related to Micro, Small and Medium Enterprises, as defined in 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:

	(₹ crore)	
	As at	
	31/03/2016	31/03/2015
(i) Principal Amount Outstanding	4.28	2.40
(ii) Interest on Principal amount due	Nil	Nil
(iii) Interest and Principal amount paid beyond appointment day	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
(v) The amount of interest accrued and remaining unpaid at the end of the year	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 small enterprises, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act	Nil	Nil
10. Other Current Liabilities:		
Current Maturities of Long-Term Borrowings	229.30	357.19
Interest Accrued but not Due on Borrowings/Deposits	536.37	562.63
Interest Accrued and Due on Borrowings	-	0.02
Unclaimed Dividends - (a)	5.54	5.77
Application/Call Money Received Due for refund	0.31	0.31
Advance from Customers	180.26	157.20
Derivative Liabilities (refer Note No. 49 (c))	158.89	80.60
Liability for Capital Expenditure	980.18	1,097.46
Security and other Deposits	21.96	22.57
Statutory Dues Payable	304.82	232.84
Other Payables	82.12	161.54
	<u>2,499.75</u>	<u>2,678.13</u>

- (a) These figures do not include any amount, due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 0.09 crore (Previous year ₹ 0.09 crore) which is held in abeyance due to legal cases pending.

11. Short-Term Provisions:

Provision for Employee Benefits	25.57	22.72
Proposed Dividends	206.50	206.50
Provision for Dividend Distribution Tax	42.04	39.59
Provision for Current Tax (Net of Advance Tax)	959.09	786.96
Provision for Assets Retirement Obligation (refer Note No. 46)	3.83	-
Other Provisions (refer Note No. 46)	29.94	31.64
	<u>1,266.97</u>	<u>1,087.41</u>

12. Tangible Assets:

	ORIGINAL COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE	
	As at 31 st March, 2015	Additions	Disposals/ Adjustments	As at 31 st March, 2015	Additions	Disposals/ Adjustments	As at 31 st March, 2015	Recognised/ Reversal	Deductions/ Adjustments	As at 31 st March, 2016	As at 31 st March, 2015
	March, 2015	March, 2016	March, 2015	March, 2016	March, 2015	March, 2016	March, 2015	March, 2016	March, 2016	March, 2015	March, 2015
Leasehold Land	550.29	135.39	56.08	629.60	26.67	11.03	37.70	-	-	591.90	523.62
Freehold Land	505.35	1.65	8.03	498.97	0.28	-	0.28	-	-	498.69	505.07
Buildings	5,157.06	1,748.15	8.66	6,896.55	593.69	217.15	808.92	47.74	-	6,028.32	4,551.80
Plant and Equipment	28,176.85	6,614.80	110.72	34,680.93	8,099.34	987.77	9,027.44	498.58	-	24,981.41	19,904.01
Furniture and Fixtures	104.84	10.84	1.35	114.93	78.47	5.47	82.70	0.64	-	30.99	26.37
Vehicles and Aircraft	370.37	15.18	4.83	380.72	134.56	19.07	151.33	0.23	-	229.16	235.81
Office Equipment	141.55	17.11	7.05	151.61	108.83	9.30	111.27	0.52	-	39.82	32.72
Railway Sidings	309.68	75.83	-	385.51	50.55	18.03	68.58	13.99	-	300.28	256.47
Previous Year	35,315.99	8,618.95	196.72	43,738.22	9,092.39	1,267.82	10,288.22	71.99	-	749.43	26,035.87
	26,682.01	9,124.11	490.13	35,315.99	8,435.68	922.25	9,092.39	265.54	128.88	187.73	18,024.98

(a) Leasehold Land includes land amounting ₹ 46.01 crore (Previous year ₹ 46.01 crore) for which registration is pending. (Net Book Value ₹ 42.72 crore; Previous year ₹ 43.22 crore).
 (b) Freehold Land include ₹ 3.20 crore (Previous year ₹ 3.20 crore) towards acquiring right to use the forest land, ownership of which vests with the state government authorities. (Net Book Value ₹ 3.03 crore; Previous year ₹ 3.07 crore).

(c) Buildings include:

- i. ₹ 8.65 crore (Previous year ₹ 5.26 crore) being contribution for construction of road, the ownership of which vests with the state government authorities. (Net Book Value ₹ 0.26 crore; Previous year ₹ 0.26 crore).
- ii. ₹ 16.36 crore (Previous year ₹ 16.36 crore) towards right to occupy and use of certain premises for which the Company has invested ₹ 13.18 crore (Previous year ₹ 13.18 crore) in Shares and Debentures of a company. (Net Book Value ₹ 11.57 crore; Previous year ₹ 11.83 crore).
- iii. ₹ 0.35 crore (Previous year ₹ 0.35 crore) being cost of a flat for which registration is pending. (Net Book Value ₹ 0.21 crore; Previous year ₹ 0.21 crore).

(d) Plant and Equipment include ₹ 18.76 crore (Previous year ₹ 18.76 crore) being the amount spent for laying power line and water pipe line, the ownership of which vests with the state government authorities. (Net Book Value ₹ 1.50 crore; Previous year ₹ 3.66 crore).

(e) Railway Sidings include ₹ 11.78 crore (Previous year ₹ 9.13 crore) being railway siding not owned by the Company. (Net Book Value ₹ 4.06 crore; Previous year ₹ 4.50 crore).
 (f) The Company's share in Jointly owned assets has been grouped together with the relevant class of fixed assets. The proportion of the cost and net carrying amounts included in relevant class of assets are given below:

	ORIGINAL COST			AMORTIZATION			IMPAIRMENT			NET BOOK VALUE	
	As at 31 st March, 2015	Additions	Disposals/ Adjustments	As at 31 st March, 2015	Additions	Disposals/ Adjustments	As at 31 st March, 2015	Recognised/ Reversal	Deductions/ Adjustments	As at 31 st March, 2016	As at 31 st March, 2015
	March, 2015	March, 2016	March, 2015	March, 2016	March, 2015	March, 2016	March, 2015	March, 2016	March, 2016	March, 2015	March, 2015
Leasehold Land	-	₹ 51.92 crore	(Previous year ₹ 51.92 crore).	-	₹ 51.92 crore	(Previous year ₹ 51.92 crore)	-	-	-	-	-
Freehold Land	-	₹ 0.56 crore	(Previous year ₹ 0.52 crore).	-	₹ 0.56 crore	(Previous year ₹ 0.46 crore)	-	-	-	-	-
Buildings	-	₹ 51.83 crore	(Previous year ₹ 51.83 crore).	-	₹ 51.83 crore	(Previous year ₹ 39.66 crore)	-	-	-	-	-
Plant and Equipment	-	₹ 104.26 crore	(Previous year ₹ 110.40 crore).	-	₹ 104.26 crore	(Previous year ₹ 39.46 crore)	-	-	-	-	-
Furniture and Fixtures	-	₹ 10.59 crore	(Previous year ₹ 10.58 crore).	-	₹ 10.59 crore	(Previous year ₹ 1.04 crore)	-	-	-	-	-
Vehicles and Aircraft	-	₹ 25.02 crore	(Previous year ₹ 24.95 crore).	-	₹ 25.02 crore	(Previous year ₹ 11.33 crore)	-	-	-	-	-
Office Equipment	-	₹ 11.02 crore	(Previous year ₹ 10.82 crore).	-	₹ 11.02 crore	(Previous year ₹ 1.29 crore)	-	-	-	-	-
Previous Year	122.18	13.44	17.90	117.72	92.45	6.59	93.70	5.34	-	24.02	29.73

(a) Mining Rights are for 20/30 years of lease and amortized proportionately.
 (b) The useful life of Computer Software is considered 2-3 years and that of Technology is considered 4-6 years.

13. Intangible Assets:

	ORIGINAL COST			AMORTIZATION			IMPAIRMENT			NET BOOK VALUE	
	As at 31 st March, 2015	Additions	Disposals/ Adjustments	As at 31 st March, 2015	Additions	Disposals/ Adjustments	As at 31 st March, 2015	Recognised/ Reversal	Deductions/ Adjustments	As at 31 st March, 2016	As at 31 st March, 2015
	March, 2015	March, 2016	March, 2015	March, 2016	March, 2015	March, 2016	March, 2015	March, 2016	March, 2016	March, 2015	March, 2015
Computer Software	47.92	7.19	0.11	55.00	39.56	6.69	46.13	0.12	-	8.87	8.36
Mining Rights	31.25	91.70	0.09	122.86	20.93	1.97	22.81	0.09	-	100.05	10.32
Technology	38.55	0.27	-	38.82	33.21	1.62	34.83	-	-	3.99	5.34
Previous Year	117.72	99.16	0.20	216.68	93.70	10.28	103.77	0.21	-	112.91	24.02
	122.18	13.44	17.90	117.72	92.45	6.59	93.70	5.34	-	24.02	29.73

(a) Mining Rights are for 20/30 years of lease and amortized proportionately.
 (b) The useful life of Computer Software is considered 2-3 years and that of Technology is considered 4-6 years.

14. Non-Current Investments:

(₹ crore)

	Face Value Per Unit	Numbers – As at		Amount - As at	
		31/03/2016	31/03/2015	31/03/2016	31/03/2015
LONG-TERM TRADE INVESTMENTS					
Investments in Equity Instruments					
Investments in Subsidiaries:					
Utkal Alumina International Limited	₹ 10	3,971,764,068	3,911,764,068	4,082.03	4,022.03
Dahej Harbour & Infrastructure Limited	₹ 10	50,000,000	50,000,000	50.00	50.00
Birla Resources Pty Limited	-	650,000	650,000	1.79	1.79
Minerals & Minerals Limited	₹ 10	50,000	50,000	0.17	0.17
Hindalco-Almex Aerospace Limited	₹ 10	172,115,744	172,115,744	83.24	83.24
AV Minerals (Netherlands) N.V.	EUR 567.83	2,228,728	2,216,689	9,534.16	9,485.21
Tube Coal Mines Limited - (b)	₹ 10	27,176,700	26,754,000	10.18	13.75
East Coast Bauxite Mining Company Pvt. Limited	₹ 10	7,400	7,400	0.01	0.01
Mauda Energy Limited	₹ 10	175,000	175,000	0.18	0.18
Aditya Birla Chemicals (India) Limited - (c)	₹ 10	-	12,004,987	-	12.45
Aditya Birla Minerals Limited - (e)	-	159,820,001	159,820,001	222.35	222.35
Hindalco Guinea SARL	GNF 100000	100	100	0.01	0.01
Investments in Joint Ventures:					
Mahan Coal Limited	₹ 10	195,750,000	195,250,000	173.75	173.25
MNH Shakti Limited	₹ 10	12,765,000	12,765,000	12.77	12.77
Hydromine Global Minerals GmbH Limited - (b)	USD 100	64,650	64,650	0.08	31.58
Investments in Associate:					
Aditya Birla Science & Technology Company Private Limited	₹ 10	9,800,000	9,800,000	9.80	9.80
Investments in Other Entities:					
Sanjana Cryogenic Storages Limited	₹ 10	780,000	780,000	3.12	3.12
Aditya Birla Ports Limited	₹ 10	100,000	100,000	0.10	0.10
				14,183.74	14,121.81
OTHER LONG-TERM INVESTMENTS					
Investments in Equity Instruments					
Investments in Subsidiaries:					
Renuka Investments & Finance Limited	₹ 10	9,250,000	9,250,000	9.25	9.25
Renukeshwar Investments & Finance Limited	₹ 10	4,795,000	4,795,000	4.80	4.80
Suvas Holdings Limited	₹ 10	3,612,600	3,612,600	3.61	3.61
Lucknow Finance Company Limited	₹ 10	9,902,500	9,902,500	9.90	9.90
Investments in Associate:					
IDEA Cellular Limited	₹ 10	228,340,226	228,340,226	228.34	228.34
Investments in Other Entities:					
National Aluminium Company Limited	₹ 5	28,384,938	28,667,404	74.46	75.20
Aditya Birla Nuvo Limited - (d)	₹ 10	8,650,412	8,650,412	61.17	127.11
Aditya Birla Fashion and Retail Limited - (d)	₹ 10	44,982,142	-	65.94	-
Grasim Industries Limited - (c)	₹ 10	3,049,370	2,299,059	84.99	72.54
Ultra Tech Cement Limited	₹ 10	1,258,515	1,313,748	11.97	12.50
Birla International Limited	CHF 100	2,500	2,500	0.53	0.53
Bharuch-Dahej Railway Company Limited	₹ 10	13,530,000	13,530,000	13.53	13.53

Investments in Preference Shares

Investments in Other Entities:

Aditya Birla Health Services Limited - 3.50% Redeemable Cumulative	₹ 100	2,500,000	2,500,000	25.00	25.00
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Investments in Debentures or Bonds:

9.20% HDFC Limited Bonds	₹ 1,000,000	-	349	-	35.05
8.30% Bond of National Highways Authority of India	₹ 1,000	-	24,724	-	2.47
8.46% Tax Free NCD of REC Ltd.	₹ 1,000,000	-	200	-	20.01

Investments in Government Securities:

6.83% Government of India Bond, 2039				20.10	20.10
				613.59	659.94
				14,797.33	14,781.75

- (a) Although the book/market value of certain investments (amount not ascertained) is lower than cost, considering the strategic and long-term nature of the investments and asset base of the investee companies, no provision for diminution in value necessary except where, in the opinion of the management, such decline is other than temporary in nature.
- (b) Made provision of ₹ 4.00 crore and ₹ 31.50 crore towards diminution in value of investment of the Company in Tubed Coal Mines Limited and Hydromine Global Minerals GmbH Limited companies due to decline in value other than temporary in nature.
- (c) During the year, pursuant a Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited (ABCIL), a subsidiary of the Company, with Grasim Industries Limited (Grasim) formulated under Sections 391 to 394 of the Companies Act, 1956, read with other applicable provisions of the Companies Act, 1956, and the Companies Act, 2013 (Scheme), the Company has acquired 750,311 equity shares of ₹ 10/- each fully paid-up of Grasim in exchange for shares of ABCIL as per the terms of the Scheme. The carrying cost of investments in ABCIL has been assigned as acquisition cost of investments in Grasim.
- (d) During the year, pursuant to the Composite Scheme of Arrangements between Aditya Birla Nuvo Limited (ABNL) and Madura Garments Lifestyle Retail Company Limited (MGLRCL) formulated under Sections 391 to 394 of the Companies Act, 1956, read with other applicable provisions of the Companies Act, 2013 (Composite Scheme), the branded apparel retailing division of ABNL and Madura Lifestyle, a luxury branded apparel retailing division of MGLRCL has de-merged from respective companies and collectively forms a division of another company, Aditya Birla Fashion and Retail Limited (ABFRL). As per provisions of the Composite Scheme, the Company, in addition to its existing holding in ABNL, has received 44,982,142 equity shares of ₹ 10/- each fully paid-up of ABFRL. The carrying cost of equity shares of ABNL has been apportioned to equity shares of ABFRL as acquisition cost on the basis of decrease-in market value of shares of ABNL as the effect of said Composite Scheme.
- (e) Metals X Ltd. a listed company in Australia, has made take, over offer for shares of Aditya Birla Mineral Ltd. (ABML). The Company has communicated on 20th April, 2016, to ABML its intention to accept the said offer subject to the Reserve Bank of India's approvals. Based on the terms of the offer, no further diminution in carrying value of investments is expected.
- (f) Aggregate amount of Quoted and Unquoted Investments, market value of Quoted Investments and aggregate provision for diminution in value of Investments are given below:

(₹ crore)

	As at	
	31/03/2016	31/03/2015
Aggregate Amount of Unquoted Investments	14,028.01	13,953.63
Aggregate Amount of Quoted Investments	769.32	828.12
Aggregate Market Value of Quoted Investments	5,758.96	7,463.87
Aggregate Provision for Diminution in Value of Investments	415.00	380.32
15. Long-Term Loans and Advances:		
(Unsecured, Considered Good, unless otherwise stated)		
Capital Advances	124.10	151.07
Loans, Advances and Deposits to Related Parties - (a)	65.95	72.78
Security Deposits	131.07	115.50
Advances recoverable in cash or in kind:		
Unsecured, Considered Good	143.84	491.35
Unsecured, Considered Doubtful	0.33	12.94
Less: Provision for Doubtful Amount	(0.33)	(12.94)
	143.84	491.35
Other Advances and Balances:		
MAT Credit Entitlement	722.60	602.97
Prepaid Expenses	2.13	2.08
Others - (b)	10.39	18.98
	1,200.08	1,454.73

(a) Includes ₹ 34.46 crore (Previous year ₹ 34.45 crore) towards balance with Trident Trust which represents 16,316,130 equity shares of ₹ 1/- each fully paid-up of the Company issued, pursuant to a Scheme of Arrangement approved by the Hon'ble High Courts at Mumbai and Allahabad, vide their Orders dated 31st October, 2002, and 18th November, 2002, respectively, to the Trident Trust, created wholly for the benefit of the Company and is being managed by trustees appointed by it. The tenure of the Trust is up to 23rd January, 2017.

(b) Others include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc.

16. Other Non-Current Assets:

(₹ Crore)

	As at	
	31/03/2016	31/03/2015
Long-Term Trade Receivables:		
Unsecured, Considered Doubtful	-	19.35
Less: Provision for Doubtful Amount	-	(19.35)
	-	-
Deposits with Bank exceeding 12 months maturity	1.87	0.35
Interest Accrued on Investments and Deposits	-	0.95
Derivative Assets (refer Note No. 49 (c))	78.21	30.14
	80.08	31.44

17. Current Investments:

	Face Value Per Unit	Numbers – As at		Amount - As at		FINANCIAL HIGHLIGHTS
				(₹ crore)		
		31/03/2016	31/03/2015	31/03/2016	31/03/2015	
Investments in Preference Shares						
8.75% L & T Finance Holdings Ltd.	₹ 100	-	1,217,507	-	12.18	
Investments in Debentures and Bonds						
Investment in Associate:						
9.45% NCD of IDEA Cellular Limited	₹ 100	1,000,000	1,000,000	10.13	10.04	
Investments in Other Entities:						
7.90% Corporation Bank Bonds	₹ 1,000,000	-	300	-	30.00	
7.18% NCD of IRFC	₹ 1,000	1,192	1,192	0.11	0.11	
8.00% NCD of IRFC	₹ 1,000	-	56,282	-	5.22	
8.10% NCD of IRFC	₹ 1,000	30,453	30,453	3.23	3.92	
7.19% NCD NHB	₹ 1,000,000	50	50	5.00	5.00	
8.64% NCD of BIHAR SDL	₹ 100	183,500	1,183,500	1.84	11.84	
0% NCD of LIC Housing Finance Limited	₹ 1,000,000	1,000	-	109.55	-	
8.50% NCD of LIC Housing Finance Limited	₹ 1,000,000	50	-	4.88	-	
8.60% NCD of LIC Housing Finance Limited	₹ 1,000,000	100	500	10.05	49.89	
8.76% NCD of LIC Housing Finance Limited	₹ 1,000,000	-	50	-	4.99	
8.97% NCD of LIC Housing Finance Limited	₹ 1,000,000	250	-	25.48	-	
9.02% NCD of LIC Housing Finance Limited	₹ 1,000,000	-	500	-	49.92	
9.24% NCD of LIC Housing Finance Limited	₹ 1,000,000	500	-	51.13	-	
9.44% NCD of LIC Housing Finance Limited	₹ 1,000,000	250	250	25.70	25.70	
9.50% NCD of LIC Housing Finance Limited	₹ 1,000,000	250	-	25.32	-	
9.56% NCD of LIC Housing Finance Limited	₹ 1,000,000	250	-	25.11	-	
9.57% NCD of LIC Housing Finance Limited	₹ 1,000,000	250	-	25.26	-	
9.69% NCD of LIC Housing Finance Limited	₹ 1,000,000	500	-	50.83	-	
9.70% NCD of LIC Housing Finance Limited	₹ 1,000,000	250	-	25.31	-	
9.74% NCD of LIC Housing Finance Limited	₹ 1,000,000	-	220	-	22.12	
9.84% NCD of LIC Housing Finance Limited	₹ 1,000,000	-	250	-	25.14	
10.18% NCD of LIC Housing Finance Limited	₹ 1,000,000	-	250	-	25.36	
10.60% NCD of LIC Housing Finance Limited	₹ 1,000,000	250	500	25.57	51.01	
8.70% NCD of Bajaj Auto Finance Limited	₹ 10,000,000	-	10	-	9.96	
8.12% NCD of REC Limited	₹ 1,000	43,523	43,523	4.62	4.62	
7.93% NCD of REC Limited	₹ 1,000	56,615	56,615	5.91	5.91	
7.22% NCD of REC Limited	₹ 1,000	5,130	5,130	0.51	0.51	
7.38% NCD of REC Limited	₹ 1,000	10,321	10,321	1.05	1.05	
8.05% NCD of REC Limited	₹ 1,000,000	250	-	25.00	-	
8.11% NCD of REC Limited	₹ 1,000,000	250	-	24.98	-	
8.71% NCD of REC Limited	₹ 1,000	3,352	3,352	0.38	0.38	
8.23% NCD of REC Limited	₹ 1,000,000	250	250	25.04	25.04	
8.27% NCD of REC Limited	₹ 1,000,000	250	250	24.93	24.93	
8.37% NCD of REC Limited	₹ 1,000,000	250	-	25.18	-	
8.80% NCD of REC Limited	₹ 1,000,000	100	-	10.14	-	
9.04% NCD of REC Limited	₹ 1,000,000	-	100	-	10.26	
9.63% NCD of REC Limited	₹ 1,000,000	-	250	-	25.41	
8.84% NCD - PFC	₹ 100	-	1,000,000	-	10.04	
7.19% NCD - PFC	₹ 1,000	9,565	9,565	0.97	0.97	
7.36% NCD - PFC	₹ 1,000	25,187	25,187	2.59	2.59	
8.20% NCD - PFC	₹ 1,000	36,862	36,862	4.03	4.03	

	Face Value Per Unit	(₹ crore)			
		Numbers – As at		Amount - As at	
		31/03/2016	31/03/2015	31/03/2016	31/03/2015
8.27% NCD - PFC	₹ 1,000,000	350	-	34.91	-
8.30% NCD - PFC	₹ 1,000	10,163	10,163	1.01	1.01
8.36% NCD - PFC	₹ 1,000,000	950	-	95.08	-
8.38% NCD - PFC	₹ 1,000,000	250	-	24.96	-
8.40% NCD - PFC	₹ 1,000,000	-	500	-	50.00
8.45% NCD - PFC	₹ 1,000,000	500	-	49.99	-
8.96% NCD - PFC	₹ 1,000,000	-	250	-	25.33
9.16% NCD - PFC	₹ 1,000,000	750	-	75.00	-
9.69% NCD - PFC	₹ 1,000,000	-	250	-	25.86
8.15% Power Grid Corporation	₹ 1,000,000	300	300	30.00	30.00
8.20% Power Grid Corporation	₹ 1,000,000	300	250	29.97	25.00
8.93% Power Grid Corporation	₹ 1,000,000	100	-	10.26	-
9.30% Power Grid Corporation	₹ 1,000,000	250	500	25.09	50.28
9.553% NCD of HDB Financial Services Ltd.	₹ 1,000,000	-	200	-	20.00
10.17% NCD of HDB Financial Services Ltd.	₹ 1,000,000	100	100	10.08	10.08
9.68% NCD Tata Sons Limited	₹ 1,000,000	200	-	20.24	-
9.78% NCD Tata Sons Limited	₹ 1,000,000	-	650	-	65.17
9.98% NCD Tata Sons Limited	₹ 1,000,000	-	100	-	10.10
9.50% Tata Capital Financial Services Ltd.	₹ 1,000,000	-	250	-	24.98
10.27% Tata Capital Financial Services Ltd.	₹ 1,000,000	-	400	-	40.07
8.99% Tata Capital Financial Services Ltd.	₹ 1,000,000	250	-	25.00	-
7.07% HUDCO Bonds	₹ 1,000,000	50	-	4.98	-
7.34% HUDCO Bonds	₹ 1,000	100,000	100,000	10.00	10.00
7.51% HUDCO Bonds	₹ 1,000	50,000	50,000	5.00	5.00
0% HDFC Limited	₹ 1,000,000	900	-	139.82	-
9.20% HDFC Ltd Bond - (a)	₹ 1,000,000	349	-	34.94	-
8.24% NCD HDFC Limited	₹ 10,000,000	50	-	49.84	-
8.35% NCD HDFC Limited	₹ 1,000,000	-	100	-	9.96
8.75% NCD HDFC Limited	₹ 500,000	1,000	-	50.28	-
9.25% NCD HDFC Limited	₹ 1,000,000	100	-	10.00	-
9.30% NCD HDFC Limited	₹ 1,000,000	750	-	75.14	-
9.45% NCD HDFC Limited	₹ 1,000,000	250	-	25.65	-
9.50% NCD HDFC Limited	₹ 1,000,000	150	-	15.03	-
9.55% NCD HDFC Limited	₹ 1,000,000	-	100	-	10.00
9.58% NCD HDFC Limited	₹ 1,000,000	-	100	-	10.02
9.60% NCD HDFC Limited	₹ 1,000,000	-	100	-	10.00
9.65% NCD HDFC Limited	₹ 1,000,000	550.00	-	56.64	-
9.70% NCD HDFC Limited	₹ 1,000,000	750	250	75.99	25.14
9.75% NCD HDFC Limited	₹ 1,000,000	1,000	-	101.12	-
9.27% L&T Finance Ltd.	₹ 2,500,000	-	100	-	25.03
9.345% L&T Finance Ltd.	₹ 2,500,000	100	-	25.11	-
8.70% Sundaram Finance Ltd.	₹ 1,000,000	250	-	24.93	-
9.75% Sundaram Finance Ltd.	₹ 1,000,000	250	-	25.18	-
8.7707% NCD Kotak Mahindra Prime Ltd.	₹ 1,000,000	250	-	24.91	-
9.30% NCD Kotak Mahindra Prime Ltd.	₹ 1,000,000	250	-	25.10	-
7.28% NHAI	₹ 1,000,000	50	-	5.00	-
8.63% IDFC Bank Ltd.	₹ 1,000,000	250	-	25.18	-
				1,821.26	928.99

	Face Value Per Unit	Numbers – As at		Amount - As at		FINANCIAL HIGHLIGHTS	
		31/03/2016	31/03/2015	31/03/2016	31/03/2015		
(₹ crore)							
Investments in Government Securities							
7.95% GOI FCI Special Bonds, 2026	₹ 100	513,000	513,000	5.04	5.04	MANAGEMENT DISCUSSION AND ANALYSIS DIRECTORS' REPORT	
6.65% GOI FCI Special Bonds, 2023	₹ 100	2,096,600	2,096,600	18.92	18.92		
7.00% GOI FCI Special Bonds, 2022	₹ 100	3,039,500	3,039,500	28.16	28.16		
6.20% GOI FCI Special Bonds, 2022	₹ 100	1,432,100	1,432,100	12.50	12.50		
8.12% GOI GS CG	₹ 100	2,500,000	9,000,000	25.07	87.05		
1.44% GOI Inflation Indexed Bond	₹ 100	-	260,700	-	2.21		
8.83% GOI GS CG	₹ 100	6,500,000	-	68.19	-		
9.20% GOI GS CG	₹ 100	2,500,000	-	27.31	-		
8.24% GOI GS CG	₹ 100	2,000,000	-	20.27	-		
9.23% GOI GS CG	₹ 100	1,000,000	1,000,000	10.45	10.45		
8.30% GOI GS CG	₹ 100	1,000,000	1,000,000	9.70	9.70		
8.28% GOI GS CG	₹ 100	5,000,000	7,500,000	48.41	72.73		
				274.02	246.76		
Investments in Commercial Papers							
Kotak Mahindra Investments Limited	₹ 500,000	3,000	2,000	139.59	95.89	SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT	
Kotak Mahindra Prime Limited	₹ 500,000	1,500	1,500	69.11	72.05		
Volkswagon Finance Pvt. Ltd.	₹ 500,000	-	500	-	23.22		
Daimler Financial Services India Pvt. Ltd.	₹ 500,000	1,500	1,000	69.06	47.79		
Axis Finance Ltd.	₹ 500,000	1,000	-	48.68	-		
L & T Infrastructure Finance Co. Ltd.	₹ 500,000	500	-	24.36	-		
SIDBI	₹ 500,000	-	4,000	-	196.13		
Exim Bank	₹ 500,000	1,500	-	74.05	-		
Housing Development Finance Corporation Limited	₹ 500,000	5,000	3,000	232.72	142.29		
				657.57	577.37		
Investments in Certificate of Deposits							
Bank of India	₹ 100,000	-	10,000	-	97.08	CORPORATE GOVERNANCE REPORT	
Bank of Baroda	₹ 100,000	5,000	-	49.30	-		
Andhra Bank	₹ 100,000	2,500	-	24.96	-		
ICICI Bank Ltd.	₹ 100,000	5,000	2,500	49.27	24.00		
IDBI Bank Ltd.	₹ 100,000	5,000	-	46.69	-		
Axis Bank Ltd.	₹ 100,000	20,000	5,000	198.15	47.86		
Union Bank of India	₹ 100,000	10,000	-	98.59	-		
Corporation Bank	₹ 100,000	-	10,000	-	96.37		
Punjab & Sind Bank	₹ 100,000	17,000	15,000	167.21	147.27		
Indusind Bank Ltd.	₹ 100,000	2,500	-	24.54	-		
Vijaya Bank	₹ 100,000	5,000	-	46.34	-		
Canara Bank	₹ 100,000	12,500	5,000	122.82	46.41		
				827.87	458.99		
Investments in Mutual Funds							
Investments in Debt Schemes of Mutual Funds - (b)				4,088.81	4,244.64		SHAREHOLDER INFORMATION SOCIAL REPORT
				7,669.53	6,468.93		
(a) Non-Current Investment maturing within 12 months.						STANDALONE FINANCIAL STATEMENTS	
(b) Investments in Debt Schemes of Mutual Funds include units of ₹ 3.85 crore (Previous year ₹ 17.00 crore) being deposit as margin for derivative transactions.							
(c) Aggregate amount of Quoted and Unquoted Investments, market value of Quoted Investments and aggregate provision for diminution in value of Investments are given below:							

(₹ crore)

	As at	
	31/03/2016	31/03/2015
Aggregate Amount of Unquoted Investments	7,395.51	6,192.17
Aggregate Amount of Quoted Investments	274.02	276.76
Aggregate Market Value of Quoted Investments	283.04	287.75
Aggregate Provision for Diminution in Value of Investments	7.57	7.19

18. Inventories:

(₹ crore)

	As at 31/03/2016			As at 31/03/2015		
	In Hand	In Transit	Total	In Hand	In Transit	Total
Raw Materials	1,847.11	1,522.87	3,369.98	1,010.95	2,170.43	3,181.38
Finished Goods	849.80	-	849.80	556.13	0.81	556.94
Work-in-Progress	3,355.74	-	3,355.74	3,842.98	-	3,842.98
Stores and Spares	425.79	13.41	439.20	372.19	10.54	382.73
Coal and Fuel	380.47	16.92	397.39	490.14	367.06	857.20
	6,858.91	1,553.20	8,412.11	6,272.39	2,548.84	8,821.23

19. Trade Receivables:

(₹ crore)

	As at	
	31/03/2016	31/03/2015
Outstanding for a period exceeding six months:		
Unsecured, Considered Good	64.69	60.17
Unsecured, Considered Doubtful	34.66	34.84
Less: Provision for Doubtful Amount	(34.66)	(34.84)
	64.69	60.17
Outstanding for a period less than six months:		
Secured, Considered Good	3.12	3.29
Unsecured, Considered Good	1,950.71	1,768.72
	1,953.83	1,772.01
	2,018.52	1,832.18

20. Cash and Bank Balances:**Cash and Cash Equivalents**

Balance with Banks:

Deposits with less than 3 months initial maturity	0.05	200.00
Current Accounts	60.95	88.37
Cheques and Drafts on Hand - (a)	52.51	14.81
Cash on Hand	0.47	0.39
	113.98	303.57

Other Balances

Balance with Banks:

Earmarked Balances	12.40	6.85
Deposits with more than 3 months initial maturity	91.44	673.76
	103.84	680.61
	217.82	984.18

(a) Includes ₹ 41.68 crore (Previous year ₹ 7.73 crore) remittances in transit.

