Placement Document
Subject to completion
Not for Circulation
Serial Number:[●]
Strictly Confidential

HINDALCO INDUSTRIES LIMITED

Our Company was incorporated on December 15, 1958 under the Companies Act, 1956, as Hindustan Aluminium Corporation Limited. Subsequently, the name of our Company was changed to Hindalco Industries Limited with effect from October 9, 1989. The registered office of our Company is located at Century Bhavan, 3rd Floor, Dr. Annie Besant Road, Worli, Mumbai 400 030.

Hindalco Industries Limited (our "**Company**" or the "**Issuer**") is issuing 176,827,659 equity shares of face value of ₹ 1 each (the "**Equity Shares**") at a price of ₹ 189.45 per Equity Share (the "**Issue Price**"), including a premium of ₹ 188.45 per Equity Share, aggregating ₹ 33,500 million (the "**Issue**").

ISSUE IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULES MADE THEREUNDER, ALONGWITH CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS").

THIS ISSUE AND DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO QUALIFIED INSTITUTIONAL BUYERS ("QIBS") AS DEFINED IN THE SEBI ICDR REGULATIONS IN RELIANCE UPON CHAPTER VIII OF THE SEBI ICDR REGULATIONS, AS AMENDED AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, AND RULES MADE THEREUNDER. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN QIBS. THIS PLACEMENT DOCUMENT WILL BE CIRCULATED ONLY TO SUCH QIBS WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO EQUITY SHARES.

Invitations for subscription of Equity Shares shall only be made pursuant to the Preliminary Placement Document, this Placement Document together with the respective Application Form (as defined hereinafter). For further information, see the section "***Issue Procedure***" beginning on page 200. The distribution of the Preliminary Placement Document, this Placement Document or the disclosure of its contents without our Company's prior consent to any person, other than QIBs and persons retained by QIBs to advise them with respect to their purchase of Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and agrees to make no copies of this Placement Document or any documents referred to in this Placement Document.

Our Company's outstanding Equity Shares are listed on BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**", together with the BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on the BSE and NSE on March 1, 2017 was ₹ 189.15 and ₹ 189.25 per Equity Share, respectively. In-principle approvals under Regulation 28(1) of the Listing Regulations (as defined herein) for listing of the Equity Shares have been received from the BSE on March 2, 2017 and NSE on March 2, 2017. Applications shall be made for obtaining the listing and trading approvals for the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended) has been delivered and this Placement Document (which includes disclosures prescribed under Form PAS-4 under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") and the Securities and Exchange Board of India ("**SEBI**") within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended. This Placement Document has not been reviewed by SEBI, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by QIBs. This Placement Document has not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "RISK FACTORS" BEGINNING ON PAGE 44 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) under the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act. For further information, see the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on beginning on pages 212 and 218, respectively.

The information on our Company's website, any website directly or indirectly linked to our Company's website, or the website of the Book Running Lead Managers or their respective affiliates does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites.

BOOK RUNNING LEAD MANAGERS

DSP Merrill Lynch Limited	**Axis Capital Limited**	**Citigroup Global Markets India Private Limited**	**JM Financial Institutional Securities Limited**	**SBI Capital Markets Limited**

This Placement Document is dated March 8, 2017.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to its best knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company and the Equity Shares that is material in context of the Issue. The statements contained in this Placement Document relating to our Company, our Subsidiaries, our joint ventures and associates and the Equity Shares to be issued pursuant to the Issue are, in all material respects, true and accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to our Company, our Subsidiaries, our joint ventures and associates and the Equity Shares to be issued in the Issue are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company, our Subsidiaries, our joint ventures and associates and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

The Book Running Lead Managers have not separately verified the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on either the Book Running Lead Managers or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, its subsidiaries, its joint ventures and associates and the merits and risks involved in investing in the Equity Shares.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or by or on behalf of the Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offense in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Within the United States, this Placement Document is being provided only to persons who are reasonably believed to be "qualified institutional buyers" as defined in Rule 144A. Distribution of this Placement Document to any person other than the offeree specified by the Book Running Lead Managers or its representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized and any disclosure of its contents, without the prior written consent of our Company, is prohibited. Any reproduction or distribution of this Placement Document in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Placement Document and issue of the Equity Shares may be restricted in certain jurisdictions by law. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, prospective investors must rely on their own examination of our Company, our Subsidiaries, our joint ventures and associates and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable legal, investment or similar laws or regulations. Each subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, and that it is not prohibited by SEBI or any other statutory authority from buying, selling or dealing in the securities including the Equity Shares. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on our Company's website, http://www.hindalco.com, any website directly and indirectly linked to the website of our Company or on the websites of the Book Running Lead Managers or their respective affiliates, does not constitute nor form part of this Placement Document. The prospective investors should not rely on such information contained in, or available through, any such websites.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("**RSA 421-B**") WITH THE STATE OF NEW HAMPSHIRE, NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE, CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT, NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION, MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information relating to investors in certain other jurisdictions, see the sections "Selling Restrictions" and "Transfer Restrictions" on pages 212 and 218, respectively

REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" is to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares in the Issue, you are deemed to have represented, warranted, acknowledged to and agreed with our Company and the Book Running Lead Managers, as follows:

- You are a 'QIB' as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VIII of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations;

- If you are not a resident of India, but a QIB, (i) you are an Eligible FPI as defined in this Placement Document including a FII (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual) and have a valid and existing registration with SEBI under the applicable laws in India; or (ii) a multilateral or bilateral development financial institution or (iii) an FVCI and have a valid and existing registration with SEBI under applicable laws in India, and are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- You are eligible to invest in India under applicable laws, including the FEMA 20 and any notification, circulars or clarification issued thereunder, and have not been prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities;

- You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;

- If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges (additional requirements apply if you are within the United States or a U.S. Person, see the section "***Transfer Restrictions***" beginning on page 218);

- You have made, or been deemed to have made, as applicable, the representations set forth in the sections "***Transfer Restrictions***" and "***Selling Restrictions***" beginning on pages 218 and 212, respectively;

- You are aware that this Placement Document has not been, and will not be, registered as a prospectus under the Companies Act, 2013 and the SEBI ICDR Regulations or under any other law in force in India. This Placement Document has not been reviewed or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by QIBs.

- The Preliminary Placement Document has been filed (and this Placement Document will be filed) with the Stock Exchanges for record purposes only and the Preliminary Placement Document has been displayed (and this Placement Document will be displayed) on the websites of our Company and the Stock Exchanges;

- You are entitled to subscribe for, and acquire, the Equity Shares under the laws of all relevant jurisdictions that apply to you and you have: (i) fully observed such laws; (ii) the necessary capacity, and (iii) obtained all necessary consents, governmental or otherwise, and authorizations and complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

- Neither our Company nor the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents ("**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material information relating to our Company and the Issue that was not publicly available;

- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company's present and future business strategies and environment in which our Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. Our Company assumes no responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public and the allotment of the Equity Shares shall be at the discretion of our Company in consultation with the Book Running Lead Managers;

- You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their websites and you consent to such disclosures;

- You have been provided a serially numbered copy of the Preliminary Placement Document, this Placement Document and have read it in its entirety, including in particular, the section "***Risk Factors***" beginning on page 44;

- In making your investment decision, you have (i) relied on your own examination of our Company, our Subsidiaries, our joint ventures, associates, and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company, the Equity Shares and the terms of the Issue based solely on the information contained in the Preliminary Placement Document and no other disclosure or representation by our Company, our Directors, Promoters and affiliates or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) relied solely on the information contained in the Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Managers or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against our Company or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not approach our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue, for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire such Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'Promoter' (as defined under Section 2(69) of the Companies Act, 2013 and the SEBI ICDR Regulations) of our Company or any of our affiliates and are not a person related to the Promoters, either directly or indirectly, and your Bid does not directly or indirectly represent the 'Promoter', or 'Promoter Group', (as defined under the SEBI ICDR Regulations) of our Company or persons relating to our Promoters;

- You have no rights under a shareholders' agreement or voting agreement with our Promoters or persons related to our Promoters, no veto rights or right to appoint any nominee director on the Board of Directors of our Company other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares, which shall not be deemed to be a person related to our Promoters;

- You will have no right to withdraw your Bid after the Bid/Issue Closing Date;

- You are eligible to apply for and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable regulation;

- The Bid made by you would not result in triggering a open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**");

- To the best of your knowledge and belief, the number of Equity Shares Allotted to you pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. The expression "belong to the same group' shall derive meaning from the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that our Company shall make necessary filings with the RoC pursuant to the Allotment (which shall include certain details such as your name, address and number of Equity Shares Allotted) and if the Allotment of Equity Shares pursuant to the Issue results in you being one of the top ten shareholders of our Company, we shall also be required to disclose your name and shareholding details to the RoC within 15 days of Allotment, and you consent to such disclosure being made by us;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1) of the Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and an approval has been received from the Stock Exchanges, and (ii) the application for the listing and trading approval will be made only after Allotment. There can be no assurance that the approvals for listing and trading in the Equity Shares will be obtained in time or at all. We shall not be responsible for any delay or non-receipt of such approvals for listing and trading or any loss arising from such delay or non-receipt;

- You are aware and understand that the Book Running Lead Managers have entered into a placement agreement with our Company whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, agreed to manage the Issue and to procure subscriptions for the Equity Shares;

- You understand that the contents of this Placement Document are exclusively the responsibility of our Company, and neither the Book Running Lead Managers nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By participating in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Managers or our Company or any of their respective affiliates or any other person, and neither the Book Running Lead Managers nor our Company nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- You understand that the Book Running Lead Managers do not have any obligation to purchase or acquire all or any part of the Equity Shares Allotted to and purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by us or any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You understand that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the Securities Act;

- If you are within the United States, you are a "qualified institutional buyer" as defined in Rule 144A under the Securities Act, are acquiring the Equity Shares for your own account or for the account of an investor who also meets the requirements of a "qualified institutional buyer", for investment purposes only, and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part;

- You agree and acknowledge that in terms of Section 42(7) of the Companies Act, 2013, we shall file the list of QIBs (to whom the Preliminary Placement Document are circulated) along with other particulars with the RoC and SEBI within 30 days of circulation of the Preliminary Placement Document and other filings required under the Companies Act, 2013;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company and the Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Placement Document. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts; and

- Our Company, the Book Running Lead Managers, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, a FPI (other than a Category III foreign portfolio investors and unregulated broad based funds which are classified as Category II FPI by virtue of their investment manager being appropriately regulated), including the affiliates of the Book Running Lead Managers, may issue, subscribe or otherwise deal in offshore derivative instruments as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying and all such offshore derivative instruments are referred to herein as "**P-Notes**" for which they may receive compensation from the purchasers of such P-Notes. These P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation or establishment subject to compliance with "know your client" requirements. An FPI must ensure that the P-Notes are issued in compliance with all applicable laws including Regulation 4 and Regulation 22 of the SEBI FPI Regulations and circular no. CIR/IMD/FIIC/20/2014 dated November 24, 2014 issued by SEBI. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligations of, claim on, or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are solely the obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of, or claims on, the Book Running Lead Managers. FPI affiliates (other than Category III FPI and unregulated broad based funds which are classified as FPI by virtue of their investment manager being appropriately regulated) of the Book Running Lead Managers may purchase, to the extent permissible under law, Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document has been submitted and this Placement Document will be submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

(i) warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document and this Placement Document;

(ii) warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or

(iii) take any responsibility for the financial or other soundness of our Company, our Promoters, its management or any scheme or project of our Company;

and it should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares, may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to:

- 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the prospective investors in the Issue;
- the 'Company', our 'Company', 'Hindalco Industries Limited', 'Hindalco' and 'Issuer' are to Hindalco Industries Limited;
- 'we', 'us' or 'our' are to Hindalco Industries Limited and our consolidated Subsidiaries, joint ventures and associates;
- "Novelis" are to Novelis Inc. and its consolidated subsidiaries, joint ventures and associates; and
- a particular year are to the calendar year ended on December 31.

In this Placement Document, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, and references to 'INR', '₹', 'Rs', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Placement Document in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Our fiscal year commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year' or 'fiscal year' or 'fiscal' or 'FY' are to the twelve month period ended on March 31 of that year.

Our (i) audited consolidated financial statements as of and for the years ended March 31, 2014, 2015 and 2016, prepared for inclusion in this Placement Document have been extracted from our audited consolidated financial statements for respective years, which were prepared in accordance with Indian GAAP, and the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 ("**Audited Consolidated Financial Statements**") together with the report issued by our Statutory Auditors thereon; (ii) unaudited standalone financial for the nine months ended December 31, 2016 along with the notes thereto, prepared in accordance with the Companies Act, 2013 and Ind-AS ("**Reviewed Standalone Financial Statements**"), together with the review report of Singhi & Co. issued under SRE 2410 are included in this Placement Document.

We have also prepared unaudited interim condensed combined financial statements as of and for nine month period ended December 31, 2015 and the nine month period ended December 31, 2016 of our Company, Novelis Inc., Utkal Alumina International Limited, A.V. Minerals (Netherlands) N.V. and A.V. Metals Inc., prepared in accordance with Ind-AS and the Companies Act, 2013 which, together with the review report thereon, issued by our Statutory Auditors, are included in this Placement Document and are referred to herein as the "**Unaudited Combined Financial Statements**".

Our Company publishes its consolidated and unconsolidated financial statements in Indian Rupees, and Novelis publishes its consolidated financial statements in U.S. Dollars. The consolidated financial statements of Novelis have been prepared in accordance with U.S. GAAP.

Unless otherwise indicated, all financial data in this Placement Document is derived from our consolidated financial statements prepared in accordance with Indian GAAP. Indian GAAP differs in certain respects significantly from International Financial Reporting Standards ("**IFRS**") and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor have we provided a reconciliation of our consolidated financial statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which the consolidated financial statements prepared in accordance with Indian GAAP included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. We have conducted a preliminary review of the impact of Ind AS on our accounting policies, details of which are disclosed in the section "***Summary of key differences between Indian GAAP, IND AS and US GAAP***" beginning on page 111.

In this Placement Document, any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables, may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information included in this Placement Document regarding market position, growth rates and other industry data pertaining to our Company's business consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which our Company competes. Unless otherwise stated, statistical information included in this Placement Document pertaining to the business in which our Company operates, has been reproduced from trade, industry and government publications and websites. Our Company confirms that such information and data has been accurately reproduced, and that as far as it is aware and is able to ascertain from information published by third parties, no material facts have been omitted that would render the reproduced information inaccurate or misleading.

This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates.

Neither our Company nor the Book Running Lead Managers have independently verified this data, nor does it or the Book Running Lead Managers make any representation regarding the accuracy of such data. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither our Company nor the Book Running Lead Managers can assure potential investors as to their accuracy.

AVAILABLE INFORMATION

Our Company has agreed that for so long as any Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, and our Company is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, our Company will furnish to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act, subject to compliance with the applicable provisions of Indian law.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical facts constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- Changes in the market prices of alumina, aluminum, copper, metal premiums and TcRc;
- Changes in the business or financial condition of our significant customers or by the loss of their business;
- Unavailability of sufficient quantities of primary aluminum, recycled aluminum, sheet ingot and other raw materials used in the production process;
- Requirement to account for an impairment loss with respect to the goodwill recorded in our consolidated financial statements, prepared in accordance in Ind-AS;
- Timing differences between the prices we pay under purchase contracts and aluminum and copper prices we charge our customers;
- Inability to pass through changes in the cost of aluminum, copper and other raw material to our customers;
- Fluctuations in exchange rates, particularly between the Rupee and the U.S. Dollar;
- Disruption to our power plants could increase our production costs and lead to reductions in our production volumes;
- Rise in energy costs or interruption in energy supplies;
- Adverse development relating to leased mines or supply arrangements with respect to our bauxite requirements;
- Deviation in our estimation of bauxite reserves from the actual amounts or unavailability of access to sufficient bauxite reserves;
- Unavailabity of steady supply of copper concentrate at reasonable costs; and
- Unavailability of coal for our Indian operations at competitive prices and in a timely manner.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections "***Risk Factors***", "***Industry Overview***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 44, 141, 159 and 83, respectively.

The forward-looking statements contained in this Placement Document are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document and neither our Company nor the Book Running Lead Managers undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a company incorporated under the laws of India. The Board of Directors of our Company comprises of 12 Directors, all of whom are Indian citizens, except Ram Charan, an Independent Director on our Board, who is a citizen of the United States of America. All of our Company's key managerial personnel are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended ("**Civil Code"**).

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or parties litigating under the same title except:

(a) where the judgement has not been pronounced by a court of competent jurisdiction;

(b) where the judgement has not been given on the merits of the case;

(c) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable;

(d) where the proceedings in which the judgment was obtained were opposed to natural justice;

(e) where the judgement has been obtained by fraud; or

(f) where the judgement sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by a district court in India. Under Section 14 of the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong, amongst others, has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code but the United States has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit based upon the foreign judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment for payment of amounts denominated in a foreign currency would be converted into Rupees on the date of the judgment or award and not on the date of the payment.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (₹ per US$), for the periods indicated. The exchange rates are based on the reference rates released by RBI, which are available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On March 1, 2017, the exchange rate (RBI reference rate) was ₹ 66.85 to US$ 1 (*Source: www.rbi.org.in*)

(₹Per US$)

	Period end	Average[1]	High[2]	Low[3]
Fiscal Year:				(₹ Per US$)
2014	60.10	60.50	68.36	53.74
2015	62.59	61.15	63.75	58.42
2016	66.33	65.46	68.78	62.16
Quarter ended:				
June 30, 2016	67.62	66.93	68.01	66.24
September 30, 2016	66.66	66.96	67.50	66.36
December 31, 2016	67.95	67.46	68.72	66.43

(1)*Average of the official rate for each working day of the relevant period.*
(2) *Maximum of the official rate for each working day of the relevant period*
(3) *Minimum of the official rate for each working day of the relevant period*

Note: In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further any references to any statute or regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections "***Statement of Tax Benefits***" and "***Financial Statements***" beginning on pages 227 and 252, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
Articles of Association	Articles of association of our Company
Auditors / Statutory Auditors	Singhi & Co., statutory auditors of our Company
AV Metals	AV Metals Inc.
AV Minerals	AV Minerals (Netherlands) NV
Birla Copper	Copper division of Hindalco
Board of Directors or Board	Board of Directors of our Company or any duly constituted committee thereof
Company / Issuer	Hindalco Industries Limited
Equity Shares	Equity shares of our Company of face value ₹ 1 each
ESOS 2006	Hindalco Industries Limited - Employee Stock Option Scheme 2006
ESOS 2013	Hindalco Industries Limited - Employee Stock Option Scheme 2013
Hindalco Employees Stock Option Schemes	Hindalco Industries Limited - Employee Stock Option Scheme 2006 and Hindalco Industries Limited - Employee Stock Option Scheme 2013, collcetively
Memorandum of Association	Memorandum of association of our Company
Novelis	Novelis Inc., a company incorporated in Canada, together with its consolidated subsidiaries
Promoters	Kumar Mangalam Birla and Birla Group Holdings Private Limited
Promoter Group	Unless the context requires otherwise, the entities forming part of our promoter group in accordance with SEBI ICDR Regulations and which are disclosed by our Company to the Stock Exchanges from time to time
Registered Office	The registered office of our Company at Century Bhavan, 3rd Floor, Dr. Annie Besant Road, Worli, Mumbai 400 030, India
Subsidiary(ies)	A subsidiary of the Company, as defined under the Companies Act, 2013
Us/ we	Hindalco Industries Limited and its consolidated Subsidiaries

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares by our Company (in consultation with the Book Running Lead Managers) to successful Bidders on the basis of the Application Form submitted by such successful Bidders, and in compliance with Chapter VIII of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	The issue and allotment of Equity Shares pursuant to the Issue
Allottees	Successful Bidders to whom Equity Shares Allotted pursuant to the Issue
Application Form	The form (including any revisions thereof) pursuant to which a Bidder shall submit a Bid for the Equity Shares in the Issue
Bid(s)	Indication of interest of a Bidder, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares to be issued pursuant to the Issue
Bid/Issue Closing Date	March 8, 2017, which is the last date up to which the Application Forms shall be accepted by our Company (or the Book Running Lead Managers, on behalf of our Company)
Bid/Issue Opening Date	March 2, 2017, the date on which the acceptance of the Application Forms shall have commenced by our Company (or the Book Running Lead Managers on behalf of our Company)
Bidder	Any prospective investor, being a QIB, who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Bidding Period	The period between the Bid/Issue Opening Date and Bid/Issue Closing Date inclusive of both dates during which Bidders can submit their Bids including any revision and/or modifications thereof
Book Running Lead Managers or BRLMs	DSP Merrill Lynch Limited, Axis Capital Limited, Citigroup Global Markets India Private Limited, JM Financial Institutional Securities Limited and SBI Capital Markets Limited
CAN or Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price and requesting payment for the entire applicable Issue Price for all Equity Shares Allocated to such successful Bidders
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about March 9, 2017
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the Book Running Lead Managers
Designated Date	The date of credit of Equity Shares to the demat accounts of successful Bidders
Escrow Agreement	Agreement dated March 2, 2017, entered into amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	Standard Chartered Bank
Escrow Bank Account	The account titled 'Hindalco Industries Limited – QIP 2017' to be opened with the Escrow Bank, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue shall be deposited
Floor Price	The floor price of ₹ 184.45, which has been calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price.

Term	Description
Issue	The issue and Allotment of 176,827,659 Equity Shares each at a price of ₹ 189.45 per Equity Share, including a premium of ₹ 188.45 per Equity Share, aggregating ₹ 33,500 million pursuant to chapter VIII of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013
Issue Price	₹ 189.45 per Equity Share
Issue Size	The aggregate size of the Issue, which is ₹ 33,500 million
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Pay-in Date	The last date specified in the CAN for payment of application monies by the successful Bidders
Placement Agreement	Placement agreement dated March 2, 2017 entered into between our Company and the Book Running Lead Managers
Placement Document	This Placement Document issued by our Company in accordance with Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and the rules prescribed thereunder
Preliminary Placement Document	The preliminary placement document dated March 2, 2017 issued to QIBs in accordance with Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and the rules prescribed thereunder
Pricing Date	The date of determination of the number of Equity Shares to be placed through the Issue and the Issue Price for the same
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being private placement to Eligible QIBs under Chapter VIII of the SEBI ICDR Regulations and applicable sections of the Companies Act, 2013, read with applicable rules of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Relevant Date	March 2, 2017 which is the date of the meeting of the Board of Directors of the Company or a duly authorized committee thereof decide to open the Issue

Business and Industry Related Terms

Term	Description
ABS	Automotive Body Sheet
ABSTCL	Aditya Birla Science and Technology Company Limited
Aditya facility/ Aditya smelter/ Aditya power plant	Aditya Aluminium Project
Alcoa	Arconic and Alcoa, Inc.
Aleris	Aleris International, Inc.
Alunorf	Aluminium Norf Gmbh
BALCO	Bharat Aluminium Company Limited
CERCLA	U.S. Comprehensive Environmental Response, Compensation, and Liability Act
CRU	CRU International Limited
FRP	Flat Rolled Products
HIC	Hindalco Innovation Centres
ICA	International Copper Association

Term	Description
LME	London Metal Exchange
Mahan smelter/ Mahan facility/ Mahan power plant	Aluminium smelter and power plant complex at Bargawan, District, Singrauli, Madhya Pradesh
MALCO	Madras Aluminium Company Limited
NALCO	National Aluminium Company Limited
PET	Polyethylene Terephthalate
Tc/Rcs	Treatment and Refining Charges
Utkal aluminum refinery/ Utkal facility/ Utkal alumina refinery	Alumina refinery plant at Doragurha Village, Rayagada District, Orissa
VAL	Vedanta Aluminium Limited

Conventional and General Terms/Abbreviations

Term	Description
₹ / Rupees / INR	Indian Rupees
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AMC	Asset management company
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment year
BSE	BSE Limited
CAGR	Compounded annual growth rate
Calendar Year	Year ending on December 31 of the relevant year
Category III Foreign Portfolio Investors	An FPI registered as a category III foreign portfolio investor under the SEBI FPI Regulations
CBI	Central Bureau of Investigation
CDSL	Central Depository Services (India) Limited
Cenvat	Central Value Added Tax
CEO	Chief executive officer
CESTAT	The Customs, Excise, Service Tax Appellate Tribunal
CII	Confederation of Indian Industry
CIN	Corporate identity number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder to the extent in force pursuant to the notification of the Notified Sections
Competition Act	The Competition Act, 2002
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended
Depository Participant	A depository participant as defined under the Depositories Act

Term	Description
DTC	Direct Tax Code, 2013, proposed by the Ministry of Finance, Government of India
EGM	Extraordinary general meeting
Eligible FPIs	FPIs that are eligible to participate in the Issue and does not include qualified foreign investors or Category III Foreign Portfolio Investors (who are not eligible to participate in the Issue)
EPS	Earnings per share
ESOPs	Employee stock options
F&O	Futures and Options
FDI	Foreign Direct Investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified under Circular No. D/o IPP F. No. 5(1)/2016-FC-1, effective from June 7, 2016, as amended from time to time
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FIIs	Foreign institutional investors as defined under the SEBI FPI Regulations
FII Regulations	The Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
Financial Year / Fiscal Year / Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIPB	Foreign Investment Promotion Board
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations. Any FII who holds a valid certificate of registration is deemed to be a FPI till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GDR	Global depository receipts
GoI / Government	Government of India
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board
IND-AS	Indian accounting standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015 in its G.S.R dated February 16, 2015
Indian GAAP	Generally accepted accounting principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
IPC	Indian Penal Code, 1860
IT Act / Income Tax Act	The Income Tax Act, 1961
ITAT	Income Tax Appellate Tribunal
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Term	Description
Mn	Million
MAT	Minimum alternate tax
MoU	Memorandum of understanding
NGOs	Non-government organisations
Notified Sections	Sections of Companies Act, 2013 that have been notified by the Government of India
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OFAC	Office of Foreign Assets Control of the U.S. Treasury Department
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
RoC	Registrar of Companies, Maharashtra at Mumbai
RSU	Restricted stock units
Rule 144A	Rule 144A under the Securities Act
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, notified by the SEBI
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEC	United States Securities and Exchange Commission
Securities Act	The U.S. Securities Act of 1933
Stock Exchanges	The BSE and the NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.K.	United Kingdom
U.S. GAAP	Generally accepted accounting principles in the United States of America
US$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
USA / U.S. / United States	The United States of America
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided.

Sr. No.	Disclosure Requirements	Relevant Page of this Placement Document
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office.	Cover page, 255
b.	Date of incorporation of the company.	Cover page
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	159-184
d.	Brief particulars of the management of the company.	185-193
e.	Names, addresses, DIN and occupations of the directors.	185-187
f.	Management's perception of risk factors.	44-72
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	
i)	Statutory dues;	Nil
ii)	Debentures and interest thereon;	Nil
iii)	Deposits and interest thereon; and	Nil
iv)	Loan from any bank or financial institution and interest thereon.	Nil
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process.	251
2.	**PARTICULARS OF THE OFFER**	
a.	Date of passing of board resolution.	251
b.	Date of passing of resolution in the general meeting, authorizing the offer of securities.	251
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security.	Cover page
d.	Price at which the security is being offered including the premium, if any, along with justification of the price.	Cover page
e.	Name and address of the valuer who performed valuation of the security offered.	Not applicable
f.	Amount which the company intends to raise by way of securities.	Cover page
g.	Terms of raising of securities:	Not applicable
(i).	Duration, if applicable;	Not applicable
(ii).	Rate of dividend;	Not applicable
(iii).	Rate of interest;	Not applicable
(iv).	Mode of payment; and	Not applicable
(v)	Mode of repayment.	Not applicable
h.	Proposed time schedule for which the offer letter is valid.	19
i.	Purposes and objects of the offer.	76
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	Not applicable
k.	Principle terms of assets charged as security, if applicable.	Not applicable
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC**	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	193-195
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority	247-249

Sr. No.	Disclosure Requirements	Relevant Page of this Placement Document
	against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	
c.	Remuneration of directors (during the current year and last three financial years).	190 -191
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	195
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	110
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.	247
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	Nil
4.	**FINANCIAL POSITION OF THE COMPANY**	
a.	The capital structure of the company in the following manner in a tabular form:	
(i)(a)	The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	79
(b)	Size of the present offer; and	79
(c)	Paid up capital:	79
(A)	After the offer; and	79
(B)	After conversion of convertible instruments (if applicable);	Not applicable
(d)	Share premium account (before and after the offer).	79
(ii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	79-81
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	79-81
b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.	36
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	82
d.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	35
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	37

Sr. No.	Disclosure Requirements	Relevant Page of this Placement Document
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	94
5.	**A DECLARATION BY THE DIRECTORS THAT**	
a.	The company has complied with the provisions of the Act and the rules made thereunder.	254
b.	The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.	254
c.	The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	254
	I am authorised by the Board of Directors of the company vide resolution number ___________ dated ___________ to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form. *Signed:* *Date:* *Place:*	254

SUMMARY OF BUSINESS

Overview

We are one of the leading producers of primary aluminum and copper in India. For the calendar year 2015, we were the 12th largest primary aluminum producer in the world and the 7th largest primary aluminum producer in Asia in terms of volume, according to CRU International Limited's Aluminum Market Outlook, October 2016 ("CRU Market Outlook"). Our Company recorded the highest ever production of primary aluminum for Fiscal 2016, crossing the 1 Mt mark for the first time in our history, by producing 1.13 Mt. We also reached our highest ever production of alumina, producing 2.71 Mt in the Fiscal 2016. All three of our greenfield project facilities including smelters at Mahan, and Aditya and a refinery at Utkal, have ramped up to full capacity. Our operating efficiencies have also improved following the ramp up of two of our smelters that employ the latest technology and our alumina refinery at Utkal, all of which have helped to improve our overall operational costs. We believe that our continued focus on value-added aluminum products, of which we produced 3.41 Mt (including Novelis) in Fiscal 2016, will further improve our profitability. In addition, our copper operations are focused on value extraction and profitability. In the Fiscal 2016, we reached our highest ever production of copper cathodes, recording 389 kt.

Our Indian aluminum operations are integrated and consist of bauxite and coal mining, alumina refining, smelting and converting primary metal into value-added products. We have dedicated sources for a substantial portion of our long-term requirement for bauxite, a critical raw material for our Indian operations, as well as dedicated sources for a portion of our long-term requirement for coal. Additionally, we operate four captive power plants and three co-generation plants that produce power and heat and have committed supply sources for auxiliary power requirements. Our finished products include alumina produced from our refineries (that we generally use for our own captive needs, the surplus of which we sell to third parties), primary aluminum in the form of ingots, billets and wire rods, value-added products such as FRPs, extrusions, foils and specialty alumina products used in a wide range of industrial applications. Our Indian aluminum operations consist of four refineries, four smelter units and other manufacturing facilities.

Our subsidiary, Novelis, is the world's leading FRP producer, based on capacity as of December 31, 2015 and accounted for approximately 11% of the world's cold rolled and plate capacity as of December 31, 2015, according to CRU International Limited's Aluminum Rolled Products Outlook, August 2016 ("CRU Rolled Products Outlook"). Novelis is the only company of its size and scope focused solely on FRPs and capable of locally supplying technologically sophisticated aluminum can and automotive products in all four major industrialized continents (North America, South America, Europe and Asia). For the Fiscal 2016, Novelis' FRP shipments aggregated to 3,123 kt. Novelis is also the world's leader in the recycling of used aluminum beverage cans, having recycled more than 50 billion used beverage cans for the Fiscal 2016. Approximately 53% of Novelis' input aluminum requirement was in the form of recycled aluminum scrap for the Fiscal 2016. Novelis operates 24 plants, 10 of which include recycling operations, in 10 countries on four continents and produces aluminum sheet and light gauge products primarily for use in the beverage can, automotive, specialties (including consumer electronics, architecture, and other transportation) and foil markets. Novelis' key customers include Anheuser-Busch LLC, various bottlers of the Coca-Cola system, Crown Cork & Seal Company, Inc., Jaguar Land Rover Limited, Volvo Group, Audi Worldwide Company, Daimler AG, Ford Motor Company, Lotte Aluminum Co., Ltd., Pactiv Corporation Limited, Amcor Limited, Ball Corporation, LG International Corporation and Samsung Electronics Co., Ltd. Novelis' FRP business has achieved economies of scale, global reach and access to advanced technology, all of which are critical to our future growth.

According to World Copper Fact Book 2016, as of July 2016 we own and operate one of the largest smelter facility in terms of capacity in the world at Dahej, located in Gujarat, India. We source our copper concentrate requirements from suppliers under contractual arrangements and the spot market at LME-linked prices for smelting and refining. We then sell the refined copper and continuous cast rod at LME-linked prices in the domestic and export markets. Our forward integrated business model is aimed at capturing the value from by-products of the production process in an efficient manner.

Our copper operations consist of producing copper (through smelting, refining copper from copper concentrate and converting refined copper cathode into continuous cast rod). We also recover precious metals (gold, silver and selenium, which are recovered from anode slime as by-products) and manufacture, phosphatic fertilizers and sulfuric acid, which are produced from the by-products generated through the copper manufacturing process. Our custom copper smelting facility, comprised of two smelters at Dahej, which produced 389 kt and 266 kt of copper cathodes in the Fiscal 2016 and the nine month period ended December 31, 2016, respectively, and as of July 2016, is one of the largest smelting facility in the world according to World Copper Fact Book

2016. Our copper operations are supported by our captive jetty, power plants and oxygen plants located in the vicinity of our copper smelter facility at Dahej. We sell refined copper in the form of cathodes and continuous cast rods and also sell precious metals, phosphatic fertilizers, sulfuric acid and other by-products. We believe we enjoy strong brand presence in India and internationally, as our copper cathodes are registered as LME Grade "A" copper under the brand names "Birla Copper" and "Birla Copper II".

We were incorporated in 1958 and have been listed on the Indian stock exchanges since 1968. We are one of the flagship companies of the Aditya Birla group, which is one of the largest business groups in India. The Aditya Birla group is a multinational conglomerate and has a history of over 50 years, with a presence in more than 30 countries. The Aditya Birla group has business interests in, among others, metals and mining, cement, carbon black, textiles, garments, chemicals, fertilizers, life insurance, financial services and mobile telecommunications. The Aditya Birla group is one of the most respected business houses in India and we believe that we benefit from the confidence that consumers, lenders, regulators, vendors and others have in the Aditya Birla group.

Our Competitive Strengths

We believe that the following are our key competitive strengths:

Leading global industry position

We are one of the leading producers of primary aluminum and copper in India. For the calendar year 2015, we were the 12th largest primary aluminum producer in the world and the 7th largest primary aluminum producer in Asia in terms of volume, according to CRU Market Outlook. We believe we have a significant market share of the Indian aluminum market in terms of volume sold. We also have a strong presence in the FRP market in India with brands like "Eternia", "Everlast" and "Freshwrapp". Additionally, through Novelis, we are the world's leading FRP producer based on shipment volume since 2008 to date according to CRU Rolled Products Outlook. Novelis' FRP operations are currently based in four continents, comprising 24 operating plants and several market-focused innovation centers in 10 countries. We believe we also have a sizeable market share in the highly fragmented aluminum extrusions business with low entry barriers. According to World Copper Fact Book 2016, as of July 2016 our copper business had one of the highest capacity for producing copper in India and our custom copper smelting facility at Dahej is one of the largest copper smelter facilities in the world.

We believe that our strength in value-added aluminum products differentiates us from our competitors in India. In terms of Rupee amount, 37% and 40% of our standalone sales (including exports) came from value-added products in the Fiscal 2016 and the nine month period ended December 31, 2016, respectively. We believe we have a significant market share in India in the downstream aluminum products category, in terms of volume sold.

We expect to benefit from India's economic growth, which continues to remain one of the fastest growing economies in the world, recording a gross domestic product growth rate of 7.6% in 2016, according to the World Bank. According to CRU Market Outlook, in the medium term the demand for primary aluminum in India is expected to grow on average at a CAGR of 7.3% from 2016 through 2021. With the completion of the construction of our two greenfield aluminum projects and one alumina refinery in 2016, we have nearly doubled our primary aluminum and alumina production since 2014. With our greenfield facilities at Mahan, Aditya and Utkal having achieved full production capacity, we believe we are well positioned to take advantage of the increasing demand from the automobile segment, construction segment for aluminum facades and food and packaging segments through our leadership position.

Presence across the aluminum value chain

Integrated Aluminum Operations in India – In our business, cost competitiveness is a key component of profitability. We believe that one of the key components of our low production costs are our integrated aluminum operations in India. Our Indian aluminum operations span the entire value chain and consist of bauxite and coal mining, alumina refining, smelting and converting primary metal into value-added products. We have access to cost effective bauxite from our own mines that are located in close geographic proximity to our refineries. In addition, we believe that we enjoy low cost power from our captive power plants and co-generation power plants, which meet a large part of our power requirements. The integrated nature of our Indian aluminum operations also provides us with the flexibility to change our product mix to take advantage of market opportunities. In 2015, we ranked in the lowest quartile on the business cost curve among primary aluminum producers according to CRU International Limited's Aluminum Cost Service Report 2016, as updated ("CRU Cost Service Report"). Our recent completion and ramp-up of our greenfield facilities at Mahan, Aditya and

Utkal has also improved our operations through improved efficiency of our new smelters and optimization of our existing smelters. Bauxite and coal account for approximately 60%-70% of the total costs for production of aluminum, which is substantially secured through captive mines and exclusive supply agreements. Furthermore, according to CRU Cost Service Report, Utkal was amongst the lowest cost producer of alumina in the world (in terms of site costs) for the calendar year ended December 31, 2016, with a recorded site cost US$128 per ton of alumina produced.

Copper Operations – We utilize advanced technology for our copper smelter at Dahej, which we believe has resulted in reduced energy consumption. We believe that our own captive power plants allow us to lower our energy costs as compared to companies with equal scale of operations. Our copper concentrate requirements are largely sourced under contractual arrangements, which contribute towards dependable raw material availability and cost controls. In order to reduce freight and handling charges, we operate an all-season jetty located in the vicinity of our copper smelting facility at Dahej. We also generate revenue from the production and sale of by-products and waste products in our copper production operations, which have resulted in an increase in our profitability in this business. We also have capabilities to process copper concentrate blended with clean concentrate to supply raw material feedstock for our copper smelters over a longer period.

Novelis Operations – Subsequent to the acquisition of Novelis, we have taken several steps to strengthen its business model and improve its profitability. As a result of our initiative to make aluminum prices pass through and use derivatives to mitigate uncertainty and volatility caused by underlying exposures to aluminum prices, Novelis has been able to reduce its dependence on the volatility of the price of aluminum. Novelis has also improved its profitability through product mix rationalization, with a primary focus on three key product lines, automotive components, beverage sheet and specialty products. We have also taken a number of steps to reduce Novelis' cost of operations, including conducting research and development to reduce conversion costs. Novelis recycles used aluminum and has agreements with several large customers for a closed-looped system whereby it takes recycled processed material from their fabricating activity and re-melts, casts and rolls it to re-supply these customers with aluminum sheets. Novelis purchased or tolled approximately 1,790 kt and 1,334 kt of recycled material inputs in the Fiscal 2016 and the nine month period ended December 31, 2016, respectively. Approximately 53% and 56% of Novelis' FRPs produced for the Fiscal 2016 and the nine month period ended December 31, 2016, respectively, were made with recycled aluminum. Novelis has approximately 330 employees dedicated to research and development and customer technical support as well as a global research and development center in the state of Georgia, USA that focuses primarily on increasing the amount of recycled metal content across all product lines.

Diversified operations, business portfolio and customer base across various geographies and the aluminum value chain

We operate in 11 countries, including India, and have a diversified product mix. We complement our high margin, high volatility products through our product offerings in the stable margin, low volatility space. With respect to aluminum, we sell both metallurgical and non-metallurgical grade alumina that is in excess of our own aluminum production requirements in both the domestic and export markets. Our finished products include alumina produced from our refineries, primary aluminum in the form of ingots, billets and wire rods, value-added products such as FRPs, extrusions, foils and specialty alumina products used in a range of industrial applications. As part of our copper business, we sell refine copper in the form of cathodes and continuous cast rods and also sell precious metals, phosphatic fertilizers, sulfuric acid and other by-products.

We have a widespread customer base across Asia, North America, South America and Europe, and in industries such as automobiles, construction, packaging, power and consumer products. Some of our key customers include Anheuser-Busch LLC, various bottlers of the Coca-Cola system, Crown Cork & Seal Company, Inc., Jaguar Land Rover Limited, Volvo Group, Audi Worldwide Company, Daimler AG, Ford Motor Company, Lotte Aluminium Co., Ltd., Pactiv Corporation Limited, Amcor Limited, Ball Corporation, LG International Corporation and Samsung Electronics Co., Ltd. We believe that the barriers to entry are high for new competitors in the aluminum business and that our long-term customer relationships and technological capabilities provide us with distinct competitive advantages.

Large and well capitalized asset base

We believe that we have a large and well-capitalized asset base. We invested a total of ₹ 376,539.7 million to establish an alumina refinery, two smelters and a rolling plant in India. Furthermore, our subsidiary Novelis has invested US$2,896 million in capital expenditures over a period of five years (Fiscal 2012 through Fiscal 2016). Our total consolidated capital expenditure for the Fiscals 2014, 2015 and 2016 was ₹ 113,058.9 million, ₹

62,021.3 million and ₹ 37,075.2 million, respectively, and was primarily related to our three greenfield facilities at Mahan, Aditya and Utkal. In 2016, the production facilities at Mahan, Aditya and Utkal ramped up to full capacity following these capital expenditure that was primarily funded through issuance of debt instruments. We do not currently expect any significant capital expenditures in the near to medium term as a result of the completion of these capacity upgrades. Furthermore, as of December 31, 2016, the indebtedness of our Company on a standalone basis and the indebtedness of Novelis on a standalone basis was ₹ 278,095.0 million and US$5,136 million, respectively. The weighted average maturity of our Company on a standalone basis and the long-term debt of Novelis on a standalone basis increased from 5.55 years and 4.34 years as of March 31, 2014, respectively, to 10.48 years and 7.19 years as of December 31, 2016, respectively. We believe that our strong financial position will enable us to focus on improving performance in the short and medium term and help to support the long term growth of our operations.

Secure supplies of key raw materials

We believe we are well positioned to source our bauxite and coal requirements over the long term as set out below:

Bauxite. India is generally believed to have considerable deposits of bauxite. China, on the other hand, is generally believed to import most of its bauxite requirements. We believe that the availability of bauxite in close proximity to our mines gives us a competitive advantage over our Chinese competitors, who must secure most of their bauxite requirements from overseas, resulting in high operating costs. We have access to 28 bauxite mines, including 10 non-operating mines, as of the date of this Placement Document. As of March 31, 2016, our bauxite deposits under existing leases for 28 of our captive bauxite mines had 67.86 Mt of proven (P1) and 178.87 Mt of probable reserves (P2) of which 7.98 MT and 13.47 MT is from non operational mines, respectively. We have applied for mining lease for an additional bauxite mine in the state of Madhya Pradesh, and we will continue to evaluate opportunities to acquire additional mining assets in the future. Assuming that our production level for the Fiscal 2016 does not change in the subsequent years, we expect our total P1 and P2 bauxite reserves to last for more than 20, 17 and 5 years, respectively, for our Renukoot, Muri and Belgaum refineries. We transport bauxite from our mines to our smelters at Aditya and Mahan through dedicated BTAP wagons. Our Utkal alumina refinery has access to a mine in Baphlimali that produces high-quality bauxite (high in alumina content and low in silica) with 189.05 Mt of proven and probable (comprising 32.37 Mt of P1 and 156.68 Mt of P2) reserves, which is expected to last for approximately 42 years, based on our production for the Fiscal 2016. Our Utkal refinery is located in close proximity of the bauxite mine and bauxite is transported from the mine site to the refinery through a long distance conveyer belt. Meanwhile, our Mahan and Aditya smelters are supplied through dedicated BTAP wagons, designed for the transport of alumina, from our Utkal refinery. Our subsidiary, Hindalco Do Brasil Indústria e Comércio DE Alumina Ltd, situated in the city of Ouro Preto, State of Minas Gerias, Brazil, also owns bauxite mining rights previously anticipated for use in supplying itself for the production of specialty aluminum for our South American customers.

Coal. Coal is the principal raw material for our captive power plants and our co-generation plants. We source the majority of our coal requirements for our facility at Renusagar from the northern coal fields of Coal India Limited, which is located approximately eight km from our facility at Renusagar. The coal requirement of our facilities at Aditya and Hirakud are partially met by the allocated captive coal mines Gare Palma IV/4 and Gare Palma IV/5, which are leased from the Government of Chhattisgarh and are situated approximately 150 km to 200 km from these facilities. The balance of our coal requirements for Aditya and Hirakud are met through long-term coal linkages from various mines of Coal India Limited located within a radius of 100 km to 300 km from these smelters and from spot procurement from e-auctions. The coal requirement of our facility at Mahan will be partially met by the captive Kathautia coal mine, which is leased from the Government of Jharkhand and is located approximately 350 km from the Mahan facility. Additionally, we are proposing to meet part of the coal requirement of our facilities at Mahan and Hirakud from the Dumri coal mine, which has been vested to us by the Government of Jharkhand and is yet to commence operation. The balance of our coal requirements for Mahan are also met through long-term coal linkages from various mines of Coal India Limited located within a radius of 100 km from the Mahan facility and by spot procurement through e-auctions. Our total power requirement is calculated on the assumption that each power plant operates at 85% plant load factor and on the basis of the unit heat rates as prescribed by the Central Electricity Authority norms for the captive power plants and as prescribed by the Central Institute of Mining and Fuel Research's formula for the co-generation plants. Requirement at our smelters accounts for approximately 87% while requirement at our refineries accounts for approximately 13% of our total power requirement. On the supply side, we calculate total power supplied at the minimum calorific value corresponding to each specific grade of coal given that the coal grade varies depending on the specific linkage and coal mine. Taking into account those linkages for which we are in the process of executing supply agreements, our coal linkages are expected to account for over 30% of our total power requirement for each smelter. Meanwhile, our captive coal mines (including the coal mine and Dumri not currently in operation) account for over 35% of our total power requirement for each smelter. We have also been allocated an additional coal mine, Dumri, for which we have yet to execute a lease.

Experienced management team and skilled employee base

Our management team includes experienced managers in the aluminum and copper industries. In addition, subsequent to the Novelis acquisition, we have retained most of the key executive officers and skilled employees of Novelis and thereby continue to enjoy the benefits of their skills and expertise, contributing to our successful integration efforts. Most of our senior management team have more than two decades of experience in their respective industries and have been instrumental in our growth. We believe that our management team is well placed to provide strategic leadership and direction to explore new emerging opportunities in these sectors as well as constantly improve our current operations. We have witnessed low attrition of key management personnel and have also recruited several professionals with critical expertise in key areas. We believe our management team provides us with a competitive edge.

Our Strategies

In order to strengthen our industry leading position, we intend to continue to focus on operating an integrated business model, controlling our key raw materials supplies, leveraging location advantages, expanding our global reach, leveraging economies of scale, implementing superior technology and maintaining an optimal product mix. Towards this end, we intend to implement the following strategies:

Leveraging aluminum growth potential

Aluminum is one of the fastest growing metals in the world in terms of use, with several new applications, and we expect for this growth to continue, especially in emerging markets such as India. According to CRU Rolled Products Outlook, the global demand for FRP is expected to increase at a CAGR of 4.0% from 2015 to 2020 with demand for can stock, foil stock and transport growing at CAGRs of 3.4%, 3.7% and 7.7%, respectively, over the same period.