	As at		(₹ crore)	
	31/03/2016	31/03/2015		
21. Short-Term Loans and Advances:				
(Unsecured, Considered Good, unless otherwise stated)				
Loans, Advances and Deposits to Related Parties	27.76	20.28		
Security Deposits:				
Unsecured, Considered Good	23.19	24.93		
Unsecured, Considered Doubtful	0.25	0.25		
Less: Provision for Doubtful Amount	<u>(0.25)</u>	<u>(0.25)</u>		
	23.19	24.93		
Advances Recoverable in Cash or in Kind:				
Unsecured, Considered Good	1,427.56	2,097.61		
Unsecured, Considered Doubtful	66.48	42.04		
Less: Provision for Doubtful Amount	<u>(66.48)</u>	<u>(42.04)</u>		
	1,427.56	2,097.61		
Other Advances and Balances:				
Balance with Government Authorities	58.52	75.62		
Prepaid Expenses	32.46	22.33		
Others - (a)	<u>2,731.38</u>	<u>1,638.90</u>		
	<u>4,300.87</u>	<u>3,879.67</u>		
(a) Others under head "Other Advances and Balances" mainly include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc.				
22. Other Current Assets:				
Accrued Interest	106.48	96.86		
Accrued Export and Other Incentives	220.08	234.23		
Dividend Receivables	3.55	-		
Derivative Assets (refer Note No. 49 (c))	1,113.80	511.12		
Assets Held for Sale	69.96	79.68		
Other Receivables	<u>19.40</u>	<u>21.12</u>		
	1,533.27	943.01		
Unsecured, Considered Doubtful	1.11	1.11		
Less: Provision for Doubtful Amount	<u>(1.11)</u>	<u>(1.11)</u>		
	<u>1,533.27</u>	<u>943.01</u>		
23. Revenue from Operations:				
			(₹ Crore)	
	Year Ended			
	31/03/2016	31/03/2015		
Sale of Products - (a)	36,364.28	36,438.59		
Other Operating Revenues	395.62	430.62		
Gross Revenue from Operations	36,759.90	36,869.21		
Less: Excise Duty	<u>2,442.24</u>	<u>2,344.18</u>		
Net Revenue from Operations	<u>34,317.66</u>	<u>34,525.03</u>		

	(₹ Crore)	
	<u>As at</u>	
	<u>31/03/2016</u>	<u>31/03/2015</u>
(a) Details of Sale of Products are given below:		
Sale of Finished Goods:		
Aluminium Business:		
Alumina	928.66	1,033.39
Aluminium and Aluminium Products	16,885.88	13,600.87
Others	236.39	265.39
Copper Business:		
Copper and Copper Products - (i)	14,636.77	17,421.80
Precious Metals - (i)	2,136.15	2,710.05
Others - (ii)	1,538.88	1,370.05
	<u>36,362.73</u>	<u>36,401.55</u>
Sale of Traded Goods:		
Other Materials	1.55	37.04
	<u>1.55</u>	<u>37.04</u>
	<u>36,364.28</u>	<u>36,438.59</u>
(i) Sales of Copper Products and Precious Metals are accounted for provisionally, pending finalization of price and quantity. Variations are accounted for in the year of settlement. Final price receivable on sale of above products for which quotational price was not finalized in previous year, were realigned at year end forward LME/LBMA rate and addition of sales of ₹ 12.14 crore (Previous year reversal of ₹ 7.83 crore) was accounted for. During the year, final price was settled at ₹ 16.24 crore (Previous year settled at ₹ 7.05 crore) and further addition of sales of ₹ 4.10 crore (Previous year additional sales of ₹ 0.78 crore) was taken into account. As on 31st March, 2016, sale of Copper Products/Precious Metals, pending for price finalization were realigned at year-end forward LME/LBMA and an addition of sales of ₹ 5.24 crore (Previous year additional sales ₹ 12.14 crore) was accounted for. Actual cash flow is expected on finalization of quotational price and quantity in the subsequent financial year.		
(ii) Includes sales of DAP including nutrient-based subsidy of P&K ₹ 403.91 crore (Previous year ₹ 372.35 crore).		

24. Other Income:

	(₹ crore)	
	<u>Year Ended</u>	
	<u>31/03/2016</u>	<u>31/03/2015</u>
Interest Income:		
On Long-Term Investments	8.28	8.84
On Current Investments	170.46	148.34
On Others - (a)	274.94	169.60
Dividend Income:		
On Long-Term Investments - (b)	154.78	41.46
On Current Investments	14.82	20.44
Gain/(Loss) on Sale of Investments (Net):		
On Long-Term Investments	17.37	-
On Current Investments	379.65	425.16
Adjustments to the carrying amount of Investments (Net):		
On Long-Term Investments - (c)	0.82	(0.11)
On Current Investments	(0.38)	16.05
Profit/(Loss) on Fixed Assets Sold/Discarded (Net)	(1.18)	(15.25)

	Year Ended		(₹ crore)
	31/03/2016	31/03/2015	
Rent Income	4.90	4.63	
Liabilities no longer required written back	39.01	64.36	
Other Non-Operating Income (Net)	2.74	1.06	
	<u>1,066.21</u>	<u>884.58</u>	
Less: Transfer to Finance Costs	-	2.37	
	<u>1,066.21</u>	<u>882.21</u>	

- (a) Interest Income on others includes ₹ 155.39 crore (Previous year ₹ 4.62 crore) of interest received from Income Tax Department.
- (b) Dividend Income on long-term investments includes ₹ 117.00 crore (Previous year ₹ 13.81 crore) of dividend received from subsidiary companies.
- (c) During the year, provision for diminution in value of investments of ₹ Nil (Previous year ₹ 258.41 crore) accounted for as Exceptional Item and provision of ₹ 35.50 crore (Previous year ₹ 35.00 crore) adjusted with BRR. (refer Note No. 42 (c)).

	Year Ended		(₹ Crore)
	31/03/2016	31/03/2015	
25. Purchases of Stock-in-Trade:			
Other Materials	1.48	37.04	
	<u>1.48</u>	<u>37.04</u>	
26. Cost of Materials Consumed:			
Copper Concentrate - (a)	13,231.19	16,155.19	
Alumina	2,218.61	1,255.78	
Bauxite	258.76	234.30	
Caustic Soda	497.23	515.85	
Calcined Petroleum Coke	928.45	784.81	
Rock Phosphate	484.97	417.39	
Anode	522.52	380.57	
Others	<u>1,078.81</u>	<u>1,347.49</u>	
	19,220.54	21,091.38	
Less: Transfer to Capital Work-in-Progress	11.09	35.09	
	<u>19,209.45</u>	<u>21,056.29</u>	

- (a) Purchase of Copper Concentrate is accounted for provisionally pending finalization of contents in the concentrate and price. Variations are accounted for in the year of settlement. Final price payable on purchase of copper concentrate for which quotational price and quantity were not finalized in the previous year, were realigned based on forward LME and LBMA rate at the year end of copper and precious metals respectively, and accordingly receivable of ₹ 26.29 crore (Previous year receivable of ₹ 155.88 crore) was accounted for. During the year, final price was settled at ₹ 5.94 crore (Previous year settled at ₹ 138.26 crore) and accordingly balance amount of ₹ 20.35 crore (Previous year payable ₹ 17.62 crore) has been accounted for. As on 31st March, 2016, payable of ₹ 95.20 crore (Previous year receivable of ₹ 26.29 crore) was accounted for on realignment of unpriced copper concentrate. Actual cash flow is expected on finalization of quotational price and quantity in the subsequent financial year.

27. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade:

	(₹ Crore)	
	Year Ended	
	31/03/2016	31/03/2015
Opening Inventories		
Finished Goods	556.94	525.68
Work-in-Progress	3,842.98	3,924.04
	4,399.92	4,449.72
Less: Closing Inventories		
Finished Goods	849.80	556.94
Work-in-Progress	3,355.74	3,842.98
	4,205.54	4,399.92
	194.38	49.80
Add: (Increase)/Decrease of Excise Duty on Inventories	(2.68)	18.01
	191.70	67.81

(a) Details of Inventories under broad head are given below:

	(₹ Crore)					
	Finished Goods			Work-in-Progress		
	31/03/2016	31/03/2015	31/03/2014	31/03/2016	31/03/2015	31/03/2014
Aluminium Business:						
Alumina	28.13	37.30	50.68	210.60	250.69	270.20
Aluminium and Aluminium Products	230.78	317.67	195.94	505.68	580.66	433.79
Others	1.49	101.07	6.28	658.26	700.05	410.38
Copper Business:						
Copper and Copper Products	114.62	63.35	228.02	987.97	1,289.32	1,602.41
Precious Metals	447.40	1.76	2.20	983.15	1,014.18	1,201.26
Others	27.38	35.79	42.56	10.08	8.08	6.00
	849.80	556.94	525.68	3,355.74	3,842.98	3,924.04

28. Employee Benefits Expenses:

	(₹ Crore)	
	Year Ended	
	31/03/2016	31/03/2015
Salaries and Wages	1,377.29	1,251.64
Contribution to Provident and Other Funds	175.36	227.99
Employee Share Based Payments	6.91	7.22
Employee Welfare	146.46	135.71
	1,706.02	1,622.56
Less: Transfer to Capital Work-in-Progress	7.96	33.08
	1,698.06	1,589.48

29. Power and Fuel:

Power and Fuel	6,549.29	5,270.09
Less: Transfer to Capital Work-in-Progress	41.23	69.32
	6,508.06	5,200.77

30. Finance Costs:

Interest Expenses - (a)	2,328.07	2,415.65
Other Borrowing Costs	17.55	13.69
Loss on Foreign Currency Transactions and Translation (Net)	29.14	20.39
	<u>2,374.76</u>	<u>2,449.73</u>
Less: Income on Specific Borrowing	-	2.37
	<u>2,374.76</u>	<u>2,447.36</u>
Less: Transfer to Capital Work-in-Progress	-	810.27
	<u>2,374.76</u>	<u>1,637.09</u>

(a) Interest Expenses include ₹ 0.08 crore (Previous year ₹ 0.02 crore) of interest paid to Income Tax Department.

31. Depreciation and Amortization:

	(₹ Crore)	
	Year Ended	
	<u>31/03/2016</u>	<u>31/03/2015</u>
Depreciation and Amortization	1,278.10	842.27
Less: Transfer to Capital Work-in-Progress	1.10	5.24
	<u>1,277.00</u>	<u>837.03</u>

32. Impairment Loss/(Reversal) (Net):

Impairment Loss - (a)	561.70	95.26
Adjusted with Business Reconstruction Reserve (refer Note No. 43 (b))	561.70	95.26
	<u>-</u>	<u>-</u>

(a) The Company has recognised 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.

33. Other Expenses:

Consumption of Stores and Spares	684.92	599.58
Repairs to Buildings	58.42	47.47
Repairs to Machinery	471.68	479.85
Rates and Taxes	23.13	23.27
Rent	53.65	38.46
Insurance	121.84	106.76
Payments to Auditors - (a)	5.06	4.46
Research and Development	19.44	23.46
Freight and Forwarding Expenses (Net) - (b)	607.24	607.12
Provision/(Provision written back) for Doubtful Loans, Advances and Receivables (Net)	(7.70)	48.73
Bad Loans, Advances and Receivables written off/(written back) (Net)	23.41	2.80
Prior Period Items (Net)	1.87	(0.62)
Donation - (c)	6.16	18.36
Directors' Fees and Commission	2.25	4.19
Loss on Assets Held for Sale	(2.25)	8.36
(Gain)/Loss on Change in Fair Value of Derivatives (Net)	13.26	(29.29)
Cost of own Manufactured Products Capitalized/Used	(22.60)	(21.23)
Miscellaneous Expenses - (d)	<u>1,339.63</u>	<u>1,224.67</u>
	<u>3,399.41</u>	<u>3,186.40</u>
Less: Transfer to Capital Work-in-Progress	8.66	29.28
	<u>3,390.75</u>	<u>3,157.12</u>

(₹ Crore)

	Year Ended	
	31/03/2016	31/03/2015
(a) Details of Payments to Auditors are as follows:		
Statutory Auditors:		
Statutory Audit Fees#	2.91	2.30
Tax Audit Fees	0.35	0.32
Certification, etc.	1.37	1.53
Out-of-Pocket Expenses	0.12	0.12
Cost Audit Fees and Expenses	0.31	0.19
	5.06	4.46
# Includes fees for issuing report under Section 143(3) of the Companies Act 2013 on Internal Control over Financial Reporting.		
(b) Freight and Forwarding Expenses is net of freight subsidy of ₹ 34.95 crore (Previous year ₹ 26.19 crore) on sale of DAP.		
(c) Donation includes refund of ₹ 0.10 crore (Previous year paid ₹ 17.62 crore) paid to General Electoral Trust as political donation.		
(d) Miscellaneous Expenses include ₹ 0.01 crore (Previous year ₹ 0.04 crore) paid to a firm of solicitors in which Director is a partner.		

34. Exceptional Items (Net):

(₹ Crore)

	Year Ended	
	31/03/2016	31/03/2015
Exceptional Expenses	-	967.74
Exceptional Income	-	(390.04)
	-	577.70

35. Tax Expenses:

Current Tax	119.63	321.52
MAT Credit Entitlement	(119.63)	(602.97)
Deferred Tax	125.36	636.48
Tax Adjustments for earlier years (Net)	-	(33.28)
	125.36	321.75

36. Earnings Per Share (EPS):

Profit for the period (₹ Crore)	607.25	925.16
Weighted-average number of shares used in the calculation of EPS:		
Weighted-average number of equity shares for computing basic EPS	2,064,985,267	2,064,821,218
Dilutive impact of Employee Stock Options Scheme	1,298,140	1,834,285
Weighted-average number of equity shares for computing diluted EPS	2,066,283,407	2,066,655,503
Face Value of Per Share (₹)	1.00	1.00
Basic EPS (₹)	2.94	4.48
Diluted EPS (₹)	2.94	4.48

37. For the year ended 31st March, 2016, the Board of Directors of the Company have recommended dividend of ₹ 1.00 per share (Previous year ₹ 1.00 per share) to equity shareholders aggregating to ₹ 248.54 crore (Previous year ₹ 246.09 crore) including Dividend Distribution Tax.
38. 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. 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 Governments 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.
39. The Company is one of the promoter members of Aditya Birla Management Corporation Private Limited (ABMCPL), a Company limited by guarantee which has been formed to provide common facilities and resources to its members, with a view to optimize the benefits of specialization and minimize cost for each member. The Company is one of the participants in the common pool and shares the expenses incurred by ABMCPL and accounted for under appropriate heads.
40. **Interests in Joint Ventures:**

The Company's interest, as a venturer, in jointly controlled entities is given below:

Name of Entities	Country of Incorporation	Proportion of Ownership interests as at	
		31/03/2016	31/03/2015
Mahan Coal Limited	India	50%	50%
MNH Shakti Limited	India	15%	15%
Hydromine Global Minerals (GMBH) Limited	British Virgin Islands	45%	45%

The Company's interest in these Joint Ventures is reported as Long-term Investments and stated at cost. However, aggregate amount of the Company's share of each of the assets, liabilities, income, expenses, contingent liabilities and commitment related to its interests in these jointly controlled entities are given below:

	Year Ended/As at	
	31/03/2016	31/03/2015
Income	0.06	0.03
Expenses	(0.33)	6.60
Assets	217.25	216.86
Liabilities	0.73	0.85
(₹ Crore)		
Contingent Liabilities and Commitments:		
Claims against the Company not acknowledge as Debts	0.37	0.27
Guarantees Outstanding	-	16.71
Capital Commitments (Net of Advance)	-	0.47

41. Segment Reporting:**A. Primary Segment Reporting (by Business Segment):**

- (a) The Company has two reportable segments, viz, Aluminium and Copper which have been identified in line with the Accounting Standard-17 on Segment Reporting, taking into account the organizational structure as well as differential risk and return of these segments. Details of products included in each segments are as under:
- (i) Aluminium : Hydrate and Alumina, Aluminium and Aluminium Product
- (ii) Copper : Continuous Cast Copper Rods, Copper Cathode, Sulphuric Acid, DAP and Complexes, Gold and Silver
- (b) Inter-segment transfers are based on market rates.
- (c) The details of the revenue, results, assets, liabilities and other information from operations by reportable business segments are as under:

(₹ Crore)

	Year Ended 31/03/2016			Year Ended 31/03/2015		
	Aluminium	Copper	Total	Aluminium	Copper	Total
REVENUE						
External	17,120.95	17,196.71	34,317.66	14,097.10	20,427.93	34,525.03
Inter-Segment	3.76	11.84	15.60	7.59	23.03	30.62
Total	17,124.71	17,208.55	34,333.26	14,104.69	20,450.96	34,555.65
RESULTS						
Segment Results	880.48	1,418.96	2,299.44	1,349.10	1,516.04	2,865.14
Unallocated Corporate Income			1,028.46			830.26
Unallocated Corporate Expenses			(220.53)			(233.70)
Finance Costs			(2,374.76)			(1,637.09)
Profit Before Exceptional Items and Tax			732.61			1,824.61
Exceptional Items (Net)			-			(577.70)
Tax Expenses			(125.36)			(321.75)
Profit for the Period			607.25			925.16
OTHER INFORMATION						
Assets:						
Segment Assets	41,633.62	8,540.25	50,173.87	43,014.31	8,067.58	51,081.89
Unallocated Corporate Assets			25,952.82			24,918.75
Total Assets			76,126.69			76,000.64
Liabilities:						
Segment Liabilities	4,222.73	2,484.33	6,707.06	3,601.04	2,559.54	6,160.58
Unallocated Corporate Liabilities			32,351.74			32,584.80
Total Liabilities			39,058.80			38,745.38
Capital Expenditure	1,034.30	119.04		2,236.14	49.60	
Depreciation and Amortization	1,147.38	112.09		734.83	84.43	
Impairment Loss/(Reversal) (Net)	-	-		-	-	
Other Non-Cash Expenses	15.84	(0.14)		47.47	4.06	

B. Secondary Segment Reporting (by Geographical Demarcation):

- (a) The secondary segment is based on geographical demarcation, i.e., India and Rest of the World.
- (b) The Company's revenue from external customers and information about its assets and others by geographical location are as under:

(₹ crore)

	Year Ended 31/03/2016			Year Ended 31/03/2015		
	India	Rest of World	Total	India	Rest of World	Total
Revenue	21,651.57	12,681.69	34,333.26	20,936.29	13,619.36	34,555.65
Assets	49,168.73	1,005.14	50,173.87	50,354.12	727.77	51,081.89
Capital Expenditure	1,153.34	-	1,153.34	2,285.74	-	2,285.74

42. Employee Share Based Payment**Employee Stock Option Scheme-2006 ("ESOS-2006")**

On 7th December, 2006, the Board of Directors approved the Employee Stock Option Scheme-2006 ("ESOS-2006") for issue of 3,475,000 stock options to its permanent employees in the management cadre, in one or more tranches, whether working in India or out of India, including the Managing/Whole-time Directors of the Company. Each option when exercised would be converted into one fully paid-up equity share of ₹ 1/- each of the Company. The options will vest in 4 equal annual instalments after one year from the date of grant. The maximum period of exercise is 5 years from the date of vesting, and these options do not carry rights to dividends or voting rights till the date of exercise. Further, on 23rd September, 2011, the ESOS-2006 has been partially modified and by which the Company may issue 6,475,000 options to its eligible employees.

According to ESOS-2006, so far the Company has granted 4,328,159 options (Previous year 4,328,159 options) to its eligible employees out of which 1,774,296 options (Previous year 1,386,213 options) has been cancelled/lapsed, and are available for grant as per the term of the Scheme. A summary of the activity in the stock options granted under ESOS 2006 for the year ended 31st March, 2016 is as follows:

Particulars	Stock Options (Numbers)	Range of Exercise Price (₹)	Weighted-Average Exercise Price (₹)	Weighted-Average Remaining Contractual Life (Years)
Outstanding at beginning of the year	1,882,528	98.30-150.10	122.40	3.54
Granted during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	(3,185)	98.30	98.30	-
Lapsed during the year	(388,083)	98.30-150.10	128.50	-
Outstanding at year end	1,491,260	98.30-150.10	120.87	3.27
Exercisable at year end	1,099,956	98.30-150.10	121.63	2.29

A summary of the activity in the stock options granted under ESOS-2006 for the year ended 31st March, 2015, is as follows:

Particulars	Stock Options (Numbers)	Range of Exercise Price (₹)	Weighted-Average Exercise Price (₹)	Weighted-Average Remaining Contractual Life (Years)
Outstanding at beginning of the year	2,472,833	98.30-150.10	121.81	3.76
Granted during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	(373,666)	98.30-118.35	102.43	-
Lapsed during the year	(216,639)	150.10	150.10	-
Outstanding at year end	1,882,528	98.30-150.10	122.40	3.54
Exercisable at year end	1,295,572	98.30-150.10	124.07	2.18

During the year ended 31st March, 2016, the Company has allotted 3,185 fully paid-up equity shares of ₹ 1/- each of the Company (Previous year 373,666) on exercise of options under ESOE-2006, for which the Company has realised ₹ 0.03 crore (Previous year ₹ 3.83 crore) as exercise money. The weighted average share price at the exercise date was ₹ 134.70 per share (Previous year ₹ 168.73 per share).

Employee Stock Option Scheme 2013 (“ESOS-2013”)

During FY 2013-14, the Company has instituted Employee Stock Option Scheme-2013 (“ESOS-2013”), under which the Company may grant 5,462,000 stock options and restricted stock units (RSU) to the permanent employees in the management cadre and Managing/Whole-time Directors of the Company and its subsidiary companies in India and abroad, in one or more tranches. The ESOS-2013 is administered by the Compensation Committee of the Board of Directors of the Company (“the Committee”). The option exercise price would be determined by the Committee whereas the RSU exercise price shall be the face value of the equity shares of the Company as on the date of grant of RSUs. Each option and each RSU entitles the holders to apply for and be allotted one fully paid-up equity share of ₹ 1/- each of the Company upon payment of exercise price during the exercise period. The options will vest in 4 equal annual instalments after one year of the date of grant, whereas RSU will vest at the end of three years from the date of grant. The maximum period of exercise is 5 years from the date of vesting and these options/RSUs do not carry rights to dividends or voting rights till the date of exercise. Further, cancelled/lapsed options and RSUs are also available for grant.

In terms of ESOS-2013, so far, the Company has granted 2,173,824 stock options and 2,175,272 RSUs (Previous year 2,062,564 stock options and 2,063,938 RSUs) to the eligible employees of the Company and some of its subsidiary companies. Further, 204,161 stock options and 215,772 RSUs (Previous year 100,421 stock options and 111,960 RSUs) have been cancelled/lapsed and are available for grant as per term of the Scheme. A summary of the activity in the stock options and RSUs granted under ESOS-2013 for the year ended 31st March, 2016, is as follows:

Particulars	Stock Options				RSUs			
	Stock Options (Numbers)	Range of Exercise Price (₹)	Weighted-Average Exercise Price (₹)	Weighted-Average Remaining Contractual Life (Years)	RSUs (Numbers)	Range of Exercise Price (₹)	Weighted-Average Exercise Price (₹)	Weighted-Average Remaining Contractual Life (Years)
Outstanding at beginning of the year	1,943,295	119.45-151.30	121.62	6.10	1,951,978	1.00	1.00	6.60
Granted during the year	111,260	73.60	73.60	6.98	111,334	1.00	1.00	7.42
Cancelled during the year	(103,740)	119.45-151.30	132.30	-	(103,812)	1.00	1.00	-
Exercised during the year	(2,193)	119.45	119.45	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-	-
Outstanding at the year end	1,948,622	73.60-151.30	118.31	5.16	1,959,500	1.00	1.00	5.68
Exercisable at the year end	923,737	119.45-151.30	120.23	4.05	-	-	-	-

A summary of the activity in the stock options granted under ESOS 2013 for the year ended 31st March, 2015 is as follows:

Particulars	Stock Options				RSUs			
	Stock Options (Numbers)	Range of Exercise Price (₹)	Weighted-Average Exercise Price (₹)	Weighted-Average Remaining Contractual Life (Years)	RSUs (Numbers)	Range of Exercise Price (₹)	Weighted-Average Exercise Price (₹)	Weighted-Average Remaining Contractual Life (Years)
Outstanding at beginning of the year	1,930,004	119.45	119.45	7.03	1,931,289	1.00	1.00	7.53
Granted during the year	132,560	151.30	151.30	7.12	132,649	1.00	1.00	7.62
Cancelled during the year	(100,421)	119.45	119.45	-	(111,960)	1.00	1.00	-
Exercised during the year	(18,848)	119.45	119.45	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-	-
Outstanding at year end	1,943,295	119.45-151.30	121.62	6.10	1,951,978	1.00	1.00	6.60
Exercisable at year end	448,275	119.45	119.45	4.52	-	-	-	-

During the year ended 31st March, 2016, the Company has allotted 2,193 fully paid-up equity share of ₹ 1/- each of the Company (Previous year 18,848) on exercise of options under ESOS-2013 for which the Company has realised ₹ 0.03 crore (Previous year ₹ 0.22 crore) as exercise money. The weighted-average share price at the exercise date was ₹ 114.30 per share (Previous year ₹ 154.54 per share).

Fair Valuation

The Fair Value of the options used to compute net profit and earnings per share have been done by an independent valuer using Black and Scholes Model. The details of options granted during the year ended 31st March, 2016, the key assumptions and the Fair Value on the date of grant are as under:

Particulars	FY 2015-16		FY 2014-15	
	ESOS-2013		ESOS-2013	
	Stock Option	RSU	Stock Option	RSU
Number of Option/RSU granted	111,260	111,334	132,560	132,649
Options/RSUs grant date	26.11.2015	26.11.2015	13.11.2014	13.11.2014
Exercise Price (₹)	73.60	1.00	151.30	1.00
Risk-Free Interest Rate	8%	8%	9%	9%
Life of Options granted	7.5 years	8 years	7.5 years	8 years
Expected Volatility	0.4636	0.4759	0.4830	0.4749
Expected Dividend	100%	100%	100%	100%
Weighted-average Fair Value per Option (₹)	41.96	68.20	88.52	137.69

The expected volatility was determined based on the historical share price volatility over the past period depending on life of the options granted.