We benefit from our existing presence in emerging markets such as India and our close proximity to the growing economies of China, Southeast Asia and the Middle East. These regions are experiencing growing demand for both aluminum and copper. We intend to continue leveraging the freight cost advantages that we enjoy because of our geographic proximity to our customers in these countries, which we believe gives us a competitive advantage over several of our competitors. We also plan to leverage our established presence in the downstream market to expand our geographical reach and grow our market share through the introduction of new products and applications.

We have invested in brownfield and greenfield facilities to consolidate our global leadership position in the FRP industry. Our FRP plant at Hirakud is capable of producing technologically superior products such as can-body stock. Since 2011, Novelis has invested a significant amount across its global operations to triple its automotive sheet capacity, including setting up an auto finishing line in Changzhou, China in order to capitalize on the expanding automobile market for aluminum in China and the industry trend of light-weighting, as well as a new factory with identical technology in Nachterstedt, Germany.

Our focus on premium segments is primarily targeted at the automobile segment and we intend to increase the share of such products in our product portfolio. We intend to leverage our existing relationships, including being the leading aluminum sheet supplier to several premium automobile manufacturers. Novelis has also undertaken several strategic initiatives in the recent past to optimize its product portfolio to strengthen its core rolling products business, such as recently divesting of its non-core foil facilities in North America, Europe and Asia, hydroelectric power plants in Brazil and the sale of Alcom, which produced construction sheets, industrial sheets and gauge foils. We believe that our relatively large hot-rolling capacity, both in India and abroad through Novelis, gives us a competitive advantage to meet the increasing demand for aluminum in the automotive sector.

Continuing to leverage our strength in recycling

We intend to continue to focus on increasing our recycling capacities. Having recycled more than 50 billion used beverage cans in the Fiscal 2016, Novelis is the world's largest recycler of aluminum and continues to play a critical role in the development of leading technologies in the aluminum recycling space. Novelis has increased the average recycled content in its products from 43% for the Fiscal 2013 to 53% for the Fiscal 2016. We intend to continue to increase the share of recycled content in Novelis' products in the future in order to reach an optimal concentration of recycled content.

We believe that this increased focus on recycling improves the sustainability of our business operations and decreases our energy requirements and thus, provides us with a cost advantage through reductions in our input costs compared to our competitors. We also believe that as emerging markets continue to develop and reach critical mass for the use of aluminum cans, that there will be opportunities in the recycling sector. Given our expertise in the recycling sector, through Novelis, we believe we will be in a unique position to take advantage of these opportunities.

Improving cost competitiveness

We completed the construction of our production facilities at Aditya, Mahan and Utkal and have fully ramped up our alumina and aluminum production capacities. According to CRU Cost Service Report, both Aditya and Mahan are first quartile cost producers of aluminum (based on cash costs for the calendar year 2016, which amounted to US$1,362 per ton for Aditya and US$1,443 per ton for Mahan) and Utkal is the lowest cost manufacturer of alumina in the world (based on site cost for the calendar year 2016, which amounted to US$128 per ton). We believe that with the intended resource integration and economies of scale coupled with superior technology, these facilities will further enhance our cost competitive position globally. We intend to continue to focus on further strengthening our resource security by exploring potential opportunities. We will continue to focus on improved operational efficiencies, debottlenecking of our production process and optimization of our supply infrastructure.

We also intend to improve our cost competitiveness by reducing our logistics cost, most notably from our coal supplies, which still remain high as compared to our global competitors, primarily due to the lack of rail infrastructure in India. We intend to reduce our logistics costs over the next five years, primarily by switching more of our coal supply from road to rail. In order to do this, we will rely both on the Government following through on its announced investments in rail infrastructure, as well as on our own investments at the mine sites and rail stations. We believe there is opportunity to make up ground on our global competitors through these improvements in our logistics capabilities.

Being a custom copper smelter, securing our copper concentrate requirement is one of our key focus areas. Currently, we source our copper concentrate requirement from suppliers through contractual arrangements with various mines across the world and through purchases in the spot market. In order to improve the cost efficiencies of one of our key inputs, we intend to focus on ensuring copper feedstock supply as well as focusing on developing capabilities to process complex materials and scrap.

Strengthening our focus on sustainability

Being part of the Aditya Birla group, aligning our growth and pursuing business objectives that are harmonious with environmental and social objectives is one of the key focus areas of our operations. We have identified several initiatives to strengthen our focus on sustainability and health, safety and environmental issues. Some of these initiatives include energy optimization and efficiency initiatives, zero water discharge, educational programs, waste to wealth initiatives, recycling of metal and effective CSR projects. We also aim to develop a system to analyze the risks of climate change and to develop a mitigation and adaptation plan. See "—Sustainability".

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections "***Risk Factors***", "***Use of Proceeds***", "***Placement***", "***Issue Procedure***" and "***Description of the Equity Shares***" beginning on pages 44, 76, 210, 200 and 224, respectively.

Issuer	Hindalco Industries Limited
Issue Price	₹ 189.45 per Equity Share
Floor Price	₹ 184.45 per Equity Share. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price.
Issue Size	Issue of 176,827,659 Equity Shares, aggregating ₹ 33,500 million. A minimum of 10 % of the Issue Size i.e. up to 17,682,766 Equity Shares shall be available for Allocation to Mutual Funds only, and up to 159,144,893 Equity Shares shall be available for Allocation to all QIBs, including Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion mentioned above, such minimum portion or part thereof may be Allotted to other eligible QIBs.
Date of Board Resolution	November 12, 2016
Date of shareholders' Resolution	December 9, 2016
Eligible Investors	QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations to whom the Preliminary Placement Document and the Application Form is circulated and who are eligible to bid and participate in the Issue and QIBs not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations. See the sections "***Issue Procedure***", "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on pages 200, 212 and 218, respectively. The list of QIBs to whom the Preliminary Placement Document and Application Form is delivered shall be determined by the Book Running Lead Managers in consultation with our Company, at their sole discretion.
Equity Shares issued and outstanding immediately prior to the Issue	2,066,392,349 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	Immediately after the Issue, 2,243,220,008 Equity Shares will be issued and outstanding.
Listing	Our Company has obtained in-principle approval dated March 2, 2017 in terms of Regulation 28(1) of the Listing Regulations for listing of the Equity Shares pursuant to the Issue, from the Stock Exchanges. Our Company shall make application to each of the Stock Exchanges after allotment to obtain final listing and trading approvals for the Equity Shares.
Lock-up	Please see the sub-section titled "Lock-up" of "Placement" on page 210 for a description of restrictions on our Promoter and Promoter Group in relation to Equity Shares.
Transferability Restrictions	The Equity Shares Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. See the section "***Transfer Restrictions***" beginning on page 218.
Use of Proceeds	The gross proceeds from the Issue are ₹ 33,500 million. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ 33,085 million. See the section "***Use of Proceeds***" beginning on page 76 for additional

	information.	
Risk Factors	See the section "***Risk Factors***" beginning on page 44 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares.	
Pay-In Date	Last date specified in the CAN sent to the QIBs for payment of application money.	
Closing	The Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about March 9, 2017.	
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The shareholders of our Company will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the Listing Regulations and other applicable laws and regulations. Shareholders of our Company may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held.	
Voting Rights	See the section titled "***Description of Equity Shares- Voting Rights***" beginning on page 225.	
Security Codes for the Equity Shares	ISIN	INE038A01020
	BSE Code	500440
	NSE Code	HINDALCO

SELECTED FINANCIAL INFORMATION

The following selected information is extracted from and should be read in conjunction with our Audited Consolidated Financial Statements and notes thereto prepared in accordance with Indian GAAP, and the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013, each included elsewhere in this Placement Document.

Consolidated Balance Sheet

			(₹ Million)
	As at 31/03/2016	**As at 31/03/2015**	**As at 31/03/2014**
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2,065.2	2,065.2	2,064.8
Reserves and Surplus	382,072.8	381,220.2	403,927.5
	384,138.0	**383,285.4**	**405,992.3**
Minority Interest	3,888.0	9,561.1	17,805.3
Share Application Money pending allotment	-	-	56.0
Non-Current Liabilities			
Long-Term Borrowings	581,761.6	553,861.8	539,440.9
Deferred Tax Liabilities (Net)	33,303.4	39,481.4	43,742.3
Other Long-Term Liabilities	7,977.0	8,150.3	11,583.0
Long-Term Provisions	73,550.1	65,622.9	58,137.3
	696,592.1	**667,116.4**	**652,903.5**
Current Liabilities			
Short-Term Borrowings	87,685.9	116,719.8	94,042.6
Trade Payables	141,221.0	155,005.2	129,969.8
Other Current Liabilities	69,433.1	83,137.5	73,656.6
Short-Term Provisions	18,656.2	16,563.3	17,384.5
	316,996.2	**371,425.8**	**315,053.5**
	1,401,614.3	**1,431,388.7**	**1,391,810.6**
ASSETS			
Non-Current Assets			
Fixed Assets:			
Tangible Assets	631,247.4	545,907.1	432,654.0
Intangible Assets	175,349.1	173,680.5	178,980.8
Capital Work-in-Progress	40,576.4	139,139.7	228,823.0
Intangible Assets under Development	1,437.7	1,973.0	1,769.5
	848,610.6	860,700.3	842,227.3
Non-Current Investments	65,583.6	57,264.1	62,702.4
Deferred Tax Assets (Net)	15,997.7	13,929.6	11,992.3
Long-Term Loans and Advances	15,219.0	23,686.6	24,563.5
Other Non-Current Assets	5,013.6	3,290.1	7,668.2
	950,424.5	**958,870.7**	**949,153.7**
Current Assets			
Current Investments	77,655.1	66,199.3	66,908.4
Inventories	167,309.6	184,511.3	166,942.6
Trade Receivables	79,413.5	91,864.3	92,347.6
Cash and Bank Balances	43,120.2	53,089.9	50,212.9
Short-Term Loans and Advances	48,313.6	52,043.7	45,381.5
Other Current Assets	35,377.8	24,809.5	20,863.9
	451,189.8	**472,518.0**	**442,656.9**
	1,401,614.3	**1,431,388.7**	**1,391,810.6**

Consolidated Statement of Profit and Loss

			(₹ Million)
	Year ended 31/03/2016	**Year ended 31/03/2015**	**Year ended 31/03/2014**
INCOME			
Revenue from Operations:			
Gross Revenue from Operations	1,024,847.7	1,066,955.6	900,068.4
Less: Excise Duty	24,426.1	24,144.6	23,113.5
Net Revenue from Operations	1,000,421.6	1,042,811.0	876,954.9
Other Income	12,153.0	11,047.4	10,172.0
Total Income	1,012,574.6	1,053,858.4	887,126.9
EXPENSES			
Purchases of Stock-in-Trade	14.8	365.5	522.5
Cost of Materials Consumed	581,009.5	661,330.5	538,573.7
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	12,852.2	(12,378.9)	(5,218.8)
Employee Benefits Expenses	82,383.4	79,912.3	73,191.6
Power and Fuel	93,169.2	83,785.6	61,504.9
Finance Costs	50,489.4	41,784.2	27,015.9
Depreciation and Amortization	41,265.6	34,933.8	33,468.3
Impairment Loss/ (Reversal) (Net)	1,606.3	971.8	2,059.6
Other Expenses	143,077.2	140,350.3	125,518.2
Total Expenses	1,005,867.6	1,031,055.1	856,635.9
Profit before Exceptional Items and Tax	6,707.0	22,803.3	30,491.0
Exceptional Items (Net)	5,765.3	19,401.0	3,959.8
Profit before Tax	941.7	3,402.3	26,531.2
Tax Expenses:			
Current Tax	10,389.9	10,166.4	11,940.5
MAT Credit Entitlement	(1,263.3)	(6,029.7)	-
Deferred Tax	(3,978.8)	(1,246.4)	(6,261.0)
Tax Adjustments for earlier years (Net)	(0.3)	(326.5)	(430.3)
Profit/ (Loss) for the period from Continuing Operations	(4,205.8)	838.5	21,282.0
Profit/ (Loss) from Discontinuing Operations	(1,585.1)	-	-
Profit/ (Loss) before Minority Interest and share in Associates	(5,790.9)	838.5	21,282.0
Share in Profit/ (Loss) of Associates (Net)	1,749.0	1,747.0	668.4
Profit/ (Loss) before Minority Interest	(4,041.9)	2,585.5	21,950.4
Minority Interest in Profit/ (Loss) (Net)	(4,490.0)	(5,956.6)	200.3
Profit/ (Loss) for the year	448.1	8,542.1	21,750.1
Earnings per Share (EPS):			
Basic EPS (₹)	0.22	4.14	10.91
Diluted EPS (₹)	0.22	4.13	10.91

Consolidated Cash Flow Statement

			(₹ Million)
	Year ended 31/03/2016	**Year ended 31/03/2015**	**Year ended 31/03/2014**
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax	941.7	3,402.3	26,531.2
Adjustment for:			
Finance Costs	50,489.4	41,784.2	27,015.9
Depreciation and Amortization	41,265.6	34,933.8	33,468.3
Impairment Loss/ (Reversal) (Net) - (a)	7,371.6	10,621.0	2,059.6
Employee Share Based Payments	70.5	72.8	38.5
Provisions/ Provisions written-back (Net)	(357.4)	492.5	(63.1)
Unrealised Foreign Exchange (Gain)/ Loss (Net)	(214.6)	(530.6)	(797.6)
Loss/ (Gain) on Derivative transactions (Net)	(3,645.1)	3,972.4	(1,054.7)
Write-off and amortization of fair value adjustments	(179.2)	(344.0)	(251.8)
Other Non-operating (Income)/ Expenses (Net)	(126.6)	(3,528.4)	30.0
Loss/ (Gain) on Assets held for sale (Net)	(28.7)	(1,584.2)	(374.1)
Investing Activities (Net)	(9,880.3)	(8,295.6)	(8,560.4)
Operating profit before Working Capital changes	85,706.9	80,996.2	78,041.8
Changes in Working Capital:			
Inventories	24,277.8	(18,697.5)	(15,713.2)
Trade and other Receivables	24,269.6	(16,168.0)	(21,004.1)
Trade and other Payables	(26,587.9)	34,002.9	46,340.3
Cash generation from Operation	107,666.4	80,133.6	87,664.8
Payment of Direct Taxes	(7,830.1)	(11,279.9)	(9,585.5)
Impact of Foreign Exchange translation (Net)	2,873.5	2,577.1	1,477.9
Net Cash generated/ (used) - Operating Activities	102,709.8	71,430.8	79,557.2
CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase of Fixed Assets	(39,891.4)	(59,776.2)	(94,235.7)
Sale of Fixed Assets	563.7	2,616.0	1,074.4
(Purchase)/ Sale of shares of Subsidiaries (Net)	236.3	-	-
(Purchase)/ Sale of other Investments (Net)	(6,603.9)	10,510.4	5,316.2
Loans and Deposits Given/ (Received back) (Net)	6,942.8	3,978.3	1,234.0
Interest Received	5,499.7	4,295.3	4,990.7
Dividend Received	441.3	445.3	473.5
Net Cash Generated/ (Used) - Investing Activities	(32,811.5)	(37,930.9)	(81,146.9)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Shares (Net of Expenses) - (b)	3.4	47.0	16,299.9
Capital Subsidy Received	-	-	5.0

			(₹ Million)
	Year ended	**Year ended**	**Year ended**
	31/03/2016	**31/03/2015**	**31/03/2014**
Proceeds from Long-term Borrowings	61,160.3	82,024.3	2,20,277.2
Prepayment of Long-term Borrowings	(44,575.8)	(69,225.0)	(1,91,834.6)
Repayment of Long-term Borrowings	(6,549.0)	(9,523.9)	(6,932.7)
Proceeds/ (Repayment) of Short-term Borrowings (Net)	(29,749.9)	25,047.9	27,178.8
Finance Costs Paid	(50,307.9)	(50,253.1)	(46,919.2)
Dividend Paid (including Dividend Distribution Tax)	(2,575.4)	(2,488.0)	(3,148.5)
Net Cash Generated/ (Used) - Financing Activities	(72,594.3)	(24,370.8)	14,925.9
Net Increase/ (Decrease) in Cash and Cash Equivalents	(2,696.0)	9,129.1	13,336.2
Add : Opening Cash and Cash Equivalents	43,705.2	35,371.7	21,842.5
Add : Cash and Cash Equivalents on Acquisition/ Disposal	(17.4)	-	-
Add : Foreign Exchange variation on Cash and Cash Equivalents	621.7	(795.6)	193.0
Closing Cash and Cash Equivalents	41,613.5	43,705.2	35,371.7

(a) *Include impairment loss of ₹5,765.3 million (FY 2014-15: ₹9,649.2 million and FY 2013-14: ₹NIL) accounted for as Exceptional Items (refer Note No. 37 (a) and (b) iii).*

(b) *Include ₹2.8 million (FY 2014-15: ₹6.5 million and FY 2013-14: ₹60.0 million) received by subsidiaries from minority shareholders.*

The following selected information is extracted from and should be read in conjunction with Unaudited Combined Financial Statements and notes thereto prepared in accordance with Ind-AS and the Companies Act, 2013, each included elsewhere in this Placement Document.

Interim Condensed Combined Balance Sheet

		(₹ Million)
	As at	
	31/12/2016	**31/12/2015**
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	640,315.1	595,034.9
Capital Work-in-Progress	23,430.8	88,989.4
Investment Property	93.2	95.3
Goodwill	178,967.9	175,501.9
Other Intangible Assets	35,476.8	38,303.3
Intangible Assets under Development	920.1	2,490.0
Financial Assets:		
Investment - Subsidiaries	6,743.3	6,736.4
Investment - Joint ventures and Associates	2,472.9	2,444.8
Investment - Other Debt and Equity Instruments	36,986.3	32,722.9
Loans	2,087.2	1,909.9
Other Financial Assets	3,255.9	3,845.0
Deferred Tax Assets (Net)	9,754.6	9,421.6
Non-Current Tax Assets (Net)	43.4	34.9
Other Non-Current Assets	11,170.1	11,233.0
	951,717.6	968,763.3
Current Assets		
Inventories	196,723.8	177,257.6
Financial Assets:		
Investments in Debt and Equity Instruments	73,166.1	60,743.9
Trade Receivables	81,186.1	86,743.6
Cash and Cash Equivalents	53,382.2	37,801.5
Bank balances other than Cash and Cash Equivalents	1,207.1	1,680.1
Loans	607.7	535.3
Other Financial Assets	19,401.0	27,663.4
Current Tax Assets (Net)	50.1	115.8
Other Current Assets	46,415.1	43,947.0
Assets classified as held for Sale	1,067.8	1,452.7
	473,207.0	437,940.9
	1,424,924.6	1,406,704.2
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	2,050.1	2,048.9
Other Equity	407,724.9	394,182.6
	409,775.0	396,231.5
Non-Controlling Interest	9.9	1,416.6
	409,784.9	397,648.1
LIABILITIES		
Non-Current Liabilities		
Financial Liabilities:		
Borrowings	580,811.6	568,973.5

(₹ Million)		
	As at	
	31/12/2016	**31/12/2015**
Trade Payables	-	22.8
Other Financial Liabilities	5,670.1	6,040.3
Provisions	66,046.3	61,462.3
Deferred Tax Liabilities (Net)	30,410.9	37,088.3
Other Non-Current Liabilities	4,842.9	5,492.4
	687,781.8	679,079.6
Current Liabilities		
Financial Liabilities:		
Borrowings	83,999.7	114,278.4
Trade Payables	170,561.5	149,696.1
Other Financial Liabilities	40,004.2	37,763.0
Provisions	9,438.1	9,031.5
Current Tax Liabilities (Net)	9,379.6	4,424.1
Other Current Liabilities	13,972.8	14,779.5
Liability associated with Assets classified as held for Sale	2.0	3.9
	327,357.9	329,976.5
	1,015,139.7	1,009,056.1
	1,424,924.6	1,406,704.2

Interim Condensed Combined Statement of Profit and Loss

(₹ Million)		
	Nine Months ended	
	31/12/2016	**31/12/2015**
REVENUES		
Revenue from Operations	735,379.5	758,059.4
Other Income	8,709.3	9,715.6
Total Revenues	744,088.8	767,775.0
EXPENSES		
Cost of Materials Consumed	418,459.9	451,027.7
Purchases of Stock-in-Trade	889.2	14.8
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(22,862.4)	7,445.8
Excise Duty	17,268.9	18,326.5
Employee Benefits Expenses	62,204.6	57,905.8
Power and Fuel	62,971.3	69,386.2
Finance Costs	43,975.9	38,309.6
Depreciation and Amortization	32,748.5	30,792.0
Impairment Loss/ (Reversal) (Net)	-	506.3
Other Expenses	105,426.3	94,953.0
Total Expenses	721,082.2	768,667.7
Profit/ (Loss) before Exceptional Items and Tax from Continuing Operations	23,006.6	(892.7)
Exceptional Income/ (Expenses) (Net)	(63.3)	-
Profit/ (Loss) before Tax from Continuing Operations	22,943.3	(892.7)
Tax Expenses:		

	(₹ Million)	
	Nine Months ended	
	31/12/2016	31/12/2015
Current Tax	8,143.8	5,707.2
MAT Credit Entitlement	(2,725.8)	(418.2)
Deferred Tax	5,332.8	(1,995.0)
Profit/ (Loss) from Continuing Operations	12,192.5	(4,186.7)
Profit/ (Loss) from Discontinued Operations (Net)		
Profit/ (Loss) from Discontinued Operations before Tax	7.7	(8.1)
Tax on Discontinued Operations	-	-
Profit/ (Loss) from Discontinuing Operations (Net of Tax)	7.7	(8.1)
Profit/ (Loss) for the period	12,200.2	(4,194.8)
Other Comprehensive Income:		
Items that will not be reclassified to Profit and Loss	13,560.5	8,674.7
Items that will be reclassified to Profit and Loss	(12,392.1)	(627.2)
Total Other Comprehensive Income	1,168.4	8,047.5
Total Comprehensive Income	13,368.6	3,852.7
Profit/ (Loss) for the period is attributable to:		
Owners of the Parent	12,137.6	(4,244.9)
Non-Controlling Interests	62.6	50.1
	12,200.2	(4,194.8)
Total Comprehensive Income is attributable to:		
Owners of the Parent	13,421.7	3,936.4
Non-Controlling Interests	(53.1)	(83.7)
	13,368.6	3,852.7
Profit/ (Loss) for the period attributable to owners of the Parent:		
Continuing Operations	12,129.9	(4,236.8)
Discontinued Operations	7.7	(8.1)
Continuing and Discontinued Operations	12,137.6	(4,244.9)
Earnings/ (Loss) per Share for the period attributable to owners of the Parent		
From Continuing Operations		
Basic (₹)	5.92	(2.07)
Diluted (₹)	5.92	(2.07)
From Discontinued Operations		
Basic (₹)	0.00	(0.00)
Diluted (₹)	0.00	(0.00)
From Continuing and Discontinued Operations		
Basic (₹)	5.92	(2.07)
Diluted (₹)	5.92	(2.07)

Interim Condensed Combined Cash Flow Statement

	(₹ Million)	
	Nine Months ended	
	31/12/2016	31/12/2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before Tax:		

(₹ Million)		
	Nine Months ended	
	31/12/2016	31/12/2015
From Continuing Operations	22,943.3	(892.7)
From Discontinuing Operations	7.7	(8.1)
	22,951.0	(900.8)
Adjustment for :		
Finance Costs	43,975.9	38,309.6
Depreciation and Amortization	32,748.5	30,792.0
Impairment Loss/ (Reversal) (Net)	-	506.3
Employee Stock Option Scheme	50.4	74.1
Provisions made/ (written back) (Net)	376.8	19.2
Unrealised Foreign Exchange (Gain)/ Loss (Net)	2,868.6	137.2
(Gain)/ Loss on Derivative transactions (Net)	(689.5)	(4,962.1)
(Gain)/ Loss on Assets held for sale (Net)	(158.4)	(6.2)
(Gain)/ Loss on Sale of Fixed Assets (Net)	492.9	117.9
Interest Income	(3,068.6)	(4,308.8)
Dividend Income	(732.5)	(1,636.3)
Investing Activities (Net)	(4,974.3)	(2,043.7)
Other Non-operating Income/ Expenses (Net)	(5.8)	(112.0)
Operating profit before working capital changes	93,835.0	55,986.4
Changes in working Capital:		
(Increase)/ Decrease in Inventories (Net)	(30,234.9)	20,313.8
(Increase)/ Decrease in Trade and other Receivables (Net)	1,905.0	24,715.6
Increase/ (Decrease) in Trade and other Payables (Net)	18,405.4	(20,894.7)
Realised Hedging Gain/ (Loss) (Net)	2,797.0	5.6
Cash generation from Operation before Tax	86,707.5	80,126.7
(Payment)/ Refund of Income Tax (Net)	(9,006.5)	(9,684.7)
Net Cash Generated/ (Used) - Operating Activities	77,701.0	70,442.0
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Payments to acquire Property, Plant and Equipment and Intangible Assets	(19,003.3)	(29,801.8)
Proceeds from disposal of Property, Plant and Equipment and Intangible Assets	430.4	1,079.0
(Acquisition)/ Disposal of shares in Subsidiaries (Net)	1,469.5	(415.9)
(Purchase)/ Sale of Other Investments (Net)	7,201.2	3,533.1
Loans and Deposits given/ (received back) (Net)	(571.1)	5,092.6
Interest Received	3,286.7	3,930.9
Dividend Received	518.0	1,436.3
Net Cash Generated/ (Used) - Investing Activities	(6,668.6)	(15,145.8)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Shares	26.7	0.6
Redemption of Debenture	(30.0)	(30.0)
Proceeds from Long-term Borrowings	185,865.5	50,180.0
Pre-payment of Long-term Borrowings	(174,587.1)	(25,425.8)
Repayment of Long-term Borrowings	(13,712.6)	(24,428.4)
Proceeds from/ (Repayment of) Short-term Borrowings (Net)	(3,864.5)	(21,067.0)
Payment of Finance Lease liability	(20.9)	(18.3)

(₹ Million)		
	Nine Months ended	
	31/12/2016	**31/12/2015**
Finance Cost Paid	(47,911.4)	(41,941.3)
Dividend Paid (including Dividend Distribution Tax)	(2,387.8)	(2,294.4)
Net Cash Generated/ (Used) - Financing Activities	(56,622.1)	(65,024.6)
Net Increase/ (Decrease) in Cash and Cash Equivalents	14,410.3	(9,728.4)
Add : Opening Cash and Cash Equivalents	39,003.9	44,772.5
Add : Exchange variation on Cash and Cash Equivalents	(50.0)	2,756.1
Closing Cash and Cash Equivalents	53,364.2	37,800.2
Above Cash and Cash Equivalents comprise of:		
Deposits with initial maturity less than 3 months	10,989.8	12,769.4
Current Accounts	24,120.5	18,411.4
Cheques and drafts on hand	1,949.0	7.6
Cash on hand	4.7	3.6
Liquid Investments	16,318.2	6,609.5
	53,382.2	37,801.5
Reconciliation with Balance Sheet:		
Cash and Cash Equivalents as per Balance Sheet	53,382.2	37,801.5
Less: Fair Value adjustments in Liquid Investments	(18.0)	(1.3)
Cash and Cash Equivalents as per Cash Flow Statement	53,364.2	37,800.2

RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should consider all information in this Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. Additionally, risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. If any of the following risks or any of the other risks and uncertainties discussed in this Placement Document or other risks that are not currently known or believed to be adverse actually occur, our business, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section.

Risk Relating to our Business

Changes in the market prices of alumina, aluminum, copper, metal premiums and TcRc could adversely affect our results of operations.

We price sales of our aluminum and copper products by reference to LME prices. LME prices of aluminum have been volatile and have fluctuated over the past few years between a high of US$2,054 per tonne in calendar year 2014 and a low of US$1,479 per tonne in calendar year 2016 (*Source: CRU Aluminium Monitor, January 2017*). LME prices of copper have also tend to be volatile. Further reductions or sustained low prices of alumina, aluminum and copper could adversely affect our results of operations. The price of our aluminum and copper products in the international and domestic markets also includes a local market premium, which is an amount paid in excess of the LME prices. Metal premiums have been volatile and such sustained volatility could also adversely affect our results of operations. Furthermore, we do not use derivative contracts to offset the impacts of local market premium price movements as these contracts are not prevalent in the market. As a consequence, volatility in local market premiums can have a significant impact on our results of operations and cash flows.

The price our Indian custom copper smelter pays for copper concentrate are based on the LME price for copper for the relevant quotation period, less TcRc. The sale price of our copper products is based on the LME price for the relevant period and typically, a premium charged over such prices. Since our facility is a custom copper smelter, we attempt to make the LME price a pass through, as both our copper concentrate purchases and sales of finished goods are based on LME. The level of TcRc has a significant impact on the profitability of our copper business. While the TcRc is negotiated between our supplier and us, it is influenced by global factors such as the supply and demand of copper concentrates, prevailing and forecasted LME prices, by product prices, mining costs and freight costs. Our TcRc are also substantially affected by the benchmark price set by certain large Japanese smelters. TcRc have been volatile in the recent past and any significant decline will adversely affect our results of operations.

In addition, global investors consider commodities as an asset class and global macroeconomic developments may adversely affect commodity prices. Tighter liquidity or increase in interest rates, especially in developed economies could adversely affect attractiveness of commodities as an asset class and thereby could result in a decline in aluminum and copper LME prices. China consumes a majority of the world’s aluminum and copper production and a continued slowdown in economic growth or metal consumption in China could result in overcapacity or any further reduction of duty for imports from China could adversely affect aluminum and copper LME prices, which in turn may have an adverse effect on our business and results of operations. In addition, volatility in the prices of the by-products generated through our copper manufacturing process, including di-ammonium phosphate and sulfuric acid, may also have an adverse effect on our results of operations.

Certain of our customers contribute significantly to our revenues, and we may be adversely affected by changes in the business or financial condition of these significant customers or by the loss of their business.

Novelis’ ten largest customers accounted for approximately 54%, 55%, 60% and 65% of Novelis’ total net sales for Fiscals 2014, 2015 and 2016 and the nine month period ended December 31, 2016, respectively, with Ball

Corporation and its affiliates representing approximately 27%, 28%, 30% and 27% of its total net sales in the respective periods (each amount is determined on a U.S. GAAP basis). The ten largest customers in our copper business accounted for approximately 55.4%, 52.3%, 52.2% and 55.0% of the total net sales of our copper segment for the Fiscals 2014, 2015 and 2016 and the nine month period ended December 31, 2016, respectively.

The markets in which we operate are competitive and customers may seek to consolidate supplier relationships or change suppliers to obtain cost savings and other benefits. A significant downturn in the business or financial condition of our significant customers could adversely affect our results of operations. In addition, if our existing relationships with significant customers deteriorate or are terminated in the future or any or all of our significant customers choose to purchase aluminum and copper and related products from our competitors, and we are not successful in replacing business lost from such customers, our results of operations could be adversely affected. Some of the contracts under which we supply to our customers, including under umbrella agreements, are subject to renewal, renegotiation or re-pricing at periodic intervals or upon changes in competitive supply conditions. Any failure to successfully renew, renegotiate or re-price such agreements could result in a reduction or loss in customer purchase volume or revenue, and if we are not successful in replacing business lost from such customers, our results of operations could be adversely affected.

If Novelis is unable to obtain sufficient quantities of primary aluminum, recycled aluminum, sheet ingot and other raw materials used in the production process, its ability to produce and deliver products or to manufacture products using the desired mix of metal inputs could be adversely affected.

The supply risks relating to Novelis' metal inputs vary by input type. Novelis' sheet ingot requirements have historically been supplied, in part, by Rio Tinto pursuant to agreements with Novelis. For the Fiscal 2016 and the nine month period ended December 31, 2016, Novelis purchased the largest portion of its third–party sheet ingot requirements from Rio Tinto's primary metal group. If Rio Tinto or any other significant supplier of sheet ingot is unable to deliver sufficient quantities of this material on a timely basis, Novelis' production may be disrupted and its net sales, profitability and cash flows could be adversely affected. Although aluminum is traded on the world markets, developing alternative suppliers of sheet ingot could be time consuming and expensive.

Certain of Novelis' manufacturing operations rely on UBCs and other types of aluminum scrap for a portion of its base metal inputs. Competition for UBCs and other types of aluminum scrap is significant, and while we believe we will be able to obtain sufficient quantities to meet our production needs, if we are unable to do so, we could be required to purchase more expensive metal inputs which could have an adverse effect on Novelis' profitability and cash flows. Remelt ingot, which is traded on the LME, may become subject to supply risk created by supply and demand anomalies associated with speculative financing transactions. In a period of rapidly rising demand, restrictions on access to metal that is stored in LME warehouses or restrained in financing transactions could create shortages in the spot market which could interfere with supplies to Novelis' facilities and limit production, which may adversely affect its business and results of operations.

We may be required to account for an impairment loss with respect to the goodwill recorded in our consolidated financial statements, prepared in accordance in Ind-AS.

We recorded goodwill in our consolidated financial statements upon completion of the acquisition of Novelis during the Fiscal 2008 under Indian GAAP. Due to the deterioration in the global economic environment and other factors external to our Company, we recorded an impairment loss of ₹ 35,973 million in our consolidated financial statements in respect of this goodwill during the Fiscal 2009. However, during the Fiscal 2011, pursuant to the improvement in the performance of Novelis and better macroeconomic conditions, this impairment loss was reversed and we continue to carry such goodwill at the originally recorded value, thereafter, including in our financial statements for the Fiscal 2016 under Indian GAAP. The factors considered by our management in recording of such impairment loss and its subsequent reversal were disclosed in our annual consolidated financial statements for the Fiscals 2009 and 2011, respectively.

We have adopted Ind-AS with effect from April 1, 2016. In doing so, we are required to present corresponding numbers for the previous Fiscal prepared in compliance with Ind-AS. As such, the date of transition to Ind-AS for us is April 1, 2015. Ind-AS 101, which is applicable at the time of first-time adoption of Indian Accounting Standards, also provides an option to determine carrying value of assets (including goodwill) and liabilities, in cases of business combination, recorded in accordance with previous GAAP (Indian GAAP, in our case) in addition to determining such carrying value in accordance with Ind-AS. We have exercised this option and have, accordingly, recorded carrying value of the goodwill arising out of the acquisition of Novelis under Indian

GAAP.

While we have elected to continue to carry this goodwill as recorded previously under Indian GAAP, we would be required to subject this goodwill to annual impairment testing for purposes of preparing our consolidated financial statements. The next such impairment test will occur for the purpose of preparing our consolidated financial statements for the Fiscal 2017. While we have undertaken to record this goodwill in accordance with the same policy adopted for combined financial statements for the nine month period ended December 31, 2016 (i.e. carry such goodwill at the value previously recorded under Indian GAAP) for our financial statements for the Fiscal 2017, we cannot assure you that such testing will not result in any impairment of our assets in the future. If we are required to record any impairment charge in respect of such goodwill, our results of operation and financial condition would be adversely affected. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Our Significant Accounting Policies" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Description of Line Items".

Timing differences between the prices we pay under purchase contracts and aluminum and copper prices we charge our customers and our inability to pass through changes in the cost of aluminum, copper and other raw material could adversely affect our liquidity, business, financial condition and results of operations.

Majority of our aluminum and copper products have a price structure with three components: (i) a base metal price quoted off the LME; (ii) a local market premium; and (iii) a "conversion premium" to produce the product which reflects, among other factors, the competitive market conditions for such product. Base prices are typically driven by macroeconomic factors and global supply and demand. The local market premiums tend to vary based on the supply and demand for metal in a particular region and associated transportation costs. There may be circumstances where, due to the timing of procurement arrangements or specifications of customer orders, there is a difference between the price we pay and the price we charge our customers. In general, we seek to pass through changes in the cost of aluminum, copper and other raw materials to our customers under the terms of our customer supply agreements. However, there are no assurances that we always will be able to successfully pass through such price increases to our customers or fully offset the effects of high or volatile raw materials costs in the future. If we are unable to pass through to our customers a significant portion of the changes in cost of aluminum, copper and other raw materials, it could adversely affect our liquidity, business, financial condition and results of operations. In instances where there is a difference between the price we pay for aluminum and the price we charge our customers, we typically enter into hedges to manage the risk resulting from these price differences. However, there can be no assurances that we will be successful in our efforts to limit our exposure to price risk that results from the timing differences described above through the use of natural or physical hedges or derivative instruments, and such timing differences could adversely affect our liquidity, financial condition and results of operations.

Our results of operations could be adversely affected by fluctuations in exchange rates, particularly between the Rupee and the U.S. Dollar.

While our products are typically priced in Rupees for Indian sales and primarily in U.S. Dollars for international sales, our presentation currency is the Rupee. We produce and sell commodities that are typically priced by reference to U.S. Dollar prices, while a majority of our costs for our Indian operations are incurred in Rupees. The price of aluminum sold in the domestic market is referenced with the landed-cost of imported aluminum, and consequently to the exchange rate of the Rupee and the U.S. Dollar. Since the calendar year 2014, the Rupee has depreciated against the U.S. Dollar from US$1.00 = ₹ 60.10 as of March 28, 2014 to US$1.00 = ₹ 67.96 as of December 31, 2016. An appreciation of the Rupee against the U.S. Dollar tends to result in a decrease in our revenues relative to our costs. Conversely, a depreciation of the Rupee can increase the cost of our imports.

In addition, since our acquisition of Novelis, we derive a significant portion of our revenues and incur much of our costs in North America, South America, Europe and other countries in Asia in foreign currencies. For the Fiscal 2016, 78.2% of our total revenue was derived from outside of India. As of March 31, 2016, 52.8% of our assets was located outside of India. In addition, for the Fiscal 2016 and the nine month period ended December 31, 2016, US$9,872 million and US$6,970 million, respectively, or 65% and 62%, of our total revenues were derived from Novelis' operations, respectively. Revenues in other foreign markets and Novelis' major supplies purchases, including primary aluminum, recycled aluminum, sheet ingot, alloying elements and grain refiners, are mainly denominated in U.S. Dollars. As a result, Novelis' revenues are impacted by fluctuations in the U.S. Dollar to Euro and other exchange rates.

Adverse movements in exchange rates may result in an adverse effect on our results of operations and financial condition.

A significant portion of our energy requirements for our Indian operations are met by our own power plants and any disruption to these power plants could increase our production costs and lead to reductions in our production volumes. Additionally, our Novelis operations consume substantial amounts of energy and our profitability may decline if energy costs were to rise, or if energy supplies were interrupted.

We require substantial amount of electricity for our aluminum and copper production, and energy costs represent a significant portion of the production costs for our operations. We source majority of our electricity for our smelters at Renukoot, Hirakud, Dahej, Aditya and Mahan from our captive power plants and co-generation power plants. If these captive power plants and co-generation power plants are not able to supply the requisite electricity for any reason, including due to interruptions in their supply of raw materials, we will need to rely on state electricity boards as an alternative source. State electricity boards may not be able to consistently meet our requirements and, if for any reason such electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. Further, the cost of such electricity purchased from state electricity boards would be significantly higher, thereby adversely affecting our cost of production and profitability.

Any interruption in the supply of electricity to our aluminum smelter lasting longer than six hours can cause substantial damage to our smelter. Pots are used in the process of transforming alumina into primary aluminum and they will cool if they are deprived of electricity for six consecutive hours, which could cause the molten aluminum in the pot to solidify. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. Historically, we have experienced significant power interruption and cannot assure that such power interruptions may not recur in the future.

In addition, Novelis' operations consume substantial amounts of energy in its rolling and cast house operations. The factors that affect Novelis' energy costs and supply reliability tend to be specific to each of its facilities. A number of factors could adversely affect its energy position including:

- increases in costs of natural gas;
- significant increases in costs of supplied electricity or fuel oil related to transportation;
- interruptions in energy supply due to equipment failure or other causes;
- inability to extend energy supply contracts upon expiration on economic terms; and
- inability to pass through energy costs in certain sales contracts.

If energy costs were to rise, or if energy supplies or supply arrangements were disrupted, our profitability could decline.

We rely on leased mines and supply agreements for majority of our bauxite requirements and purchase of bauxite through spot procurements for our remaining requirements and any adverse development relating to these mines or supply arrangements could adversely affect our results of operations from our Indian operations may be adversely affected.

Bauxite is the primary raw material used for the production of alumina. Our current level of alumina production at our Indian operations depends to a large extent on the consistency of the supply and quality of bauxite procured by us. We source most of our bauxite requirement from our captive mines which are leased from the respective State Governments with the balance purchased from private mines. Each of these sourcing methods exposes us to risks relating to supply and cost.

The original lease period or renewed lease period for 13 of our leased bauxite mines has expired and we had made an application for further renewal of the lease period for 12 of such leased bauxite mines under the provisions of the Mines and Minerals (Development and Regulation) Act, 1957 and rules thereunder, and accordingly, these mines were operating under deemed approval before the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 (the "MMDR Act"). Whilst the MMDR Act provides extension for all leases upto March 31, 2030 (or later) for captive mines where a valid application for renewal was made and pending and all related necessary approvals were obtained at the time of the commencement of the MMDR Act, we have applied for extension of mining lease period for applicable period with the relevant authorities for 12 of our leased bauxite mines. However, as of date, we are yet to receive extension of mining lease period for any of the aforesaid bauxite mines. Additionally, since the lease of bauxite mine located at Mogalgad was transferred to our Company from Indian Aluminum Company Limited pursuant to the merger with our Company in 2004, we have not applied for extension of mining lease period and we await execution of mining lease deed which is pending due to pending forest clearance. We have also applied to lease additional bauxite reserves in the state of Madhya Pradesh.

Whilst we believe that we have subsisting lease for all our aforesaid leased bauxite mines and we can operate these mines pursuant to the provisions of the MMDR Act and judicial pronouncements in relation to the MMDR Act, we cannot assure you that the lessor and relevant authorities would not take an adverse view which may result in an adverse action against us for continuing to undertake mining operations after the commencement of the MMDR Act. Additionally, we cannot assure you that the lessor and relevant authorities would permit us to continue to undertake mining operations at the aforesaid bauxite mines. Further, we have obtained letter of subsisting from the relevant Department of Mines for only six of our bauxite mines confirming the status of such mines as having a subsisting lease. We cannot assure you that there would not be a claim or an adverse action against us for remaining seven bauxite mines for not having obtained a letter of subsisting lease. Further, 10 of our bauxite mines are not being operated due to various considerations. The regulatory authorities and lessors may take an adverse action against us for not operating the mines for more than two consecutive years during the term of the lease. Further, we have had to close down mines in the past and have decided not to operate mines certain mines due to public un-rest and other considerations.

Furthermore, we are currently in the process of obtaining environment clearance from the Ministry of Environment and Forests for the mining of bauxite at certain sites such as Hisri Old in Jharkhand and applied for extension of mining leases for Maliparbat in Odisha, awaiting forest clearance for operating Mogalgad bauxite mine in Maharashtra, which we may not be able to procure in a timely manner, or at all. We are also required to pay for reforestation and re-vegetation of degraded forestland and non-mineral bearing areas when our mining operation commences in designated forestland. These processes and obligations are time consuming and increase our total expenditure. Whilst we continually evaluate opportunities to acquire additional mining leases in the future, we may not receive necessary approvals to do so. We also cannot assure you that we will be able to identify new bauxite mining reserves and that any future exploration activities or development projects will lead to the extension of the life of our existing mines or result in new economically viable mines.

We cannot assure you that we will be able to procure any bauxite or renew any leases on terms and schedules contemplated by us or that the regulatory and leasing authorities will not take an adverse action against us due to lapse of the mining lease period or the renewal period. We also have mines that are yet to commence operations and any delay or inability in obtaining the requisite leases or commencing operations will affect our business plans and the operating costs of our facilities. In addition, we may have to incur significant costs in order to make such mines operational, and we may not be able to commence operations at these mines, in a timely manner or at all. Additionally, we cannot assure you that any bauxite that would be extracted from these new mines would be of the desired quality and consequently our production costs could be higher than anticipated. Further, if the quality of bauxite deteriorates in our existing mines, our production cost may increase or production volumes may decrease, thereby adversely affecting our results of operations.

As part of our long-term strategy, we also source part of our bauxite requirements from third-party purchases through annual supply contracts with a view to maximize the life of our own mines and to improve flexibility in blending options at our alumina plants. We may be unable to renew or enter into bauxite purchase contracts with third parties at commercially reasonable prices or such third party suppliers may not be able to supply bauxite as per the agreed terms and conditions.

Our estimates of bauxite reserves from our leased bauxite reserves are subject to assumptions, and if the actual amounts of such reserves are less than estimated, or if we are unable to gain access to sufficient bauxite reserves, our results of operations and financial condition may be adversely affected.

As of March 31, 2016, our bauxite deposits under existing leases had 67.86 Mt of proven (P1) and 178.87 Mt of probable reserves (P2), of which 7.98 Mt and 13.47 Mt is from non-operating mines, respectively. Based on our current requirements for bauxite at each refinery (which are subject to change) and current supply patterns, our potential bauxite reserves are expected to last for approximately 20, 17 and five years, respectively, at our Renukoot, Muri and Belgaum refineries on the basis of proven and probable (P1 and P2) reserves. Meanwhile, our Utkal alumina refinery has access to the Baphlimali bauxite mine that is expected to last for approximately 42 years on the basis of proven and probable (P1 and P2) reserves and production in fiscal 2016, which has been calculated based on current requirements of these facilities and production in Fiscal 2016.

We characterize our Indian mineral reserves in accordance with the United Nations Framework Classification (the "UNFC") norm. Mineral reserves are classified as "proved", "probable" and "possible" in the order of reducing levels of confidence in a matrix of three axes, geological axis, feasibility axis and economic axis. Proved reserves indicate that the estimated ore tonnage of grade are at the highest level of confidence and are economically and commercially recoverable. Our estimate of reported mineral reserves include "proved" (or "P1") and "probable" (or "P2") reserves and are based on our interpretations of geological data obtained from sampling techniques and projected rates of production in the future.

The aforesaid reserves are subject to probabilistic assumptions based on interpretations of geological data obtained from sampling techniques and projected rates of production in the future. In addition, no independent third-party reports have been generated to ascertain the level of mineral reserves located at certain of existing and potential mining sites. Actual reserves and production levels may differ significantly from reserve estimates. In addition, it may take many years from the initial phase of exploration before production is possible. During that time, the economic feasibility of exploiting a discovery may change as a result of changes in the market price of bauxite, coal or other raw materials. In the event that we have overestimated the mineral reserves to which we have access, or the quality of such reserves, it would reduce our mineral reserves more quickly than estimated, which could force us to purchase such minerals in the open market. Prices in the open market may significantly exceed the cost at which we might otherwise be able to extract these minerals, which would cause our costs to increase and consequently adversely affect our results of operations and financial condition.

In addition, our methodology for determining our mineral reserves may not be recognized or followed by the industry. For instance, the reserves estimates includes reserves from mines which are not currently being operated and there can be no assurance that commercial levels of raw materials will be discovered or that the mines will produce raw materials at the estimated amounts or at all. Further, for the purposes of determining remaining life of mines, whilst the remaining reserves of non-operating mines have been included as part of total reserves, no period of assumed production has been applied for non-operating mines and accordingly, any production from these non-operating mines in the future may adversely affect the remaining life of our mines. Further, our reserves estimates also include reserves from mines where mining lease period has expired and adverse action on these mines may adversely affect our reserves estimates. For further details, see "***We rely on leased mines and supply agreements for majority of our bauxite requirements and purchase of bauxite through spot procurements for our remaining requirements and any adverse development relating to these mines or supply arrangements could adversely affect our results of operations from our Indian operations may be adversely affected.***" Therefore, we cannot assure you that our assumptions and estimates on our existing mineral reserves and remaining period are accurate or may be relied upon. If we are unable to obtain a steady supply of requisite quality bauxite at competitive prices, our business and results of operations may be adversely affected.