For the year ended 31st March, 2016, the Company determined ₹ 7.05 crore (Previous year ₹ 7.28 crore) as amortized compensation cost for stock options granted including ₹ 0.14 crore (Previous year ₹ 0.06 crore) expenses relating to options granted to employees of a subsidiary of the Company which has been realised from that company. The Company measures compensation cost for the stock options granted using intrinsic value method. Had the compensation cost been determined in a manner consistent with fair value approach, the Company's net profit and earnings per share as reported would have been as under:

	Year Ended	
	31/03/2016	31/03/2015
Reported Net Profit for the period	607.25	925.16
Add: Compensation Cost under ESOS as per Intrinsic Value	6.91	7.22
Less: Compensation Cost under ESOS as per Fair Value	(9.45)	(13.03)
Proforma Net Profit for the period	604.71	919.35
Basic Earnings Per Share (₹)		
As Reported	2.94	4.48
Proforma	2.93	4.45
Diluted Earnings Per Share (₹)		
As Reported	2.94	4.48
Proforma	2.93	4.45

43. 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 31st March, 2015, ₹ 250.33 crore have been adjusted against BRR. During the year, following expenses has been adjusted with BRR:

- (a) ₹ 279.46 crore towards expenses on exited Projects
- (b) Impairment loss of ₹ 367.31 crore (Net of deferred tax ₹ 194.39 crore)
- (c) Provision of ₹ 35.50 crore towards diminution in value of investments

Had the Scheme not prescribed aforesaid treatment, the impact on results and Earnings Per Share (EPS) would have been as under:

Profit for the year lower by ₹ 682.27 crore

Basic EPS lower by ₹ 3.30

Diluted EPS lower by ₹ 3.30

44. Directors’ Remuneration:

Calculation of Net Profit for Managerial Remuneration under Section 197 and 198 of the Companies Act, 2013, given below:

	(₹ Crore)	
	Year Ended	
	31/03/2016	31/03/2015
Net Profit for the Year as per the Statement of Profit and Loss	607.25	925.16
Add: Income/Expenses not to be included:		
Executive Directors, Remuneration	33.86	33.76
Other Directors’ Fees and Commission	2.25	4.19
Income Tax Expenses	125.36	321.75
Contribution/(Refund) for Donation to Political Parties	(0.10)	17.62
Provisions/(Provisions written back) for Doubtful Loans, Advances and Receivables (Net)	(7.70)	48.73
Unrealized (Gain)/Loss on change in Fair Value of Derivatives recognised in Profit and Loss (Net)	(101.95)	118.10
Adjustments to the carrying amount of Long-term Investments (Net)	(0.82)	0.11
Profit on Sale of Fixed Assets over original cost	(5.05)	-
(Gain)/Loss on Sale of Long-term Investments (Net)	(17.37)	-
Net Profit as per Section 198 of the Companies Act, 2013	635.73	1,469.42
Remuneration to Executive Directors (shall not exceed 10% of Net Profit u/s 197)	63.57	146.94
Remuneration to Other Directors (shall not exceed 1% of Net Profit u/s 197)	6.36	14.69

45. Disclosure as required by Accounting Standard (AS)-15 (Revised) on "Employee Benefits":

A. In respect of Gratuity, a Defined Benefit Scheme (based on actuarial valuation):-

	Year Ended		
	31/03/2016	31/03/2015	
			(₹ crore)
(a) Change in Obligations over the year ended 31 March, 2016			
Present value of Defined Benefit Obligations at the beginning of the year	747.85	595.05	
Current Service Cost	50.18	38.40	
Past Service Cost	-	-	
Interest Cost	55.49	52.52	
Curtailment Cost/(Credit)	-	-	
Settlement Cost/(Credit)	-	-	
Plan Amendments	1.01	-	
Acquisitions Cost	3.22	-	
Actuarial (Gain) or Loss	10.60	84.84	
Benefits Paid	(22.29)	(22.96)	
Present Value of Defined Benefit Obligations at the end of the year	846.06	747.85	
(b) Change in Plan Assets (Reconciliation of Opening and Closing Balances)			
Fair Value of Plan Assets at the beginning of the year	462.51	388.54	
Expected Return on Plan Assets	38.20	39.52	
Actuarial Gain or (Loss)	(2.92)	-	
Contributions	52.33	57.41	
Benefits Paid	(22.29)	(22.96)	
Fair Value of Plan Assets at the end of the year	527.83	462.51	
(c) Reconciliation of Fair Value of Assets and Obligations			
Fair Value of Plan Assets at the end of the year	527.83	462.51	
Present Value of Defined Benefit Obligations at the end of the year	(846.06)	(747.85)	
Amount Recognised in the Balance Sheet	(318.23)	(285.34)	
(d) Expenses Recognised during the year			
Current Service Cost	50.18	38.40	
Past Service Cost	1.01	-	
Interest Cost	55.49	52.52	
Curtailment Cost/(Credit)	-	-	
Settlement Cost/(Credit)	-	-	
Actuarial (Gain) or Loss	13.52	77.78	
Expected Return on Plan Assets	(38.20)	(32.46)	
	82.00	136.24	
(e) Investments Details of Plan Assets:			
Insurer Managed Funds	96.35%	96.38%	
Government Securities	0.00%	0.00%	
Corporate Bonds	0.00%	0.00%	
Others	3.65%	3.62%	

(₹ crore)

	Year Ended	
	31/03/2016	31/03/2015
(f) Principal Actuarial Assumptions:		
Discount Rate (based on the market yields available on Government Bonds at the accounting date with a term that matches that of the liabilities)	7.50%	7.50%
Expected Rate of Return on Assets	8.00%	8.00%
Salary increases taking into account inflation, seniority, promotion and other relevant factors	8.00%	7.50%

The Company has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specified number of days (ranging from 15 days to 1 month) of last drawn salary depending upon the tenure of service for each year of completed service, subject to minimum service of five years, payable at the time of separation upon superannuation or on exit otherwise.

B. In respect of Defined Contribution Schemes:

- (a) As required under Guidance Note on Implementation of Accounting Standard-15 (revised) issued by the ICAI, in respect of exempted Provident Fund, the Company has carried out actuarial valuation to ascertain shortfall in interest, if any, payable to the members of Provident Fund and has made appropriate provision in the books. The Company contributes 12% of salary for all eligible employees towards Provident Fund managed either by approved trusts or by the Central Government and debited to the Statement of Profit and Loss. In view of typical nature of such Provident Fund Scheme involving defined benefit underpin in respect of interest payable to members as declared by the Employees Provident Fund Organisation, the defined benefit obligation relating to interest shortfall is considered to be Other Long Term Employee Benefits. The amount debited to the Statement of Profit and Loss during the year was ₹ 88.63 crore (Previous year ₹ 87.29 crore).
- (b) The Company contributes a certain percentage of salary for all eligible employees in the managerial cadre towards Superannuation Funds with option to put certain portion in NPS and/or in Funds managed by approved trusts or by Life Insurance Corporation of India. The amount debited to the Statement of Profit and Loss during the year was ₹ 14.80 crore (Previous year ₹ 13.27 crore).

46. Provisions:

The details of other provisions and its movement included in Notes 7 and 11 are as under:

	(₹ crore)				
	As at 31/3/2015	Additions	Utilised	Unused Reversed	As at 31/3/2016
(a) Provision for Claims against the Company	28.39	1.55	-	-	29.94
(b) Assets Retirement Obligation	-	25.34	-	-	25.34
(c) Environment Obligation	-	16.62	-	-	16.62
(d) Others	3.25	-	-	3.25	-
	31.64	43.51	-	3.25	71.90
Previous Year	27.02	-	-	-	31.64

	As at	
	31/03/2016	31/03/2015
Non-Current Portion	38.13	-
Current Portion	33.77	31.64

Provision for claims against the Company represents the provision for claims of suppliers, contractors, customers, revenue authorities and others, where the Company anticipates probable outflow. Asset retirement and environment obligations represent decommissioning and site cleaning costs. The amount of provision is estimated by the Company considering the facts and circumstances of each case for which cash flow will be determined on settlement of these matters.

47. Gain or (Loss) on foreign currency transaction and translation has been accounted for under respective head of accounts depending upon the nature of transaction. The details of net gain or (loss) included in various head of accounts are as under:

	(₹ crore)	
	Year Ended	
	31/03/2016	31/03/2015
Revenue from Operations	57.59	131.39
Cost of Materials Consumed	(18.19)	(78.60)
Power and Fuel	(2.49)	2.03
Other Expenses	(55.95)	(11.72)
Interest	(29.14)	(20.39)
	(48.18)	22.71

48. Operating Lease:

The total of future minimum lease payment commitments under non-cancellable operating lease agreement for a period of twenty years, expiring in 2022, to use railway tracks along with locomotives for transportation of materials are as under:

	(₹ crore)	
	As at	
	31/03/2016	31/03/2015
Not later than one year	0.40	0.40
Later than one year and not later than five years	1.60	1.60
Later than five years	0.47	0.87

49. Derivative Financial Instruments:

- (a) The Company has adopted Accounting Standard-30, "Financial Instruments: Recognition and Measurement", issued by the Institute of Chartered Accountants of India, so far as it relates to derivative accounting.
- (b) In the ordinary course of business, the Company is exposed to risks resulting from changes in prices of commodity, exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through derivative financial instruments. It uses derivative instruments such as forwards, futures, swaps and options to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

The Company's risk management activities are subject to the management, direction and control of Risk Management Board (RMB). The RMB is composed of three directors including Managing Director, Deputy Managing Director and at least two officers, one being the Chief Financial Officer. The RMB reports to the Board of Directors on the scope of its activities.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is always linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Company is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The credit levels are reviewed to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

Commodity Price Risk

Copper and Precious Metals

This business is conducted under a conversion model. The prices of input and output are derived from the same benchmark and/or are linked to each other through a defined formula. The objective of risk management is to attempt to use derivatives to match the price fluctuations arising out of the timing mismatch in pricing the input and output to make the margins immune to the fluctuations in prices of the input and output.

Aluminium

This business is vertically integrated. The main raw material, viz., bauxite (mostly mined from own mines) and other purchased raw materials do not have any linkage with the output price which is Aluminium LME prices. When the prices of input(s) and output(s) do not follow the above condition, then risk management attempts to use derivatives so as to protect the margins from adverse movements in prices on either side, i.e., from a rise in input cost or from a fall in output price.

Coal and Furnace Oil

Smelting and other associated operations of aluminium require significant amount of power. Such power is mostly supplied through captive power generation units which are coal based. In order to meet the gap between requirement of coal and its availability domestically, sometimes coal is also imported. The domestic prices of coal are not linked to any internationally traded price whereas the imported coal is linked to internationally traded prices. Hence the imported coal price fluctuates in line with the international prices. To mitigate this risk, coal commodity derivatives are taken. Similarly, Furnace Oil is also an important input for manufacturing alumina which is the input for aluminium production. Furnace oil is sourced mainly from domestic market but the price is linked to international crude price movement. Hence, to mitigate this risk, furnace oil commodity derivatives are taken.

Foreign Currency Exchange Risk

Exchange rate movements, particularly, the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on our operating results. In addition to the foreign exchange flow from exports, the commodity prices in the domestic market are derived based on the landed cost of imports in India where LME prices and USD/INR exchange rate are the main factors. In case of conversion business, the objective is to match the exchange rate of outflows and related inflows through derivative financial instruments. With respect to Aluminium business, where costs are predominantly in INR, the strengthening of INR against USD adversely affects the profitability of the business and benefits when INR depreciates against USD. The Company enters into various foreign exchange contracts to protect profitability. The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign currency exchange rate movement in foreign currency contracts executed with foreign suppliers to procure capital items for its project activities. Also, certain foreign exchange future derivatives are taken for arbitrage between exchange and OTC.

Embedded derivatives

Copper concentrate is purchased on future pricing model based on month's average LME (in case of copper)/LBMA (in case of gold and silver). Since the value of the concentrate changes with response to change in commodity pricing indices, embedded derivatives (ED) is identified and segregated in the contract. The ED, so segregated, is treated like commodity derivative and qualify for hedge accounting. These derivatives are put into a Fair Value hedge relationship with inventory.

The objective of hedge designation of the embedded commodity derivative is to offset the volatility in the Statement of Profit and Loss due to change in value of un-priced inventory with response to LME/ LBMA.

(c) The Asset and Liability position of various outstanding derivative financial instruments is given below:

(₹ crore)

Particulars	Nature of Risk being Hedged	31st March, 2016			31st March, 2015		
		Liability	Asset	Net Fair Value	Liability	Asset	Net Fair Value
Current							
Cash Flow Hedges							
- Commodity Contracts	All cash flow risk other than foreign currency	(126.43)	484.42	357.99	(13.37)	290.35	276.98
- Foreign Currency Contracts	Exchange rate movement risk	-	437.32	437.32	(0.84)	151.45	150.61
Fair Value Hedge							
- Embedded Derivatives *	Risk of change in Fair Value of unpriced inventory	(142.39)	34.36	(108.03)	(123.89)	72.57	(51.32)
Non-Designated Hedges							
- Commodity Contracts		(13.31)	184.17	170.86	(35.05)	62.08	27.03
- Foreign Currency Contracts		(19.15)	7.89	(11.26)	(31.34)	7.24	(24.10)
Total		(301.28)	1,148.16	846.88	(204.49)	583.69	379.20
Non-Current							
Cash Flow Hedges							
- Commodity Contracts	All cash flow risk other than foreign currency	-	47.53	47.53	-	27.45	27.45
- Foreign Currency Contracts	Exchange rate movement risk	(401.62)	30.03	(371.59)	-	-	-
Non-Designated Hedges							
- Commodity Contracts		-	0.65	0.65	(0.05)	-	(0.05)
- Foreign Currency Contracts		-	-	-	-	2.69	2.69
Total		(401.62)	78.21	(323.41)	(0.05)	30.14	30.09
Grand Total		(702.90)	1,226.37	523.47	(204.54)	613.83	409.29

* Fair Value of (₹ 108.03 crore) (Previous year ₹ 51.32 crore) is part of Trade Payables.

(d) The following table presents the outstanding position and fair value of various foreign exchange derivative financial instruments:

	Currency Pair	31st March, 2016			31st March, 2015		
		Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/(Loss)	Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/(Loss)
Foreign Currency Forwards							
Cash Flow Hedges							
Buy Forwards	EUR_INR	-	-	-	69.85	0.42	(0.10)
Buy Forwards	USD_INR	-	-	-	65.57	4.46	(0.74)
Sell Forwards	USD_INR	70.64	992.34	192.96	66.38	750.79	151.45
Total				192.96			150.61
Non-Designated							
Buy Forwards	AUD_INR	50.88	0.05	-	49.20	0.40	(0.04)
Buy Forwards	CAD_INR	-	-	-	50.69	0.06	(0.01)
Buy Forwards	CHF_INR	70.27	0.06	-	66.66	0.13	(0.02)
Buy Forwards	CNY_USD	-	-	-	0.16	20.00	0.50
Buy Forwards	EUR_INR	76.42	6.93	0.66	72.52	5.50	(2.94)
Buy Forwards	GBP_INR	95.96	0.07	-	94.67	0.21	(0.03)
Buy Forwards	NOK_INR	8.09	0.68	0.01	8.18	1.05	(0.03)
Buy Forwards	SEK_INR	8.18	2.54	0.01	7.63	0.05	-
Buy Forwards	USD_INR	66.30	129.68	(19.29)	62.92	462.43	(29.01)
Sell Forwards	USD_INR	68.01	66.12	7.35	66.23	165.13	10.17
Total				(11.26)			(21.41)
Foreign Currency Swaps							
Cash Flow Hedges							
Sell	USD_INR	63.96	938.04	(127.21)			
Total				(127.21)			-

(e) The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2016:

		Average Price (USD/Unit)	Quantity	Unit	Notional Value (USD in Million)	Fair Value Gain/ (Loss) (₹ crore)
Commodity Futures/Forwards/Swaps						
Cash Flow Hedges						
Aluminium	Sell	1,731.16	413,400	MT	715.66	524.17
Copper	Sell	5,071.10	3,000	MT	15.21	4.61
Gold	Sell	1,141.68	181,569	TOZ	207.29	(111.05)
Silver	Sell	14.91	3,146,228	TOZ	46.91	(12.21)
Total						405.52
Non-Designated Hedges						
Aluminium	Buy	1,533.71	62,250	MT	95.47	(10.24)
Aluminium	Sell	1,820.76	60,300	MT	109.79	124.63
Copper	Buy	4,831.84	19,100	MT	92.29	5.11
Copper	Sell	5,078.79	26,050	MT	132.30	36.08
Gold	Sell	1,139.27	152	TOZ	0.17	(0.09)
Total						155.49
Commodity Swaps						
Non-Designated Hedges						
Coal	Buy	45.43	222,750	MT	10.12	6.13
Coal	Sell	48.40	6,250	MT	0.30	(0.21)
Furnace Oil	Buy	143.83	58,250	MT	8.38	10.12
Furnace Oil	Sell	160.81	8,750	MT	1.41	(0.02)
Total						16.02
Embedded Derivatives						
Fair Value Hedges						
Copper	Sell	4,714.82	107,389	MT	506.32	(106.10)
Gold	Sell	1,219.41	17,342	TOZ	21.15	(1.62)
Silver	Sell	15.30	312,764	TOZ	4.79	(0.31)
Total						(108.03)

The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2015:

		Average Price (USD/Unit)	Quantity	Unit	Notional Value (USD in Million)	Fair Value Gain/ (Loss) (₹ crore)
Commodity Futures/Forwards						
Cash Flow Hedges						
Aluminium	Sell	1,977.70	274,000	MT	541.89	290.36
Copper	Sell	5,972.91	16,325	MT	97.51	(7.01)
Gold	Sell	1,194.61	103,147	TOZ	123.22	7.04
Silver	Sell	17.53	2,593,963	TOZ	45.46	14.04
Total						304.43
Non-Designated Hedges						
Aluminium	Buy	1,787.33	42,125	MT	75.29	(0.47)
Aluminium	Sell	1,945.85	30,500	MT	59.35	30.14
Copper	Buy	6,070.80	15,800	MT	95.92	(0.62)
Copper	Sell	6,005.62	17,325	MT	104.05	(6.15)
Gold	Buy	1,257.24	33,889	TOZ	42.61	(15.66)
Gold	Sell	1,277.42	37,000	TOZ	47.26	21.53
Silver	Buy	16.53	1,203	TOZ	0.02	0.00
Gold	Buy	-	*	TOZ	-	(9.09)
Silver	Buy	-	*	TOZ	-	7.82
Total						27.50
Commodity Swaps						
Non-Designated Hedges						
Coal	Buy	57.24	156,250	MT	8.94	(0.57)
Coal	Sell	59.55	6,250	MT	0.37	0.05
Total						(0.52)

		Average Price (USD/Unit)	Quantity	Unit	Notional Value (USD in Million)	Fair Value Gain/ (Loss) (₹ crore)
Embedded Derivatives						
Fair Value Hedge						
Copper	Sell	5,956.76	93,297	MT	555.75	(55.65)
Gold	Sell	1,205.59	32,351	TOZ	39.00	4.51
Silver	Sell	16.52	285,545	TOZ	4.72	(0.18)
Total						(51.32)

* Represents derivatives matured within 31st March, 2015, for which cash flow to happen on settlement date during April 2015.

(f) The following table presents the details of amount held in Hedging Reserve and the period during which these are going to be released and affecting Statement of Profit and Loss:

(₹ crore)

Hedge Instrument Type	Products/ Currency Pair	31st March, 2016			31st March, 2015		
		Closing Value in Hedging Reserve as at 31st March, 2016	Release		Closing Value in Hedging Reserve as at 31st March, 2015	Release	
			In less than 12 Months	After 12 Months		In less than 12 Months	After 12 Months
Gain/(Loss)	Gain(Loss)	Gain(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)		
Commodity Forwards	Aluminium	546.04	540.54	5.50	286.23	265.07	21.16
	Copper	5.09	5.09	-	(6.36)	(8.55)	2.19
	Gold	(107.64)	(107.64)	-	7.11	7.11	-
	Silver	(12.00)	(12.00)	-	14.00	14.00	-
	Total	431.49	425.99	5.50	300.98	277.63	23.35
Debt		37.00	37.00	-	(18.70)	(18.70)	-
Liability for Copper Concentrate		0.20	0.20	-	(9.32)	(9.32)	-
Foreign Currency Forwards	EUR_INR	-	-	-	(0.94)	(0.94)	-
	USD_INR	186.61	156.58	30.03	147.95	147.95	-
	Total	186.61	156.58	30.03	147.01	147.01	-
Foreign Currency Swaps	USD_INR	(127.21)	-	(127.21)			
	Total	(127.21)	-	(127.21)	-	-	-
Grand Total		528.09	619.77	(91.68)	419.97	396.62	23.35

(g) The following table presents the amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2015-16:

(₹ crore)

Item	Opening Balance	Net Amount Recognised	Recycled			Closing Balance
			Net Amount to P & L	Net Amount Added to Non- Financial Assets	Total Amount Recycled	
Commodity	300.98	1,238.63	1,108.12	-	1,108.12	431.49
Forex	118.99	(463.05)	(440.51)	(0.15)	(440.66)	96.60
Total	419.97	775.58	667.61	(0.15)	667.46	528.09

The following table presents the amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2014-15:

(₹ crore)

Item	Opening Balance	Net Amount Recognised	Recycled			Closing Balance
			Net Amount to P & L	Net Amount Added to Non-Financial Assets	Total Amount Recycled	
Commodity	184.29	247.55	130.86	-	130.86	300.98
Forex	249.23	(51.59)	80.81	(2.16)	78.65	118.99
Total	433.52	195.96	211.67	(2.16)	209.51	419.97

(h) The following table presents the amount of gain/(loss) recycled from Hedging Reserve and reference of the line item in the Statement of Profit and Loss where those amounts are included:

(₹ crore)

Note No.	Schedule Line Item	2015-16	2014-15
23	Aluminium and Aluminium Products	954.18	115.43
23	Copper and Copper Products	(322.34)	28.41
23	Precious Metals	35.77	77.43
33	Other Expenses	-	(9.60)

(i) The adjustment as part of the carrying value of inventories arising on account of fair value hedges is as follows:

(₹ crore)

	2015-16	2014-15
Copper	108.98	54.37
Gold	1.68	(4.49)
Silver	0.32	0.19
Total	110.98	50.07

(j) **Sensitivities:**

The following table presents the estimated potential changes in the fair values of the foreign currency derivative financial instruments given a 10% changes in their respective indexes.

(₹ crore)

Currency Pair	Change in Rate/Price	31st March, 2016			31st March, 2015		
		Change in Fair Value	Change in Profit and Loss	Change in Hedging Reserve	Change in Fair Value	Change in Profit and Loss	Change in Hedging Reserve
Forwards							
USD_INR	10%	626.29	(18.38)	644.67	295.12	(169.11)	464.23
EUR_INR	10%	5.24	5.24	-	3.96	3.69	0.27
GBP_INR	10%	0.07	0.07	-	0.19	0.19	-
NOK_INR	10%	0.05	0.05	-	0.07	0.07	-
CHF_INR	10%	0.04	0.04	-	0.08	0.08	-
AUD_INR	10%	0.03	0.03	-	0.19	0.19	-
CAD_INR	10%	-	-	-	0.03	0.03	-
SEK_INR	10%	0.19	0.19	-	0.00	0.00	-
CNY_USD	10%	-	-	-	1.84	1.84	-
Swaps							
USD_INR	10%	695.47	-	695.47			
Debt	10%	567.27	67.01	500.26	687.10	193.96	493.14

The following table presents the estimated potential change in the fair values of the commodity derivative financial instruments, given a 10% change in their respective indexes (LME in case of Aluminium and Copper, LBMA in case of Gold and Silver, Argus McCloskey API 4 in case of Coal and Platts Fuel Oil 180 cst AG in case of Furnace Oil).

(₹ crore)

Types of Derivative	Change in Rate/Price	31 st March, 2016			31 st March, 2015		
		Change in Fair Value	Change in Profit and Loss	Change in Hedging Reserve	Change in Fair Value	Change in Profit and Loss	Change in Hedging Reserve
Forwards	10%	630.22	22.41	607.80	467.24	(3.01)	470.25
Swaps	10%	12.69	12.69	-	5.28	5.28	-
Embedded Derivatives	10%	363.09	363.09	-	378.50	378.50	-

50. Contingent Liabilities and Commitments:

(₹ crore)

	As at	
	31/03/2016	31/03/2015
A. Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt: Following demands are disputed by the Company and are not provided for:		
(i) Demand of Interest on past dues of the Aluminium Regulation Account up to 31 st December, 1987. * The demand is not payable.	-	6.33
(ii) Retrospective Revision of Water Rates by UP Jal Vidyut Nigam Limited (April 1989 to June 1993 and Jan 2000 to Jan 2001). * Writ petition pending with Lucknow Bench of Allahabad High Court. The demand for arrears stayed vide order dated 11/05/2001.	4.08	4.08
(iii) Transit Fees levied by Divisional Forest Officer, Renukoot, on Coal and Bauxite. * Appeal pending with the Hon'ble High Court of Allahabad, and payment of transit fee has been stayed. According to the legal opinion received by the Company, the Forest department has no authority to levy such fees. 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.	127.39	117.63
(iv) M.P. Transit Fee on Coal demanded by Northern Coal Fields Limited. * 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 before the Hon'ble Supreme Court of India against the said order, and the Hon'ble Supreme Court has stayed the order of the 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 the Supreme Court of India.	25.15	24.51

		(₹ crore)	
		As at	
		<u>31/03/2016</u>	<u>31/03/2015</u>
(v)	Imposition of Cess on Coal by Shaktinagar Special Area Development Authority. *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 tagging the matter with CA No. 1883 of 06 (ORISED Matter). The matter is tagged with ORISED and to be heard by the Nine Judges Bench of the Hon'ble Supreme Court.	3.98	3.98
(vi)	Demand of Royalty on Vanadium by District Mining Officer, Lohardaga. * In view of favourable order of the Jurisdictional High Court during the year on similar facts.	-	7.96
(vii)	The demand of Excise Duty on gold. *The Hon'ble Supreme Court has given order in favour of the Company	-	155.31
(viii)	Revision of Surface Rent on land by Government of Jharkhand w.e.f. 16th June, 2005. * Matter is in dispute at the Hon'ble Supreme Court.	33.74	29.97
(ix)	Demand made by Nayab Tehsildar Kusmi/Collector under Chhattisgarh as per Adhosanrachna Vikas evam Parayavaran Upkar Adhinyam, 2005, @ 5% as environment tax on royalty plus 5% as development tax. * The Writ Petition, filed by the Company before the Hon'ble High Court of Chhattisgarh at Bilaspur, has been transferred to the Hon'ble Supreme Court and tagged with other Civil Appeals.	8.59	7.37
(x)	Service Tax paid on Goods Transport Agency and Business Auxiliary Services. * Commissioner has confirmed the demand. Appeal is being filed at CESTAT, New Delhi.	11.27	11.27
(xi)	MP Transit Fee on Bauxite. Company has 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.	1.30	1.30
(xii)	Demand for Entry Tax relating to valuation dispute of 2004-05 to 2005-06, for which appeals have been filed. * Appeal has been filed with Additional CCT, Sambalpur.	28.05	1.18
(xiii)	CST demand on reopening of assessments for 1999-00 to 2003-04. * Appeals have been filed.	5.01	5.01
(xiv)	Demand of Penalty on excess CENVAT Credit taken. *Appeal pending with the CESTAT, Ahmedabad.	0.10	0.10
(xv)	Demand for Sales Tax u/s 15B for A.Y. 2001-02 and 2002-03. * Appeal is pending with J.C. Appellate Authority, Baroda.	7.96	7.96
(xvi)	Service Tax on insurance policy attributable to Renusagar. * Commissioner has confirmed the demand. Appeal is pending before the CESTAT, New Delhi.	3.97	3.97

	As at		FINANCIAL HIGHLIGHTS
	31/03/2016	31/03/2015	
(xvii) Disallowance of CENVAT credit. * The matter is pending with CESTAT, Ahmedabad.	5.29	5.29	MANAGEMENT DISCUSSION AND ANALYSIS
(xviii) Demand raised on assessment under CST Act and APGST Act for various years. * Appeals have been filed with appropriate authorities.	5.77	5.89	
(xix) Demand for Service Tax on Consulting Engineer Services and Scientific & Tech Service. * Appeal pending with Commissioner (Appeals), Ahmedabad.	3.84	3.84	DIRECTORS' REPORT
(xx) Alleged Cenvat taken without receipt of Alumina Hydrate inside the factory. * Appeal filed with CESTAT.	3.46	3.46	
(xxi) Alleged Cenvat availed on the Input Services at captive mines. *Appeal pending with CESTAT.	36.05	36.05	SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT
(xxii) Cenvat of Service Tax Credit availed on Supplementary Invoices. *Pending with appropriate Authority.	11.05	11.05	
(xxiii) Excess rebate has been sanctioned to the extent duty paid by supplementary invoices. *Appeal pending with Commissioner of Customs (Appeals), Mumbai.	5.08	5.08	CORPORATE GOVERNANCE REPORT
(xxiv) Disallowance of CENVAT on input services. *Pending with appropriate Authority.	9.62	7.74	
(xxv) Water Tariff revision demand for previous years. *Matter is pending in the Hon'ble High Court of Karnataka.	8.14	10.86	SHAREHOLDER INFORMATION
(xxvi) Demand for Sales Tax under KVAT Act, 2003, for Tax period 2011-2012 and 2012-13. *Appeal pending with Commissioner, Appellate Authority, Bengaluru.	16.46	16.46	
(xxvii) Demand for Sales Tax under MPVAT Act, 2002, for Tax period 2010-11. *Order in favour of the Company.	-	7.64	SOCIAL REPORT
(xxviii) Demand for Sales Tax under CST Act, 1969, for Tax Period 2009-10. *Appeal pending with Commissioner, Appellate Authority, Bengaluru.	1.21	1.21	
(xxix) U.P. Transit Fee on Coal. *Matter is pending in the Hon'ble High Court of Allahabad.	6.50	-	STANDALONE FINANCIAL STATEMENTS
(xxx) Demand for Sales Tax under MPVAT Act, 2002, for Tax period 2009-10. *Appeal pending with the Commissioner, Appellate Authority, Indore.	1.35	-	
(xxxi) Other Contingent Liabilities in respect of Excise, Customs, Sales Tax etc., each being for less than ₹ 1 crore. * The demands are in dispute at various legal forums.	16.66	17.72	CONSOLIDATED FINANCIAL STATEMENTS
	391.07	520.22	
(b) Corporate Guarantees Outstanding (₹5,075.99 crore* (Previous year ₹ 5,229.70 crore*) given on behalf of subsidiary companies). * Includes ₹ 5,044.61 crore (Previous year ₹ 5,181.28 crore) given to lenders against loan provided to various subsidiaries, amount of loan outstanding as on 31st March, 2016 is ₹ 4,952.10 crore (Previous year ₹ 4,887.43 crore).	5,075.99	5,270.76	

	(₹ crore)	
	<u>As at</u>	
	<u>31/03/2016</u>	<u>31/03/2015</u>
(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 Licence, against which export obligation is to be fulfilled (excluding cenvatable portion).	325.81	328.03
(iii) 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 18th 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, <i>inter alia</i> , on the above said grounds, which is pending determination.		
(iv) 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 1.4.2009 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 upto 31.3.2016. Thus, the total amount outstanding till 31.3.2016 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 27.12.2013 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 12.2.2014 and the Hon'ble Uttar Pradesh Electricity Regulatory Commission (UPERC), vide its order dated 24.2.2014, 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.		