If mineral reserves or the quality of such reserves are overestimated, the level of viable reserves would be lower than expected, and we may be forced to purchase such minerals in the open market. Prices of minerals in the open market may significantly exceed the cost at which we might otherwise be able to extract these minerals, which would cause costs to increase or mineral available may not meet our requirements and consequently adversely affect our businesses, results of operations, financial condition and prospects.

If we are unable to obtain a steady supply of copper concentrate at reasonable costs, our results of operations may be adversely affected.

For the Fiscal 2016 and the nine month period ended December 31, 2016, 17.2% and 18.0% of our total sales revenue was generated from our copper business, respectively. Copper is produced from copper concentrate that we source from domestic as well as international markets.

We have a custom copper smelting facility comprising two smelters at Dahej. To operate these smelters, copper concentrate needs to be sourced economically. Availability of copper concentrate on spot basis and the TcRc of such spot contracts vary significantly. Any increase in our exposure to spot procurement of copper concentrate may adversely affect our ability to source our copper concentrate requirements in a cost-effective manner, which may in turn, negatively impact our profitability.

The length of our copper concentrate purchase agreements vary from two months to twelve months. These agreements are typically renewable at the end of such period on mutually agreed terms. The quantity of supply for each year is fixed for the duration of the contract period and terms such as TcRc and freight differential are negotiated each year based on prevailing market conditions. If these contracts are suspended or cancelled during a period due to *force majeure* (force majeure under these agreements generally include acts of nature, labor strikes, fires, floods, wars, transportation delays, government actions or other events that are beyond the control of the parties) or any other factors or cannot be renewed on time or on terms favorable to us, our results of operations could be adversely affected.

Most of our contracts are on a take-or-pay basis where each party is required to purchase or deliver, as the case may be, the contracted copper concentrate for any particular year. If our suppliers are unable to deliver copper concentrate and if copper concentrate is not available from alternate sources on a timely basis and on reasonable terms or quality of copper delivered does not meet our requirements, our results of operations could be adversely affected.

Our operations have significant coal requirements, and we may not be able to ensure the availability of coal for our Indian operations at competitive prices and in a timely manner, which could have an adverse effect on our results of operations.

Most of our captive power plants and co-generation power plants are dependent on coal as a raw material. In the Fiscal 2016, our Indian operations procured the majority of its coal requirements from the open market, through domestic purchases or imports. Coal grades may be different than what we originally expected, and hence our coal requirements may be higher than anticipated.

We source majority of our coal requirements for Renusagar from the northern coalfields of Coal India Limited, which is approximately eight km away from our facility at Renusagar. The coal requirement of Aditya and Hirakud smelters are partially met by the captive coal mines Gare Palma IV/4 and Gare Palma IV/5, which are leased from the Government of Chhattisgarh and are situated approximately 150 km to 200 km from these smelters. The balance of coal requirements are met through long term coal linkages and spot procurement through e-auctions, from various mines of Coal India Limited typically located within a radius of 100 km to 300 km from these smelters. The coal requirement of our facility at Mahan will be partially met by the captive Kathautia coal mine, which is leased from the Government of Jharkhand and is located approximately 350 km from the Mahan facility. Additionally, we are proposing to meet part of the coal requirement of our facilities at Mahan and Hirakud from the Dumri coal mine, which has been vested to us by the Government of Jharkhand and is yet to commence operation. Further, certain of our long term coal linkages are awaiting execution of fuel service agreements and are currently in the form of either provisional or final letter of intents and any failure to execute the fuel supply agreement may result in an increased cost of production due to increase in our reliance on spot procurement through e-auctions. In addition, whilst the Dumri coal mine has been vested to us by the Government of Jharkhand, we have not yet executed a lease, and therefore production at the Dumri coal mine is likely to commence at a much later date and any delay in execution of the lease deed would lead to an increased cost of production by increasing our reliance on spot procurement through e-auctions. Further, we may not have a captive coal mine or a long term linkage for supply of coal to some of our facilities such as Birla Copper at Dahej and we may have to entirely rely on spot purchases.

Our coal mines have experienced, among others issues, unresolved land matters, delays in receiving regulatory approvals, litigation, delays in execution of mining leases and receipt of mining plans. Such issues have resulted in and may continue to result in delays and other deviations from production schedules. We cannot assure you that we will be able to obtain coal supplies either in sufficient quantities, expected quality or on acceptable terms. Our coal suppliers may default on their obligations to us under the coal supply agreements. Additionally, as part of our long term coal linkages we may have to procure higher quantity of coal than would be required for our operations. Failure to procure the fixed quantity as specified under our long term coal linkages may lead to an event of default, which would jeopardize our future procurement through such long term coal linkages. We may also have to purchase coal at a significantly higher spot price from the market for carrying out our operations. Changes in the demand supply scenario of domestic and global coal industry and any operational and/or business disruption in Coal India Limited may also affect the supply of recently secured long term coal linkages and thus may result in an increase in our coal procurement costs, thereby increasing the cost of power production and consequently increasing our overall production cost. If, for any reason, we are unable to procure sufficient coal of requisite quantity and quality, and at acceptable prices, it could disrupt our production of power, increase our power costs or reduce our production volumes.

We have incurred a substantial amount of indebtedness, which may adversely affect our cash flow and our ability to operate our business.

As of December 31, 2016, our Company (on an unconsolidated basis) and Novelis had ₹ 278,095.0 million and US$5,136 million of principal amount of indebtedness outstanding, respectively. Our substantial indebtedness has important consequences to us such as:

- increasing our vulnerability to general adverse economic and industry conditions and adverse competitive and industry conditions and placing us at a competitive disadvantage to competitors that have less debt;

- requiring us to dedicate a substantial portion of our cash flow from operations and proceeds from any capital raising to payments on indebtedness, thereby reducing our cash flows for working capital expenditures, research and product development efforts, strategic acquisitions, investments and other general corporate requirements;

- limiting our flexibility in planning for, or reacting to, changes in our business and the industry and could limit our ability to pursue other business opportunities, borrow more money for operations, refinance our existing indebtedness or capital expenditures in the future and implement our business strategies; and

- increasing our interest expenditure, since a substantial portion of our debt bears interest at floating rates.

The agreements and instruments governing our existing indebtedness and the agreements we expect to enter into governing future indebtedness, contain and are likely to contain restrictions and limitations, such as:

- restrictions on issuance of new shares or other securities;

- incurring further indebtedness;

- creating further encumbrances on assets;

- disposing off assets;

- effecting any scheme of amalgamation or restructuring or consolidation or merger;

- engaging in transactions with affiliates;

- entering into sale and leaseback transactions;

- undertaking guarantee obligations; and

- declaring and paying dividends or incurring expenditures beyond certain limits.

In addition, some of these financing agreements contain and are likely to contain financial covenants, which may require us or the specific borrower entity to maintain, amongst other things, a specified net worth to assets ratio, fixed charge coverage ratio, debt service coverage ratio, other leverage ratios and maintenance of collateral. Most of our financing arrangements are secured by specific immovable and movable assets. Many of our financing agreements also include various conditions and covenants that require us or the borrower entity, as applicable, to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could lead to defaults or cross-defaults, and as such, repayments of outstanding indebtedness, termination of such financing agreements and other adverse consequences.

Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flow generated by our business. There can be no assurance that we will generate sufficient cash to enable us to service our existing or proposed borrowings, comply with covenants or fund other liquidity needs. Furthermore, adverse developments in the Indian and global credit markets or a reduced perception of our creditworthiness in the credit markets could increase our debt service costs and the overall cost of our funds. If we fail to meet our debt service obligations or financial covenants required under the financing documents, our lenders could declare us in default under the terms of our borrowings, accelerate the maturity of our obligations, enforce the security interest, take possession of the project assets or substitute themselves or their nominees under any document in relation to the project. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay these borrowings. Failure to meet our obligations under the debt financing arrangements could have an adverse effect on our business, results of operations and cash flows.

We may be unable to obtain future financing on favorable terms, or at all, to fund our operations, expected capital expenditure and working capital requirements.

We require capital for, among other purposes, expanding our operations, making acquisitions, managing acquired assets, acquiring new equipment, maintaining the condition of our existing equipment and maintaining compliance with environmental laws and regulations. For details of our planned capital expenditure, see "Management's Discussion and Analysis of Financial Condition and Results of Operation – Capital Expenditure". To the extent that cash generated internally and cash available under our existing credit facilities are not sufficient to fund our capital requirements, we will require additional debt or equity financing, which may not be available on favorable terms, or at all. Future debt financing, if available, may result in increased finance charges, increased financial leverage, decreased income available to fund further acquisitions and expansions and the imposition of restrictive covenants on our business and operations. In addition, future debt financing may limit our ability to withstand competitive pressures and render us more vulnerable to economic downturns. If we fail to generate or obtain sufficient additional capital in the future, we could be forced to reduce or delay capital expenditures, sell assets or restructure or refinance our indebtedness. Further, we may not enough cash flow from operations to pay dividends, repay indebtedness and satisfy working capital requirements. If we raise funds through the issuance of equity, the proportional ownership interests of our shareholders could be diluted.

In light of the above, any proposed future expansions and projects may be adversely affected if we are unable to obtain funding for such capital expenditures on satisfactory terms, or at all, including as a result of any of our existing credit facilities becoming repayable. In addition, we cannot assure you that our planned or any proposed future expansions and projects will be completed on time or within budget, which may adversely affect our cash flow.

The construction and operation of aluminum and copper refineries and bauxite, coal or other mines may face opposition from local communities and other parties.

The construction and operation of aluminum and copper refineries and bauxite, coal or other mines has, in the past, faced opposition from the local communities where these projects are located and from special interest groups. A number of the bauxite and coal mines which we currently operate, or propose to operate or source from are located in areas that have experienced social unrest and have faced attacks by groups of protestors. Protestors, the public, the forest authorities and other authorities may oppose mining operations due to the perceived negative impact it may have on the environment. For example, one of our bauxite mines halted operations in the past for more than two years due to, among other factors, opposition from local communities. Furthermore, we have experienced land acquisition issues with respect to coal mines as a result of protests by local landowners. Additionally, some of the areas in which we operate are susceptible to attacks by extremists.

If a mining operation in respect of a mining lease leads to a displacement of people, the mining project can become functional only after obtaining the consent of such affected persons and the resettlement and rehabilitation of the persons displaced by the mining operations and payment of other benefits is required to be carried out in accordance with the guidelines of the relevant state governments, including payment for the acquired land that are owned by those displaced persons. We cannot assure you that there will not be any objection or dispute in relation to such resettlement, including litigation which may entail us having to suspend mining operations until the dispute is resolved. Significant opposition by various parties to the construction or expansion of our plants may adversely affect our results of operations and financial condition.

Our operations are reliant on the timely supply of raw materials and products to our plants and transportation of our products from our plants to our customers, which are subject to uncertainties and risks.

We depend on various forms of transport, such as seaborne freight, rail and road transport to receive raw materials used in production and to deliver our products from our manufacturing facilities to our customers. These transportation facilities may not adequately support our operations due to traffic congestion and unavailability of railway wagons or trucks. For these services, we also rely on third party service providers and accordingly, we are exposed to typical third party risks such as delays and inferior quality of service. Further, disruptions of transportation services because of weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair our ability to source raw materials and components and our ability to supply our products to our customers. We can provide no assurance that such disruptions will not occur in the future. In addition, significant increases in transportation cost may adversely impact our results of operations.

Similarly, our customers may suspend or cancel delivery of our products during a period of force majeure and any suspensions or cancellations that are not replaced by deliveries under new contracts or sales on the spot market to third parties would reduce our cash flow and could adversely affect our financial condition and results of operations.

We may not be able to source sufficient quantities of our caustic soda requirements, which may adversely affect our business and results of operations.

Caustic soda is a key raw material used to dissolve the bauxite in the alumina refining process. The caustic soda requirement varies significantly depending on the bauxite quality and technology employed. We rely on domestic and foreign suppliers, including an affiliate company, for our caustic soda requirements. India has imposed anti-dumping duty on caustic soda imports from certain countries. In the event of any increase in the price of caustic soda, including due to the imposition of anti-dumping duty, our operating expenses will increase, which may have an adverse effect on our business and results of operations.

Activities in our business can be dangerous and can cause injury to people or property in certain circumstances.

Individuals may be required to work under potentially dangerous circumstances in the operation of our business, which are subject to hazards and risks normally associated with the exploration, development and production of natural resources including industrial accidents, such as explosions, fires, transportation interruptions and inclement weather. The occurrence of any of these events, or similar events, could delay production, increase production costs and result in death or injury to persons, damage to property and liability for us, some or all of which may not be covered by insurance, as well as substantially harm the our reputation. We have had incidents resulting in serious injury or death in the past and our operations continue to be subject to hazards and risks relating to negative environmental consequences, such as those resulting from tailings and sludge disposal, effluent management and disposal of mineralized waste water and rehabilitation of land disturbed during mining processes. In addition, environmental awareness throughout the world, including in India and other emerging markets, has grown significantly in recent years, and opposition to mining operations have also increased due to the perceived negative impact they have on the environment. Public protest over our mining operations could cause operations to slow down, damage our reputation and goodwill with the governments or public in the countries and communities in which we operate, or cause damage to our facilities. Public protest could also affect our ability to obtain necessary licenses to expand existing facilities or establish new operations. Consequently, negative environmental consequences as well as public opposition to our current or planned mining operations could have a material adverse effect on our results of operations and financial condition.

Our mining operations are subject to operational hazards, the occurrence of which may adversely affect our business and results of operations.

Mining operations, both underground and open pit, are subject to hazards and risks normally associated with the exploration, development and production of natural resources, any of which could disrupt our operations or cause damage to persons or property when safety and precautionary measures are breached by individuals. Although rare, the occurrence of industrial accidents, such as explosions, fires, transportation interruptions and inclement weather as well as any other events with negative environmental consequences, could adversely affect our operations by disrupting our ability to extract minerals from the mines we operate or exposing us to significant liability.

We are exposed to risks associated with our underground mining operations. Underground mines are particularly susceptible to collapse, flood and fire, as well as the release of dust particles and toxic contaminants. While we believe we have taken appropriate action in order to maintain the safety and stability of our underground mines, we cannot assure you that we will not have to take additional action in the future or that any action taken will be successful. If any of our underground mines experience an unexpected collapse, flood, fire or release of dust or toxic contaminants, or if we are required to take additional measures to prevent such accidents from occurring, this may negatively affect our results of operations and financial condition, as well as have the effect of diminishing our stated reserves.

Additionally, we are exposed to risks associated with our open-pit mining operations. Most of our bauxite mines in India are open-pit mines. The open-pit mines get deeper as we mine them, presenting certain geotechnical challenges including the possibility of slope failure. If we are required to decrease pit slope angles or provide additional road access to prevent such a failure, our stated reserves could be negatively affected. Further, hydrological conditions relating to pit slopes, removal of material displaced by slope failures and increased stripping requirements could also negatively affect our stated reserves. We have taken action in order to maintain slope stability, but we cannot assure you that we will not have to take additional action in the future or that any action taken will be successful. If any of our mines experience unexpected slope failure, or we are required to take additional measures to prevent slope failure, such measures may negatively affect our results of operations and financial condition, as well as have the effect of diminishing our stated reserves.

Moreover, any equipment involved in an accident or malfunction may be damaged or destroyed thereby adversely affecting our business and results of operations.

Our mining leases contain onerous terms, which may expose us to unanticipated costs and liabilities.

The mining leases executed with various state governments contain certain onerous terms and restrictions. Some of these restrictions include prohibition on constructing a building on holy ground, burial sites and public grounds, restrictions on conducting mining activities within 50 meters of a railway line without the permission of the concerned railway official, restrictions on entering reserved forest areas and cutting and using any timber or trees without the permission of the concerned government official, undertaking resettlement and rehabilitation programs for displaced persons, paying compensation to displaced persons in terms of the Mines Act, 1952 and certain shareholding restrictions which require prior approvals from the government. In addition, in the event that the state governments determine that the weighing machines used by us are faulty, the error shall be deemed to have existed for a period of three months prior to determining the error, and accordingly we will be required to pay the difference in rent and royalty. Further, defaults in payment of rent or royalty within prescribed timelines may result in the imposition of monetary penalties on us. We cannot assure you that we will be able to satisfy all of the terms and conditions of the mining leases and that our lessors will not terminate the mining leases for non-compliance. In the event that such termination does occur, or we are unable to renew the mining leases, our results of operations will be adversely affected.

In addition, regulations governing mining activities have been a subject matter of increased scrutiny during recent times and terms and conditions of our mining leases may become more stringent, and we cannot predict with certainty the scope and extent of such changes, including their effect on our operations and the requirement to incur significant additional amounts.

Any disruptions to our water supply could adversely affect our operations.

Water is critical to power plants that supply electricity for use in aluminum production and in copper production, as well as to our mining operations. Any non-receipt of approvals for water usage or any disruptions in our water supply could seriously hamper our aluminum and copper production and may adversely affect our business, operating revenues and results of operations. We have also been alleged to have disrupted water supply due to improper ash dyke management.

Changes in technology may affect our business by making our equipment or plants less competitive or obsolete.

Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails technical and business risks. For example, with increasing global concerns on carbon emissions and potential mitigation through clean development mechanisms, carbon credits and certified emissions, we may not stand to gain substantially from the usage of new emerging technologies that our competition could choose to use. In addition, while we have invested in, and are involved with, a number of technology and process initiatives, several technical aspects of these initiatives are still unproven and the eventual commercial outcomes cannot be assessed with any certainty. Even if we are successful with these initiatives, we may not be able to deploy them in a timely fashion. Accordingly, the costs and benefits from our investments in new technologies and the consequent effects on our financial results may vary from present expectations. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to customer requirements or emerging industry standards. Changes in technology and high fuel costs may make newer plants or equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our facilities.

If we are unable, for technical, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and results of operations could be adversely affected.

Product liability claims against us could result in significant costs or negatively impact our reputation and could adversely affect our business and results of operations.

We may be exposed to warranty and product liability claims. We cannot assure you that we will not experience material product liability losses arising from individual suits or class actions alleging product liability defects or related claims in the future and that these will not have a negative impact on us. We cannot assure you that our coverage will be adequate for any liabilities ultimately incurred. A successful claim that exceeds our available insurance coverage could have an adverse effect on our business and results of operations. Any such claims and allegations may also distract our management from their day to day responsibilities and may therefore have a material adverse effect on our business, financial conditions and results of operations.

Novelis' goodwill and other intangible assets could be impaired, which may require Novelis to take non-cash charges against earnings.

Novelis assesses, at least annually and potentially more frequently, whether the value of its goodwill and other intangible assets has been impaired. Any impairment of goodwill or other intangible assets as a result of such analysis would result in a non-cash charge against earnings, which could adversely affect Novelis' reported results of operations.

Novelis last recorded a US$ 1.3 billion impairment charge related to its goodwill, along with a US$ 160 million impairment charge related to its investment in Aluminium Norf GmbH joint venture in Fiscal 2009, reflecting the global economic environment and the related market increase in the cost of capital at the time. We cannot assure you that Novelis' goodwill and other intangible assets will not be further impaired in the future. For the Fiscal 2016, Novelis did not record any goodwill impairment charge (as per US GAAP). Novelis' goodwill balance as of December 31, 2016 was US$607 million, allocated to its reporting units as follows: North America —US$285 million; Europe — US$181 million; South America — US$141 million. The fair value of the reporting units exceeded their respective carrying amounts in Novelis' most recent impairment test (performed as of March 31, 2016) by 124% for North America, by 106% for Europe and by 158% for South America.

A significant and sustained decline in Novelis' future cash flows, a significant adverse change in the economic environment or slower growth rates could result in the need to perform additional impairment analysis in future periods. If Novelis were to conclude that a future write-down of goodwill or other intangible assets is necessary, then Novelis would record such additional charges, which could adversely affect our results of operations.

Our insurance does not cover all of the risks we face, and the occurrence of events that are not covered by our insurance could cause us losses, which if significant, could adversely affect our results of operations and financial condition.

We maintain insurance which we believe is standard in our industry and in amounts which we believe to be commercially appropriate. Nevertheless, we may become subject to liabilities, including liabilities for pollution or other hazards, against which we do not have adequate insurance, or at all, or cannot insure. For example, we generally maintain insurance against product liability risks, but there can be no assurance that this coverage will be adequate for any liabilities ultimately incurred. A successful claim that exceeds our available insurance coverage could have an adverse effect on our results of operations and financial condition. Our insurance policies contain exclusions and limitations on coverage. In addition, our insurance policies may not continue to be available at economically acceptable terms, or at all. Further, for certain potential losses and liabilities, we may not have obtained insurance coverage at all. For further details, see "Our Business – Insurance". As a result, our insurance coverage may not cover the extent of any claims against us, including for environmental or industrial accidents or pollution.

Our results of operations, cash flows and liquidity could be adversely affected if we were unable to purchase derivative instruments or if counterparties to our derivative instruments fail to honor their agreements.

We use various derivative instruments to manage the risks arising from fluctuations in aluminum, copper, gold and silver prices, exchange rates, energy prices and interest rates. If for any reason we were unable to purchase derivative instruments to manage these risks, our results of operations, cash flows and liquidity could be adversely affected. In addition, we may be exposed to losses in the future if the counterparties to our derivative instruments fail to honor their agreements. In particular, deterioration in the financial condition of our counterparties and any resulting failure to pay amounts owed to us or to perform obligations or services owed to us could have an adverse effect on our business and financial condition. Further, if major financial institutions consolidate and are forced to operate under more restrictive capital constraints and regulations, there could be less liquidity in the derivative markets, which could have an adverse effect on our ability to hedge and transact with creditworthy counterparties.

Derivatives legislation could have an adverse effect on our ability to hedge risks associated with our business and on the cost of our hedging activities.

We use over-the-counter ("OTC") derivative products to hedge our metal commodity risks and our interest rate and currency risks. The Commodity Futures Trading Commission and the United States Securities and Exchange Commission recently have finalized certain rules and regulations to increase regulatory oversight of the OTC markets and the entities that participate in those markets. Other regulations implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") remain to be finalized or implemented and it is not possible to predict when this will be accomplished or what impact these regulations will have on our ability to hedge our business risks, or the costs of doing so.

In addition, the European Market Infrastructure Regulation ("EMIR") and the Financial Market Infrastructure Act ("FMIA"), which became effective in 2012 and 2016, respectively, include regulations related to the trading, reporting and clearing of derivatives. We have entities and counterparties located in jurisdictions subject to EMIR and FMIA. Our efforts to comply with EMIR and FMIA, and EMIR and FMIA's effects on the derivatives markets and their participants, create similar risks and could have similar adverse impacts as those under the Dodd-Frank Act.

In addition, the policies of the RBI and other applicable laws are subject to change from time-to-time and this may impact our ability to adequately hedge our foreign currency exposures.

If future regulations subject us to additional capital or margin requirements or other restrictions on our trading and commodity positions, they could have an adverse effect on our ability to hedge risks associated with our business and on the cost of our hedging activities. It is also possible that additional similar regulations may be imposed in other jurisdictions where we conduct business and any such regulations could pose risks and have adverse effects on our operations and profitability.

The Government of India has recently implemented certain currency demonetization measures, which may affect the Indian economy and our business, results of operations, financial condition and prospects.

On November 8, 2016, the Reserve Bank of India, or RBI, and the Ministry of Finance of the Government of India withdrew the legal tender status of ₹ 500 and ₹ 1,000 currency notes pursuant to a notification dated November 8, 2016. The short-term impact of these developments has been, among other things, a decrease in liquidity of cash in India. There is uncertainty on the medium and long-term impact of this action. The RBI has also established, and continues to refine, a process for holders of affected banknotes to tender such notes for equivalent value credited into the holders' bank accounts.

The medium and long-term effects of demonetization on the Indian economy and our business are uncertain and we cannot accurately predict its effect on our business, results of operations, financial condition and prospects.

We may not be successful in implementing our strategies, which may adversely affect our business.

The success of our business will depend greatly on our ability to effectively implement our business and strategies. For further details, see "Our Business – Our Strategy". Even if we have successfully executed our business strategies in the past, we cannot assure you that we will be able to execute our strategies on time and within the estimated budget, or that we will meet our expectations or expectations of targeted customers. We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to implement our strategies could have an adverse effect on our business.

Novelis may undertake additional restructuring efforts in the future which could result in significant severance-related costs, environmental remediation expenses and impairment and other restructuring charges.

Novelis recorded “Restructuring and impairment, net” of US$37 million and US$48 million in the Fiscals 2015 and 2016, respectively. Novelis may take additional restructuring actions in the future. Any additional restructuring efforts could result in significant severance-related costs, environmental remediation expenses, impairment charges, restructuring charges and related costs and expenses, which could adversely affect Novelis’ profitability and cash flows.

We depend on the experience and skills of our management and certain key employees. Any loss of such persons could adversely affect our business.

We are dependent on our management team and certain key employees and our ability to meet future business challenges depends on their continuation and our ability to attract, retain and recruit talented and skilled personnel. We face strong competition in recruiting and retaining skilled and professionally qualified staff. The current strong commodity cycle and the large number of projects being developed in the aluminum and copper industry have increased the demand for skilled personnel. The loss of key personnel or any inability to manage the attrition levels in different employee categories may adversely affect our business, our ability to grow and our control over various business functions.

Our costs of compliance with environmental laws are expected to be significant, and any change in such laws, increase in such costs or our failure to comply with environmental laws could adversely affect our business, operations and financial condition.

Our operations are subject to environmental laws and regulations within the jurisdictions in which we operate, which govern the discharge, emission, storage, treatment, handling and disposal of a variety of substances that may be used in or result from our operations. Environmental law and regulation of industrial activities across the world may become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental, or pollution regulations, such as the imposition of carbon taxes and other such levies, we may be required to comply with the same, which would entail us to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emissions management. We may also be required to bear additional expenditure for the establishment of additional infrastructure, such as laboratory facilities for monitoring pollution impact and effluent discharge and effluent treatment or recycling plants. Such additional costs may adversely affect our results of operations. In addition, failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities. The commencement of environmental actions against us or the imposition of any penalties or fines on us as a result thereof may have an adverse effect on our business, prospects and results of operations. Some environmental laws, such as Superfund and comparable laws in U.S. states and other jurisdictions world-wide, impose joint and several liability for the cost of environmental remediation, natural resource damages, third party claims, and other expenses, without regard to the fault or the legality of the original conduct, on those persons who contributed to the release of a hazardous substance into the environment.

We use a variety of hazardous materials and chemicals in our manufacturing processes, as well as in our smelting operations and in connection with maintenance work on our manufacturing facilities. Because of the nature of these substances or related residues, we may be liable for certain costs, including, amongst others, costs for health-related claims or removal or re-treatment of such substances. Certain of our current and former facilities incorporate asbestos-containing materials, a hazardous substance that has been the subject of health-related claims for occupation exposure. In addition, although we have developed environmental, health and safety programs for our employees, including measures to reduce employee exposure to hazardous substances, and conduct regular assessments at our facilities, we are currently, and in the future may be, involved in claims and litigation filed on behalf of persons alleging injury predominantly as a result of occupational exposure to substances or other hazards at our current or former facilities. It is not possible to predict the ultimate outcome of these claims and lawsuits due to the unpredictable nature of personal injury litigation. If these claims and lawsuits, individually or in the aggregate, were finally resolved against us, our results of operations and financial condition could be adversely affected.

New legislation or regulations may be adopted in the future that may adversely affect our operations, our cost structure or our customers' ability to use our products. Currently, some of our power plants are coal based, which generate carbon dioxide. There are currently no regulations in India that govern the level of carbon dioxide emission by power plants, but that may change. We also expect to generate a considerable amount of ash from our captive power plants in India. There are limited options for utilizing ash. Furthermore, our production of red mud as a by-product of our alumina production process may require additional cost in the future for compliance with applicable regulations. New legislation or regulations, or different or more stringent interpretation or enforcement of existing laws and regulations, may also require us or our customers to change operations significantly or incur increased costs which could have an adverse effect on our results of operations and financial condition.

We could also be subject to substantial civil and criminal liability and other regulatory consequences in the event that an environmental hazard was to be found at the site of any of our plants, or if the operation of any of our plants results in material contamination of the environment. Currently we are involved in a number of compliance efforts, remediation activities and legal proceedings concerning environmental matters, including certain activities and proceedings arising under Superfund and comparable laws in U.S. states and other jurisdictions world-wide for a number of Novelis' operations. In addition, Novelis is, from time to time, subject to environmental reviews and investigations by relevant governmental authorities and is involved in claims and litigation filed on behalf of persons alleging exposure to substances and other hazards at its current and former facilities. We may also be the subject of public interest litigation in India relating to allegations of environmental pollution by our plants, as well as cases having potential criminal and civil liability filed by state pollution control authorities. If such cases are determined against us, there could be an adverse effect on our business, operations and financial condition.

Climate change, climate change regulations and greenhouse effects may adversely impact our operations and markets.

Power and fuel are significant inputs in our operations. There is growing recognition that energy consumption is a contributor to global warming, greenhouse effects and potentially climate change. A number of Governments or governmental bodies have introduced or are contemplating regulatory change in response to the potential impact of climate change. We will likely see changes in the margins of greenhouse gas-intensive assets and energy-intensive assets as a result of regulatory impacts in the countries in which we operate. These regulatory mechanisms may be either voluntary or legislated and may impact our operations directly or indirectly through customers. Inconsistency of regulations may also change the attractiveness of the locations of some of our assets. Assessments of the potential impact of future climate change regulation are uncertain, given the wide scope of potential regulatory change in countries in which we operate.

The potential physical impact of climate change on our operations is highly uncertain, and will be particular to the geographic circumstances. These may include changes in rainfall patterns, water shortages, changing sea levels, changing storm patterns and intensities, and changing temperature levels. These effects may adversely impact the cost, production and financial performance of our operations.

Any increase in competition in our target markets could result in lower prices or sales volumes of our products, which may cause our profitability to suffer.

There is substantial competition in the markets for our products, including for alumina, aluminum and copper, both in India and internationally, and we expect this to continue. Our competitors in the alumina, aluminum and copper markets outside India include major international producers. Certain of these global players have significantly greater financial resources and manufacturing and technological capabilities, more established and larger marketing and sales organizations, and larger technical staff than we do.

Novelis competes primarily on the basis of its value proposition, including price, product quality, ability to meet customers' specifications, range of products offered, lead times, technical support and customer service. In particular, Novelis faces increased competition from producers in China that have significantly lower production costs and pricing. This lower pricing could erode the market prices of such producers' products in the Chinese market and elsewhere. In addition, Novelis' competitive position within the global aluminum rolled products industry may be affected by, amongst other things, the recent trend toward consolidation amongst Novelis' competitors, exchange rate fluctuations that may make Novelis' products less competitive in relation to the products of companies based in other countries and economies of scale in purchasing, production and sales, which accrue to the benefit of some of Novelis' competitors. For example, the price gap for aluminum between the Shanghai Futures Exchange ("SHFE") and the LME may make Novelis' products manufactured in Asia based off LME prices less competitive compared to products manufactured by competitors in China based off SHFE prices. See "Our Business – Competition".

In the domestic aluminum market, we compete primarily with National Aluminum Company Limited and Vedanta Limited. These companies are also expanding their production capacities. If domestic demand is not sufficient to absorb these increases in capacity, our competitors could reduce their prices, which may require us to do the same or cause us to lose market share to our competitors or sell our products in overseas markets. Should the price of our products decline, our profit margins would decline, and without a sufficient increase in our sales volume, our revenues would also decline. Additionally, in both the businesses we compete with imports and use of scrap for a higher share of the profitable domestic market.

Our customers may reduce their demand for beverage can sheet due to changes in consumer demand and preferences.

Our customers may reduce their demand for beverage can sheet due to changes in consumer demand and preferences. Consumers, public health officials and government officials are highly concerned about the public health consequences associated with obesity, and health advocates and dietary guidelines have been encouraging consumers to reduce consumption of sugar and artificially sweetened beverages. In addition, aspartame and other artificial sweeteners have been linked to health concerns. Increasing public concern and additional government regulations relating to sugar and artificially sweetened beverages may reduce demand for our customers' non-alcoholic beverages and, accordingly, demand for beverage can sheet. Changes in consumer demand and preferences due to health considerations and obesity concerns, shifting consumer tastes and changes in consumer lifestyles, could adversely affect our business, financial condition and results of operations. Additionally, in the future, consumer demand for beer could decrease or consumer preferences with respect to beer may shift to alternative alcoholic beverages which are not packaged in aluminum cans.

In addition, we are subject to competition from non-aluminum sources of packaging. Although we believe aluminum maintains the largest overall share among packaging materials of the U.S. beverage container industry, it faces increasing competition from other packaging materials such as plastics and glass, and consumer demand and preferences impact our customers' selection of packaging materials. We face continued competition from plastic packaging producers (primarily high-density polyethylene and polyethylene terephthalate ("PET") in the soft drink and juice segment of the beverage packaging industry. Some manufacturers and consumers prefer PET to aluminum because of its clarity, availability in multiple sizes and ability to be resealed. If plastic, glass or other new products increase their respective market shares, demand for beverage can sheet may decrease significantly, and could have an adverse effect on our financial results.

The seasonal nature of some of our customers' industries could have an adverse effect on our financial results.

The construction industry and the consumption of beer and soda are sensitive to weather conditions and other seasonal factors and as a result, demand for aluminum products in the construction industry and for can feedstock can fluctuate by season. Our financial results could fluctuate as a result of climatic changes, and a prolonged series of cold summers in the different regions in which we conduct our business could have an adverse effect on our financial results.

We have been downgraded by independent credit rating agencies in the past, and further downgrading in the future could increase our borrowing costs and our business could be adversely affected.

Our long term debt rating was previously downgraded by CARE from AA+ to AA and by CRISIL from AA/Negative to AA-/Stable. As of December 31, 2016, Standard & Poor's long-term corporate credit rating of Novelis stood at B+ and Moody's Corporate Family Rating of Novelis stood at B1. Novelis has been downgraded by Standard & Poor's and Moody's in the past while Fitch withdrew all ratings of Novelis on January 26, 2009.

We cannot guarantee rating agencies will not downgrade us or withdraw from rating us in the future. Any future adverse revisions to our credit ratings by rating agencies could increase our borrowing costs. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, which would adversely affect our business and financial performance.

Additionally, from time to time, we enter into various forms of hedging activities against currency or metal price fluctuations and trade metal contracts on the LME. Financial strength and credit ratings are important to the pricing of these hedging and trading activities. As a result, any downgrade of our credit ratings may make it more costly for us to engage in these activities, and changes to our level of indebtedness may make it more costly for us to engage in these activities in the future.

If our Company is not able to adjust certain costs against a business reconstruction reserve created pursuant to a financial restructuring, our results of operations could be adversely affected.

Our Company had undertaken a scheme of financial restructuring during the Fiscal 2010 to deal with various costs associated with our organic and inorganic growth plan. A business reconstruction reserve created under this scheme and certain costs have been adjusted against this reserve. We may continue to adjust such costs against this business reconstruction reserve. For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements".

Novelis could be required to make unexpected contributions to its defined benefit pension plans as a result of adverse changes in interest rates and the capital markets.

Most of Novelis' pension obligations relate to funded defined benefit pension plans for its employees in the U.S., the U.K., Switzerland and Canada, unfunded pension benefits in Germany, and lump sum indemnities payable to Novelis' employees in France, Italy and Korea upon retirement or termination. Novelis' pension plan assets consist primarily of listed stocks and bonds. Novelis' estimates of liabilities and expenses for pensions and other post-retirement benefits incorporate a number of assumptions, including expected long-term rates of return on plan assets and interest rates used to discount future benefits. Novelis' results of operations, liquidity or shareholders' equity in a particular period could be adversely affected by capital market returns that are less than their assumed long-term rate of return or a decline of the rate used to discount future benefits.

These factors or others may require us to make unexpected cash contributions to the pension plans in the future, preventing the use of such cash for other purposes.

Most of our facilities are staffed by a unionized workforce and any labor disputes and other employee relations issues could adversely affect our financial results.

A large majority of our employees are represented by labor unions under a large number of collective bargaining agreements with varying durations and expiration dates. We may not be able to satisfactorily renegotiate our collective bargaining agreements when they expire. Existing collective bargaining agreements may not prevent a strike or work stoppage at our facilities in the future, and any such work stoppage could have an adverse effect on our financial results.

Security breaches and other disruptions to our information technology networks and systems could interfere with our operations, and could compromise the confidentiality of our proprietary information.

We rely upon information technology networks and systems, some of which are managed by third parties, to process, transmit and store electronic information, and to manage or support a variety of business and manufacturing processes and activities. Additionally, we collect and store sensitive data, including intellectual property, proprietary business information, as well as personally identifiable information of our employees, in data centers and on information technology networks. The secure operation of these information technology networks, and the processing and maintenance of this information is important to our business operations and strategy. Despite security measures and business continuity plans, our information technology networks and systems may be vulnerable to damage, disruptions or shutdowns due to attacks by hackers or breaches due to errors or malfeasance by employees, contractors and others who have access to our networks and systems, or other disruptions during the process of upgrading or replacing computer software or hardware, power outages, computer viruses, telecommunication or utility failures or natural disasters or other catastrophic events. The occurrence of any of these events could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disrupt operations and reduce the competitive advantage we hope to derive from our investment in new or proprietary business initiatives.

Past and future acquisitions or divestitures may adversely affect our financial condition.

We have grown partly through the acquisition of other businesses, including Novelis. As part of our strategy for growth, we may continue to pursue acquisitions, divestitures or strategic alliances, which may not be completed or, if completed, may not be ultimately beneficial to us. There are numerous risks commonly encountered in business combinations, including the risk that we may not be able to complete a transaction that has been announced, effectively integrate businesses acquired or generate the cost savings and synergies anticipated. Failure to do so could have an adverse effect on our financial results.

We face risks relating to certain joint ventures and subsidiaries that we do not entirely control. Our ability to generate cash from these entities may be more restricted than if such entities were wholly-owned subsidiaries.

Some of our activities are, and will in the future be, conducted through entities that we do not entirely control or wholly owned. These entities include Novelis Norf, Germany and Logan, Kentucky joint ventures, as well as our majority-owned Korean subsidiary. Under the governing documents or agreements of, securities laws applicable to or stock exchange listing rules relative to certain of these joint ventures and subsidiaries, our ability to fully control certain operational matters may be limited.

Many significant decisions on the development model, revenues and costs for these entities are taken in close consultation with our partners and could be subject to extensive negotiations. There can be no guarantee that any disagreement with our equity interest holders will be resolved in our favor.

If other holders of equity interests in our joint ventures fail to perform their obligations satisfactorily, the relevant joint venture may be unable to perform adequately or deliver its contracted services. In this case, we may be required to make additional investments and/or provide additional services to ensure the adequate performance and delivery of the contracted services. We may also be required to purchase the other equity interest holders' shares, but in such cases, we may not be able to enforce the equity interest holder's obligations to transfer their equity holding to us for their performance failure. These additional obligations could result in reduced profits or, in some cases, significant losses for us. The inability of an equity interest holder to continue with the relationship due to financial or legal difficulties could mean that we may be required to bear increased and possibly sole responsibility for the entity and bear a correspondingly greater share of the financial risk.

We are involved in various litigation, investigations and other proceedings which may adversely affect our business and financial condition.

We are involved in certain legal proceedings, claims and investigations. These include criminal cases, civil cases, labor and tax proceedings, regulatory proceedings and investigations by the CBI.

These legal proceedings are pending at different levels of adjudication before various courts, authorities and tribunals. In case, we are subject to rulings or findings against us by courts, authorities or tribunals or authorities entrusted with investigation, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities and could also expose us to reputational risks. We can give no assurance that these legal proceedings will be decided in our favor. Further, we may also not be able to quantify all the claims in which we or any of our subsidiaries are involved. For further details, see "Legal Proceedings". Any adverse decision may effect our business, prospects, financial condition and results of operations in an adverse manner.

Income tax payments may ultimately differ from amounts currently recorded by us. Future tax law changes may materially increase our prospective income tax expense, which may adversely affect our results of operations.

We are subject to income taxation in many jurisdictions. Judgment is required in determining our worldwide income tax provision and accordingly there are many transactions and computations for which our final income tax determination is uncertain. We are routinely audited or assessed by income tax authorities in many tax jurisdictions. Although we believe the recorded tax estimates are reasonable, the ultimate outcome from any audit (or related litigation) could be materially different from amounts reflected in our income tax provisions and accruals. Future settlements of income tax audits may have a material effect on earnings between the period of initial recognition of tax estimates in the financial statements and the point of ultimate tax audit settlement. Additionally, it is possible that future income tax legislation in any jurisdiction to which we are subject may be enacted that could have a material impact on our worldwide income tax provision beginning with the period that such legislation becomes effective, which may adversely affect our results of operations.

Changes in tariffs, royalties, customs duties and Government assistance may affect our profitability and results of operations.

Copper and aluminum are sold in the Indian market at a premium to the international prices of these metals due to tariffs payable on the import of such metals. The Government of India may reduce customs duties further in the future, although the timing and extent of such reductions cannot be predicted. As we sell the majority of the commodities we produce within India, any further reduction in Indian tariffs on imports will decrease the premiums we receive in respect of those sales. Our profitability is dependent to a small extent on the continuation of import duties and any reduction would have an adverse effect on our results of operations and financial condition.

We pay royalties to the state governments of Jharkhand, Madhya Pradesh (indirectly), Odisha, Maharashtra, Karnataka (indirectly) and Chhattisgarh based on our extraction of bauxite and coal. The state governments charge us royalties on the amount of bauxite we extract which is determined based on a variable fee formula. For coal, the state governments charge a fixed amount plus a variable fee formula. The most significant royalty we pay is the royalty to the state government of Jharkhand, where most of our bauxite mines are located, at a rate of 0.5% of the LME aluminum metal price payable on the aluminum metal contained in the ore. Any future increase in the royalty we pay will increase our cost of bauxite, which would adversely affect our profitability. Any upward revision to the royalty rates being charged currently or payment of additional royalty for mining of associated minerals may adversely affect our profitability. Additionally, we have applied for extension of the mining lease period with the relevant authorities for 12 of our leased bauxite mines, which may require us to execute renewed mining leases and incur additional expenses for applicable stamp duty implication and higher royalty charges. We cannot assure you that such additional expenses may not have an adverse effect to our results of operation.

Indian exports of copper and aluminum receive exports incentives from the Government of India. These export assistance premiums may be further reduced in the future. Any reduction in these premiums will decrease the revenues we receive from sales outside India and may have an adverse effect on our results of operations. For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting Results of Operations — Duties and Taxes".

Furthermore, in February, 2017 the Government of India announced a 15% export duty on aluminum ores (including laternite) in its annual budget. We expect the move to discourage exports and guarantee supply for the domestic market.

Further aluminum industry consolidation could impact our business, financial condition and results of operations.

The aluminum industry has experienced consolidation over the past several years, and there may be further industry consolidation in the future. Although current industry consolidation has not negatively impacted our business, further consolidation in the aluminum industry could possibly have negative impacts that we cannot reliably predict.

Our operations are subject to extensive governmental regulation which have in the past and could in the future cause us to incur significant costs or liabilities or interrupt or close our operations.

Our operations are subject to extensive regulations including regulations relating to worker's health and safety. National, state and local authorities in the countries in which we have operations, including India, the United States, Europe, Brazil and Canada, amongst others, regulate the industries in which we operate with respect to matters such as labor conditions, royalties, permit and licensing requirements, planning and development, tax registrations, mining leases, supply of water, reclamation and restoration of properties after operations are complete, surface subsidence from underground mining and the effects that mining, smelting and refining operations have on groundwater quality and availability.

In addition, numerous governmental permits, approvals, licenses and leases are required for our operations. We are required to prepare and present to national, state or local authorities' data pertaining to the effect or impact that any proposed exploration, mining or production activities may have upon the environment. A significant number of approvals are required from Government authorities in India for metals and mining and power generation projects, and any such approvals may be subject to challenge. In addition, we require certain registration and permits for our expansions and greenfield projects, which we have applied for and there is no assurance that we will receive these approvals. Further, we are also required to make certain filings in relation to these approvals which may not have been made in time or at all. We may also be required to comply with the recently enacted Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, in connection with our mining leases and expansion projects in the future. Separately, recent amendments to the Mines and Minerals (Development and Regulation) Act, 1957 (the "MMDR Act") and related judicial pronouncements have had an impact on the operation of our mining leases. With effect from January 12, 2015, all existing mining leases whereby minerals are used for captive purposes were extended up to March 31, 2030 (or later) subject to compliance with certain conditions. Accordingly, we cannot assure you that such amendments and related judicial pronouncements would not have an adverse effect on our results of operations.

The costs, liabilities and requirements associated with complying with these laws and regulations or to comply with changes and requirements or the manner in which they are applied may be substantial and time-consuming and may delay the commencement or continuation of exploration, mining or production activities. Failure to comply with these laws and regulations or to obtain or renew the necessary permits, approvals and leases may result in the loss of the right to mine or operate a smelter, refinery or other plant, the assessment of administrative, civil or criminal penalties, the imposition of cleanup or site restoration costs and liens, the imposition of costly compliance procedures, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits and other enforcement measures that could have the effect of closing or limiting production from our operations. There can be no assurance that compliance with these laws and regulations or changes thereto or the failure to obtain necessary permits, approvals or leases or successful challenges to the grant of such permits, approvals and leases will not adversely affect our results of operations or financial condition.

In addition, a violation of health and safety laws relating to a mine, smelter, refinery or other plant or a failure to comply with the instructions of the relevant health and safety authorities could lead to, amongst other things, a temporary shutdown of all or a portion of the mine, smelter, refinery or other plant, a loss of the right to mine or operate the smelter, refinery or other plant or the imposition of costly compliance procedures. If health and safety authorities require us to shut down all or a portion of a mine, smelter, refinery or other plant or to implement costly compliance measures, whether pursuant to existing or new health and safety laws and regulations, such measures could have an adverse effect on our results of operations or financial condition.

We incur and expect to continue to incur significant capital and operating costs to comply with environmental regulations. We could also incur significant costs, including cleanup costs, fines and civil and criminal sanctions, if we fail to comply with environmental laws and regulations or the terms of consents and approvals.

Our business, financial condition, results of operations and prospects may be adversely affected by any of a number of significant legal and regulatory matters to which we are subject.

The price for our phosphatic fertilizers is primarily fixed by the Government of India and any decrease in the pre-determined price will adversely affect our results of operations.

The price of phosphatic fertilizers is primarily fixed by the Government of India. We also take the benefit of a subsidy available to manufacturers of phosphatic fertilizers, which aggregated to ₹ 4,039.1 million and ₹ 2,256.8 million for the Fiscal 2016 and the nine month period ended December 31, 2016. In the event the prices of these products decline or such subsidy will no longer be available, it could result in an adverse effect on our revenues and results of operations.

Our operations have been and will continue to be exposed to various business and other risks, changes in conditions and events beyond our control in countries where we have operations or sell products.