(₹ crore)

	<u>As at</u>	
	<u>31/03/2016</u>	<u>31/03/2015</u>

B. Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	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 without prior approval of the Facility Agent in writing divest 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.
- (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.
51. As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed. The Company has incurred expenses amounting to ₹ 34.15 crore (Previous year ₹ 32.42 crore), in alignment with the CSR Policy which is in conformity with the activities specified in Schedule VII of the Companies Act, 2013.
52. (a) Details of Loans given, Investments made and Guarantee given covered under Section 186(4) of the Companies Act, 2013:
- (i) Details of Investments made given as part of Note No. 14 (Non Current Investments) and Note No. 17 (Current Investments).
- (ii) Loans and Corporate Guarantees given below: (₹ crore)

Name of the Company	Relationship	Nature of Transactions	As at	
			31/03/2016	31/03/2015
Details of Loans				
Hydromine Global Minerals GmbH	Joint Venture	Advance against Equity	0.50	0.13
Mahan Coal Ltd.	Joint Venture	Advance against Equity	0.50	0.00
Tubed Coal Mines Limited	Subsidiary	Advance against Equity	0.21	0.33
Aditya Birla Science and Technology Company Private Limited	Associate	Inter Corporate Deposit	57.94	57.94
			59.15	58.40
Details of Guarantee				
Hindalco Do Brasil Industria e Comercio de Alumina Ltda	Subsidiary	Corporate Guarantee	182.20	171.37
Suvas Holdings Limited	Subsidiary	Corporate Guarantee	9.91	9.91
Utkal Alumina International Limited	Subsidiary	Corporate Guarantee	4,852.50	5,000.00
			5,044.61	5,181.28

- (b) Disclosure relating to amount outstanding at the year end and maximum outstanding during the year of loans and advances, in nature of loan, required under SEBI (Listing obligations and disclosure requirements) Regulations, 2015, are given below:

Particulars	(₹ crore)			
	As at 31/03/2016	Maximum Outstanding during FY 2016	As at 31/03/2015	Maximum Outstanding during FY 2015
Associate:				
(i) Aditya Birla Science & Technology Company Private Limited	57.94	57.94	57.94	57.94

53. Related Party Disclosures as per Accounting Standard (AS)-18:

A. List of Related Parties:

(a) Enterprises where control exists:

i. Subsidiaries:

- 1 Hindalco Guinea SARL
- 2 Minerals & Minerals Limited
- 3 Utkal Alumina Technical & General Services Limited
- 4 Suvas Holdings Limited
- 5 Utkal Alumina International Limited
- 6 Aditya Birla Chemicals (India) Limited (Merged with Grasim Industries Limited w.e.f. 1st April, 2015)
- 7 Aditya Birla Chemicals (Belgium) BVBA (Merged with Grasim Industries Limited w.e.f. 1st April, 2015)
- 8 Renukeshwar Investments & Finance Limited
- 9 Renuka Investments & Finance Limited
- 10 Dahej Harbour and Infrastructure Limited
- 11 Lucknow Finance Company Limited
- 12 Hindalco - Almex Aerospace Limited
- 13 Hindalco do Brasil Indústria e Comércio de Alumina Ltda.
- 14 Tubed Coal Mines Limited
- 15 East Coast Bauxite Mining Company Private Limited
- 16 Mauda Energy Limited
- 17 Birla Resources Pty. Limited
- 18 Aditya Birla Minerals Limited
- 19 Birla Maroochydore Pty. Limited
- 20 Birla Nifty Pty. Limited
- 21 Birla Mt. Gordon Pty. Limited (Disposed of on 27th October, 2015)
- 22 AV Minerals (Netherlands) N.V.
- 23 AV Metals Inc.
- 24 Novelis Inc.
- 25 Novelis (India) Infotech Ltd.
- 26 4260848 Canada Inc.
- 27 4260856 Canada Inc.
- 28 8018227 Canada Inc.

29	8018243 Canada Limited (Amalgamated with Novelis Inc. w.e.f. 31st March, 2016)	FINANCIAL HIGHLIGHTS
30	Novelis Corporation	
31	Aluminum Upstream Holdings LLC (Amalgamated with Novelis South America Holding LLC w.e.f. 2nd December, 2015)	MANAGEMENT DISCUSSION AND ANALYSIS
32	Eurofoil Inc. (USA) (Amalgamated with Novelis PAE Corporation w.e.f. 1st November, 2015)	
33	Logan Aluminium Inc.	DIRECTORS' REPORT
34	Novelis Acquisitions LLC	
35	Novelis Global Employment Organization Inc. (Formerly known as Novelis PAE Corporation change w.e.f. 15th December, 2015)	SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT
36	Novelis Holdings Inc.	
37	Novelis South America Holdings LLC	CORPORATE GOVERNANCE REPORT
38	Novelis Delaware LLC (Amalgamated with Novelis Inc. w.e.f. 31st March, 2016)	
39	Albrasilis - Alumínio do Brasil Indústria e Comércio Ltda. (Dissolved 18th November, 2015)	SHAREHOLDER INFORMATION
40	Novelis do Brasil Ltda.	
41	Novelis Laminés France SAS	SOCIAL REPORT
42	Novelis PAE SAS	
43	Novelis Aluminium Beteteiligungs GmbH	STANDALONE FINANCIAL STATEMENTS
44	Novelis Deutschland GmbH	
45	Novelis Sheet Ingot GmbH	CONSOLIDATED FINANCIAL STATEMENTS
46	Novelis Aluminium Holding Company	
47	Novelis Italia SpA	
48	AI Dotcom Sdn. Berhad (Dissolved w.e.f. 21st January, 2016)	
49	Alcom Nikkei Specialty Coatings Sdn. Berhad	
50	Aluminum Company of Malaysia Berhad	
51	Novelis de Mexico SA de CV	
52	Novelis Korea Limited	
53	Novelis AG	
54	Novelis Switzerland SA	
55	Novelis UK Ltd.	
56	Novelis Europe Holdings Limited	
57	Novelis Services Limited	
58	Novelis (Shanghai) Aluminum Trading Company	
59	Novelis (China) Aluminum Products Co., Ltd.	
60	Novelis MEA Ltd.	
61	Novelis Vietnam Company Limited	
62	Novelis Asia Holdings (Singapore) Pte. Ltd. (struck off w.e.f. 17th March, 2016)	
63	Brecha Energetica Ltda.	
64	Brito Energetica Ltda.	
65	Novelis Services (North America) Inc.	
(b) Other Related Parties:		
i. Associates:		
1	Aditya Birla Science & Technology Company Private Limited	
2	Idea Cellular Limited	
3	Aluminium Norf GmbH	
4	Deutsche Aluminium Verpackung Recycling GmbH	
5	France Aluminium Recyclage SA	

ii. **Joint Ventures:**

- 1 Mahan Coal Limited
- 2 Hydromine Global Minerals (GmbH) Limited
- 3 MNH Shakti Limited

iii. **Trust of the Company:**

- 1 Trident Trust

iv. **Key Managerial Personnel:**

Mr. D. Bhattacharya - Managing Director
Mr. Satish Pai - Deputy Managing Director

B. The following transactions were carried out with the Related Parties in the ordinary course of business:

(a) **Subsidiaries, Associates and Joint Ventures:**

(₹ crore)

Sr. No.	Transaction during the year	2015-16			2014-15		
		Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
1	Sales and Conversion	34.93	-	-	153.83	-	-
	(a) Aditya Birla Chemicals (India) Limited	-	-	-	101.72	-	-
	(b) Hindalco - Almex Aerospace Limited	10.49	-	-	15.04	-	-
	(c) Novelis Inc.	24.44	-	-	-	-	-
	(d) Utkal Alumina International Limited	-	-	-	37.07	-	-
2	Services Rendered	0.04	-	0.00	7.94	0.02	0.06
	(a) Dahej Harbour and Infrastructure Limited	0.03	-	-	0.11	-	-
	(b) Novelis Inc.	-	-	-	0.01	-	-
	(c) Utkal Alumina International Limited	0.01	-	-	7.57	-	-
	(d) Others	0.00	-	0.00	0.25	0.02	0.06
3	Interest and Dividend Received	117.05	19.79	-	13.87	15.27	-
	(a) Aditya Birla Science & Technology Company Pvt. Ltd.	-	5.14	-	-	5.14	-
	(b) Aditya Birla Chemicals (India) Limited	-	-	-	1.80	-	-
	(c) Hindalco - Almex Aerospace Limited	0.05	-	-	0.06	-	-
	(d) Dahej Harbour and Infrastructure Limited	72.00	-	-	-	-	-
	(e) Idea Cellular Limited	-	14.65	-	-	10.08	-
	(f) Renuka Investments & Finance Limited	30.00	-	-	-	-	-
	(g) Renukeswar Investments & Finance Limited	15.00	-	-	-	-	-
	(h) Lucknow Finance Company Limited	-	-	-	12.00	-	-
	(i) Others	-	-	-	0.01	0.05	-
4	Purchase of Materials, Capital Equipment and Others	3,135.77	-	0.01	2,044.29	-	-
4.1	Purchase of Materials	3,135.21	-	-	2,042.68	-	-
	(a) Aditya Birla Chemicals (India) Limited	-	-	-	393.55	-	-
	(b) Birla (Nifty) Pty. Limited	968.57	-	-	328.31	-	-
	(c) Birla Mt. Gordon Pty. Limited	-	-	-	-	-	-
	(d) Minerals & Minerals Limited	19.87	-	-	18.38	-	-
	(e) Novelis Inc.	2.59	-	-	2.71	-	-
	(f) Utkal Alumina International Limited	2,141.59	-	-	1,299.71	-	-
	(g) Hindalco - Almex Aerospace Limited	2.59	-	-	0.02	-	-

(₹ crore)

Sr. No.	Transaction during the year	2015-16			2014-15		
		Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
4.2	Purchase of Capital Equipment	0.56	-	-	1.61	-	-
	(a) Novelis Inc.	-	-	-	1.61	-	-
	(b) Tubed Coal Mines Limited	0.56	-	-	-	-	-
4.3	Purchase of Investment (Includes Accrued dividend)	-	-	-	-	-	-
	(a) Dahej Harbour and Infrastructure Limited	-	-	-	-	-	-
4.4	Interest Paid	-	-	0.01	-	-	-
	(a) Mahan Coal Limited	-	-	0.01	-	-	-
5	Services Received	44.53	14.66	-	36.66	32.99	-
	(a) Aditya Birla Science & Technology Company Pvt. Ltd.	-	11.39	-	-	15.22	-
	(b) Dahej Harbour and Infrastructure Limited	40.85	-	-	35.73	-	-
	(c) Idea Cellular Limited	-	3.27	-	-	3.06	-
	(d) Novelis Inc.	2.94	-	-	0.35	-	-
	(e) Utkal Alumina International Limited	0.15	-	-	-	-	-
	(f) Others	0.59	-	-	0.58	14.71	-
6	Investments, Deposits, Loans and Advances made during the year	109.17	-	1.06	785.63	-	2.75
6.1	Deposits, Loans and Advance given during the year	0.12	-	0.56	0.33	-	0.13
	(a) Mahan Coal Limited	-	-	0.06	-	-	-
	(b) Tubed Coal Mines Limited	0.12	-	-	0.33	-	-
	(c) Hydromine Global Minerals GmbH Limited	-	-	0.50	-	-	0.13
6.2	Investments made during the year	109.05	-	0.50	785.31	-	2.62
	(a) Mahan Coal Limited	-	-	0.50	-	-	2.50
	(b) Hydromine Global Minerals GmbH Limited	-	-	-	-	-	0.12
	(c) AV Minerals (Netherlands) N.V.	48.96	-	-	-	-	-
	(d) Utkal Alumina International Limited	60.00	-	-	784.50	-	-
	(e) Idea Cellular Limited	-	-	-	-	-	-
	(f) Tubed Coal Mines Limited	0.09	-	-	0.39	-	-
	(g) Others	-	-	-	0.42	-	-
7	Advances given in the previous year converted in Equity this year	0.33	-	-	8.40	-	31.43
	(a) Tubed Coal Mines Limited	0.33	-	-	8.40	-	-
	(b) Hydromine Global Minerals GmbH Limited	-	-	-	-	-	31.43
8	Investments, Deposits, Loans and Advances received back during the year	-	-	0.06	1,094.35	-	-
8.1	Deposits, Loans and Advance received back during the year	-	-	-	-	-	-
	(a) Mahan Coal Limited	-	-	0.06	-	-	-
8.2	Investments received back during the year	-	-	-	-	-	-
	(a) AV Minerals (Netherlands) N.V.	-	-	-	1092.25 #	-	-
	(b) Others	-	-	-	2.10	-	-
9	Loans and Advances received during the year	-	-	101.50	-	-	-
	(a) Mahan Coal Limited	-	-	101.50	-	-	-

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(₹ crore)

Sr. No.	Transaction during the year	2015-16			2014-15		
		Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
10	Loans and Advances paid during the year	-	-	1.00	-	-	-
	(a) Mahan Coal Limited	-	-	1.00	-	-	-
11	Guarantees and Collateral Securities given	4,863.33	-	-	9.91	-	-
	(a) Utkal Alumina International Limited	4,852.50	-	-	-	-	-
	(b) Hindalco do Brasil Indústria e Comércio de Alumina Ltda.	10.83	-	-	-	-	-
	(c) Suvas Holdings Limited	-	-	-	9.91	-	-
12	Guarantees and Collateral Securities taken back during the year	5,017.04	-	40.56	26.68	-	-
	(a) Utkal Alumina International Limited	5,000.00	-	-	-	-	-
	(b) Hindalco do Brasil Indústria e Comércio de Alumina Ltda.	-	-	-	26.68	-	-
	(c) Mahan Coal Limited	-	-	16.71	-	-	-
	(d) Others	17.04	-	23.85	-	-	-
13	Licence and Lease Arrangements						
	Licence Fees:	0.01	-	-	0.01	-	-
	(a) Dahej Harbour and Infrastructure Limited	0.01	-	-	0.01	-	-
14	Outstanding balances as at 31st March						
14.1	Debit Balances	3.70	0.39	0.03	19.26	0.44	0.03
	(a) Idea Cellular Limited	-	0.39	-	-	0.40	-
	(b) Aditya Birla Chemicals (India) Limited	-	-	-	4.21	-	-
	(c) Aditya Birla Minerals Limited	-	-	-	0.10	-	-
	(d) Minerals & Minerals Limited	3.04	-	-	2.65	-	-
	(e) Lucknow Finance Company Limited	-	-	-	12.00	-	-
	(f) Novelis Inc.	0.59	-	-	-	-	-
	(g) Others	0.07	-	0.03	0.30	0.04	0.03
14.2	Credit Balances	348.72	0.10	-	52.20	0.11	0.05
	(a) Idea Cellular Limited	-	0.10	-	-	0.11	-
	(b) Aditya Birla Chemicals (India) Limited	-	-	-	8.23	-	-
	(c) Birla (Nifty) Pty. Limited	149.21	-	-	1.90	-	-
	(d) Novelis Inc.	1.24	-	-	0.33	-	-
	(e) Dahej Harbour and Infrastructure Limited	1.80	-	-	5.54	-	-
	(f) Utkal Alumina International Limited	196.46	-	-	36.20	-	-
	(g) Others	0.01	-	-	-	-	0.05
14.3	Investments	14,011.68	248.27	186.59	13,918.85	251.30	217.60
	(a) Aditya Birla Science & Technology Company Pvt. Ltd.	-	9.80	-	-	9.80	-
	(b) Idea Cellular Limited	-	238.47	-	-	238.38	-
	(c) AV Minerals (Netherlands) N.V.	9,534.17	-	-	9,485.21	-	-
	(d) Aditya Birla Chemicals (India) Limited	-	-	-	12.46	-	-
	(e) Aditya Birla Minerals Limited	222.35*	-	-	222.35*	-	-
	(f) Utkal Alumina International Limited	4,082.03	-	-	4,022.03	-	-

Sr. No.	Transaction during the year	2015-16			2014-15		
		Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
	(g) Mahan Coal Limited	-	-	173.75*	-	-	173.25*
	(h) Hydromine Global Minerals GMBH Limited	-	-	0.07*	-	-	31.58
	(i) Others	173.13*	-	12.77	176.80*	3.12	12.77
14.4	Deposits, Loans and Advances	0.30	57.94	0.63	0.41	58.69	0.12
	(a) Aditya Birla Science & Technology Company Pvt. Ltd.	-	57.94	-	-	57.94	-
	(b) Hydromine Global Minerals GmbH Limited	-	-	0.63	-	-	0.12
	(c) Others	0.30	-	-	0.41	0.75	-
14.5	Loans and Advance received	-	-	100.50	-	-	-
	(a) Mahan Coal Limited	-	-	100.50	-	-	-
14.6	Guarantees and Collateral Securities given	5,075.99	-	-	5,229.70	-	40.56
	(a) Hindalco do Brasil Indústria e Comércio de Alumina Ltda.	182.20	-	-	171.37	-	-
	(b) Dahej Harbour and Infrastructure Limited	4.50	-	-	4.50	-	-
	(c) Utkal Alumina International Limited	4,879.38	-	-	5,026.88	-	-
	(d) Mahan Coal Limited	-	-	-	-	-	16.71
	(e) Others	9.91	-	-	26.95	-	23.85

* Net of provision for diminution in carrying value of investment.

Net of foreign currency exchange gain of ₹ 361.11 crore.

	As at	
	31/03/2016	31/03/2015
(b) Trident Trust:		
Beneficiary Interest in the Trust	34.46	34.46
(c) Key Managerial Personnel:		
Managerial Remuneration (including perquisites) *		
Mr. D. Bhattacharya - Managing Director	19.90	21.59
Mr. Satish Pai - Deputy Managing Director	13.96	12.17

* Excluding gratuity, leave encashment provisions and compensation under Employee Stock Option Scheme.

54. Additional information:

A. C.I.F. Value of Imports by the Company (Excluding imported items purchased locally):

	Year Ended	
	31/03/2016	31/03/2015
Raw Materials	15,089.62	17,571.39
Coal and Fuel	628.26	652.89
Trading Goods	-	37.04
Stores and Spares	140.93	73.66
Capital Goods	1,438.85	140.64

B. Expenditure in Foreign Currency During the Year:

Technical Know-how and Professional or Consultation Fees	50.00	97.09
Interest	51.45	52.31
Others*	(1,015.68)	(168.53)

* Includes Cash Flow arising on Commodity Derivatives.

C. Value of Raw Materials, and Stores and Spares Consumed during the year ended:

	Value (₹ crore)		Percentage (%)	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
Raw Materials:				
Imported	14,732.47	17,550.95	76.65%	83.21%
Indigenous	4,488.07	3,540.43	23.35%	16.79%
	19,220.54	21,091.38		
Stores and Spares:				
Imported	87.35	90.99	12.75%	15.18%
Indigenous	597.58	508.59	87.25%	84.82%
	684.93	599.58		

D. Remittance in Foreign Currencies on Account of Dividend:

	Year Ended	
	31/03/2016	31/03/2015
Amount of Dividend Remitted (₹ crore)	19.06	19.27
Year to which Dividend Relates	2014-15	2013-14
Number of Non-Resident Shareholders	294	300
Number of Shares Held	190,644,562	192,718,605

E. Earnings in Foreign Exchange:

Export of Goods on F.O.B. Basis (₹ crore)	12,489.85	13,334.45
Others (₹ crore)	0.83	2.86

55. Previous year figures have been reclassified/regrouped to conform to this year's classification.

As per our report annexed.

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

RAJIV SINGHI

Partner

Membership No. 53518

Place : Mumbai

Dated : 28th May, 2016

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of
Hindalco Industries Limited

Kumar Mangalam Birla – Chairman
DIN-00012813

D. Bhattacharya – Managing Director
DIN-00033553

M.M. Bhagat – Director
DIN-00006245

To the Members of Hindalco Industries Limited

Report on the Consolidated Financial Statements

This Audit report on consolidated financial statements which, inter-alia, includes full year financial statements of Aditya Birla Minerals Limited (ABML), Australia, supersedes our earlier audit report dated 28th May 2016 issued on consolidated financial statements which was then prepared considering the half yearly consolidated financial statements of ABML.

We have audited the accompanying consolidated financial statements of **HINDALCO INDUSTRIES LIMITED** ("hereinafter referred to as "the Holding Company") and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") and its Associates and Jointly Controlled Entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require, that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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 1 and 2 of the other matter paragraph is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to –

1. Note no. 42 to the consolidated financial statements regarding accounting policy of Novelis Inc., a wholly owned subsidiary, with respect to recognition of actuarial losses(net of deferred tax) relating to pension and other post retirement benefit plans in the Actuarial Gain/(Loss) Reserve. Had the Group followed the practice of recognition of actuarial gains/ losses on the aforesaid defined benefit plans in the Statement of Profit and Loss, Employee Benefits Expenses would have been higher by ₹ 253.75 crore (Previous year higher by ₹ 1,516.50 crore), Tax Expenses (Deferred Tax) would have been lower by ₹ 93.02 crore (Previous year lower by ₹ 452.80 crore), Minority Interest credit would have been lower by ₹ 71.71 crore (Previous year lower by ₹ 50.28 crore), Actuarial Gain/ (Loss) Reserve would have been ₹ Nil (Previous year ₹ Nil) and Foreign Currency Translation Reserve would have been lower by ₹ 150.74 crore (Previous year lower by ₹ 68.65 crore).
2. Note no. 49 to the consolidated financial statements explaining that in compliance to scheme of arrangement under section 391 to 394 of the Companies Act, 1956 approved by the Hon'ble Bombay High Court vide order dated 29th June 2009, the management of the Holding Company during the year has identified and adjusted following against Business Reconstruction Reserve:
 - a. provision for diminution in the carrying value of Investment in one of its Subsidiaries and a Jointly Controlled Entity aggregating to ₹ 35.50 crore,
 - b. impairment loss of ₹ 561.70 crore(deferred tax of ₹ 194.39 crore) related to one of its cash generating units,
 - c. expenses of ₹ 279.46 crore for exited project.

Had the impact of paragraph 1 and 2 be considered, the reported consolidated profit before tax of ₹ 559.56 crore and profit after tax and minority interest of ₹ 44.81 crore respectively, would have been converted in to consolidated loss before tax of ₹ 642.57 crore and loss after tax and minority interest of ₹ 869.91 crore. Further, consolidated share of minority interest would have been ₹ 377.29 crore (loss) against reported minority share of ₹ 449.00 crore (loss).

Our opinion is not qualified in respect of above matters.

Other Matters

1. We did not audit the financial statements/financial information of eleven subsidiaries and one jointly controlled entity, whose financial statements/financial information reflect total assets of ₹ 8,766.07 crore as at 31st March, 2016, total revenue of ₹ 2,314.87 crore and net cash flow amounting to ₹ 15.47 crore for the year then ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 180.58 crore for the year ended 31st March 2016, as considered in the consolidated financial statements, in respect of two associates, whose financial statements/financial information have not been audited by us. These financial statements/financial information of subsidiaries, jointly controlled entity and associates 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, jointly controlled entity and associates, is based solely on the report of other auditors.
2. We did not audit the consolidated financial statements/financial statements/financial information of three foreign subsidiaries whose consolidated financial statements/financial statements reflect total assets of

₹ 66,829.65 crore (net) as at 31st March, 2016, total revenue of ₹ 65,446.49 crore and net cash flow amounting to ₹ 292.34 crore for the year then ended on that date, as considered in the consolidated financial statements. These consolidated financial statements/financial statements/financial information have been prepared by the management of the Holding Company and its subsidiaries in accordance with the generally accepted accounting principles in India and other recognized accounting policies read with point no. 1 under Emphasis of Matter and principles followed by the Holding Company. These financial statements/financial information have been audited by a firm of Chartered Accountants and have been included in the consolidated 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.

3. We did not audit the consolidated financial statements/financial statements/financial information of two foreign subsidiaries, whose consolidated financial statements/financial statements reflect total assets of ₹ 825.56 crore (net) as at 31st March, 2016, total revenue of ₹ 1,006.13 crore and net cash flow amounting to ₹ 241.99 crore for the year ended on that date, as considered in the consolidated financial statements. These consolidated financial statements/financial statements/financial information are audited as per the local law of the respective countries and have been converted by the Management of the Holding Company into Indian GAAP, and our opinion on the consolidated financial statements in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on such financial statement /financial information which have been converted into Indian GAAP by the management to the extent possible and have been reviewed by us.
4. We did not audit the financial statements/financial information of a foreign subsidiary and a jointly controlled entity, whose financial statements/financial information reflect total assets of ₹ 264.35 crore (net) as at 31st March, 2016 (net), total revenue of ₹ 193.11 crore and net cash flow amounting to ₹ 7.33 crore for the year ended on that date, as considered in the consolidated 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/jointly controlled entity into Indian GAAP and certified by the management of the respective subsidiary/jointly controlled entity and provided to us by the management of the Holding Company. Our opinion on the consolidated financial statement in so far as it relates to amount included in respect of these subsidiary and jointly controlled entity is based solely on Management certified financial statements and financial information.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below are not qualified 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 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements read with the our observations made in Emphasis of Matter paragraph, comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard (AS) - 30 to the extent it relates to Derivative Accounting, as prescribed by Institute of Chartered Accountants of India.
- (e) On the basis of the written representations received from the directors of the Holding Company and Subsidiary Companies as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and

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Subsidiary Companies incorporated in India, none of the directors of the Holding Company and Subsidiary Companies incorporated in India is disqualified as on 31st March, 2016 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 Group 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, 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 – Refer note no. 52A(a), 52A(c)(iii) and 52A(c)(iv) to the consolidated financial statements.
 - ii. the Group has long-term contracts including derivative contracts as at 31st March, 2016 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 Holding Company and its Subsidiaries, Associates and Jointly Controlled Entities incorporated in India, except a sum of ₹ 0.09 crore which are held in abeyance due to pending legal cases.

For SINGHI & CO.

Chartered Accountants
Firm Registration No. 302049E

(RAJIV SINGHI)

Partner

Membership No. 53518

Place : Mumbai

Date : 21st July, 2016

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 31st March, 2016, 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.