We are, and will continue to be, subject to financial, political, economic and business risks in connection with our global operations. We have made investments and carry on production activities in various emerging markets, including China, Brazil and Korea, and we market our products in these countries, as well as China and certain other countries in Asia. While we anticipate higher growth or attractive production opportunities from these emerging markets, they also present a higher degree of risk than more developed markets. In addition to the business risks inherent in developing and servicing new markets, economic conditions may be more volatile, legal and regulatory systems less developed and predictable, and the possibility of various types of adverse governmental action more pronounced. In addition, inflation, fluctuations in currency and interest rates, competitive factors, civil unrest and labor problems could affect our revenues, expenses and results of operations. Our operations could also be adversely affected by acts of war, riots, terrorism or the threat of any of these events as well as Government actions such as controls on imports, exports and prices, tariffs, new forms of taxation, or changes in fiscal regimes and increased Government regulation in the countries in which we operate or services customers. Unexpected or uncontrollable events or circumstances in any of these markets could have an adverse effect on our financial results.

Our business is vulnerable to downturns in the general economy and industries in which we operate or which we serve. A reduction in demand could adversely affect our business, financial condition and results of operations.

Our financial condition and results of operations depend significantly on worldwide economic conditions, as demand for our products depends on the general economy and level of activity and growth in the industries where we operate or serve. Unfavorable financial or economic conditions, such as the sovereign-debt crisis in the European Union, the United Kingdom's exit from the European Union, increasing credit default risks in China and the continued weakness and uncertainty regarding the durability of the emerging economic recovery, have adversely affected the global economy. In addition, concerns over inflation, energy costs, geopolitical issues, the availability and cost of credit, unemployment, consumer confidence, declining asset values, capital market volatility and liquidity issues have created difficult operating conditions for us in the past and may continue to do so in the future. Uncertainty about future economic conditions makes it challenging for us to forecast our results of operations, make business decisions and identify risks that may affect our business. If we are not able to timely and appropriately adapt to changes resulting from the difficult macroeconomic environment, our business, results of operations and financial condition may be adversely affected.

The financial turmoil affecting the banking system and financial markets in the last few years continues to have an impact on financial markets, including uncertainties and volatility in fixed income, credit, currency and equity markets. There could be a number of follow-on effects from such volatility and uncertainty on our business, including the decrease in demand for aluminum and copper, the insolvency of key suppliers or their inability to obtain credit to finance development and/or manufacture products resulting in product delays and the inability of customers to purchase our products or pay for products they have already received. If conditions become more severe or continue longer than we anticipate, or if we are unable to adequately respond to unforeseeable changes in demand resulting from economic conditions, our financial condition and results of operations may be adversely affected.

Our business faces the risk of natural and man-made disasters, including cyclones, floods, earthquakes, tornadoes, fires, explosions and pandemic disease, in Asia or elsewhere, as well as operational risks that may cause significant interruption of operations.

Our mining and production operations are subject to a number of risks and hazards, including unusual or unexpected geological conditions, ground conditions, natural calamities and phenomena such as inclement weather conditions, floods, tsunamis and earthquakes and the handling of hazardous substances and emissions of contaminants. Our refineries, smelters and rolling mill operations are particularly susceptible to risk of fire. Such risks and hazards could result in personal injury or death, damage to, or destruction of, our mines and mining operations, processing or production facilities or the environmental damage, potentially leading to monetary losses and legal liability.

Our Hirakud and Aditya facilities are located close to the eastern coast of India, which has experienced severe weather conditions, such as heavy rains and flooding and climactic changes or natural disasters such as cyclones in the recent past. Such severe weather conditions or climactic changes, have resulted in flooding, snapping of power transmission lines, electricity grid failure and disruption to our ability to operate our facilities, which has forced us to temporarily suspend operations and incur additional costs.

The outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could have a negative impact on the economies, financial markets and business activities in the countries in which our end markets are located, which could have an adverse effect on our business. The outbreaks of Severe Acute Respiratory Syndrome in Asia, avian influenza, Zika, or bird flu, across Asia and Europe and H1N1 around the world have adversely affected a number of countries. We can give no assurance that a future outbreak of an infectious disease or any other serious public health concerns will not have an adverse effect on our business.

In addition, breakdown of equipment or other events, including catastrophic events such as war or natural disasters, leading to production interruptions in our plants could have an adverse effect on its financial results. Further, as many of our customers are, to varying degrees, dependent on planned deliveries from our plants, those customers that have to reschedule their own production due to our missed deliveries could pursue financial claims against us. We may incur costs to correct any of these problems, in addition to facing claims from customers. Further, our reputation amongst actual and potential customers may be harmed, resulting in a loss of business. While we may maintain insurance policies covering, amongst other things, physical damage, business interruptions and product liability, these policies may not cover all of our losses and we could incur uninsured losses and liabilities arising from such events, including damage to our reputation, loss of customers and suffer substantial losses in operational capacity.

Our trademark and logo appearing on the cover page of this Placement Document is not owned by us.

The trademark and logo appearing on the cover page of this Placement Document is not owned by us. We have obtained a royalty free, non-exclusive, non-assignable, non-transferable and non-sub licensable rights to use the trademark and logo appearing on the cover page of this Placement Document from Aditya Birla Management Corporation Private Limited ("**ABMCPL**"), an affiliate company, under a license agreement dated March 1, 2017. The trademark and logo appearing on the cover page of this Placement Document, is an important asset of our business. We are required to use the trademark and logo in accordance with the brand usage guidelines prescribed by ABMCPL. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of the trademark or logo. Inability to use the trademark or logo or infringement of the trademark, for which we may not have any immediate recourse, may adversely affect our ability to conduct our business as well as our affect our reputation, and consequently, our results of operations.

We have a number of contingent liabilities and guarantees, and our profitability could be adversely affected if any of these contingent liabilities or guarantees materialize.

Our contingent liabilities, as of March 31, 2016 are set out below:

	Claims / Disputed liabilities not acknowledged as debt:
	(₹ in millions)
Claims against the Company not acknowledged as Debts..........................	9,153.1
Other money for which the Company is contingently liable:	
Customs duty on capital goods and raw materials imported under EPCG Scheme/Advance License, against which export obligation is to be fulfilled (excluding cenvatable portion).....................................	3,258.1
Stamp Duty Payable in view of order dated 18 November 2002 of Honorable High Court of Allahabad approving scheme of arrangement for merger of Copper business of Indo Gulf Corporation Limited with the Company	2,529.6
UPPCL demand on the alleged ground that draw of energy against the banked energy is not permissible during peak hours	645.0
Total	**15,585.8**

As of December 31, 2016, our total contingent liabilities as per our condensed combined financial statements amounted to ₹ 20,851.6 million. If any of these contingent liabilities materialize, our profitability could be adversely affected.

Furthermore, we have furnished bank guarantees to the Nominated Authority of the Ministry of Coal towards fulfillment of certain conditions of the agreements signed by it in respect of the four coal mines 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. We have not made any provision for these guarantees and our profitability could be adversely affected.

For more detailed descriptions of our contingent liabilities and guarantees, see "Financial Statements".

We may not be able to utilize the proceeds from this Issue in the manner set out in this Placement Document in a timely manner or at all.

We intend to use the net proceeds of the Issue for business purposes such as meeting our working capital requirements, repayment/prepayment of debt, exploring acquisition opportunities and general corporate purposes. We intend to finalize the details of specific business purpose for which the proceeds from the Issue will be finalized after completion of the Issue. Further, these intended use of proceeds are based on our past experience and internal management estimates and depend upon variety of internal and external factors which are relevant to our operations and the business environment that we operate in. For instance, we may utilize the proceeds from the Issue for repayment or prepayment of our indebtedness outstanding at the applicable time and such prepayments are typically subject to penalty provisions or obtaining prior consent from our lenders, as applicable, subject to certain conditions. We may be required to pay penalty or approach our lenders and we cannot assure you that we will be able to obtain favourable response from the lenders in relation to such prepayment or waive payment of penalty.

Further, we may need to vary our intended use of Issue proceeds due to factors or circumstances beyond our control including competitive and dynamic market conditions, variation in cost structures, changes in estimates due to cost overruns or delays. If we are not able to utilize the proceeds from the Issue in the manner stipulated by us for the business purposes identified by us, it may adversely affect our business and results of operations.

Risks Relating to Investing in India

Companies in India (based on notified thresholds), including our Company, are required to prepare financial statements under Ind-AS (which is India's convergence to IFRS). The transition to Ind-AS in India is very recent and such transition may have an impact on our Company. Indian corporate and other disclosure and accounting standards differ from those observed in other jurisdictions such as U.S. GAAP and IFRS. Furthermore, all income tax assessments in India will also be required to follow the Income Computation Disclosure Standards.

We have historically prepared our annual and interim financial statements under Indian GAAP prior to April 1, 2016. Public companies in India, including us, will now be required to prepare annual and interim financial statements under Ind-AS in accordance with the roadmap announced on January 2, 2015 by the Ministry of Corporate Affairs, Government of India (the "**MCA**"), in consultation with the National Advisory Committee on Accounting Standards (the MCA Press Release) for the conversion of Ind-AS with IFRS. On February 16, 2015, the MCA notified the public of the Companies (Indian Accounting Standards) Rules, 2015, which have come into effect from April 1, 2016. We have adopted Ind-AS with effect from April 1, 2016 with the transition date of April 1, 2015 and we announced our standalone financial condition and results of operations as at and for the quarter and the nine month period ended December 31, 2016 under Ind-AS.

Our Audited Financial Statements for the Fiscals 2014, 2015 and 2016 included in this Placement Document have been prepared in accordance with Indian GAAP, while the Unaudited Interim Condensed Combined Financial Statements for the nine month period ended December 31, 2016 have been prepared in accordance with Ind-AS. Accounting principles under Ind-AS vary in many respects from accounting principles under Indian GAAP, and our Unaudited Interim Condensed Combined Financial Statements for the nine month period ended December 31, 2016 under Ind-AS are therefore not comparable to the Audited Financial Statements or any of our historical financial statements prepared under Indian GAAP. We have, in this Placement Document, included certain reconciliation information between Indian GAAP and Ind-AS. See "*Financial Statements – Unaudited Interim Condensed Combined Financial Statements*" on page F-1. We have also included the unaudited standalone financial results of the Company for the quarter and nine month period ended December 31, 2016 presented in compliance with the SEBI Listing Regulations and Ind-AS ("Interim Results"), as submitted to the Indian stock exchanges. The Interim Results also includes a statement of reconciliation to Ind-AS for net profit and equity previously reported under Indian GAAP for the nine month period ended December 31, 2015. See "*Financial Statements*" on page 252. There can be no assurance that the impact of Ind-AS on our future financial statements will not be more significant or that they will be comparable to information provided in any Ind-AS reconciliation information. Furthermore, we have included in this Placement Document "*Summary of Key Differences Between Indian GAAP, Ind-AS and U.S. GAAP*" on page 111, which sets out qualitative differences between Indian GAAP, Ind-AS and U.S. GAAP that are, or in the future may become, applicable to our financial statements. Such comparative statements have been included for illustrative purposes only and does not imply that all such differences apply, or will apply, to the manner in which our financial statements are prepared and presented under Ind-AS or otherwise. There is not yet a significant body of established practice on which to draw informed judgments regarding its implementation and application.

Additionally, Ind-AS differs in certain respects from IFRS and U.S. GAAP. As a result, our financial statements and reported earnings may be significantly different from those which would be reported under U.S. GAAP or IFRS, which may be material to your consideration of the financial information prepared and presented in accordance with Indian GAAP contained in this Placement Document. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. You should rely on your own examination of our Company, the terms of the Issue and the financial information contained in this Placement Document. See "*Summary of Key Differences Between Indian GAAP, Ind-AS and U.S. GAAP*".

In our ongoing transition to Ind-AS reporting, for which we have completed three quarters of Ind-AS reporting, our accounting policies may continue to change in the future as further circulars and clarifications on the implementation of Ind-AS are released and implemented by us. There can be no assurance that our continued implementation of Ind-AS will not adversely affect our reported results of operations or financial condition and any failure to successfully implement Ind-AS could adversely affect our business, financial condition and results of operations. In addition, in our continued transition to Ind-AS reporting, we may encounter difficulties in the on-going process of implementing and enhancing our management information systems. See "– *We may be required to account for an impairment loss with respect to the goodwill recorded in our consolidated financial statements, prepared in accordance in Ind-AS*".

Furthermore, the Government of India has issued a set of Income Computation and Disclosure Standards ("ICDS") that will be applied in computing taxable income and payment of income taxes thereon, effective from April 1, 2016. ICDS apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of "Profits and gains of business/profession" and "Income from other sources". This is the first time such specific standards have been issued for income taxes in India, and the impact of the ICDS on our tax incidence is uncertain.

Political instability or changes in the Government of India could adversely affect economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, taxation, social and civil unrest and other political, economic or social developments in or affecting India. The Indian economy may also be affected by key government regulation. For example, in November 2016, the Government of India demonetized certain high value denominations of currency. The long-term impact of such demonetization on the Indian economy is uncertain.

Since 1991, successive Government of India has pursued policies of economic liberalization and financial sector reforms. The current Government came into power in May 2014 and has announced its general intention to continue India's current economic liberalization and deregulation policies. However, the rate of economic liberalization could change and there can be no assurance that such policies will be continued. A change in the Government or in the Government's future policies could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have an adverse effect on the market for our Equity Shares. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business**.**

The proposed new taxation system in India could adversely affect our business and the trading price of the Equity Shares.

The Government of India is presently in the process of reforming Indian tax laws primarily through the introduction of the goods and services tax, the direct taxes code and provisions relating to the general anti-avoidance rule ("GAAR"). The goods and services tax would replace all indirect taxes levied on goods and services currently being collected by the central and state governments. The Government has indicated that it would implement the goods and services tax regime shortly. The direct taxes code aims to simplify the direct tax laws in India. The direct tax code will revise and consolidate the structure of direct taxes into a single legislation. Whilst, a draft of the direct tax code was released on March 31, 2014, the implementation of the direct taxes code is presently uncertain. The GAAR provisions are intended to cover arrangements which are structured to deliberately avoid paying tax in India. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system in India will see significant changes, its consequent effects cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offer document, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. We are also required to spend, in each Fiscal, at least 2.0% of our average net profits during three immediately preceding Fiscals towards corporate social responsibility activities. Further, the Companies Act, 2013 imposes greater monetary and other liability on our Company and Directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Further, we cannot currently determine the impact of provisions of the Companies Act, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

According to the weekly statistical supplement released by the RBI, India's foreign exchange reserves totaled approximately US$ 362,785.8 million as of February 10, 2017. A decline in India's foreign exchange reserves could impact the valuation of the Rupee and result in reduced liquidity and higher interest rates, which could adversely affect our future financial condition. Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Rupee. There can be no assurance that India's foreign exchange reserves will not decrease again in the future. Further decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition and results of operations.

We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act, 2002 (the "Competition Act") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the CCI to separate such practices. The Competition Act regulates practices having an appreciable adverse effect on competition

("AAEC") in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and results in imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of subscribers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

The Indian economy has had sustained periods of high interest rates and inflation.

India has experienced high levels of inflation since 1980, with inflation peaking at an annual rate of 14.1% in 1991. Notwithstanding recent reductions in the inflation rate, based on the wholesale price index, which was 6.0% in the Fiscal 2014, 2.0% in the Fiscal 2015 and –2.5% in the Fiscal 2016 *(Source: Reserve Bank of India)*, we tend to experience inflation-driven increases in certain of our costs, such as salaries and related allowances, that are linked to general price levels in India. However, we may not be able to increase the tariffs that we charge for our services sufficiently to preserve operating margins. Accordingly, high rates of inflation in India could increase our costs and decrease our operating margins, which could have an adverse effect on our business and results of operations.

Fluctuation in the exchange rate between the Indian Rupee and other foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares may reduce the proceeds received by Equity Shareholders. The exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

A third party could be prevented from acquiring control of us because of the anti-takeover provisions under Indian law.

There are provisions in Indian law that may discourage a third party from attempting to take control over us, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Under the takeover regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change in control of us. See "The Securities Market of India – Takeover Regulations".

Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

Communal disturbances, riots, terrorist attacks and other acts of violence or war involving India or other countries could adversely affect the financial markets, result in loss of client confidence, and adversely affect our business, financial condition and results of operations.

India has experienced communal disturbances, terrorist attacks in past. Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business and may adversely affect the Indian stock markets where our Equity Shares will trade as well as the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our business and profitability.

Also, India or other countries may enter into armed conflict or war with other countries or extend pre-existing hostilities. Any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares.

Risks related to our Equity Shares and the Trading Market

Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of the Issue of the Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the issue of Equity Shares in the Issue, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the Stock Exchanges and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of our Equity Shares.

Furthermore, stock exchanges may impose restrictions on the movements in trading price of our equity shares. Stock exchanges are not required to inform us of such restrictions and they may change without our knowledge. In the event such restrictions are imposed, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

The trading price of our Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price.

The price of our Equity Shares on the Stock Exchanges may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. Dollar, the Euro and other foreign currencies;

- our profitability and performance;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in our industry;
- adverse media reports about us or our industry;
- significant developments in India's economic liberalization and deregulation policies;
- significant developments in India's fiscal and environmental regulations; and
- changes in central banks' monetary policies of developed economies, affecting the global liquidity scenario.

There can be no assurance that an active trading market for our Equity Shares will be sustained after this Issue, or that the price at which our Equity Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the price at which our Equity Shares will trade in the market subsequent to this Issue. Our Equity Share price may be volatile and may decline post listing.

There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

We are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

Future issuances or sales of the Equity Shares could affect the trading price of the Equity Shares.

The future issuance of shares by us or the disposal of shares by any of our major shareholders, or the perception that such issuance or sales may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realized on the sale of our Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax, or STT, has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of our Equity Shares.

There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, permission for listing of our Equity Shares will not be granted until after our Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of our Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

The Stock Exchanges have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including our Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which our Equity Shares will trade in the future.

MARKET PRICE INFORMATION

The Equity Shares have been listed and are available for trading on the BSE and the NSE. As on the date of this Placement Document, 2,066,392,349 Equity Shares have been issued and are fully paid up.

On March 1, 2017 the closing price of the Equity Shares on the BSE and the NSE was ₹ 189.15 and ₹ 189.25 per Equity Share, respectively. Because the Equity Shares are actively traded on the BSE and the NSE, the market price and other information for each of the BSE and the NSE has been given separately.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the BSE and the NSE on the dates on which such high and low prices were recorded for Fiscals ended March 2014, March 2015 and March 2016:

BSE

Fiscal	High (₹)	Date of High	Total Volume on date of High (Number of Equity Shares traded on the date of high)	Total Volume of Equity shares traded on the date of high (in ₹ million)	Low (₹)	Date of low	Volume on date of Low (Number of Equity Shares traded on the date of low)	Total Volume of Equity shares traded on the on date of low (in ₹ million)	Average price for the year (₹)
2014	141.70	March 31, 2014	2,329,044	322.00	85.55	August 6, 2013	609,094	52.16	108.01
2015	197.55	July 24, 2014	1,232,283	242.34	126.90	March 16, 2015	958,476	121.96	156.80
2016	142.05	May 11, 2015	1,874,710	268.30	61.00	February 12, 2016	2,238,141	136.51	94.41

(Source: www.bseindia.com)

NSE

Fiscal	High (₹)	Date of High	Volume on date of High (Number of Equity Shares traded on the date of high)	Total Volume of Equity shares traded on the date of high (in ₹ million)	Low (₹)	Date of low	Volume on date of Low (Number of Equity Shares traded on the date of low)	Total Volume of Equity shares traded on the on date of low (in ₹ million)	Average price for the year (₹)
2014	141.75	March 31, 2014	27,873,616	3,844.04	85.55	August 6, 2013	5,157,109	441.76	108.05
2015	198.00	July 24, 2014	14,784,601	2,909.89	126.80	March 16, 2015	10,785,285	1,374.51	156.84
2016	142.50	May 11, 2015	6,190,079	887.28	60.90	February 12, 2016	11,171,816	679.74	94.40

(Source: www.nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same high or low price, the date with the higher volume has been considered.*

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the BSE and the NSE on the dates on which such high and low prices were recorded during each of the last six months:

BSE

Month Year	High (₹)	Date of High	(Volume on date of High) Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (million)	Low (₹)	Date of low	(Volume on date of Low) Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the on date of low (million)	Average price for the month (₹)
September 2016	161.95	September 8, 2016	1,494,693	241.99	140.80	September 12, 2016	1,752,312	254.18	151.53
October 2016	160.65	October 10, 2016	947,390	152.73	148.35	October 27, 2016	738,466	110.14	153.28
November 2016	180.45	November 24, 2016	3,064,567	544.31	156.35	November 2, 2016	822,459	127.91	168.20
December 2016	181.95	Decmber 12, 2016	793,417	144.32	151.50	December 26, 2016	1,011,051	154.25	168.30
January 2017	191.55	January 30, 2017	1,403,737	268.24	157.95	January 9, 2017	756,412	120.44	173.47
February 2017	198.95	February 1, 2017	1,349,164	261.74	180.00	February 22, 2017	686,204	124.42	186.04

(Source: www.bseindia.com)

NSE

Month Year	High (₹)	Date of High	(Volume on date of High) Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (million)	Low (₹)	Date of low	(Volume on date of Low) Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the on date of low (million)	Average price for the month (₹)
September 2016	161.95	September 8, 2016	9,379,095	1,520.34	140.85	September 12, 2016	16,165,924	2,339.67	151.67
October 2016	160.75	October 10, 2016	8,157,913	1,315.77	148.30	October 27, 2016	8,386,282	1,250.21	153.31
November 2016	180.50	November 25, 2016	17,338,861	3,151.80	156.50	November 2, 2016	11,309,743	1,761.51	168.23
December 2016	182.10	Decmber 9, 2016	9,543,322	1,735.00	151.50	December 26, 2016	10,229,442	1,557.37	168.35
January 2017	191.50	January 30, 2017	12,048,505	2,300.81	158.00	January 9, 2017	6,143,220	979.35	173.63
February 2017	198.85	February 1, 2017	12,602,860	2,445.79	180.05	February 22, 2017	8,976,506	1629.57	186.09

(Source: www.nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In case two days with the same high or low price, the date with the higher volume has been considered.*

(iii) The following table set forth the details of the number of Equity Shares traded and the volume of business transacted during the last six months and the Fiscals ending March 2014, March 2015 and March 2016 on the BSE and the NSE:

Period	Number of Equity Shares Traded		Volume of Business Transacted (in ₹ million)	
	BSE	NSE	BSE	NSE
Year ending 2014	265,824,145	1,920,232,487	28,820.88	208,096.03
Year ending 2015	231,732,357	2,189,482,767	36,528.43	346,376.80
Year ending 2016	276,167,261	2,028,091,447	23,937.14	181,230.16
September 2016	22,115,908	200,905,467	3,363.47	30,409.31
October 2016	26,023,180	151,224,300	4,013.18	23,320.55
November 2016	41,819,875	336,194,611	7,058.53	56,807.10

Period	Number of Equity Shares Traded		Volume of Business Transacted (in ₹ million)	
	BSE	NSE	BSE	NSE
December 2016	22,025,365	184,197,556	3,716.25	30,953.02
January 2017	29,035,099	266,861,171	5,068.16	46,852.57
February 2017	18,450,095	220,636,838	3,439.75	41,077.91

(*Source: www.bseindia.com and www.nseindia.com*)

(iv) The following table sets forth the market price on the BSE and NSE on November 15, 2016, i.e., the first working day following the approval of the Board of Directors for the Issue:

BSE						NSE					
Open	High	Low	Close	Number of Equity Shares traded	Turnover (in ₹ million)	Open	High	Low	Close	Number of Equity Shares traded	Turnover (in ₹ million)
176.50	180.50	166.55	168.25	2,659,769	461.67	175.70	180.65	166.50	167.75	30,748,024	5,312.67

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue will be approximately ₹ 33,500 million.

The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ 33,085 million (the "**Net Proceeds**").

Subject to compliance with applicable laws and regulations, our Company intends to use the net proceeds of the Issue for business purposes such as meeting our working capital requirements, repayment or prepayment of debt, exploring acquisition opportunities and general corporate purposes. For details of our combined outstanding indebtedness as of December 31, 2016, see section "***Management's Discussion and Analysis of Financial Condition And Results Of Operations***".