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 31st March 2016, 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 : 21st July, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

		As at 31/03/2016	(₹ crore) As at 31/03/2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	'6'	206.52	206.52
Reserves and Surplus	'7'	38,207.28	38,122.02
		38,413.80	38,328.54
Minority Interest		388.80	956.11
Non-Current Liabilities			
Long-Term Borrowings	'8'	58,176.16	55,386.18
Deferred Tax Liabilities (Net)	'9'	3,330.34	3,948.14
Other Long-Term Liabilities	'10'	797.70	815.03
Long-Term Provisions	'11'	7,355.01	6,562.29
		69,659.21	66,711.64
Current Liabilities			
Short-Term Borrowings	'12'	8,768.59	11,671.98
Trade Payables:			
Dues of Micro Enterprises and Small Enterprises		4.29	2.40
Dues of Creditors other than Micro Enterprises and Small Enterprises		14,117.81	15,498.12
Other Current Liabilities	'13'	6,943.31	8,313.75
Short-Term Provisions	'14'	1,865.62	1,656.33
		31,699.62	37,142.58
		140,161.43	143,138.87
ASSETS			
Non-Current Assets			
Fixed Assets:			
Tangible Assets	'15'	63,124.74	54,590.71
Intangible Assets	'16'	17,534.91	17,368.05
Capital Work-in-Progress		4,057.64	13,913.97
Intangible Assets under Development		143.77	197.30
		84,861.06	86,070.03
Non-Current Investments	'17'	6,558.36	5,726.41
Deferred Tax Assets (Net)	'18'	1,599.77	1,392.96
Long-Term Loans and Advances	'19'	1,521.90	2,368.66
Other Non-Current Assets	'20'	501.36	329.01
		95,042.45	95,887.07
Current Assets			
Current Investments	'21'	7,765.51	6,619.93
Inventories	'22'	16,730.96	18,451.13
Trade Receivables	'23'	7,941.35	9,186.43
Cash and Bank Balances	'24'	4,312.02	5,308.99
Short-Term Loans and Advances	'25'	4,831.36	5,204.37
Other Current Assets	'26'	3,537.78	2,480.95
		45,118.98	47,251.80
		140,161.43	143,138.87
Significant Accounting Policies	'2'		

The accompanying Notes are an integral part of the 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 : 21st July, 2016

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

*For and on behalf of the Board of
Hindalco Industries Limited*

Kumar Mangalam Birla – Chairman
DIN-00012813
D. Bhattacharya – Managing Director
DIN-00033553
M.M. Bhagat – Director
DIN-00006245

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	Year ended 31/03/2016	Year ended 31/03/2015	(₹ crore)	FINANCIAL HIGHLIGHTS
INCOME					
Revenue from Operations:	'27'				
Gross Revenue from Operations		102,84.77	106,695.56		
Less: Excise Duty		2,442.61	2,414.46		
Net Revenue from Operations		100,042.16	104,281.10		
Other Income	'28'	1,215.30	1,104.74		
Total Income		101,257.46	105,385.84		
EXPENSES					
Purchases of Stock-in-Trade		1.48	36.55		
Cost of Materials Consumed	'29'	58,100.95	66,133.05		
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	'30'	1,285.22	(1,237.89)		
Employee Benefits Expenses	'31'	8,238.34	7,991.23		
Power and Fuel	'32'	9,316.92	8,378.56		
Finance Costs	'33'	5,048.94	4,178.42		
Depreciation and Amortization	'34'	4,126.56	3,493.38		
Impairment Loss/(Reversal) (Net)	'35'	160.63	97.18		
Other Expenses	'36'	14,307.72	14,035.03		
Total Expenses		100,586.76	103,105.51		
Profit Before Exceptional Items and Tax		670.70	2,280.33		
Exceptional Items (Net)	'37'	576.53	1,940.10		
Profit Before Tax		94.17	340.23		
Tax Expenses:	'38'				
Current Tax		1,038.99	1,016.64		
MAT Credit Entitlement		(126.33)	(602.97)		
Deferred Tax		(397.88)	(124.64)		
Tax Adjustments for earlier years (Net)		(0.03)	(32.65)		
Profit/(Loss) for the period from Continuing Operations		(420.58)	83.85		
Profit/(Loss) from Discontinuing Operations	'39'	(158.51)	-		
Profit/(Loss) before Minority Interest and share in Associates		(579.09)	83.85		
Share in Profit/(Loss) of Associates (Net)		174.90	174.70		
Profit/(Loss) before Minority Interest		(404.19)	258.55		
Minority Interest in Profit/(Loss) (Net)		(449.00)	(595.66)		
Profit/(Loss) for the year		44.81	854.21		
Earnings per Share (EPS):	'40'				
Basic EPS (₹)		0.22	4.14		
Diluted EPS (₹)		0.22	4.13		
Significant Accounting Policies	'2'				
The accompanying Notes are an integral part of the Financial Statements					
As per our report annexed.					
For SINGHI & CO.					
Chartered Accountants					
Firm Registration No. 302049E					
RAJIV SINGHI	Praveen Kumar Maheshwari	Kumar Mangalam Birla – Chairman			
Partner	CFO	DIN-00012813			
Membership No. 53518		D. Bhattacharya – Managing Director			
		DIN-00033553			
		M.M. Bhagat – Director			
		DIN-00006245			
Place : Mumbai	Anil Malik				
Dated : 21st July, 2016	Company Secretary				

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31/03/2016	Year ended 31/03/2015
		(₹ crore)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	94.17	340.23
Adjustment for:		
Finance Costs	5,048.94	4,178.42
Depreciation and Amortization	4,126.56	3,493.38
Impairment Loss/(Reversal) (Net) - (a)	737.16	1,062.10
Employee Share Based Payments	7.05	7.28
Provisions/Provisions written-back (Net)	(35.74)	49.25
Unrealised Foreign Exchange (Gain)/Loss (Net)	(21.46)	(53.06)
Loss/(Gain) on Derivative transactions (Net)	(364.51)	397.24
Write-off and amortization of fair value adjustments	(17.92)	(34.40)
Other Non-operating (Income)/Expenses (Net)	(12.66)	(352.84)
Loss/(Gain) on Assets held for sale (Net)	(2.87)	(158.42)
Investing Activities (Net)	(988.03)	(829.56)
Operating Profit Before Working Capital changes	8,570.69	8,099.62
Changes in Working Capital:		
Inventories	2,427.78	(1,869.75)
Trade and other Receivables	2,426.96	(1,616.80)
Trade and other Payables	(2,658.79)	3,400.29
Cash generation from Operation	10,766.64	8,013.36
Payment of Direct Taxes	(783.01)	(1,127.99)
Impact of Foreign Exchange translation (Net)	287.35	257.71
Net Cash generated/(used) - Operating Activities	10,270.98	7,143.08
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(3,989.14)	(5,977.62)
Sale of Fixed Assets	56.37	261.60
(Purchase)/Sale of shares of Subsidiaries (Net)	23.63	-
(Purchase)/Sale of other Investments (Net)	(660.39)	1,051.04
Loans and Deposits Given/(Received back) (Net)	694.28	397.83
Interest Received	549.97	429.53
Dividend Received	44.13	44.53
Net Cash Generated/(Used) - Investing Activities	(3,281.15)	(3,793.09)

	Year ended 31/03/2016	Year ended 31/03/2015	(₹ crore)	FINANCIAL HIGHLIGHTS
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Shares (Net of Expenses) - (b)	0.34	4.70		
Proceeds from Long-term Borrowings	6,116.03	8,202.43		
Prepayment of Long-term Borrowings	(4,457.58)	(6,922.50)		
Repayment of Long-term Borrowings	(654.90)	(952.39)		
Proceeds/(Repayment) of Short-term Borrowings (Net)	(2,974.99)	2,504.79		
Finance Costs Paid	(5,030.79)	(5,025.31)		
Dividend Paid (including Dividend Distribution Tax)	(257.54)	(248.80)		
Net Cash Generated/(Used) - Financing Activities	(7,259.43)	(2,437.08)		
Net Increase/(Decrease) in Cash and Cash Equivalents	(269.60)	912.91		
Add : Opening Cash and Cash Equivalents	4,370.52	3,537.17		
Add : Cash and Cash Equivalents on Acquisition/Disposal	(1.74)	-		
Add : Foreign Exchange variation on Cash and Cash Equivalents	62.17	(79.56)		
Closing Cash and Cash Equivalents	4,161.35	4,370.52		

- (a). Include impairment loss of ₹ 576.53 crore (Previous year ₹ 964.92 crore) accounted for as Exceptional Items (refer Note No. 37 (a)).
 (b). Include ₹ 0.28 crore (Previous year ₹ 0.65 crore) received by subsidiaries from minority shareholders.

Notes:

- The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash Flow Statement".
- Previous year figures have been regrouped/rearranged wherever necessary.

As per our report annexed.

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

RAJIV SINGHI

Partner

Membership No. 53518

Place : Mumbai

Dated : 21st July, 2016

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of
Hindalco Industries Limited

Kumar Mangalam Birla – Chairman
DIN-00012813
D. Bhattacharya – Managing Director
DIN-00033553
M.M. Bhagat – Director
DIN-00006245

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Principles of Consolidation

The Consolidated Financial Statements (CFS) relate to Hindalco Industries Limited (the Company) and its Subsidiaries (the Company and its subsidiaries together referred to as “the Group”) and its interest in Associates and Joint Ventures. The CFS have been prepared in accordance with Accounting Standard 21 on “Consolidated Financial Statements” (AS 21), Accounting Standard 23 on “Accounting for Investments in Associates in Consolidated Financial Statements” (AS 23) and Accounting Standard 27 on “Financial reporting of interests in Joint Ventures” (AS 27) and are prepared on the following basis:

- (a). The financial statements of the Company and its Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating inter-group balances and inter-group transactions including unrealized profits/losses in period end assets, such as inventories, fixed assets etc. The difference between the Company’s cost of investments in the Subsidiaries, over its portion of equity at the time of acquisition of shares is recognized in the consolidated financial statements as Goodwill or Capital Reserve on consolidation, as the case may be. Minority Interest’s share in net profit/loss of consolidated subsidiaries for the year is adjusted against the income of the Group in order to arrive at the net income attributable to equity shareholders of the Company. Minority Interest’s share in net assets of consolidated subsidiaries is presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company’s shareholders. Minority Interest in the consolidated financial statements is identified and recognized after taking into consideration:
 - (i). The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
 - (ii). The minorities’ share of movement in equity since the date parent-subsidiary relationship came into existence.
 - (iii). The losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary.
 - (iv). The excess of loss over the minority interest in the equity, is adjusted against General Reserve of the Company.
- (b). In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities and equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the “Foreign Currency Translation Reserve”.
- (c). Investments in Associates are accounted for using equity method in accordance with AS 23. For this purpose investments are initially recorded at cost. Any Goodwill/Capital Reserve arising at the time of acquisition are identified and carrying amount of investment are adjusted thereafter for the post acquisition share of profits or losses. Adjustment for any change in equity that has not been included in the profit and loss account are directly made in the carrying amount of investments without routing it through the consolidated profit and loss account. The corresponding debit/credit are made in the relevant head of the equity interest in the Consolidated Balance Sheet.
- (d). Interests in jointly controlled entities, where the Company is a direct venturer, are accounted for using proportionate consolidation in accordance with AS 27. The difference between costs of the Company’s interests in jointly controlled entities over its share of net assets in the jointly controlled entities, at the date on which interest is acquired, is recognized in the CFS as Goodwill or Capital Reserve as the case may be.
- (e). The CFS are prepared by using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any and to the extent possible, are made in the CFS and are presented in the same manner as the Company’s separate financial statements except otherwise stated elsewhere in this schedule.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant Accounting Policies

A. Accounting Convention

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on an accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). All the assets and liabilities are classified as current or non-current as per the criteria set out in Schedule III to the Companies Act, 2013.

In the absence of any specific guidance being available under generally accepted accounting principles in India on accounting for business combination through purchase of shares (to the extent not covered under Accounting Standard 14 on 'Accounting for Amalgamations' and under Accounting Standard 10 on 'Accounting for Fixed Assets'), the Company has adopted the principles of International Financial Reporting Standards 3 (IFRS 3 - Accounting for Business Combinations), effective from financial year ended 31st March 2008. Accordingly, the aggregate of consideration (purchase price and transaction costs) paid by the acquirer company has been allocated to the assets acquired and liabilities assumed of the acquiree company, at their acquisition-date fair values.

B. Use of Estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

C. Fixed Assets

- (a) Tangible Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price and any directly attributable cost of bringing the assets to its working condition and any obligatory decommissioning costs for its intended use.
- (b) Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Cost includes any directly attributable expenditure on making the asset ready for its intended use.
- (c) Machinery spares which can be used only in connection with an item of Tangible Asset and whose use is not of regular nature are written off over the estimated useful life of the relevant asset.
- (d) Certain directly attributable pre-operative expenses during construction period are included under Capital Work-in-Progress. These expenses are allocated to the cost of Fixed Assets when the same are ready for intended use.

D. Depreciation and Amortization

- (a) Depreciation on Tangible Fixed Assets are provided using Straight Line Method based on estimated useful life or on the basis of depreciation rates prescribed under respective local laws.
- (b) Intangible Assets other than Mining Rights and Goodwill on Consolidation are amortized over their estimated useful lives on straight line basis. Mining Rights are amortized over the period of lease on straight line basis or on the basis of production, proportional to mineral resources expected to be ultimately economically recoverable, whichever is higher. Goodwill on Consolidation is subject to impairment testing.
- (c) Depreciation on assets acquired under finance lease is spread over the lease term.

E. Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow

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expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount except in the case of goodwill on consolidation for which specific external event of an exceptional nature that caused impairment loss has actually reversed the effect of that event.

F. Leases

- (a) Lease payments under an operating lease are recognized as expense in the profit and loss account as per terms of lease agreement.
- (b) Finance leases prior to 1st April, 2001: Lease rental recognized as expense in the profit and loss account as per terms of lease agreement.
- (c) Finance leases on or after 1st April, 2001: The lower of the fair value of the assets and the present value of the minimum lease rental is recorded as fixed assets with corresponding amount shown as unsecured Loan. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to profit and loss account as interest cost.

G. Investments

- (a) Long term investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.
- (b) Current investments are stated at lower of cost and fair value.

H. Inventories

- (a) Inventories of stores and spare parts are valued at or below cost after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Inventory of other items are valued 'at Cost or Net Realizable Value, whichever is lower'. Cost is generally determined on weighted average cost basis and wherever required, appropriate overheads are taken into account. Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.
- (b) Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and enters into the determination of earnings when the inventory is sold.

I. Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year end balance of foreign currency monetary item is translated at the year end rates. Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized as income or expense in the period in which they arise. Foreign currency monetary items which are used as hedge instruments or hedged items are accounted as per accounting policy on Derivative Financial Instruments.

J. Employee benefits

Employee benefits of short term nature are recognized as expense as and when these accrue. Long term employee benefits and post employment benefits, whether funded or otherwise, are recognized as expense based on actuarial valuation at year end using the projected unit credit method. For discounting purpose, market yield of government bonds at the balance sheet date is used except in case of Novelis Inc. for which such discounting is done on the basis of high quality country-specific corporate bond

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yield. Actuarial gains or losses are recognized immediately in the Statement of Profit & Loss except in case of Novelis Inc. for which such gains or losses are accounted directly in Reserves and Surplus as it is not considered practicable to adopt a common accounting policy due to potential volatility caused by periodic changes in the assumptions underlying the computation of the actuarial liabilities.

K. Employee Share Based Payments

Equity settled stock options granted to employees pursuant to the Company’s stock option schemes are accounted for as per the intrinsic value method prescribed by Employee Stock Option Scheme and permitted by the SEBI guidelines and the Guidance Note on Share Based Payment issued by the Institute of Chartered Accountants of India (ICAI). The intrinsic value of the option being excess of market value of the underlying share at the date of grant of option, over its exercise price is recognised as deferred employee compensation with a credit to Employees Stock Options Outstanding Account. The deferred employee compensation is amortized to Statement of Profit and Loss on straight line basis over the vesting period of the option. In case of forfeiture of option which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the employees Stock Options Outstanding Account are transferred to the General Reserve.

L. Revenue Recognition

Sales revenue is recognized on transfer of significant risk and rewards of the ownership of the goods to the buyer and stated at net of trade discount and rebates. Dividend income on investments is accounted for when the right to receive the payment is established. Export incentive, certain insurance, railway and other claims where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

M. Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on temporary investment of those borrowings is deducted from the borrowing costs incurred.

N. Taxation

- (a) Provision for current income tax is made in accordance with local laws. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference.
- (b) 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 in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of credit to Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

O. Derivative Financial Instruments

- (a) The Company uses derivative financial instruments such as Forwards, Swaps, Options, Futures etc. to hedge its risks associated with foreign exchange fluctuations. Risks associated with fluctuations in the price of the products (Copper, Alumina, Aluminium, Coal and Precious metals) are minimized by undertaking hedging using appropriate derivative instruments. Derivatives embedded in other

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financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts. In some cases, the embedded derivatives may be designated in a hedge relationship. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date. All such derivative financial instruments are used as risk management tools only and not for speculative purposes.

- (b) For derivative financial instruments and foreign currency monetary items designated as Cash Flow hedges, the effective portion of the fair value of the hedge instruments are recognized in Hedging Reserve and reclassified to 'Revenue from Operations', 'Cost of Materials Consumed' or 'Other Expenses' in the period in which the Statement of Profit and Loss is impacted by the hedged items or in the period when the hedge relationship no longer qualifies as cash flow hedge. In cases where the exposure gives rise to a non-financial asset, the effective portion is reclassified from Hedging Reserve to the initial carrying amount of the non-financial asset as a 'basis adjustment' and recycled to the Statement of Profit and Loss when and the manner in which the respective non-financial asset affects the Statement of Profit and Loss in future periods. The ineffective portion of the change in fair value of such instruments is recognised in the Statement of Profit and Loss in the period in which they arise. If the hedging relationship ceases to be effective or it becomes probable that the expected forecast transaction will no longer occur, hedge accounting is discontinued and the fair value changes arising from the derivative financial instruments are recognized in Other Expenses in the Statement of Profit and Loss.
- (c) For derivative financial instruments designated as Fair Value hedges, the fair value of both the derivative financial instrument and the hedged item are recognized in 'Revenue from Operations', 'Cost of Materials Consumed' or 'Other Expenses' in the Statement of Profit and Loss till the period the relationship is found to be effective. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, future gains or losses on the derivative financial instruments are recognized in 'Other Expenses' in the Statement of Profit and Loss.
- (d) If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through Statement of Profit and Loss and included in 'Other Expenses'.

P. Research and Development

Expenditure incurred during research and development phase is charged to revenue when no intangible asset arises from such research. Assets procured for research and development activities are generally capitalized.

Q. Government Grants

Government Grants are recognized when there is a reasonable assurance that the same will be received. Revenue grants are recognized in the Statement of Profit and Loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other capital grants are credited to Capital Reserve.

R. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

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3. The list of subsidiaries, joint ventures and associates which are included in the CFS of the Group and the Group's effective ownership interest therein are as under:

Name of the Company	Relationship	Country of Incorporation	Group's proportion of ownership interest	
			31/03/2016	31/03/2015
Minerals & Minerals Limited	Subsidiary	India	100.00%	100.00%
Aditya Birla Chemicals (India) Limited *	Subsidiary	India	-	54.65%
Aditya Birla Chemicals (Belgium) BVBA *	Subsidiary	Belgium	-	54.65%
Utkal Alumina International Limited	Subsidiary	India	100.00%	100.00%
Suvas Holdings Limited	Subsidiary	India	51.00%	51.00%
Renukeshwar Investments & Finance Limited	Subsidiary	India	100.00%	100.00%
Renuka Investments & Finance Limited	Subsidiary	India	100.00%	100.00%
Dahej Harbour and Infrastructure Limited	Subsidiary	India	100.00%	100.00%
Lucknow Finance Company Limited	Subsidiary	India	100.00%	100.00%
Hindalco-Almex Aerospace Limited	Subsidiary	India	97.18%	97.18%
Tube Coal Mines Limited	Subsidiary	India	60.00%	60.00%
East Coast Bauxite Mining Company Private Limited	Subsidiary	India	74.00%	74.00%
Mauda Energy Limited	Subsidiary	India	100.00%	100.00%
Utkal Alumina Technical & General Services Limited	Subsidiary	India	100.00%	100.00%
Birla Resources Pty Limited	Subsidiary	Australia	100.00%	100.00%
Aditya Birla Minerals Limited - (a)	Subsidiary	Australia	51.00%	51.00%
AV Minerals (Netherlands) N.V.	Subsidiary	Netherland	100.00%	100.00%
AV Metals Inc.	Subsidiary	Canada	100.00%	100.00%
Novelis Inc. - (b)	Subsidiary	Canada	100.00%	100.00%
Hindalco Do Brasil Industria Comercia de Alumina Ltda - (c)	Subsidiary	Brazil	100.00%	100.00%
Hindalco Guinea SARL	Subsidiary	South Africa	100.00%	100.00%
Mahan Coal Limited	Joint Venture	India	50.00%	50.00%
MNH Shakti Limited	Joint Venture	India	15.00%	15.00%
Hydromine Global Minerals (GMBH) Limited	Joint Venture	British Virgin Islands	45.00%	45.00%
Idea Cellular Limited	Associate	India	6.34%	6.35%
Aditya Birla Science and Technology Company Private Limited	Associate	India	49.00%	49.00%

* With effect from 1st April, 2015, ceases as subsidiary. (refer Note No. 46)

(a). For the purpose of consolidation, the consolidated financial statements of Aditya Birla Minerals Limited reflecting consolidation for following entities as at 31st March, 2016 prepared in accordance with International Financial Reporting Standards have been restated, where considered material, to comply

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with Generally Accepted Accounting Principles in India. Disclosures in respect of these foreign subsidiaries are given to the extent of available information.

Name of the Company	Relationship	Country of Incorporation	Group's proportion of ownership interest	
			31/03/2016	31/03/2015
Birla Maroochydore Pty Limited #	Subsidiary	Australia	51.00%	51.00%
Birla Nifty Pty Limited #	Subsidiary	Australia	51.00%	51.00%
Birla Mt. Gordon Pty Limited # *	Subsidiary	Australia	-	51.00%

Group's proportion of voting power is 100%.

* Disposed during FY 2015-16.

(b) For the purpose of consolidation, the consolidated financial statements of Novelis Inc. reflecting consolidation for following entities as at 31st March, 2016 have been prepared in accordance with Generally Accepted Accounting Principles in India and other recognized accounting practices and policies followed by the Company.

Name of the Company	Relationship	Country of Incorporation	Group's proportion of ownership interest	
			31/03/2016	31/03/2015
Albrasilis - Alumínio do Brasil Industria e Comercio Ltda. *	Subsidiary	Brazil	-	99.99%
Novelis do Brasil Ltda.	Subsidiary	Brazil	99.99%	99.99%
Brecha Energetica Ltda.	Subsidiary	Brazil	99.99%	99.99%
Brito Energetica Ltda.	Subsidiary	Brazil	99.99%	99.99%
4260848 Canada Inc.	Subsidiary	Canada	100.00%	100.00%
4260856 Canada Inc.	Subsidiary	Canada	100.00%	100.00%
8018227 Canada Inc	Subsidiary	Canada	100.00%	100.00%
8018243 Canada Limited \$	Subsidiary	Canada	-	100.00%
Novelis (China) Aluminum Products Co. Limited	Subsidiary	China	100.00%	100.00%
Novelis (Sanghai) Aluminum Trading Company	Subsidiary	China	100.00%	100.00%
Novelis Lamines France SAS	Subsidiary	France	100.00%	100.00%
Novelis PAE SAS	Subsidiary	France	100.00%	100.00%
Novelis Aluminium Beteiligungs GmbH	Subsidiary	Germany	100.00%	100.00%
Novelis Deutschland GmbH	Subsidiary	Germany	100.00%	100.00%
Novelis Sheet Ingot GmbH	Subsidiary	Germany	100.00%	100.00%
Novelis Aluminium Holding Company	Subsidiary	Ireland	100.00%	100.00%
Novelis Italia SpA	Subsidiary	Italy	100.00%	100.00%
Aluminum Company of Malaysia Berhad	Subsidiary	Malaysia	59.15%	59.15%
Alcom Nikkei Specialty Coatings Sdn Berhad #	Subsidiary	Malaysia	59.15%	59.15%
Al Dotcom Sdn Berhad # *	Subsidiary	Malaysia	-	59.15%
Novelis (India) Infotech Ltd.	Subsidiary	India	100.00%	100.00%
Novelis de Mexico SA de CV	Subsidiary	Mexico	99.99%	99.99%
Novelis Korea Ltd.	Subsidiary	South Korea	100.00%	100.00%
Novelis AG	Subsidiary	Switzerland	100.00%	100.00%
Novelis Switzerland SA	Subsidiary	Switzerland	100.00%	100.00%
Novelis Europe Holdings Limited	Subsidiary	UK	100.00%	100.00%

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Name of the Company	Relationship	Country of Incorporation	Group's proportion of ownership interest	
			31/03/2016	31/03/2015
Novelis UK Ltd.	Subsidiary	UK	100.00%	100.00%
Aluminum Upstream Holdings LLC \$	Subsidiary	USA	-	100.00%
Eurofoil, Inc. (USA) \$	Subsidiary	USA	-	100.00%
Logan Aluminium Inc. ##	Subsidiary	USA	40.00%	40.00%
Novelis Corporation	Subsidiary	USA	100.00%	100.00%
Novelis Services Limited	Subsidiary	UK	100.00%	100.00%
Novelis Global Employment Organization (Formerly known as PAE Corp)	Subsidiary	USA	100.00%	100.00%
Novelis South America Holdings LLC	Subsidiary	USA	100.00%	100.00%
Novelis Acquisitions LLC	Subsidiary	USA	100.00%	100.00%
Novelis Holdings Inc.	Subsidiary	USA	100.00%	100.00%
Novelis Delaware LLC \$	Subsidiary	USA	-	100.00%
Novelis Services (North America) Inc.	Subsidiary	USA	100.00%	100.00%
Novelis Vietnam Company Limited	Subsidiary	Vietnam	100.00%	100.00%
Novelis MEA Limited	Subsidiary	UAE	100.00%	100.00%
Novelis Asia Holdings (Singapore) Pte. Limited *	Subsidiary	Singapore	-	100.00%
France Aluminium Recyclage SA	Associate	France	20.00%	20.00%
Aluminium Norf GmbH	Associate	Germany	50.00%	50.00%
Deutsche Aluminium Verpackung Recycling GmbH	Associate	Germany	30.00%	30.00%

Group's proportion of voting power is 100%.

Subsidiary on account of management control.

* Disposed/Dissolved during FY 2015-16.

\$ Amalgamated with Novelis Inc./Novelis Group Companies during FY 2015-16.

(c) Audited Financial Statements for the year ended 31st March, 2016 of Hindalco Do Brasil Industria Comercia de Alumina Ltda, a subsidiary of the Company, prepared under local GAAP, has been converted in Indian GAAP by the management for incorporation in Consolidated Financial Statements.

4. Accounting Policy in respect of "Environment and Rehabilitation Expenditure" followed by the Company's Australian subsidiaries namely Aditya Birla Minerals Limited, Birla Maroochydore Pty Limited, Birla Nifty Pty Limited, Birla Mt. Gordon Pty Limited and Birla Resources Pty Limited are different from the accounting policies followed by the Company. The difference between the accounting policy followed and the amount involved is given below:

Accounting Policy		2015-16		2014-15	
Parent	Subsidiary	₹ crore	Proportion	₹ crore	Proportion
The cost of reclamation of mined out land, forestation are treated as part of "Cost of Materials Consumed" when cost incurred.	Provision for estimated future cost of environmental and rehabilitation using net present value are made and capitalized as mine properties and amortized over remaining life of the mine. Any change in net present value at Balance Sheet date is considered as finance cost.	160.55	100%	361.40	100%

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Further, in view of different sets of environment in which foreign subsidiaries operate in their respective countries, provision for depreciation is made to comply with local laws and by use of management estimate. It is practically not possible to align rates of depreciation of such subsidiaries with those of the Company. However on review, the management is of the opinion that provision of such depreciation is adequate.

5. Interests in Joint Ventures:

The Group's interests in jointly controlled entities are accounted for using proportionate consolidation. The aggregate amount of each of the assets, liabilities, income, expenditure, contingent liabilities and commitments related to the Group's interests in its jointly controlled entities are given below:

	(₹ crore)	
	As at	
	<u>31/03/2016</u>	<u>31/03/2015</u>
BALANCE SHEET		
Equity and Liabilities		
Shareholders' Funds		
Share Capital	242.75	242.25
Reserves and Surplus	<u>(26.78)</u>	<u>(26.35)</u>
	215.97	215.90
Share Application Money pending allotment	0.55	0.11
Non-Current Liabilities		
Long-Term Provisions	-	-
	-	-
Current Liabilities		
Short-Term Borrowings	0.17	0.09
Trade Payables	0.01	0.01
Other Current Liabilities	0.54	0.60
Short-Term Provisions	<u>0.01</u>	<u>0.15</u>
	0.73	0.85
	<u>217.25</u>	<u>216.86</u>
Assets		
Non-Current Assets		
Fixed Assets		
Tangible Assets	3.46	3.60
Intangible Assets	-	-
Capital Work-in-Progress	31.56	30.72
Intangible Assets under Development	3.28	3.46
Long-Term Loans and Advances	-	-
Other Non-Current Assets	<u>0.08</u>	<u>0.08</u>
	<u>38.38</u>	<u>37.86</u>
Current Assets		
Cash and Bank Balances	6.02	5.21
Short-Term Loans and Advances	101.56	2.34
Other Current Assets	<u>71.29</u>	<u>171.45</u>
	178.87	179.00
	<u>217.25</u>	<u>216.86</u>

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STATEMENT OF PROFIT AND LOSS

	(₹ crore)		FINANCIAL HIGHLIGHTS MANAGEMENT DISCUSSION AND ANALYSIS DIRECTORS' REPORT SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT
	Year ended		
	31/03/2016	31/03/2015	
Income			
Other Income	0.06	0.03	
Total Income	<u>0.06</u>	<u>0.03</u>	
Expenses			
Employee Benefits Expenses	0.40	-	
Power and Fuel	0.01	-	
Depreciation and Amortization	0.03	0.03	
Other Expenses	(0.77)	6.57	
Total Expenses	<u>(0.33)</u>	<u>6.60</u>	
Profit before Tax and	0.39	(6.57)	
	-	20.72	
	0.39	(27.29)	
Current Tax	-	0.01	
Profit/(Loss) for the year	<u>0.39</u>	<u>(27.30)</u>	

	(₹ crore)		CORPORATE GOVERNANCE REPORT SHAREHOLDER INFORMATION SOCIAL REPORT
	As at		
	31/03/2016	31/03/2015	
Contingent Liabilities and Commitments			
Claims against the Company not acknowledged as debts	0.37	0.27	
Guarantees outstanding	-	16.71	
Capital Commitments (Net of Advances)	-	0.47	

6. Share Capital:

Authorized:

2,500,000,000 (Previous year 2,500,000,000) Equity Shares of ₹ 1/- each	250.00	250.00
25,000,000 (Previous year 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each	5.00	5.00
	<u>255.00</u>	<u>255.00</u>

Issued:

2,065,539,406 (Previous year 2,065,534,028) Equity Shares of ₹ 1/- each - (a)	206.55	206.55
	<u>206.55</u>	<u>206.55</u>

Subscribed and Paid-up:

2,065,532,009 (Previous year 2,065,526,631) Equity Shares of ₹ 1/- each fully paid-up	206.55	206.55
Less: Face value of 546,249 (Previous year 546,249) Equity Shares forfeited	0.05	0.05
	<u>206.50</u>	<u>206.50</u>
Add: Forfeited Shares (Amount originally Paid-up)	0.02	0.02
	<u>206.52</u>	<u>206.52</u>

(a) Issued Equity Share Capital includes 7,397 Equity Shares (Previous year 7,397 Equity Shares) of ₹ 1/- each issued on Rights basis kept in abeyance due to legal case pending.

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(b) **Reconciliation of shares outstanding at the beginning and at the end of the reporting period:**

	2015-16		2014-15	
	Number	₹ crore	Number	₹ crore
Equity Shares outstanding at the beginning of the period	2,064,980,382	206.50	2,064,587,868	206.46
Equity Shares allotted pursuant to exercise of ESOP	5,378	-	392,514	0.04
Equity Shares outstanding at the end of the period	2,064,985,760	206.50	2,064,980,382	206.50

(c) **Rights, preferences and restrictions attached to Equity Shares:**

The Company has one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(d) **Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:**

	31/03/2016		31/03/2015	
	Number of Shares Held	Percentage of Holding	Number of Shares Held	Percentage of Holding
IGH Holdings Private Limited	349,963,487	16.95	349,963,487	16.95
Turquoise Investment and Finance Pvt. Limited	124,012,468	6.01	124,012,468	6.01
Morgan Guaranty Trust Company of New York (represents GDRs)	157,366,851	7.62	159,430,288	7.72
Life Insurance Corporation of India and its Associate Funds	304,921,221	14.77	228,087,441	11.05

(e) **Shares reserved for issue under options:**

The Company has reserved equity shares for issue under the Employee Stock Option Schemes.

(f) **The Company during the preceding 5 years:**

- Has not allotted shares pursuant to contracts without payment received in cash.
- Has not issued shares by way of bonus shares.
- Has not bought back any shares.

7. Reserves and Surplus:

	As at	
	31/03/2016	31/03/2015
Capital Reserve	503.22	509.85
Capital Redemption Reserve	103.67	103.67
Securities Premium Account	5,682.03	5,681.37
Debenture Redemption Reserve	603.06	452.17
Actuarial Gain/(Loss) Reserve (refer Note No. 42)	(2,720.26)	(2,337.08)
Employees Stock Options Outstanding	24.89	16.82
Foreign Currency Translation Reserve	2,412.79	1,615.07
Hedging Reserve (refer Note No. 45 (h))	625.99	96.24
Special Reserve	13.76	12.54
Business Reconstruction Reserve (refer Note No. 49)	5,799.30	6,481.58
General Reserve	21,388.35	21,415.28
Surplus in the Statement of Profit and Loss - (a)	3,770.48	4,074.51
	38,207.28	38,122.02

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	(₹ crore)	
	As at	
	31/03/2016	31/03/2015
(a) Allocations and Appropriations in Surplus in Statement of Profit and Loss are as under:		
Balance as at the beginning of the year	4,074.51	3,654.82
Adjustment on Acquisition, disposal and change in holding interest in Group Companies	61.74	(20.55)
Profit for the year	44.81	854.21
Dividend on Equity Shares	(206.50)	(206.52)
Dividend Distribution Tax - (i)	(52.36)	(53.00)
Transitional Depreciation on adoption of Schedule II	-	(0.93)
Transfer to Special Reserve	(1.22)	(0.76)
Transfer to Capital Redemption Reserve	-	(2.10)
Transfer to Debenture Redemption Reserve	(150.90)	(150.66)
Transfer to General Reserve	0.40	-
	3,770.48	4,074.51

(i). Dividend Distribution Tax also include tax of on dividend paid/proposed by the Group Companies.

8. Long-Term Borrowings:

	(₹ crore)	
	As at	
	31/03/2016	31/03/2015
Secured		
Bonds/Debentures/Notes	6,000.00	6,000.00
Term Loans:		
From Banks	33,791.42	32,455.95
From Other Parties	514.27	449.25
	40,305.69	38,905.20
Unsecured		
Bonds/Debentures/Notes	16,563.75	15,578.83
Term Loans:		
From Banks	1,177.83	724.06
Deferred Payment Liabilities	0.92	1.00
Long-Term Maturities of Finance Lease Obligations	127.97	177.09
	17,870.47	16,480.98
	58,176.16	55,386.18

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

9. Deferred Tax Liabilities (Net):

Major components of Deferred Tax arising on account of temporary timing differences are given below:

	(₹ crore)	
	As at	
	31/03/2016	31/03/2015
Deferred Tax Liabilities		
Depreciation and Amortization Expenses	7,446.68	6,454.32
Inventory Valuation Reserves	431.43	628.39
Other Timing Differences	688.81	269.90
	<u>8,566.92</u>	<u>7,352.61</u>
Less: Deferred Tax Assets		
Unabsorbed Business Losses	727.99	554.86
Employee's Separation and Retirement Expenses	130.60	112.05
Provision for Doubtful Debts, Loans and Advances	1,439.53	1,324.56
Unabsorbed Depreciation	2,553.32	1,411.53
Other Timing Differences	385.14	1.47
	<u>5,236.58</u>	<u>3,404.47</u>
	<u>3,330.34</u>	<u>3,948.14</u>
10. Other Long-Term Liabilities:		
Trade Payables	7.17	5.22
Derivative Liabilities (refer Note No. 45 (c))	447.97	149.67
Liability for Capital Expenditure	33.79	94.77
Security and Other Deposits	5.92	4.72
Other Payables	302.85	560.65
	<u>797.70</u>	<u>815.03</u>
11. Long-Term Provisions:		
Provision for Employee Benefits	6,124.21	5,306.19
Provision for Claims against Company	110.34	75.37
Provision for Assets Retirement Obligations	351.64	98.64
Provision for Restructuring	28.63	97.97
Provision for Rehabilitation	194.89	356.67
Provision for Tax Contingencies	526.05	600.27
Provision for Environmental Contingencies	16.82	14.93
Other Provisions	2.43	12.25
	<u>7,355.01</u>	<u>6,562.29</u>
12. Short-Term Borrowings:		
		(₹ crore)
		As at
	31/03/2016	31/03/2015
Secured		
Loans Repayable on Demand		
From Banks	145.76	139.16
Other Loans and Advances:		
Payable under Trade Financing Arrangements	2.53	3.99
Cash Credit, Export Credit, etc.	267.74	350.83
Others	2,610.05	3,794.88
	<u>3,026.08</u>	<u>4,288.86</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ crore)		
	31/03/2016	31/03/2015	
Unsecured			
Loans Repayable on Demand			
From Banks	75.00	106.17	
From Other Parties	0.17	170.09	
Other Loans and Advances:			
Buyers Credit and Packing Credit	4,443.83	5,618.33	
Cash Credit, Export Credit, etc.	-	17.97	
Banks - Other	1,204.42	1,470.56	
Other Parties	19.09	-	
	5,742.51	7,383.12	
	8,768.59	11,671.98	
13. Other Current Liabilities:			
Current maturities of Long-term Borrowings	506.55	1,346.83	
Current maturities of Finance Lease obligations	66.37	62.56	
Interest accrued but not due on Borrowings/Deposits	1,007.15	988.92	
Interest accrued and due on Borrowings/Deposits	-	0.02	
Unclaimed Dividends	5.72	6.08	
Application/Call Money received due for refund	0.31	0.31	
Advance from Customers	328.30	292.76	
Derivative Liabilities (refer Note No. 45 (c))	989.99	1,138.48	
Liability for Capital Expenditure	1,572.36	2,051.14	
Security and other Deposits	23.21	28.45	
Statutory dues payable	734.30	585.14	
Other Payables	1,709.05	1,813.06	
	6,943.31	8,313.75	
14. Short-Term Provisions:			
Provision for Employee Benefits	381.29	208.29	
Proposed Dividends	206.50	211.80	
Provision for Dividend Distribution Tax	42.04	41.97	
Provision for Current Tax (Net of Advance Tax)	1,016.65	842.93	
Provision for Claims against Company	7.00	6.98	
Provision for Assets Retirement Obligation	16.50	-	
Provision for Restructuring	151.31	98.92	
Provision for Environmental Contingencies	9.51	9.99	
Provision for Warranties	1.27	0.70	
Other Provisions	33.55	234.75	
	1,865.62	1,656.33	

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15. Tangible Assets:

	ORIGINAL COST				DEPRECIATION				IMPAIRMENT				NET BOOK VALUE		
	As at 31 st March, 2015	Disposals/ Adjust-ments	Exchange Adjust-ments	As at 31 st March, 2016	As at 31 st March, 2015	Additions	Disposals/ Adjust-ments	Exchange Adjust-ments	As at 31 st March, 2016	As at 31 st March, 2015	Recognised/ Reversal	Deductions/ Adjust-ments	Exchange Adjust-ments	As at 31 st March, 2016	As at 31 st March, 2015
	(₹ crore)														
Leasehold Land	683.80	136.05	67.25	1.29	753.89	44.99	12.79	2.85	0.07	55.00	-	-	-	698.89	638.81
Leasehold Improvements	308.20	10.05	13.24	11.92	316.93	79.19	9.35	12.42	4.88	81.00	1.30	-	0.08	234.55	227.71
Freehold Land	1,763.90	15.61	100.09	74.64	1,754.06	48.79	10.07	0.09	3.20	61.97	85.00	2.73	5.41	1,598.95	1,630.11
Buildings	14,320.13	2,788.28	2,100.1	455.16	17,333.56	2,930.97	623.54	12.07	144.68	3,687.12	51.28	50.16	2.54	13,542.46	11,337.88
Plant and Equipment	60,021.28	10,128.24	2,087.16	1,589.20	69,651.56	19,857.50	2,704.03	708.67	720.48	22,573.34	645.98	645.98	36.40	45,814.93	39,517.80
Furniture and Fixtures	700.23	54.62	34.93	36.62	756.54	465.38	54.79	21.23	24.70	523.64	0.08	1.84	0.02	230.96	234.77
Vehicles and Aircraft	556.33	35.21	13.02	11.10	589.62	240.94	39.33	3.77	6.75	283.25	-	0.23	-	306.14	315.39
Office Equipment	504.41	40.77	15.88	22.23	551.53	318.67	58.82	14.48	13.46	376.47	0.39	2.12	0.04	172.51	185.35
Railway Sidings	579.45	76.07	13.92	-	641.60	73.90	32.12	6.42	-	99.60	2.66	13.99	-	525.35	502.89
Previous Year	79,437.73	13,264.90	2,555.50	2,202.16	92,349.29	24,060.33	3,544.84	782.00	918.22	27,741.39	786.89	717.05	44.49	63,124.74	54,590.71
	65,681.68	15,380.58	2,460.54	856.01	79,437.73	21,924.66	3,089.25	1,283.50	339.92	24,060.33	491.62	522.11	200.46	54,590.71	43,265.40

16. Intangible Assets:

	ORIGINAL COST				AMOTISATION				IMPAIRMENT				NET BOOK VALUE		
	As at 31 st March, 2015	Disposals/ Adjust-ments	Exchange Adjust-ments	As at 31 st March, 2016	As at 31 st March, 2015	Additions	Disposals/ Adjust-ments	Exchange Adjust-ments	As at 31 st March, 2016	As at 31 st March, 2015	Recognised/ Reversal	Deductions/ Adjust-ments	Exchange Adjust-ments	As at 31 st March, 2016	As at 31 st March, 2015
	(₹ crore)														
Goodwill on Consolidation	13,374.28	-	-	840.15	14,214.43	-	-	-	-	214.08	-	-	15.11	13,985.24	13,160.20
Brands/ Trademarks	913.78	-	(0.01)	56.03	969.82	376.18	46.57	(0.01)	22.64	445.40	-	-	-	524.42	537.60
Computer Software	1,207.75	127.78	(5.81)	73.07	1,414.41	524.00	138.92	(3.09)	32.20	698.21	32.00	-	2.02	682.18	651.75
Mining Rights	1,927.70	158.10	376.67	113.17	1,822.30	1,157.82	92.74	299.69	67.99	1,018.86	337.69	247.05	37.41	181.29	432.19
Technology	1,082.73	0.26	(6.28)	64.20	1,153.47	592.77	72.80	(3.57)	34.48	703.62	-	-	-	449.85	489.96
Licences	23.83	0.07	22.36	0.09	1.63	8.92	0.42	8.42	0.04	0.96	-	-	-	0.67	14.91
Favorable Contracts	844.55	-	78.41	53.40	819.54	725.49	75.08	78.41	46.83	788.99	-	-	-	50.55	119.06
Customer Relationship	2,766.61	-	(33.33)	174.91	2,908.19	1,083.61	145.94	(14.21)	70.38	1,314.14	-	-	-	1,660.71	1,683.00
Rehabilitation Assets	361.40	-	214.56	13.71	160.55	82.02	12.26	5.53	6.16	94.91	-	-	3.42	-	279.38
Previous Year	22,502.63	286.21	646.57	1,388.73	23,531.00	4,550.81	584.73	371.17	280.72	5,045.09	563.77	309.27	57.96	17,534.91	17,368.05
	22,292.21	358.88	402.32	313.86	22,502.63	4,288.99	497.11	142.30	(92.99)	4,550.81	45.14	26.24	(67.84)	17,368.05	17,898.08

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

17. Non-Current Investments:

	(₹ crore)	
	As at	
	31/03/2016	31/03/2015
Investments in Equity Instruments:		
Associates - (a)	5,948.79	5,275.54
Others	564.47	339.66
Investments in Preference Shares	25.00	33.58
Investments in Debentures and Bonds	-	57.53
Investments in Government Securities	20.10	20.10
	6,558.36	5,726.41

- (a) Investments in Equity Instruments of Associates include ₹ 3,772.52 crore (Previous year ₹ 3,404.85 crore) towards goodwill arising on the acquisition of these Associates.
- (b) Aggregate amount of Quoted and Unquoted Investments, market value of Quoted Investments and aggregate provision for diminution in value of Investments are given below:

	(₹ crore)	
	As at	
	31/03/2016	31/03/2015
Aggregate amount of Unquoted Investments	4,343.61	3,848.35
Aggregate amount of Quoted Investments	2,214.75	1,878.06
Aggregate market value of Quoted Investments	5,727.66	7,199.23
Aggregate provision for diminution in value of Investments	0.03	0.85

18. Deferred Tax Assets (Net):

Major components of Deferred Tax arising on account of temporary timing differences are given below:

Deferred Tax Assets

Unabsorbed Business Losses	426.42	361.69
Employee's Separation and Retirement Expenses	-	6.98
Provision for Doubtful Debts, Loans and Advances	1,280.42	1,048.53
Unabsorbed Depreciation	135.89	134.59
Other Timing Differences	57.65	310.62
	1,900.38	1,862.41

Less: Deferred Tax Liabilities

Depreciation and Amortization Expenses	159.28	404.34
Inventory Valuation Reserves	55.19	4.26
Other Timing Differences	86.14	60.85
	300.61	469.45
	1,599.77	1,392.96

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

19. Long-Term Loans and Advances:

(Unsecured, Considered Good unless otherwise stated)

	(₹ crore)	
	As at	
	<u>31/03/2016</u>	<u>31/03/2015</u>
Capital Advances	233.17	586.81
Loans, Advances and Deposits to Related Parties - (a)	172.21	168.13
Security Deposits	133.73	118.03
Advances recoverable in cash or in kind:		
Unsecured, Considered Good	185.73	838.63
Unsecured, Considered Doubtful	0.33	12.94
Less: Provision for doubtful amount	(0.33)	(12.94)
	<u>185.73</u>	<u>838.63</u>
Other Advances and Balances:		
Advance Income Tax (Net of Provision for Taxation)	4.00	3.13
MAT Credit Entitlement	722.60	629.74
Prepaid Expenses	4.13	2.61
Others - (b)	66.33	21.58
	<u>1,521.90</u>	<u>2,368.66</u>

(a). Loans, Advances and Deposits to Related Parties includes ₹ 34.46 crore (Previous year ₹ 34.46 crore) towards balance with Trident Trust which represents 16,316,130 equity shares of ₹ 1/- each fully paid-up of the Company issued, pursuant to a Scheme of Arrangement approved by the Hon'ble High Courts at Mumbai and Allahabad vide their Orders dated 31st October, 2002 and 18th November, 2002, respectively, to the Trident Trust, created wholly for the benefit of the Company and is being managed by trustees appointed by it. The tenure of the Trust is up to 23rd January, 2017.

(b). Others include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc. primarily relating to ongoing projects.

20. Other Non-Current Assets:

	(₹ crore)	
	As at	
	<u>31/03/2016</u>	<u>31/03/2015</u>
Long-Term Trade Receivables:		
Unsecured, Considered Doubtful	-	19.35
Less: Provision for doubtful amount	-	(19.35)
	-	-
Deposits with Bank exceeding 12 months maturity	91.97	78.64
Inventories (Work-in-Progress)	-	51.38
Interest Accrued on Investments and Deposits	-	0.95
Derivative Assets (refer Note No. 45 (c))	115.76	30.38
Unamortized Expenses	10.23	74.71
Other Receivables	283.40	92.95
	<u>501.36</u>	<u>329.01</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

21. Current Investments:

	(₹ crore)	
	As at	
	31/03/2016	31/03/2015
Investments in Preference Shares	-	12.18
Investments in Debentures and Bonds:		
Associates	10.13	10.04
Others	1,811.12	918.95
Investments in Government Securities	274.02	246.76
Investments in Certificate of Deposits	827.90	459.04
Investments in Commercial Papers	657.57	577.37
Investments in Mutual Funds	4,184.77	4,395.59
	7,765.51	6,619.93

(a). Aggregate amount of Quoted and Unquoted Investments, market value of Quoted Investments and aggregate provision for diminution in value of Investments are given below:

Aggregate amount of Unquoted Investments	7,408.57	6,278.26
Aggregate amount of Quoted Investments	356.94	341.67
Aggregate market value of Quoted Investments	368.20	354.76
Aggregate provision for diminution in value of Investments	7.57	7.19

22. Inventories:

Raw Materials	5,405.96	5,867.21
Finished Goods	2,871.69	3,006.41
Work-in-Progress	6,428.03	7,276.39
Stores and Spares	1,568.14	1,348.31
Coal and Fuel	457.14	952.81
	16,730.96	18,451.13

23. Trade Receivables:

Outstanding for a period exceeding six months:		
Secured, Considered Good	10.24	-
Unsecured, Considered Good	153.83	104.40
Unsecured, Considered Doubtful	49.37	50.83
Less: Provision for Doubtful Amount	(49.37)	(50.83)
	164.07	104.40
Outstanding for a period less than six months:		
Secured, Considered Good	106.94	80.15
Unsecured, Considered Good	7,670.34	9,001.88
Unsecured, Considered Doubtful	5.65	7.92
Less: Provision for Doubtful Amount	(5.65)	(7.92)
	7,777.28	9,082.03
	7,941.35	9,186.43

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

24. Cash and Bank Balances:

	(₹ crore)	
	As at	
	31/03/2016	31/03/2015
Cash and Cash Equivalents		
Balance with Banks:		
Deposits with less than 3 months initial maturity	1,492.91	1,237.32
Current Accounts	2,615.45	3,117.75
Cheques and Drafts on Hand	52.51	14.81
Cash on Hand	0.48	0.64
	4,161.35	4,370.52
Other Balances		
Balance with Banks:		
Earmarked Balances	13.93	98.71
Margin Money Account	40.12	2.14
Deposits with more than 3 months initial maturity	96.62	837.62
	150.67	938.47
	4,312.02	5,308.99

25. Short-Term Loans and Advances:

(Unsecured, Considered Good unless otherwise stated)

Loans, Advances and Deposits to Related Parties	409.58	342.34
Security Deposits:		
Unsecured, Considered Good	23.70	35.87
Unsecured, Considered Doubtful	0.25	0.25
Less: Provision for Doubtful Amount	(0.25)	(0.25)
	23.70	35.87
Advances Recoverable in Cash or in Kind:		
Unsecured, Considered Good	1,455.02	2,825.31
Unsecured, Considered Doubtful	66.48	42.04
Less: Provision for Doubtful Amount	(66.48)	(42.04)
	1,455.02	2,825.31
Other Advances and Balances:		
Advance Income Tax (Net of Provision for Taxation)	2.53	4.82
Balance with Government Authorities	103.54	262.21
Prepaid Expenses	50.84	41.34
Others - (a)	2,786.15	1,692.48
	4,831.36	5,204.37

(a) Others under head "Other Advances and Balances" mainly include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

26. Other Current Assets:

	(₹ crore)	
	As at	
	<u>31/03/2016</u>	<u>31/03/2015</u>
Accrued Interest	106.72	97.29
Accrued Export and Other Incentives	220.08	235.36
Dividend receivable on Investments	3.55	-
Derivative Assets (refer Note No. 45 (c))	1,799.52	1,172.45
Amount Recoverable on De-allocation of Coal Mines	92.31	194.03
Assets held for Sale	75.66	79.68
Unamortized Expenses	-	1.80
Other Receivables	<u>1,239.94</u>	<u>700.34</u>
	3,537.78	2,480.95
Unsecured, Considered Doubtful	1.58	1.11
Less: Provision for doubtful amount	<u>(1.58)</u>	<u>(1.11)</u>
	<u>3,537.78</u>	<u>2,480.95</u>

27. Revenue from Operations:

	(₹ crore)	
	Year Ended	
	<u>31/03/2016</u>	<u>31/03/2015</u>
Sale of Products	101,820.30	105,913.44
Sale of Services	41.84	38.45
Other Operating Revenues	<u>622.63</u>	<u>743.67</u>
Gross Revenue from Operations	102,484.77	106,695.56
Less: Excise Duty	<u>2,442.61</u>	<u>2,414.46</u>
Net Revenue from Operations	<u>100,042.16</u>	<u>104,281.10</u>

28. Other Income:

Interest Income:		
On Long-term Investments	8.28	8.85
On Current Investments	181.96	160.81
On Others	366.33	223.71
Dividend Income:		
On Long-term Investments	29.58	20.00
On Current Investments	18.10	24.53
Gain/(Loss) on sale of Investments (Net):		
On Long-term Investments	17.37	-
On Current Investments	390.00	425.73
Adjustments to the carrying amount of Investments (Net):		
On Long-term Investments	0.82	(0.11)
On Current Investments	(0.38)	16.05
Profit/(Loss) on Fixed Assets sold/discarded (Net)	(23.62)	(47.62)
Rent Income	11.91	12.68
Liabilities no longer required written back	70.28	76.49
Other Non-Operating Income (Net)	<u>145.08</u>	<u>186.55</u>
	1,215.71	1,107.67
Less: Transfer to Capital Work-in-Progress/Finance Costs	<u>0.41</u>	<u>2.93</u>
	<u>1,215.30</u>	<u>1,104.74</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

29. Cost of Materials Consumed:

	(₹ crore)	
	Year Ended	
	<u>31/03/2016</u>	<u>31/03/2015</u>
Raw Materials	58,101.17	66,178.02
Packing Materials	10.88	24.85
	<u>58,112.05</u>	<u>66,202.87</u>
Less: Transfer to Capital Work-in-Progress	11.10	69.82
	<u>58,100.95</u>	<u>66,133.05</u>

30. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade:

Opening Inventories		
Finished Goods	3,006.41	2,202.08
Work-in-Progress	7,327.77	7,116.99
Stock-in-Trade	-	-
	<u>10,334.18</u>	<u>9,319.07</u>
Less: Closing Inventories		
Finished Goods	2,871.69	3,006.41
Work-in-Progress	6,428.03	7,327.77
Stock-in-Trade	-	-
	<u>9,299.72</u>	<u>10,334.18</u>
	1,034.46	(1,015.11)
Add: Inventories on Acquisition/Disposal of Business	(29.80)	-
Add: Increase/Decrease of Excise Duty on Inventories	3.64	8.64
Add: Foreign Currency Translation Adjustments	276.92	(231.42)
	<u>1,285.22</u>	<u>(1,237.89)</u>

31. Employee Benefits Expenses:

Salaries and Wages - (a)	6,482.70	6,267.81
Contribution to Provident and other Funds	588.39	669.37
Employee Share Based Payments	7.05	7.28
Employee Welfare	1,182.23	1,171.62
	<u>8,260.37</u>	<u>8,116.08</u>
Less: Transfer to Capital Work-in-Progress	22.03	124.85
	<u>8,238.34</u>	<u>7,991.23</u>

(a) Include income of ₹ 14.48 crore (Previous year expense of ₹ 55.22 crore) on account of Stock Appreciation Rights (SARs) and Restricted Stock Units (RSUs) granted by a subsidiary to its eligible employees which are settled in cash.

32. Power and Fuel:

Power and Fuel	9,358.15	8,463.97
Less: Transfer to Capital Work-in-Progress	41.23	85.41
	<u>9,316.92</u>	<u>8,378.56</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

33. Finance Costs:

	Year Ended	
	31/03/2016	31/03/2015
	(₹ crore)	
Interest Expenses	5,043.49	5,061.80
Other Borrowing Costs	64.20	65.32
Loss on foreign currency transactions and translation (Net)	33.91	20.52
Less: Income on Specific Borrowing	5,141.60	5,147.64
	-	2.39
Less: Transfer to Capital Work-in-Progress	5,141.60	5,145.25
	92.66	966.83
	5,048.94	4,178.42

34. Depreciation and Amortization:

Depreciation and Amortization	4,127.80	3,499.03
Less: Transfer to Capital Work-in-Progress	1.24	5.65
	4,126.56	3,493.38

35. Impairment Loss/(Reversal) (Net):

Impairment Loss - (a) & (b)	722.33	192.44
Adjusted with Business Reconstruction Reserve (refer Note No. 49 (b))	561.70	95.26
	160.63	97.18

The Group has carried out impairment test of various assets and identified following impairment loss:

- The Company has recognised 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.
- ₹ 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 Company.

36. Other Expenses:

Consumption of Stores and Spares	2,943.46	2,987.72
Repairs to Buildings	225.23	210.00
Repairs to Machinery	1,750.63	1,636.70
Rates and Taxes	179.49	163.67
Rent	208.93	198.00
Insurance	237.37	223.54
Payments to Auditors	51.02	61.06
Research and Development	370.33	330.08
Freight and Forwarding Expenses (Net)	3,457.14	3,328.81
Provision for Doubtful Loans, Advances and Receivables (Net)	(7.23)	52.78
Bad Loans, Advances and Receivables written off/(written back) (Net)	25.88	3.80
Pre-operative/Incidental Expenditure written-off	0.70	-
Prior Period Items (Net)	1.87	(0.81)
Donation	20.21	31.69
Directors' Fees and Commission	8.15	9.97
(Gain)/Loss on assets held for sale	(2.87)	(158.42)
(Gain)/Loss on Change in Fair Value of Derivatives (Net)	(366.84)	(108.26)
Cost of own Manufactured Products Capitalized/Used	(22.60)	(21.23)
Tolling Expenses	1,025.12	1,043.70
Miscellaneous Expenses	4,335.56	4,227.23
	14,441.55	14,220.03
Less: Transfer to Capital Work-in-Progress	133.83	185.00
	14,307.72	14,035.03

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37. Exceptional Items (Net):

	(₹ crore)	
	Year Ended	
	31/03/2016	31/03/2015
Exceptional Expenses - (a)	576.53	2,210.32
Exceptional Income	-	(270.22)
	576.53	1,940.10

(a). Represent 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.

38. Tax Expenses:

	(₹ crore)	
	Year Ended	
	31/03/2016	31/03/2015
Current Tax	1,038.99	1,016.64
MAT Credit Entitlement	(126.33)	(602.97)
Deferred Tax	(397.88)	(124.64)
Tax Adjustments for earlier years (Net)	(0.03)	(32.65)
	514.75	256.38

The Tax Expenses, Current as well as Deferred, are aggregate of the amount of tax expenses appearing in the separate financial statements of the Parent and its subsidiaries as well as joint ventures.

39. Discontinued Operations:

Aditya Birla Minerals Limited, one of subsidiaries of the Company, sold Mt Gordon operation to Lighthouse Minerals Holdings Pty Limited (Lighthouse) by way of sale of its 100% shareholding in Birla Mt. Gordon Pty Limited to Lighthouse. The signing of the sale transaction occurred on 20th September, 2015 and the completion of the transaction took place on 27th October, 2015 subsequent to fulfillment of all conditions precedent. The results of Mt Gordon have been reported as a discontinued operation which details are given below:

	(₹ crore)
<u>INCOME</u>	
Other Income	0.81
	0.81
<u>EXPENSES</u>	
Finance Costs	3.48
Depreciation and Amortization	1.77
Impairment Loss	141.41
Other Expenses	12.66
	<u>159.32</u>
Profit/(Loss) before Tax	(158.51)
Tax Expenses	-
Net Profit/(Loss) from Discontinuing Operations	<u>(158.51)</u>

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40. Earnings per Share (EPS):

	Year Ended	
	31/03/2016	31/03/2015
Profit for the period (₹ crore)	44.81	854.21
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of equity shares for computing basic EPS	2,064,985,267	2,064,821,218
Dilutive impact of Employee Stock Options Scheme	1,298,140	1,834,285
Weighted average number of equity shares for computing diluted EPS	2,066,283,407	2,066,655,503
Face value of per share (₹)	1.00	1.00
Basic EPS (₹)	0.22	4.14
Diluted EPS (₹)	0.22	4.13

41. For the year ended 31st March, 2016, the Board of Directors of the Company in the meeting held on 28th May, 2016 have recommended dividend of ₹ 1.00 per share (Previous year ₹ 1.00 per share) to equity shareholders aggregating to ₹ 248.54 crore (Previous year ₹ 246.09 crore) including Dividend Distribution Tax.

42. In accordance with the accounting policy for accounting of actuarial gains or losses relating to pension and other post retirement employee benefit plans of Novelis Inc., the Group has recognised actuarial gains/losses (net of deferred tax) in the 'Actuarial Gain/(Loss) Reserve' under Reserves and Surplus in its Consolidated Financial Statements. Had the Group followed the practice of recognition of actuarial gains/losses on the aforesaid defined benefit plans in the Statement of Profit and Loss, Employee Benefits Expenses would have been higher by ₹ 253.75 crore (Previous year higher by ₹ 1,516.50 crore), Tax Expenses (Deferred Tax) would have been lower by ₹ 93.02 crore (Previous year lower by ₹ 452.80 crore), Minority Interest credit would have been lower by ₹ 71.71 crore (Previous year lower by ₹ 50.28 crore), Net Profit for the year would have been lower by ₹ 232.45 crore (Previous year Profit lower by ₹ 1,063.69 crore), Actuarial Gain/(Loss) Reserve would have been ₹ Nil (Previous year ₹ Nil) and Foreign Currency Translation Reserve would have been lower by ₹ 150.74 crore (Previous year lower by ₹ 68.65 crore).

43. The Company is one of the promoter members of Aditya Birla Management Corporation Private Limited (ABMCPL), a Company limited by guarantee which has been formed to provide common facilities and resources to its members, with a view to optimize the benefits of specialization and minimize cost for each member. The Company is one of the participants in the common pool and shares the expenses incurred by ABMCPL and accounted for under appropriate heads.

44. Segment Reporting

A. Primary Segment Reporting (by Business Segment):

- (a) The Group has three reportable segments viz. Aluminium, Copper and Others which have been identified in line with the Accounting Standard 17 on Segment Reporting, taking into account the organizational structure as well as differential risk and return of these segments. Details of products included in each segments are as under:
 - i. Aluminium : Hydrate & Alumina, Aluminium and Aluminium Product
 - ii. Copper : Continuous Cast Copper Rods, Copper Cathode, Sulphuric Acid, DAP & Complexes, Gold and Silver
 - iii. Others : Caustic and Others #
- (b) Inter-segment transfers are based on market rates.
- (c) The details of the revenue, results, assets, liabilities and other information from operations by reportable business segments are follows:

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(₹ crore)

Particulars	Year ended 31/03/2016				Year ended 31/03/2015			
	Aluminium	Copper	Others #	Total	Aluminium	Copper	Others	Total
REVENUE								
External	82,808.35	17,233.81	-	100,042.16	83,044.23	20,469.31	767.56	104,281.10
Inter Segment	3.76	11.84	-	15.60	95.26	23.03	358.14	476.43
Total	82,812.11	17,245.65	-	100,057.76	83,139.49	20,492.34	1,125.70	104,757.53
RESULTS								
Segment Results	3,545.78	1,367.37	-	4,913.15	4,226.40	1,340.19	189.68	5,756.27
Unallocated Corporate Income				1,027.66				901.79
Unallocated Corporate Expenses				(221.17)				(199.31)
Finance Costs				(5,048.94)				(4,178.42)
Profit before Exceptional Items and Tax				670.70				2,280.33
Exceptional Items (Net)				(576.53)				(1,940.10)
Tax Expenses				(514.75)				(256.38)
Loss from Discontinuing Operations				(158.51)				-
Share in Profit/(Loss) of Associates				174.90				174.70
Minority Interest				449.00				595.66
Profit for the period				44.81				854.21
OTHER INFORMATION								
Assets:								
Segment Assets	112,963.74	9,203.86	-	122,167.60	115,462.79	9,661.80	1,805.92	126,930.51
Unallocated Corporate Assets				17,993.83				16,208.36
Total Assets				140,161.43				143,138.87
Liabilities:								
Segment Liabilities	26,383.78	2,665.39	-	29,049.17	26,778.09	3,059.65	193.41	30,031.15
Unallocated Corporate Liabilities				72,309.66				73,823.07
Total Liabilities				101,358.83				103,854.22
Capital Expenditure	3,544.36	163.16	-		5,892.51	167.79	141.83	
Non-Cash Expenses:								
Depreciation and Amortization	3,831.41	277.27	-		3,216.34	195.62	63.31	
Impairment Loss/(Reversal) (Net)	160.63	-	-		97.18	-	-	
Other Non-Cash Expenses	18.32	(0.14)	-		48.46	4.06	-	

Aditya Birla Chemicals (India) Limited, a subsidiary of the Company in business of producing & selling Casustic, included as part of "Others" for Segment Reporting purpose, ceases as subsidiary from 1st April, 2015. (refer Note No. 46)

B. Secondary Segment Reporting (by Geographical demarcation):

- (a) The secondary segment is based on geographical demarcation i.e. India and Rest of the World.
(b) The Group's revenue from external customers and information about its assets and others by geographical location are follows:

(₹ crore)

	Year ended 31/03/2016			Year ended 31/03/2015		
	India	Rest of World	Total	India	Rest of World	Total
Revenue	21,766.00	78,291.76	100,057.76	22,060.16	82,697.37	104,757.53
Assets	57,708.37	64,459.23	122,167.60	61,041.62	65,888.89	126,930.51
Capital Expenditure	1,543.59	2,163.93	3,707.52	2,724.29	3,477.84	6,202.13

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45. Derivative Financials Instruments and Risk Management:

- (a) The Company has adopted Accounting Standard 30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India so far as it relates to derivative accounting.
- (b) In the ordinary course of business, the Company is exposed to risks resulting from changes in prices of commodity, exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through derivative financial instruments. It uses derivative instruments such as forwards, futures, swaps and options to manage these risks. These derivative financial instruments reduce the impact of both favourable and unfavourable fluctuations.

The Company's risk management activities are subject to the management, direction and control of Risk Management Board (RMB). The RMB is composed of three directors including Managing Director, Deputy Managing Director and at least two officers one being the Chief Financial Officer. The RMB reports to the Board of Directors on the scope of its activities.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is always linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Company is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The credit levels are reviewed to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

Commodity Price Risk

Copper and Precious Metals

This business is conducted under a conversion model. The prices of input and output are derived from the same benchmark and/or are linked to each other through a defined formula. The objective of risk management is to attempt to use derivatives to match the price fluctuations arising out of the timing mismatch in pricing the input and output to make the margins immune to the fluctuations in prices of the input and output.

Aluminium

This business is vertically integrated. The main raw material viz. bauxite (mostly mined from own mines) and other purchased raw materials do not have any linkage with the output price which is Aluminium LME prices. When the prices of input(s) and output(s) do not follow the above condition, then risk management attempts to use derivatives so as to protect the margins from adverse movements in prices on either side, i.e. from a rise in input cost or from a fall in output price.

As a condition of sale, customers often require the Company to enter into fixed price commitments. These commitments expose the Company to the risk of fluctuating aluminum prices between the time the order is committed and the time that the material is shipped. The Company may enter into derivative financial instruments to mitigate the risk arising out of the fixed price commitments. Consequently, the gain or loss resulting from movements in the price of aluminum on these contracts would generally be offset by an equal and opposite impact on the net sales and purchases being hedged.

Coal and Furnace Oil

Smelting and other associated operations of aluminium require significant amount of power. Such power is mostly supplied through captive power generation units which are coal based. In order to meet the gap between requirement of coal and its availability domestically, sometimes coal is also imported. The domestic prices of coal are not linked to any internationally traded price whereas the imported coal is linked to internationally traded prices. Hence the imported coal price fluctuates in line with the international prices. To mitigate this risk, coal commodity derivatives are taken. Similarly, Furnace oil is

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also an important input for manufacturing of alumina which is the input for aluminium production. Furnace oil is sourced mainly from domestic market but the price is linked to international crude price movement. Hence, to mitigate this risk, furnace oil commodity derivatives are taken.

Natural Gas and Diesel Fuel

The Company purchases natural gas & diesel fuel on the open market in Europe, Asia and South America which exposes the Company to market price fluctuations. The Company mitigates the future exposure to natural gas prices through the use of forward purchase contracts.

Electricity

The Company has entered into an electricity swap in North America to fix a portion of the cost of electricity requirement in North America.

Foreign Currency Exchange Risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on our operating results. In addition to the foreign exchange flow from exports, the commodity prices in the domestic market are derived based on the landed cost of imports in India where LME prices and USD/INR exchange rate are the main factors. In case of conversion business, the objective is to match the exchange rate of outflows and related inflows through derivative financial instruments. With respect to Aluminium business where costs are predominantly in INR, the strengthening of INR against USD adversely affects the profitability of the business and benefits when INR depreciates against USD. The company enters into various foreign exchange contracts to protect profitability. Also, certain foreign exchange future derivatives are taken for arbitrage purpose between exchange and OTC.

The Company enters into various cross currency swaps to manage the exposure to fluctuating exchange rate arising from loans given to and net investments made in various European subsidiaries.

The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign currency exchange rate movement in foreign currency contracts executed with foreign suppliers to procure capital items for its project activities.

Interest Rate Risk

The Company is exposed to changes in interest rates due to financing, investing and cash management activities. The Company enters into interest rate swap contracts to manage its exposure to changes in the benchmark LIBOR interest rate arising from various floating rate debts.

Embedded derivatives

Copper concentrate is purchased on future pricing model based on month's average LME (in case of copper) / LBMA (in case of gold and silver). Since the value of the concentrate changes with response to change in commodity pricing indices, embedded derivatives (ED) is identified and segregated in the contract. The ED so segregated, is treated like commodity derivative and qualify for hedge accounting. These derivatives are put into a Fair Value hedge relationship with inventory.

The objective of hedge designation of the embedded commodity derivative is to offset the volatility in the Statement of Profit and Loss due to change in value of un-priced inventory with response to LME / LBMA.

Net Investment Hedges

For derivative instruments that are designated as hedges of net investment in foreign operations, gains and losses on derivative instruments are included (net of taxes), to the extent the hedges are effective, in Cumulative Translation Adjustment (CTA). The ineffective portions of hedges of net investments in foreign operations, if any, are recognised as gains or losses and included in 'Other Expenses' in the Statement of Profit and Loss.

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(c) The Asset and Liability position of various outstanding derivative financial instruments is given below:

(₹ crore)

Particulars	Nature of Risk being Hedged	31 st March, 2016			31 st March, 2015		
		Liability	Asset	Net Fair Value	Liability	Asset	Net Fair Value
Current							
Cash flow hedges							
- Commodity contracts	All cash flow risk other than foreign currency	(165.60)	549.04	383.44	(84.65)	384.60	299.95
- Interest rate contracts	Exchange rate movement risk	(2.10)	-	(2.10)	(3.65)	-	(3.65)
- Foreign currency contracts	Exchange rate movement risk	(16.78)	536.79	520.01	(263.46)	174.08	(89.38)
Fair value Hedges							
- Commodity contracts		-	0.01	0.01	(0.17)	0.03	(0.14)
- Embedded derivatives		(142.39)	34.36	(108.03)	(123.89)	72.57	(51.32)
Net Investment Hedges							
- Foreign currency contracts	Exchange rate movement risk	(8.37)	-	(8.37)	-	28.19	28.19
Non-designated hedges							
- Commodity contracts		(317.32)	398.42	81.10	(329.36)	313.90	(15.46)
- Foreign currency contracts		(479.82)	315.26	(164.56)	(457.19)	271.65	(185.54)
- Interest rate contracts		-	-	-	-	-	-
Total		(1,132.38)	1,833.88	701.50	(1,262.37)	1,245.02	(17.35)
Non - current							
Cash flow hedges							
- Commodity contracts	All cash flow risk other than foreign currency	(2.24)	47.62	45.38	(10.68)	27.45	16.77
- Interest rate contracts	Exchange rate movement risk	(2.27)	-	(2.27)	-	-	-
- Foreign currency contracts	Exchange rate movement risk	(435.44)	58.61	(376.83)	(95.42)	0.01	(95.41)
Fair value Hedges							
- Commodity contracts	All cash flow risk other than foreign currency	-	0.02	0.02	(0.02)	0.01	(0.01)
Net Investment Hedges							
- Foreign currency contracts	Exchange rate movement risk	-	-	-	-	-	-
Non-designated hedges							
- Commodity contracts		(1.47)	8.01	6.54	(43.55)	0.09	(43.46)
- Foreign currency contracts		(6.55)	1.50	(5.05)	-	2.82	2.82
- Interest rate contracts		-	-	-	-	-	-
Total		(447.97)	115.76	(332.21)	(149.67)	30.38	(119.29)
Grand Total		(1,580.35)	1,949.64	369.29	(1,412.04)	1,275.40	(136.64)

* Fair Value of ₹ (108.03) crore (Previous year ₹ ((51.32) crore)) is part of Trade Payables.

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(d) The following table presents the outstanding position and fair value of various foreign currency derivative financial instruments:

	Currency Pair	31 st March, 2016			31 st March, 2015		
		Average exchange rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ crore)	Average exchange rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ crore)
Foreign currency forwards							
Cash flow hedges							
Buy	CHF_EUR	0.93	101.60	(8.06)	0.95	86.11	6.95
Buy	USD_CHF	0.99	1.66	0.44			
Buy	EUR_INR	-	-	-	69.85	0.42	(0.10)
Buy	USD_INR	-	-	-	65.57	4.46	(0.74)
Buy	BRL_USD	0.26	146.17	27.08	0.36	258.92	(287.03)
Buy	EUR_USD	1.12	20.56	(1.92)	1.27	48.86	(17.12)
Buy	USD_CAD	1.33	49.96	8.66	1.18	36.65	(18.62)
Buy	USD_KRW	1,190.48	281.08	51.25	1,098.90	186.61	(19.58)
Sell	USD_INR	70.64	992.34	192.94	66.38	750.79	151.45
Total				270.39			(184.79)
Net investment hedge							
Buy	EUR_USD	1.11	36.09	(8.37)	1.32	27.86	28.19
Total				(8.37)			28.19
Non-Designated							
Buy	AUD_INR	50.88	0.05	-	49.20	0.44	(0.05)
Buy	CAD_INR	-	-	-	50.69	0.06	(0.01)
Buy	CHF_INR	70.27	0.06	-	66.66	0.13	(0.02)
Buy	EUR_INR	76.42	7.13	0.66	72.52	5.66	(2.96)
Buy	GBP_INR	95.96	0.07	-	94.67	0.21	(0.03)
Buy	NOK_INR	8.09	0.68	0.01	8.18	1.05	(0.03)
Buy	SEK_INR	8.18	2.54	0.01	7.63	0.05	(0.00)
Buy	USD_INR	66.30	129.68	(19.29)	62.92	462.43	(29.01)
Buy	GBP_EUR	1.37	41.07	(15.47)	1.38	43.58	0.73
Buy	KRW_USD	0.00	164.71	25.88	0.91	179.14	1.79
Buy	USD_EUR	0.90	209.90	(33.96)	0.86	232.17	43.30
Buy	GBP_USD	1.43	10.36	0.80	1.49	22.21	2.05
Buy	USD_CHF	1.00	34.49	(9.20)	0.96	59.58	4.18
Buy	CAD_USD	-	-	0.27	-	-	-
Buy	USD_BRL	0.81	208.95	(104.98)	2.94	292.58	(209.75)
Buy	JPY_USD	-	-	-	0.01	0.83	(0.00)
Buy	CHF_GBP	0.71	15.09	(2.15)	0.69	1.06	0.60
Buy	CHF_EUR	0.93	78.51	(10.36)	0.94	36.10	19.52
Buy	EUR_KRW	-	-	-	1,207.70	0.68	(0.04)
Buy	CNY_USD	0.15	48.83	(5.44)	0.16	39.48	4.90
Buy	CNY_EUR	0.14	11.49	0.86	0.14	26.11	(8.53)
Buy	MYR_USD	0.24	6.13	2.61	0.27	1.23	(1.03)
Buy	EUR_MYR	4.62	0.01	(0.00)	-	-	-
Sell	USD_INR	68.01	66.12	7.35	66.23	165.13	10.17
Sell	AUD_USD	0.75	18.50	2.85	0.84	31.90	(18.50)
Total				(159.55)			(182.72)

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	Currency Pair	31 st March, 2016			31 st March, 2015		
		Average exchange rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ crore)	Average exchange rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ crore)
Foreign currency Swaps							
Cash flow hedges							
Sell	USD_INR	63.96	938.04	(127.21)	-	-	-
Total				(127.21)			-
Cross Currency Interest Rate Swaps							
Non-Designated							
Buy	BRL_USD	0.27	22.00	(10.06)	-	-	-
Total				(10.06)			-

(e) The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2016:

		Qty	Average Price	Unit (USD/Unit)	Notional value (USD in millions)	Fair Value Gain/(Loss) (₹ Crore)
Commodity Futures/Forwards						
Cash Flow Hedge						
Aluminium	Sell	1,638.18	715,025	MT	1,171.34	576.92
Natural Gas	Buy	3.48	4,850,000	MMBtu	16.87	(29.44)
Aluminium	Buy	1,510.75	1,175	MT	1.78	(0.01)
Gold	Sell	1,141.66	181,569	TOZ	207.29	(111.05)
Silver	Sell	14.91	3,146,228	TOZ	46.91	(12.21)
Copper	Sell	5,070.00	3,000	MT	15.21	4.61
Total						428.82
Fair Value Hedge						
Aluminium	Buy	1,510.75	75	MT	0.11	0.03
Total						0.03
Non Designated hedges						
Aluminium	Buy	1,521.30	135,123	MT	205.56	(30.57)
Aluminium	Sell	1,597.12	216,420	MT	345.65	134.70
Copper	Buy	4,831.94	19,100	MT	92.29	5.11
Copper	Sell	4,943.43	37,650	MT	186.12	19.69
Gold	Sell	1,139.27	152	TOZ	0.17	(0.09)
Diesel Fuel	Buy	2.32	4,152,000	Gallons	9.63	(1.09)
Natural Gas	Buy	3.65	310,000	MMBtu	1.13	(3.59)
Total						124.16
Commodity Swaps						
Non Designated hedges						
Coal	Buy	45.43	222,750	MT	10.12	6.13
Coal	Sell	48.40	6,250	MT	0.30	(0.21)
Furnace Oil	Buy	143.83	58,250	MT	8.38	10.12
Furnace Oil	Sell	160.81	8,750	MT	1.41	(0.02)
Electricity	Buy	45.17	1,536,744	MWh	69.41	(52.54)
Total						(36.52)
Embedded derivatives						
Fair Value Hedge						
Copper	Sell	4,714.82	107,389	MT	506.32	(106.10)
Gold	Sell	1,219.41	17,342	TOZ	21.15	(1.62)
Silver	Sell	15.30	312,764	TOZ	4.79	(0.31)
Total						(108.03)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2015:

		Average Price (USD/Unit)	Qty	Unit	Notional value (USD in millions)	Fair Value Gain/ (Loss)(₹ Crore)
Commodity Futures/Forwards						
Cash Flow Hedge						
Aluminium	Sell	1,877.60	558,640	MT	1,048.91	355.36
Natural Gas	Buy	4.16	7,279,980	MMBtu	30.31	(52.64)
Aluminium	Buy	1,781.25	1,200	MT	2.14	(0.07)
Gold	Sell	1,194.61	103,147	TOZ	123.22	7.04
Silver	Sell	17.53	2,593,963	TOZ	45.46	14.04
Copper	Sell	5,973.05	16,325	MT	97.51	(7.01)
Total						316.72
Fair Value Hedge						
Aluminium	Buy	1,781.25	1,450	MT	2.58	(0.15)
Total						(0.15)
Non Designated hedges						
Aluminium	Buy	1,783.68	104,938	MT	187.18	(32.40)
Aluminium	Sell	1,820.16	129,070	MT	234.93	88.99
Copper	Buy	6,070.89	15,800	MT	95.92	(0.62)
Copper	Sell	6,043.22	20,825	MT	125.85	(2.57)
Gold	Buy	1,257.34	33,889	TOZ	42.61	(15.66)
Gold	Sell	1,277.30	37,000	TOZ	47.26	21.53
Silver	Buy	16.63	1,203	TOZ	0.02	0.00
Natural Gas	Buy	4.34	1,930,020	MMBtu	8.38	(18.05)
Gold	Buy		*	TOZ		(9.09)
Silver	Buy		*	TOZ		7.82
Total						39.95
Commodity Swaps						
Non Designated hedges						
Coal	Buy	57.24	156,250	MT	8.94	(0.57)
Coal	Sell	59.55	6,250	MT	0.37	0.05
Electricity	Buy	32.33	438,648	MWh	14.18	(98.35)
Total						(98.87)
Embedded derivatives						
Fair Value Hedge						
Copper	Sell	5,956.78	93,297	MT	555.75	(55.65)
Gold	Sell	1,205.53	32,351	TOZ	39.00	4.51
Silver	Sell	16.53	285,545	TOZ	4.72	(0.18)
Total						(51.32)

* Represent derivatives matured within 31st March, 2015 for which cash flow to happen on settlement date during April, 2015

(f) The following table presents the outstanding position and fair value of various interest rate derivative financial instruments:

Interest Rate Swaps	Fixed Leg	As of 31 st March, 2016			As of 31 st March, 2015		
		Average Price (USD/Unit)	Notional Value (USD in Million)	Fair Value (₹ Crore)	Average Price (USD/Unit)	Notional Value (USD in Million)	Fair Value (₹ Crore)
Cash Flow Hedges							
3M-CD-3200	Pay fixed	2.92%	114.87	(4.37)	3.69%	77.83	(3.65)
Total			114.87	(4.37)		77.83	(3.65)

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(g) The following table presents details of amount held in Hedging Reserve and the period during which these are going to be released and affecting Statement of Profit & Loss.

(₹ crore)

Hedge Instrument Type	Products/ Currency Pair	31 st March, 2016			31 st March, 2015		
		Closing Value in Hedging Reserve as at 31 st March, 2016	Release		Closing Value in Hedging Reserve as at 31 st March, 2015	Release	
			In less than 12 Months	After 12 Months		In less than 12 Months	After 12 Months
Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	
Commodity Forwards	Aluminium	638.93	633.36	5.57	371.30	350.19	21.11
	Gold	(107.64)	(107.64)	-	7.11	7.11	-
	Silver	(12.00)	(12.00)	-	14.00	14.00	-
	Copper	5.09	5.09	-	(6.36)	(8.55)	2.19
	Electricity	(23.93)	(23.93)	-	(56.26)	(33.75)	(22.51)
	Natural Gas	(31.28)	(35.25)	3.97	(55.86)	(46.45)	(9.41)
	Total	469.17	459.63	9.54	273.93	282.55	(8.62)
Debt		37.00	37.00	-	(18.70)	(18.70)	-
Liability for Copper Concentrate		0.20	0.20	-	(9.32)	(9.32)	-
Interest rate swaps	3M-CD-3200	(4.33)	-	(4.33)	(3.45)	(3.45)	(0.00)
	Total	(4.33)	-	(4.33)	(3.45)	(3.45)	(0.00)
Foreign currency Forwards	EUR_INR	-	-	-	(0.94)	(0.94)	-
	USD_INR	186.61	156.58	30.03	147.95	147.95	-
	USD_EUR	(1.66)	(3.59)	1.93	(17.31)	15.12	(32.43)
	USD_BRL	11.32	(8.48)	19.80	(253.22)	(217.59)	(35.63)
	USD_CAD	8.66	3.50	5.16	(18.62)	(19.12)	0.50
	EUR_KRW	-	(0.49)	0.49	-	(0.49)	0.49
	USD_KRW	53.39	35.00	18.39	(11.02)	(10.76)	(0.26)
	EUR_CHF	(7.76)	(8.44)	0.68	6.94	6.94	-
	USD_CHF	0.60	0.60	-	-	-	-
	Total	251.16	174.68	76.48	(146.22)	(78.89)	(67.33)
Foreign currency Swaps	USD_INR	(127.21)	-	(127.21)	-	-	-
	Total	(127.21)	-	(127.21)	-	-	-
Grand Total		625.99	671.51	(45.52)	96.24	172.19	(75.95)

(h) The following tables presents the amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2015-16:

(₹ crore)

Item	Opening Balance	Net Amount Recognized	Recycled			CTA	Closing Balance
			Net Amount to P&L	Net Amount Added to Non-Financial Assets	Total Amount Recycled		
Commodity	273.93	1,749.94	1,551.82	(3.28)	1,548.54	(6.16)	469.17
Forex	(174.24)	(506.65)	(822.91)	(38.53)	(861.44)	(19.40)	161.15
Interest	(3.45)	(4.61)	(4.89)	-	(4.89)	(1.16)	(4.33)
Total	96.24	1,238.68	724.02	(41.81)	682.21	(26.72)	625.99

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The following tables presents the amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2014-15:

(₹ Crore)

Item	Opening Balance	Net Amount Recognized	Recycled			CTA	Closing Balance
			Net Amount to P&L	Net Amount Added to Non-Financial Assets	Total Amount Recycled		
Commodity	125.15	(7.36)	(144.24)	(5.57)	(149.81)	6.33	273.93
Forex	266.89	(333.43)	120.51	(24.72)	95.79	(11.91)	(174.24)
Interest	(2.28)	(5.12)	(4.01)	-	(4.01)	(0.06)	(3.45)
Total	389.76	(345.91)	(27.74)	(30.29)	(58.03)	(5.64)	96.24

(i) The following table presents the amount of gain/ (loss) recycled from Hedging Reserve and reference of the line item in the Statement of Profit and Loss where those amounts are included:

(₹ crore)

Schedule No.	Schedule Line Item	2015-16	2014-15
27	Revenue from Operations	1,136.46	331.09
29	Cost of Materials Consumed	(360.85)	(240.86)
34	Depreciation	(7.10)	(5.00)
33	Finance Costs	(5.18)	(2.09)
36	(Gain)/Loss on Asset Held for Sale	-	44.16
36	Other Expenses	-	(9.60)
36	(Gain)/Loss in change in Fair Value of Derivatives (Net)	(39.31)	(145.44)

(j) The adjustment as part of the carrying value of inventories arising on account of fair value hedges is as follows:

(₹ Crore)

	2015-16	2014-15
Copper	108.98	54.37
Gold	1.68	(4.49)
Silver	0.32	0.19
Total	110.98	50.07

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Sensitivities

The following table presents the estimated potential changes in the fair values of the foreign currency derivative financial instruments given a 10% changes in their respective indexes.

(₹ Crore)

Currency Pair	Change in Rate/ Price	31 st March, 2016			31 st March, 2015		
		Change in Fair Value	Change in Profit & Loss Account	Change in Hedging Reserve	Change in Fair Value	Change in Profit & Loss Account	Change in Hedging Reserve
Forwards							
USD_INR	10%	626.29	(18.38)	644.67	295.12	(169.11)	464.23
EUR_INR	10%	5.36	5.36	-	4.07	3.80	0.27
GBP_INR	10%	0.07	0.07	-	0.19	0.19	-
NOK_INR	10%	0.05	0.05	-	0.07	0.07	-
CHF_INR	10%	0.04	0.04	-	0.08	0.08	-
AUD_INR	10%	0.03	0.03	-	0.21	0.21	-
CAD_INR	10%	-	-	-	0.03	0.03	-
SEK_INR	10%	0.19	0.19	-	0.00	0.00	-
CHF_USD	10%	199.98	188.37	11.61	136.95	134.36	2.59
GBP_USD	10%	91.29	90.13	1.16	23.44	23.00	0.44
CAD_USD	10%	29.97	-	29.97	18.71	-	18.71
KRW_USD	10%	267.99	97.76	170.23	249.90	120.08	129.82
BRL_USD	10%	77.00	44.73	32.27	151.20	68.50	82.70
EUR_USD	10%	329.18	255.94	73.24	170.02	125.37	44.65
AUD_USD	10%	1.33	1.33	-	14.94	14.94	-
EUR_KRW	10%	-	-	-	0.43	0.35	0.08
EUR_CHF	10%	108.48	0.01	108.47	76.16	11.73	64.43
EUR_GBP	10%	24.74	6.00	18.74	27.16	18.67	8.49
GBP_CHF	10%	9.09	6.25	2.84	0.66	9.92	(9.26)
CNY_USD	10%	44.84	44.27	0.57	5.44	5.37	0.07
JPY_USD	10%	-	-	-	0.58	0.57	0.01
EUR_MYR	10%	0.01	17.00	(16.99)	-	-	-
MYR_USD	10%	3.90	3.85	0.05	0.73	0.72	0.01
EUR_CNY	10%	6.92	0.01	6.91	14.14	11.73	2.41
Swaps							
USD_INR	10%	695.47	-	695.47	-	-	-
Debt	10%	567.27	67.01	500.26	687.10	193.96	493.14

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The following table presents the estimated potential change in the fair values of the commodity derivative financial instruments, given a 10% change in their respective indexes (LME in case of Aluminium and Copper, LBMA in case of Gold and Silver, Argus McCloskey API 4 in case of Coal, NYMEX NYISO Zone, a Peak Rate in the case of Electricity).

(₹ crore)

Types of Derivative	Change in Rate/Price	31 st March, 2016			31 st March, 2015		
		Change in Fair Value	Change in Profit and Loss	Change in Hedging Reserve	Change in Fair Value	Change in Profit and Loss	Change in Hedging Reserve
Forwards	10%	981.12	86.73	894.39	800.25	34.47	765.78
Swaps	10%	12.69	12.69	-	5.28	5.28	-
Embedded Derivatives	10%	363.09	363.09	-	378.50	378.50	-

The following table presents the estimated potential change in the fair values of the interest rate derivative financial instruments, given a 10% change in their respective indexes (USD Libor in case of Interest rate swaps).

(₹ crore)

Types of Derivative	Change in Rate/Price	31 st March, 2016			31 st March, 2015		
		Change in Fair Value	Change in Profit and Loss	Change in Hedging Reserve	Change in Fair Value	Change in Profit and Loss	Change in Hedging Reserve
3M-CD-3200	100 bps	12.03	-	12.03	2.39	-	2.39

46. Consequent to approval of Scheme of Amalgamation (Scheme) of Aditya Birla Chemicals (India) Limited (ABCIL), a subsidiary of the Company, with Grasim Industries Limited (Grasim) by the respective Hon'ble High Courts, the amalgamation has since been approved by the Board of Directors of Grasim to make it effective from 1st April, 2015. Accordingly, current year's result of ABCIL has not been included in consolidated results of the Company. However, for the year ended 31st March, 2015, group's share in ABCIL's net profit was ₹ 20.38 crore and to the extent current year's consolidated profit is not comparable. Further, the carrying amount of ABCIL's net assets in Consolidated Financial Statements of the Company as at the effective date of Scheme regarded as cost of shares of Grasim acquired.
47. Metals X Ltd, a listed company in Australia, has made takeover offer for shares of Aditya Birla Minerals Limited (ABML). As per the offer, the shareholders of ABML will receive A\$ 0.08 per share of ABML in cash and 1 share of Metals X Limited for every 4.5 shares of ABML. The Company has accepted the said offer on 19th July, 2016 in respect of its entire shareholding of ABML.
48. 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. 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 Governments 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.
49. 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

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transferred ₹ 8,647.37 crore from Securities Premium Account to BRR and till 31st March, 2015, ₹ 2,165.79 crore have been adjusted against BRR. During the year, following expenses has been adjusted with BRR:

- (a) ₹ 279.46 crore towards expenses on exited Projects
- (b) Impairment loss of ₹ 367.31 crore (Net of deferred tax ₹ 194.39 crore)
- (c) Provision of ₹ 35.50 crore towards diminution in value of investments

Had the Scheme not prescribed aforesaid treatment, the impact on Results and Earnings per Share (EPS) would have been as under:

Consolidated Net Profit for the year ended 31st March, 2016 lower by ₹ 682.27 crore

Consolidated basic and Diluted EPS for the year ended 31st March, 2016 lower by ₹ 3.30

50. Gain or loss on foreign currency transaction and translation has been accounted for under respective head of accounts depending upon the nature of transaction. The detail of net gain/(loss) included in various heads of accounts are as under:

	(₹ Crore)	
	Year Ended	
	31/03/2016	31/03/2015
Revenue from Operations	57.59	131.39
Cost of Materials Consumed	(18.19)	(78.60)
Power and Fuel	(2.49)	2.03
Finance Costs	(33.91)	(20.52)
Other Expenses	(42.76)	(164.24)
	<u>(39.76)</u>	<u>(129.94)</u>

51. Leases:

A. Operating Lease

Future obligations towards minimum lease payment commitments under non-cancellable operating leases are as under:

	(₹ Crore)	
	As at	
	31/03/2016	31/03/2015
Not later than 1 year	208.09	170.94
Later than 1 year and not later than 5 years	427.85	458.56
Later than 5 years	257.11	334.36

B. Finance Lease

Future obligations towards minimum lease payment commitments under the finance leases taken on or after 1st April, 2001 are as under:

	(₹ Crore)			
	As at 31/03/2016		As at 31/03/2015	
	Payment	Present Value	Payment	Present Value
Not later than 1 year	72.69	66.38	67.56	62.56
Later than 1 year and not later than 5 years	139.26	127.97	195.17	177.09
Later than 5 years	-	-	-	-

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52. Contingent Liabilities and Commitments

	(₹ Crore)	
	As at	
	31/03/2016	31/03/2015
A. Contingent Liabilities not provided in respect of the followings:		
(a) Claims against the Company not acknowledged as Debt	915.31	968.25
(b) Corporate Guarantee Outstandings	-	0.50
(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).	325.81	328.03
iii. 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 18th November, 2002 of Hon'ble High Court of Allahabad approving 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 scheme of arrangement under 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 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.		
iv. 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 1.4.2009 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 31.3.2016. Thus total amount outstanding till 31.3.2016 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 net liability will be ₹ 64.50 crore. The Company has challenged the demand by filing a petition on 27.12.2013 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 12.2.2014 and the Hon'ble Uttar Pradesh Electricity Regulatory Commission (UPERC) vide its order dated 24.2.2014 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.		

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	(₹ Crore)	
	31/03/2016	31/03/2015
B. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advance paid)	546.84	1,362.26
(b) Purchase commitments in relation to Materials and Services	40,170.56	52,447.32
(c) In order to maintain current rights of tenure to exploration tenements and transportation of gas from port to mining place, one of the subsidiary company is required to meet the minimum expenditure requirements of ₹ 23.16 crore (Previous Year ₹ 25.74 crore).		
(d) 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 without prior approval of the Facility Agent in writing divest 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.		

53. Related Party Disclosures:

Related Party Disclosures as per Accounting Standard (AS) 18 is given below:

A. List of Related Parties:

(a) Associates:

- Aditya Birla Science and Technology Company Private Limited
- Idea Cellular Limited
- Aluminium Norf GmbH
- Deutsche Aluminium Verpackung Recycling GmbH
- France Aluminium Recyclage SA

(b) Joint Ventures:

- Mahan Coal Limited
- Hydromine Global Minerals (GMBH) Limited
- MNH Shakti Limited

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(c) Trust:

Trident Trust

(d) Key Managerial Personnel:

Mr. D. Bhattacharya - Managing Director

Mr. Satish Pai - Deputy Managing Director

B. Disclosure of transactions in the ordinary course of business between the Group and its Related Parties during the year and status of outstanding balances at year end:

(a) Associates and Joint Ventures:

(₹ Crore)

	2016		2015	
	Associates	Joint Ventures	Associates	Joint Ventures
1. Transactions during the year ended 31st March:				
i. Service Received	1,533.78	-	1,616.78	-
Aditya Birla Science and Technology Company Pvt. Limited	12.00		15.22	
Idea Cellular Limited	3.27		3.06	
Aluminium Norf GmbH	1,518.51		1,598.50	
ii. Service Rendered	-	-	0.02	0.06
Aditya Birla Science and Technology Company Pvt. Limited	-	-	0.02	-
Idea Cellular Limited	-	-	-	0.06
iii. Interest and Dividend Received	24.45	-	19.63	-
Aditya Birla Science and Technology Company Pvt. Limited	5.14	-	5.14	-
Idea Cellular Limited	14.65	-	10.08	-
Aluminium Norf GmbH	4.66	-	4.41	-
iv. Interest and Dividend Paid	-	-	-	-
Mahan Coal Limited	-	-	-	-
v. Loans, Advances and Deposits given	17.47	0.06	127.16	0.01
Hydromine Global Minerals (GMBH) Limited	-	0.06	-	0.01
Aluminium Norf GmbH	17.47	-	127.16	-
2. Outstanding balances as at 31st March:				
i. Trade and other Receivables	5.71	-	1.95	-
Aditya Birla Science and Technology Company Pvt. Limited	-		0.04	-
Idea Cellular Limited	0.39		0.40	-
Aluminium Norf GmbH	5.32		1.51	-
ii. Trade and Other Payables	316.75	-	271.30	-
Idea Cellular Limited	0.10		0.11	-
Aluminium Norf GmbH	316.65		271.19	-
iii. Loans, Advances and Deposits	547.23	0.06	476.75	0.01
Hydromine Global Minerals (GMBH) Limited	-	0.06	0.75	0.01
Aditya Birla Science and Technology Company Pvt. Limited	57.94		57.94	-
Aluminium Norf GmbH	489.29		418.06	-

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(b) Trust:

	(₹ Crore)	
	As at 31/03/2016	As at 31/03/2015
Beneficiary Interest in Trust	34.46	34.46

(c) Key Managerial Personnel:

Managerial Remuneration (including perquisites but excluding gratuity, leave encashment provisions and compensation under Employee Stock Options Scheme)

	(₹ Crore)	
	As at 31/03/2016	As at 31/03/2015
Mr. D. Bhattacharya	20.93	22.56
Mr. Satish Pai	14.95	13.11

54. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries, Associates and Joint Ventures.

Name of Entity	Net Assets i.e. total assets minus total liabilities as at 31 st March, 2016		Share in Profit/(Loss) for the year ended 31 st March, 2016	
	As % of Consolidated Net Assets	Amount (₹ Crore)	As % of Consolidated Profit/(Loss)	Amount (₹ Crore)
A. Parent:				
Hindalco Industries Limited	96.50%	37,067.89	1355.17%	607.25
B. Subsidiaries:				
Indian:				
Minerals & Minerals Limited	0.00%	1.16	0.07%	0.03
Utkal Alumina International Limited	7.62%	2,926.12	-208.35%	(93.36)
Utkal Alumina Technical & General Services Limited *	0.00%	0.04	0.00%	-
Suvas Holdings Limited	0.02%	7.04	0.04%	0.02
Renuka Investments & Finance Limited	0.09%	32.84	13.57%	6.08
Renukeshwar Investments & Finance Limited	0.07%	25.34	7.34%	3.29
Dahej Harbour and Infrastructure Limited	0.24%	93.18	115.11%	51.58
Lucknow Finance Company Limited	0.04%	15.58	2.32%	1.04
Hindalco-Almex Aerospace Limited	0.20%	76.03	-5.78%	(2.59)
Tubed Coal Mines Limited	0.06%	21.15	-5.42%	(2.43)
East Coast Bauxite Mining Company Private Limited	0.00%	(0.02)	0.00%	-
Mauda Energy Limited	0.00%	-	-0.31%	(0.14)
Foreign:				
Birla Resources Pty Limited	0.01%	3.31	0.09%	0.04
Aditya Birla Minerals Limited (Consolidated)	1.24%	478.14	-2045.48%	(916.58)
AV Minerals (Netherlands) N.V.	27.77%	10,668.29	-1.41%	(0.63)
AV Metals Inc. *	26.97%	10,360.03	0.00%	-
Novelis Inc. (Consolidated) * @	27.20%	10,449.06	-36.33%	(16.28)
Hindalco Do Brasil Industria Comercia de Alumina Ltda *	-0.04%	(14.25)	-193.68%	(86.79)
Hindalco Guinea SARL	0.00%	-	0.00%	-
Minority Interests in all Subsidiaries #	-1.01%	(388.80)	1002.01%	449.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

C. Associates (Investments as per the Equity Method)				
Indian:				
Idea Cellular Limited (Consolidated)	4.29%	1,647.73	435.91%	195.33
Aditya Birla Science and Technology Company Private Limited	0.03%	11.14	-2.34%	(1.05)
D. Joint Ventures (as per Proportionate Consolidation Method)				
Indian:				
Mahan Coal Limited	0.45%	172.91	-1.41%	(0.63)
MNH Shakti Limited	0.03%	12.77	0.00%	-
Foreign:				
Hydromine Global Minerals (GMBH) Limited (Consolidated)	0.08%	30.85	2.28%	1.02
	191.85%	73,697.53	433.39%	194.20
Consolidation Adjustments	-91.85%	(35,283.73)	-333.39%	(149.39)
	100.00%	38,413.80	100.00%	44.81

* Indirect subsidiaries of the Company

₹ 388.80 crore and ₹ 449.00 crore represents minority share in net assets and minority share in net loss of subsidiaries respectively.

@ Includes ₹ 4,289.92 crore of Net Assets and ₹ 19.37 crore of share in net loss of associate companies of Novelis Inc.

55. As clarified by the Ministry of Corporate Affairs vide its General Circular No. 39/2014 No. 4/2/2014-CL-I Dated: 14th October, 2014, certain information provided in stand-alone accounts of individual companies under the Group have not been consolidated and disclosed as part of Consolidated Financial Statements (CFS) keeping in mind the fact that these are repetitive in nature or not relevant to CFS. However, all such information are available as part of stand-alone accounts of the respective companies under the Group.
56. Consolidated Financial Statements (CFS) of the Company for the year ended 31st March, 2016 were approved by the Board of Directors on 28th May, 2016 which incorporated accounts of Aditya Birla Minerals Limited (ABML), Australia, a subsidiary of the Company, for six months ended 30th September, 2015, as full year accounts of ABML were not available at that time. ABML has subsequently finalized its accounts for the year ended 31st March, 2016. Accordingly, it has been considered appropriate to update the CFS for the year ended 31st March 2016 based on full year accounts of ABML.
57. Figures of previous year have been reclassified/regrouped wherever necessary.

As per our report annexed.

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

RAJIV SINGHI

Partner

Membership No. 53518

Place : Mumbai

Dated : 21st July, 2016

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of
Hindalco Industries Limited

Kumar Mangalam Birla – Chairman
DIN-00012813

D. Bhattacharya – Managing Director
DIN-00033553

M.M. Bhagat – Director
DIN-00006245

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	₹ crore & Foreign Currency in Million	
															Profit/(Loss) after Tax	% of Share Holding
31	Novelis UK Ltd. *	England	INR Pounds	1,391.33 146.09	631.50 66.31	2,777.74 291.66	754.92 79.27	-	3,357.22 340.48	61.20 6.21	8.68 0.88	52.52 5.33	-	100.00		
32	Novelis Services Limited *	Wales	INR USD	1,331.79 201.01	849.97 128.29	2,192.06 330.85	10.30 1.55	-	602.45 92.10	394.62 60.33	62.74 9.59	331.88 50.74	-	100.00		
33	Novelis Deutschland GmbH *	Germany	INR Euro	841.39 111.50	103.89 13.77	5,453.76 722.73	4,508.48 597.46	-	21,325.02 2,951.25	(10.35) (1.43)	0.14 0.02	(10.49) (1.45)	-	100.00		
34	Novelis Aluminium Beteiligungs GmbH *	Germany	INR Euro	-	-	-	-	-	-	-	-	-	-	100.00		
35	Novelis Switzerland SA *	Switzerland	INR Francs	34.50 5.00	2,094.43 303.57	3,118.45 451.99	989.53 143.42	-	4,516.14 671.18	578.96 86.04	93.08 13.83	485.88 72.21	-	100.00		
36	Novelis Laminés France SAS *	France	INR Euro	23.39 3.10	23.37 3.10	51.96 6.89	5.20 0.69	-	9.31 1.29	1.46 0.20	0.42 0.06	1.04 0.14	-	100.00		
37	Novelis Italia SPA *	Italy	INR Euro	724.43 96.00	(219.47) (29.08)	952.70 126.25	447.74 59.33	-	1,383.04 192.79	8.87 1.23	2.44 0.34	6.43 0.89	-	100.00		
38	Novelis Aluminium Holding Company *	Ireland	INR Euro	22.64 3.00	1,246.41 165.17	6,706.84 888.78	5,437.79 720.61	-	3.62 0.50	(285.19) (39.47)	12.96 1.79	(298.15) (41.26)	-	100.00		
39	Eurofoil Inc. (USA) (New York) *	USA	INR USD	-	-	-	-	-	-	-	-	-	-	-		
40	Novelis Global Employment Organization Inc *	USA	INR USD	-	1.98 0.30	1.98 0.30	-	-	-	-	-	-	-	100.00		
41	Novelis PAE SAS *	France	INR Euro	30.49 4.04	98.76 13.09	307.41 40.74	178.16 23.61	-	105.79 14.64	8.76 1.21	0.48 0.07	8.28 1.14	-	100.00		
42	Novelis Europe Holdings Limited *	Wales	INR USD	325.29 49.10	1,896.81 286.29	3,797.94 573.23	1,575.84 237.84	-	4.45 0.68	(125.81) (19.23)	-	(125.81) (19.23)	-	100.00		
43	Novelis AG (Switzerland) *	Switzerland	INR Francs	6.90 1.00	1,356.01 196.54	4,912.53 712.02	3,549.62 514.48	-	3,831.98 569.50	(108.12) (16.07)	1.96 0.29	(110.08) (16.36)	-	100.00		
44	Logan Aluminium Inc. (Delaware) *	USA	INR USD	0.09 0.00	(31.21) (49.99)	1,529.41 230.84	1,860.62 280.83	-	2,644.09 404.20	3.27 0.50	3.02 0.46	0.25 0.04	-	40.00		
45	ALBRASILUS - Alumínio do Brasil Industria e Comércio Ltda *	Brazil	INR Reals	-	-	-	-	-	-	-	-	-	-	-		
46	Novelis Holdings Inc	USA	INR USD	150.92 20.00	1,925.21 224.77	1,925.23 290.58	0.02 0.00	-	21.40 57.39	(853.39) (28.42)	374.79 57.29	-	100.00			
47	8018227 Canada Inc. *	USA	INR USD	-	(241.98) (36.52)	2,330.53 351.75	2,572.52 386.28	-	(100.86) (15.42)	2.79 0.43	(103.65) (15.85)	-	100.00			
48	8018243 Canada Limited *	USA	INR USD	-	-	-	-	-	-	-	-	-	-	-		
49	Novelis Delaware LLC *	USA	INR USD	-	-	-	-	-	-	-	-	-	-	-		
50	Novelis Acquisitions LLC *	USA	INR USD	-	-	-	-	-	-	-	-	-	-	100.00		
51	Novelis Sheet Ingot GmbH (Germany) *	Germany	INR Euro	150.92 20.00	-	1,696.17 224.77	1,545.25 204.77	-	414.68 57.39	(205.36) (28.42)	-	(205.36) (28.42)	-	100.00		
52	Novelis MEA Ltd (Dubai) *	UAE	INR USD	6.04 0.91	124.62 18.81	943.79 142.45	813.12 122.73	-	2,818.09 430.80	75.34 11.52	-	75.34 11.52	-	100.00		
53	Novelis (Shanghai) Aluminium Trading Company *	China	INR CNY	22.72 22.14	81.74 79.65	189.27 184.43	84.80 82.64	-	394.11 361.63	39.60 38.35	9.90 9.59	29.70 28.76	-	100.00		
54	Novelis (China) Aluminium Products Co. Ltd. *	China	INR CNY	364.42 355.11	(90.11) (87.80)	1,287.04 1,254.14	1,012.73 986.83	-	199.68 193.36	(89.31) (67.12)	(15.82) (15.32)	(53.49) (51.80)	-	100.00		
55	Novelis Vietnam Company Limited (Vietnam) *	Vietnam	INR Dong	6.25 20,920.00	27.41 91,368.31	161.70 539,010.53	128.05 426,822.22	-	1,417,226.98	79,852.14	17,513.37	62,338.77	-	100.00		

Sl. No.	Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments** Shares, Debenture, Bonds & Others	Turnover/ Revenues	Profit/(Loss) before tax	Provision for tax	Profit/(Loss) after tax	Proposed Dividend	% of Share Holding
56	Novelis Asia Holdings (Singapore) *	Singapore	INR SGD	-	-	-	-	-	-	-	-	-	-	-
57	Novelis Services (North America) Inc.*	USA	INR USD	0.01 0.00	-	0.01 0.00	0.01 0.00	-	-	-	-	-	-	100.00
58	Brecha Energetica Ltda*	Brazil	INR Reais	0.00 0.00	-	0.00 0.00	-	-	-	-	-	-	-	99.99
59	Brito Energetica Ltda*	Brazil	INR Reais	0.00 0.00	-	0.00 0.00	-	-	-	-	-	-	-	99.99
60	Hindalco Guinea SARL *	South Africa	INR USD	0.01 0.00	(0.01) (0.00)	0.01 0.00	0.00 0.00	-	-	0.00 0.00	-	0.00 0.00	-	100.00
61	Hindalco Do Brazil Industria Comercio de Alumina LTDA - (e) *	Brasil	INR Reais	254.98 104.65	(269.23) (112.38)	223.00 120.94	237.25 128.67	-	193.11 105.03	(86.79) (47.20)	-	(86.79) (47.20)	-	100.00
62	Utkal Alumina Technical & General Services Ltd.@	India	INR	0.05	(0.01)	0.04	0.00	-	-	(0.00)	-	(0.00)	-	100.00

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

^ Subsidiary of Aditya Birla Minerals Limited

Subsidiary of AV Minerals (Netherlands) N.V.

Subsidiary of AV Metals Inc.

@ Subsidiary of Utkal Alumina International Limited.

Details	FC to INR		FC to USD	
	Avg for the year	Closing as of 31-March-16	Details	Avg for the year
AUD	48.1417	50.7878	CHF	1.029138
CAD	49.9330	51.0872	EUR	1.104614
CHF	67.2866	68.9941	GBP	1.508201
EUR	72.2575	75.4611	JPY	0.008335
GBP	98.6021	95.2382	CNY	0.157966
JPY	0.5455	0.5890	BRL	0.281763
NOK	7.9085	8.0124	SGD	0.721934
SGD	47.2037	49.1561	SEK	0.118214
USD	65.4151	66.2550	KRW	0.000866
CNY	10.3272	10.2624	MYR	0.246827
BRL	18.3865	18.4385	VND	0.000045
SEK	7.7930	8.1656		
KRW	0.0566	0.0579		
MYR	16.2177	16.9711		
VND	0.0030	0.0030		

Name of subsidiaries which have been liquidated or sold off during FY 16	
Aditya Birla Chemicals (India) Limited	Merged with Grasim Industries Ltd. w.e.f. 1st April, 2015
Aditya Birla Chemicals (Belgium) BVBA	Merged with Grasim Industries Limited w.e.f. 1st April, 2015
Birla Mt. Gordon Pty Limited	Disposed of on 27 th October, 2015
Aluminum Upstream Holdings LLC (Delaware)	Amalgamated with Novelis South America Holding LLC w.e.f. 2 nd December, 2015
AI Dotcom Sdn Berhad	Dissolved w.e.f. 21 st January, 2016
Eurofoil Inc. (USA) (New York)	Amalgamated with Novelis PAE Corporation w.e.f. 1st Nov, 2015
Novelis Global Employment Organization Inc	Formerly known as Novelis PAE Corporation change w.e.f. 15 th December, 2015
ALBRASILIS - Alumínio do Brasil Industria e Comércio Ltda	Dissolved 18 th November, 2015
8018243 Canada Limited	Amalgamated with Novelis Inc w.e.f. 31 st March, 2016
Novelis Delaware LLC	Amalgamated with Novelis Inc w.e.f. 31 st March, 2016
Novelis Asia Holdings (Singapore)	Struck off w.e.f. 17 th March, 2016

Name of subsidiaries which are yet to commence operations during FY 16	
1 Mauda Energy Limited	
2 Tubed Coal Mines Limited	
3 East Coast Bauxite Company Private Limited	
4 Sivas Holdings Limited	
5 Utkal Alumina Technical and General Services Ltd	
6 Birla Marochyone Pty Ltd	
7 Birla Resources Pty Ltd	
8 AI Dotcom Sdn. Berhad	
9 Novelis South America Holdings LLC	
10 Aluminum Upstream Holdings LLC (Delaware)	
11 Novelis Aluminium Beteiligungs GmbH	
12 Novelis PAE Corporation (Delaware)	
13 ALBRASILIS - Alumínio do Brasil Industria e Comércio Ltda	
14 Novelis Asia Holdings (Singapore)	
15 Hindalco Guinea SARL	

CONSOLIDATED FINANCIAL STATEMENTS	STANDALONE FINANCIAL STATEMENTS	SOCIAL REPORT	SHAREHOLDER INFORMATION	CORPORATE GOVERNANCE REPORT	SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT	DIRECTORS' REPORT	MANAGEMENT DISCUSSION AND ANALYSIS	FINANCIAL HIGHLIGHTS
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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			Base on why the associate/joint venture is not considered
			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	
	Associates								
1	Aditya Birla Science and Technology Company Private Limited	31-Mar-16	9,800,000	9.80	49.00	11.14	(1.05)	Note A	
2	Idea Cellular Limited	31-Mar-16	228,340,226	228.34	6.34	1,634.15	195.33	Note A	
3	Associates of Novellis Inc. @	31-Mar-16	-	-	-	-	-	Note B	Note B
	Joint Ventures								
1	Mahan Coal Limited ©	31-Mar-16	195,750,000	195.75	50.00	172.91	(0.63)	Note A	
2	Hydromine Global Minerals (GMBH) Limited®	31-Mar-16	64,650	0.34	45.00	0.31	(0.01)	Note A	
3	MNH Shakti Limited ©	31-Mar-16	12,765,000	12.77	15.00	12.69		Note A	

© Associates of Novellis Inc., includes following companies for which separate information is not available

Aluminium Norf GmbH
Deutsche Aluminium Verpackung Recycling GMBH
France Aluminium Recyclage SA

® Operations not started yet.

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

Note B : Non-availability of 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 : 21st July, 2016

For and on behalf of the Board of
Hindalco Industries Limited

Praveen Kumar Maheshwari
CFO

Kumar Mangalam Birla – Chairman
DIN-00012813

D. Bhattacharya – Managing Director
DIN-00033553

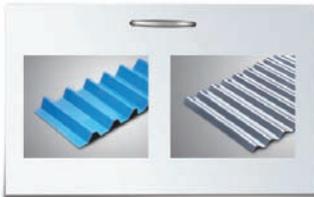
M.M. Bhagat – Director
DIN-00006245

Anil Malik
Company Secretary



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*Based on metal value only. May vary with fluctuations in market prices.

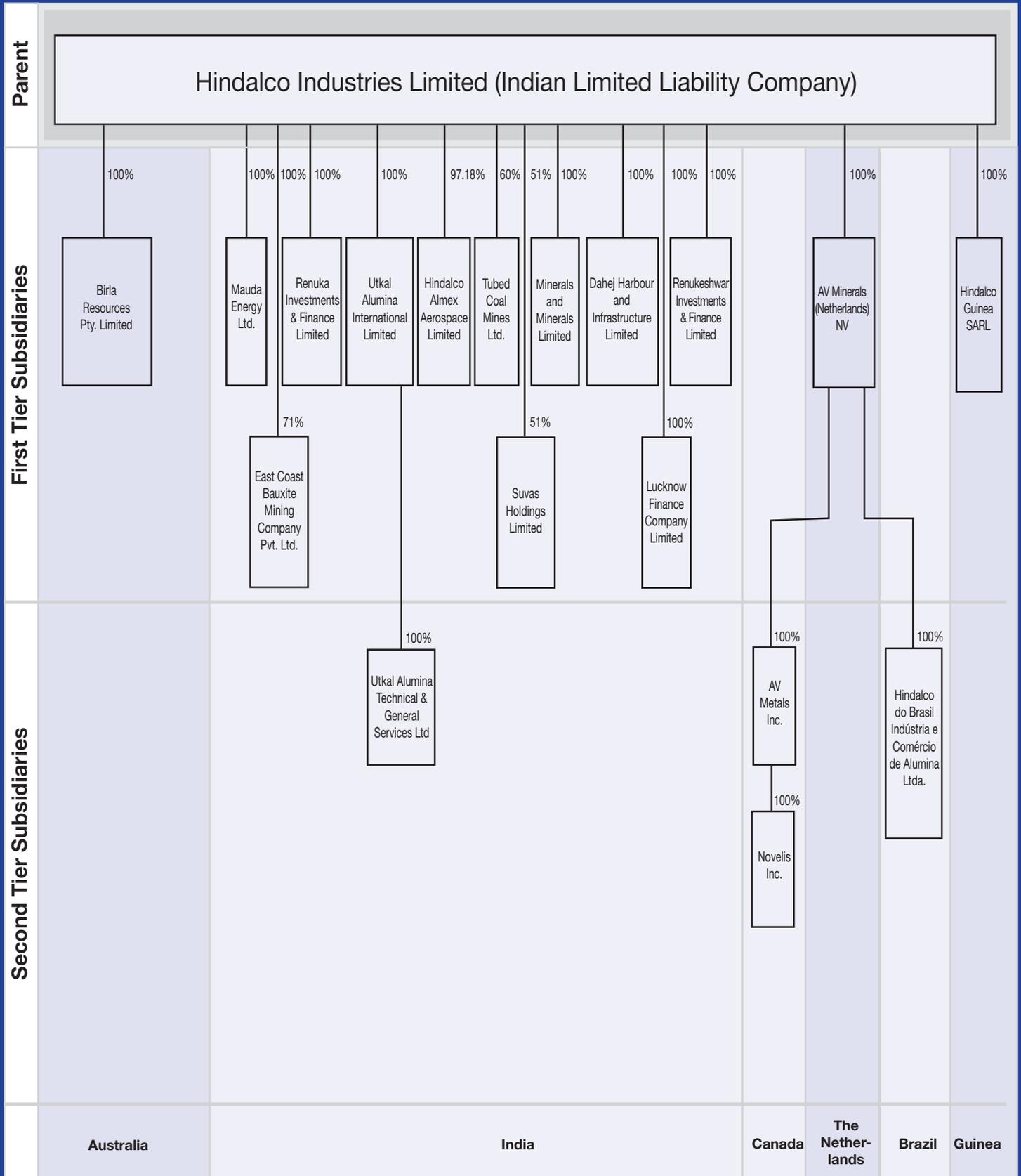


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E-mail: hindalco.everlast@adityabirla.com | www.everlastaluminiumroofing.com

Hindalco Corporate Structure Diagram





Hindalco Industries Limited

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E-Mail: hilinvestors@adityabirla.com

Website: www.hindalco.com

CIN No. L27020MH1958PLC011238