As permissible under applicable laws, our management will have flexibility in deploying the Net Proceeds received by our Company from the Issue. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by the Board of Directors from time to time and applicable laws.

Neither our Promoters nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

CAPITALISATION STATEMENT

The following table sets forth the consolidated capitalisation of our Company as of March 31, 2016 on an:

- actual basis; and
- as adjusted basis to give effect to the Issue.

This table should be read together with the section "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on page 83 and our Company's Audited Consolidated Financial Statements and the related notes thereto contained in the section "***Financial Statements***" beginning on page 253.

	As at March 31, 2016	
	Actual	**As Adjusted[(1)]**
	(in ₹ million)	
Short term borrowing:		
Secured	30,260.8	30,260.8
Unsecured	57,425.1	57,425.1
Current maturities of long term borrowing/finance lease obligations	5,729.2	5,729.2
Long term borrowing:		
Secured	403,056.9	403,056.9
Unsecured	178,704.7	178,704.7
Total debt (A)	**675,176.7**	**675,176.7**
Shareholders' funds:		
Share capital[(2)]	2,065.2	2,242.0
Securities premium account	56,820.3	89,728.5
Reserve and Surplus (other than securities premium account)	325,252.5	325,252.5
Total Equity (B)	**384,138.0**	**417,223.0**
Total capitalisation (A/B)	**1.76**	**1.62**

(1) As adjusted to reflect the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue. Issue related expenses are adjusted against the securities premium account.

(2) Does not reflect 5,399,382 Equity Shares of the Company issuable upon the exercise of 3,439,882 options and 1,959,500 RSUs outstanding as at March 31, 2016 pursuant to Hindalco Employees Stock Option Schemes

The following table sets forth the combined capitalisation of our Company as of December 31, 2016 on an:

- actual basis; and
- as adjusted basis to give effect to the Issue.

This table should be read together with the section "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on page 83 and our Company's Unaudited Combined Financial Statements and the related notes thereto contained in the section "***Financial Statements***" beginning on page 253.

	As at December 31, 2016	
	Actual	**As Adjusted[(1)]**
	(in ₹ million)	
Current Liabilities - Borrowings:		
Secured	26,940.6	26,940.6
Unsecured	57,059.1	57,059.1
Current maturities of long term debt	**8,031.2**	**8,031.2**
Non Current Liabilities - Borrowings:		
Secured	395,695.2	395,695.2
Unsecured	185,116.4	185,116.4
Total debt (A)	**672,842.5**	**672,842.5**
Shareholders' funds:		
Share capital[(2)]	2,050.1	2,226.9
Securities premium account	48,749.0	81,657.2
Other Equity	358,975.9	358,975.9
Total funds (excluding loan funds) (B)	**409,775.0**	**442,860.0**
Total capitalisation (A/B)	**1.64**	**1.52**

(1) As adjusted to reflect the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue. Issue related expenses are adjusted against the securities premium account.
(2) Does not reflect 4,331,477 Equity Shares of the Company issuable upon the exercise of 3,233,726 options and 1,097,751 RSUs outstanding as at 31st December, 2016 pursuant to the Hindalco Employees Stock Option Schemes.
(3) Above Capitalisation Statement is based on Interim Condensed Combined Financial Statements as at December 31, 2016.

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Placement Document is set forth below:

(In ₹ million, except share data)

		Aggregate value at face value
A	**AUTHORIZED SHARE CAPITAL**	
	2,500,000,000 Equity Shares	2,500.0
	25,000,000 redeemable cumulative non-convertible preference shares of ₹ 2 each	50.0
B	**ISSUED EQUITY SHARE CAPITAL BEFORE THE ISSUE**	
	2,066,945,995 Equity Shares(2)	2,066.9
	SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE	
	2,066,392,349* Equity Shares(2)	2,066.6**
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**	
	176,827,659 Equity Shares aggregating to ₹ 33,500 million (1)	176.8
D	**PAID-UP CAPITAL AFTER THE ISSUE**	
	2,243,220,008 Equity Shares	2,243.4**
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	48,798.6
	After the Issue	81,706.7

** The difference between the issued Equity Shares and the subscribed and paid-up Equity Shares of our Company is due to 7,397 Equity Shares kept in abeyance pursuant to a pending legal case and 546,249 Equity Shares forfeited.*

*** Includes amount originally paid up towards forfeited shares.*

(1) *The Issue was authorized by the Board of Directors on November 12, 2016 and the shareholders pursuant to their resolution dated December 9, 2016.*

(2) *As on the date of this Placement Document, our Company has instituted ESOS 2006 and ESOS 2013. For further details in relation to the employee stock option scheme, see section "**Board of Directors and Senior Management**"*

Equity Share Capital History of our Company

The history of the equity share capital of our Company is provided in the following table:

Date/year of Allotment	No. of Equity Shares Allotted	Issue price per Equity Share (₹)	Consideration
February 2, 1959	70	10	Cash
April 29, 1959	149,930	10	Cash
March 28, 1960	600,000	Nil	Other than cash
February 1, 1960	1,975,650	10	Cash
February 6, 1960	157,350	10	Cash
March 14, 1960	1,301,850	10	Cash
March 28, 1960	1,807,650	10	Cash
April 20, 1960	7,500	10	Cash
1963	(8,500)(1)	-	-(1)
1964	1,700(2)	-	-(2)
1965	650(2)	-	-(2)
1966	100(2)	-	-(2)
December 18, 1967	84,934	10	Cash
December 21, 1967	48,533	10	Cash

Date/year of Allotment	No. of Equity Shares Allotted	Issue price per Equity Share (₹)	Consideration
December 26, 1967	105,424	10	Cash
December 30, 1967	1,437,669	10	Cash
January 12, 1968	271,474	10	Cash
January 30, 1968	89,909	10	Cash
March 7, 1972	2,002,431	-	Bonus(3)
July 14, 1972	5,542	-	Bonus(3)
July 9, 1982	3,339,916	-	Bonus(3)
October 5, 1982	6,706	-	Bonus(3)
July 26, 1988	4,455,114	-	Bonus(3)
December 22, 1988	7,048	-	Bonus(3)
October 1, 1990	6,381,234	110	Cash
October 9, 1990	14,537,930	-	Bonus(3)
July 26, 1993	4,473,000	USD 16.10	Cash(4)
July 26, 1993	2,236,500	USD 16.10	Cash(5)
July 12, 1994	4,166,666	USD 24.00	Cash(6)
October 26, 1996	24,821,990	-	Bonus(3)
February to May, 2002	(758,530)(7)	-	-(7)
March 21, 2003	18,767,835	Nil	Other than cash(8)
March 23, 2005	299,522	Nil	Other than cash(9)
September 6, 2005	927,747,970(10)	-	-(10)
February 15, 2006	231,521,031	96(11)	Cash
April 11, 2007	361,191	48.50	Cash
April 11, 2007	67,500,000	173.87	Cash
May 3, 2008	376	Nil	-(9)
August 27, 2008	227,454	98.30	Cash(12)
September 1, 2008	(485,749)(13)	-	-(13)
October 23, 2008	473,398,534	96	Cash
October 19, 2009	9,227	98.30	Cash(12)
December 1, 2009	213,147,391	130.90	Cash
December 10, 2009	5,627	98.30	Cash(12)
January 14, 2010	1,255	98.30	Cash(12)
March 2, 2010	28,135	98.30	Cash(12)
December 6, 2010	711,372	96	Cash
May 5, 2010	13,882	98.30	Cash(12)
July 6, 2010	17,510	98.30	Cash(12)
September 4, 2010	20,000	98.30	Cash(12)
October 5, 2010	24,383	98.30	Cash(12)
November 2, 2010	50,398	98.30	Cash(12)
November 18, 2010	5,628	150.10	Cash(12)
December 6, 2010	5,000	150.10	Cash(12)
December 6, 2010	33,700	98.30	Cash(12)
January 6, 2011	12,255	98.30	Cash(12)
February 4, 2011	24,161	99.30	Cash(12)
February 4, 2011	1,500	150.10	Cash(12)
March 4, 2011	15,683	98.30	Cash(12)
May 6, 2011	17,255	98.30	Cash(12)
June 14, 2011	4,128	150.10	Cash(12)
August 4, 2011	16,880	98.30	Cash(12)
September 5, 2011	49,969	98.30	Cash(12)
October 5, 2011	40,635	98.30	Cash(12)
November 9, 2011	4,200	118.35	Cash(12)
January 6, 2012	3,127	98.30	Cash(12)
February 9, 2012	4,200	118.35	Cash(12)
March 5, 2012	4,000	98.30	Cash(12)
August 4, 2012	33,760	98.30	Cash(12)
September 7, 2012	3,000	98.30	Cash(12)

Date/year of Allotment	No. of Equity Shares Allotted	Issue price per Equity Share (₹)	Consideration
January 4, 2013	4,000	98.30	Cash[12]
September 20, 2013	150,000,000	144.35	Cash
March 14, 2014	4,800	98.30	Cash[12]
April 5, 2014	21,280	98.30	Cash[12]
May 13, 2014	29,135	98.30	Cash[12]
June 10, 2014	1,000	98.30	Cash[12]
July 10, 2014	29,824	98.30	Cash[12]
August 14, 2014	1,33,611	98.30	Cash[12]
September 9, 2014	80,790	98.30	Cash[12]
September 9, 2014	16,880	118.35	Cash[12]
November 10, 2014	1,000	98.30	Cash[12]
November 10, 2014	15,000	118.35	Cash[12]
December 5, 2014	45,146	118.35	Cash[12]
December 5, 2014	2,193	119.45	Cash[14]
January 6, 2015	16,655	119.45	Cash[14]
June 15, 2015	2,193	119.45	Cash[14]
April 6, 2015	3,185	98.30	Cash[12]
August 5, 2016	6,880	98.30	Cash[12]
August 25, 2016	128,256	98.30	Cash[12]
September 12, 2016	52,330	118.35	Cash[12]
July 7, 2016	2,192	119.45	Cash[14]
July 7, 2016	13,000	98.30	Cash[12]
November 4, 2016	19,540	119.45	Cash[14]
November 4, 2016	789,376	1[15]	Cash[14]
December 6, 2016	127,874	1[15]	Cash[14]
December 6, 2016	6,578	119.45	Cash[14]
December 6, 2016	13,506	118.35	Cash[12]
February 2, 2017	17,553	1[15]	Cash[14]
February 2, 2017	36,000	118.35	Cash[12]
February 2, 2017	193,504	150.10	Cash[12]

(1) *Reduction in share capital pursuant to forfeiture of 8,500 Equity Shares for an amount aggregating to ₹85,000.*

(2) *Cancellation of forfeiture.*

(3) *Bonus issue of Equity Shares.*

(4) *Issue of Equity Shares pursuant to issue of Global Depository Receipts.*

(5) *Issue of Equity Shares pursuant to conversion of warrants.*

(6) *Issue of Equity Shares pursuant to private placement of Global Depository Receipts.*

(7) *Buy-back of 758,530 Equity Shares for an amount aggregating to ₹7,585,300.*

(8) *Equity Shares allotted to the shareholders of the erstwhile Indo Gulf Corporation Limited under the scheme of arrangement entered into between our Company, Indo Gulf Fertilisers Limited and Indo Gulf Corporation Limited, effected on effected on February 12, 2003 pursuant to approval by the High Courts of Bombay and Allahabad vide their orders dated October 31, 2002 and November 18, 2002 respectively, including 3,099 partly paid-up Equity Shares.*

(9) *Equity Shares allotted to the shareholders of the Indian Aluminium Company Limited under the scheme of amalgamation of our Company with Indian Aluminium Company Limited effected on on March 7, 2005 pursuant to approval by the High Court of Bombay and High Court of Kolkata vide their orders dated January 14, 2005 and December 23, 2004 respectively.*

(10) *Sub-division of Equity Shares of our Company having face value of ₹10 each to ₹1 each.*

(11) *These Equity Shares were made fully paid-up in three tranches, with the corporate action pursuant to the last call being completed on August 28, 2008.*

(12) *Equity shares allotted pursuant to exercise of options granted under the ESOS 2006.*

(13) *Reduction in share capital pursuant to forfeiture of 485,749 Equity Shares for an amount aggregating to ₹485,749.*

(14) *Equity shares allotted pursuant to exercise of options granted under the ESOS 2013.*

(15) *Equity shares allotted pursuant to exercise of RSUs granted under the ESOS 2013.*

DIVIDENDS

Our Company has a formal dividend distribution policy. In accordance with the dividend distribution policy of our Company and the Companies Act, 2013, dividend shall be declared only out of the current year's profit after tax. Other comprehensive Income (as per appliacable Accounting Standards which mainly comprises of unrealised gain/losses, will not be considered for the purpose of declaration of dividend. The Board shall endeavour to achieve a dividend payout ratios (gross of Dividend Distribution Tax) in the range of 10% to 30% of the standalone profit after tax, net of dividend payout to preference shareholders, if any. Dividend amounts are determined each Fiscal in accordance with the Board's assessment of our Company's earnings, cash flows, financial conditions and other factors prevailing at the time. The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by the shareholders of our Company, in their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013.

Our Company has paid the following dividends on the Equity Shares for the Fiscals 2016, 2015 and 2014.

Fiscal Year	**Dividend per Equity Share (₹)**	**Total amount of dividend paid[(1)] (in ₹ million)**
2016	1.0	2,485.4
2015	1.0	2,460.9
2014	1.0	2,415.5

[(1)]Inclusive of tax on dividend distribution.

The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. The declaration of dividends will dependent on a number of internal and external factors, including but not limited to the stability of earnings, cash flow position from operations, future capital expenditure, inorganic growth plans and reinvestment opportunities, industry outlook and stage of business cycle for underlying businesses, leverage profile and capital adequacy metrics, overall economic / regulatory environment, contingent liabilities, past dividend trends, buyback of shares or any such alternate profit distribution measure and any other contingency plans. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

For a summary of certain Indian consequences of dividend distributions to shareholders, see the section "***Statement of Tax Benefits***" beginning on page 227.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We encourage you to read the following discussion in conjunction with the section entitled "Selected Financial Information" and "Summary of Significant Differences among Indian GAAP, Ind-AS and U.S. GAAP", as well as with our financial statements and the related notes thereto included elsewhere in this Placement Document. The following discussion includes forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. For a discussion of some of those risks and uncertainties please refer to the sections entitled "Forward-Looking Statements" and "Risk Factors."

While we have historically prepared our financial statements in accordance with Indian GAAP, including our consolidated financial statements as of and for the financial years ended March 31, 2014, 2015 and 2016, we are transitioning to preparing and auditing our financial statements in accordance with Indian Accounting Standards ("Ind-AS") as required by the "Companies (Indian Accounting Standards) Rules, 2015" on February 16, 2015, and this section includes a discussion of certain combined financial results for the nine month period ended December 31, 2016 which were prepared under Ind-AS. See "Summary of Significant Differences Among Indian GAAP, Ind-AS and U.S. GAAP". See "Risk Factors - Companies in India (based on notified thresholds), including our Company, are required to prepare financial statements under Ind-AS (which is India's convergence to IFRS). The transition to Ind-AS in India is very recent and such transition may have an impact on our Company. Indian corporate and other disclosure and accounting standards differ from those observed in other jurisdictions such as U.S. GAAP and IFRS. Furthermore, all income tax assessments in India will also be required to follow the Income Computation Disclosure Standards."

The consolidated financial statements prepared under Indian GAAP and discussed in this section reflect applicable statutory requirements, regulatory guidelines and accounting practices in India. These requirements, guidelines and practices change from time to time and, in accordance with Indian GAAP, adjustments to reflect such changes are made on a prospective basis and the financial statements for earlier periods are not restated. For the purposes of a comparative analysis in the discussion below, previous years' figures have been reclassified wherever necessary.

Our financial year ends on March 31. Accordingly, all references to a particular financial year are to the 12-month period ended on March 31 of that year. Unless otherwise specified, U.S. dollar translations of ₹ amounts as of December 31, 2016, have been provided at a rate of US$1.00 = ₹ 67.96.

Overview

We are one of the leading producers of primary aluminum and copper in India. For the calendar year 2015, we were the 12th largest primary aluminum producer in the world and the 7th largest primary aluminum producer in Asia in terms of volume, according to CRU International Limited's Aluminum Market Outlook, October 2016 ("CRU Market Outlook"). Our Company recorded the highest ever production of primary aluminum for Fiscal 2016, crossing the 1 Mt mark for the first time in our history, by producing 1.13 Mt. We also reached our highest ever production of alumina, producing 2.71 Mt in the Fiscal 2016. All three of our greenfield project facilities including smelters at Mahan, and Aditya and a refinery at Utkal, have ramped up to full capacity. Our operating efficiencies have also improved following the ramp up of two of our smelters that employ the latest technology and our alumina refinery at Utkal, all of which have helped to improve our overall operational costs. We believe that our continued focus on value-added aluminum products, of which we produced 3.41 Mt (including Novelis) in Fiscal 2016, will further improve our profitability. In addition, our copper operations are focused on value extraction and profitability. In the Fiscal 2016, we reached our highest ever production of copper cathodes, recording 389 kt.

Our Indian aluminum operations are integrated and consist of bauxite and coal mining, alumina refining, smelting and converting primary metal into value-added products. We have dedicated sources for a substantial portion of our long-term requirement for bauxite, a critical raw material for our Indian operations, as well as dedicated sources for a portion of our long-term requirement for coal. Additionally, we operate four captive power plants and three co-generation plants that produce power and heat and have committed supply sources for auxiliary power requirements. Our finished products include alumina produced from our refineries (that we generally use for our own captive needs, the surplus of which we sell to third parties), primary aluminum in the form of ingots, billets and wire rods, value-added products such as FRPs, extrusions, foils and specialty alumina products used in a wide range of industrial applications. Our Indian aluminum operations consist of four refineries, four smelter units and other manufacturing facilities.

Our subsidiary, Novelis, is the world's leading FRP producer, based on capacity as of December 31, 2015 and accounted for approximately 11% of the world's cold rolled and plate capacity as of December 31, 2015, according to CRU International Limited's Aluminum Rolled Products Outlook, August 2016 ("CRU Rolled Products Outlook"). Novelis is the only company of its size and scope focused solely on FRPs and capable of locally supplying technologically sophisticated aluminum can and automotive products in all four major industrialized continents (North America, South America, Europe and Asia). For the Fiscal 2016, Novelis' FRP shipments aggregated to 3,123 kt. Novelis is also the world's leader in the recycling of used aluminum beverage cans, having recycled more than 50 billion used beverage cans for the Fiscal 2016. Approximately 53% of Novelis' input aluminum requirement was in the form of recycled aluminum scrap for the Fiscal 2016. Novelis operates 24 plants, 10 of which include recycling operations, in 10 countries on four continents and produces aluminum sheet and light gauge products primarily for use in the beverage can, automotive, specialties (including consumer electronics, architecture, and other transportation) and foil markets. Novelis' key customers include Anheuser-Busch LLC, various bottlers of the Coca-Cola system, Crown Cork & Seal Company, Inc., Jaguar Land Rover Limited, Volvo Group, Audi Worldwide Company, Daimler AG, Ford Motor Company, Lotte Aluminum Co., Ltd., Pactiv Corporation Limited, Amcor Limited, Ball Corporation, LG International Corporation and Samsung Electronics Co., Ltd. Novelis' FRP business has achieved economies of scale, global reach and access to advanced technology, all of which are critical to our future growth.

According to World Copper Fact Book 2016, as of July 2016 we own and operate one of the largest smelter facility in terms of capacity in the world at Dahej, located in Gujarat, India. We source our copper concentrate requirements from suppliers under contractual arrangements and the spot market at LME-linked prices for smelting and refining. We then sell the refined copper and continuous cast rod at LME-linked prices in the domestic and export markets. Our forward integrated business model is aimed at capturing the value from by-products of the production process in an efficient manner.

Our copper operations consist of producing copper (through smelting, refining copper from copper concentrate and converting refined copper cathode into continuous cast rod). We also recover precious metals (gold, silver and selenium, which are recovered from anode slime as by-products) and manufacture, phosphatic fertilizers and sulfuric acid, which are produced from the by-products generated through the copper manufacturing process. Our custom copper smelting facility, comprised of two smelters at Dahej, which produced 389 kt and 266 kt of copper cathodes in the Fiscal 2016 and the nine month period ended December 31, 2016, respectively, and as of July 2016 is one of the largest smelting facility in the world according to World Copper Fact Book 2016. Our copper operations are supported by our captive jetty, power plants and oxygen plants located in the vicinity of our copper smelter facility at Dahej. We sell refined copper in the form of cathodes and continuous cast rods and also sell precious metals, phosphatic fertilizers, sulfuric acid and other by-products. We believe we enjoy strong brand presence in India and internationally, as our copper cathodes are registered as LME Grade "A" copper under the brand names "Birla Copper" and "Birla Copper II".

We were incorporated in 1958 and have been listed on the Indian stock exchanges since 1968. We are one of the flagship companies of the Aditya Birla group, which is one of the largest business groups in India. The Aditya Birla group is a multinational conglomerate and has a history of over 50 years, with a presence in more than 30 countries. The Aditya Birla group has business interests in, among others, metals and mining, cement, carbon black, textiles, garments, chemicals, fertilizers, life insurance, financial services and mobile telecommunications. The Aditya Birla group is one of the most respected business houses in India and we believe that we benefit from the confidence that consumers, lenders, regulators, vendors and others have in the Aditya Birla group.

Our Business Segments

Beginning April 1, 2016, we evaluate and report our financial results in the following three business segments:

Indian Aluminum. Our Indian aluminum operations are largely integrated and consist of bauxite mining, alumina refining, smelting and converting primary metal into value-added products. We have access to captive sources of critical raw materials for our Indian operations such as bauxite, and to a substantial extent, coal. Additionally, we have captive sources of power for a substantial portion of our requirements, and have committed supply sources for auxiliary chemicals. Our finished products include alumina produced from our plants that we generally use for our own captive needs, the excess of which we sell to third parties including value added specialty alumina, primary aluminum in the form of ingots, billets and wire rods, value-added products such as rolled products, extrusions and foils and specialty alumina products used in a range of industries including, among others, water treatment chemicals, refractories, ceramics, cryolite, glass, fillers and plastics, conveyor belts and cables. In addition, we manufacture intermediate products required for our own production such as carbon anode. Our Indian aluminum operations consist of four refineries, four smelters units and other manufacturing facilities.

Copper. Our copper operations consist of producing copper (through smelting, refining copper from copper concentrate and converting refined copper cathode into continuous cast rod). We also manufacture precious metals (gold, silver and selenium, which are recovered from anode slime as by-products), phosphatic fertilizers and sulphuric acid, which are produced from the by-products generated through the copper manufacturing process. Our custom copper smelting facility, comprising two smelters at Dahej, India, is one of the largest smelting facilities in the world at a single location as of July 2016 according to World Fact Book 2016. Our copper operations are supported by our captive jetty, power plants and oxygen plants located in the vicinity of our copper smelter/facility at Dahej. We sell refined copper in the form of cathodes and continuous cast rods and also sell precious metals, phosphatic fertilizers, sulphuric acid and other by-products.

Novelis. Our subsidiary Novelis is the world's leading aluminum rolled products producer based on shipment volume in the Fiscal 2016. Novelis is also the world's largest recycler of aluminum. Novelis currently operates from 24 plants, eleven of which include recycling operations, in ten countries on four continents, and produces aluminum sheet and light gauge products primarily for use in the packaging market, which includes beverage and food can and foil products, as well as for use in the automotive, transportation, electronics, and architectural and industrial product markets.

The following table summarizes our consolidated net revenue from operations and EBIT from our business segments, for the Fiscals 2014, 2015 and 2016 as reported under Indian GAAP.

	Fiscal											
	2014				2015				2016			
	Revenue from Operations	% of Total Net Revenue from Operations	Segment Results*	% of Total EBIT *	Net Revenue from Operations	% of Total Net Revenue from Operations	EBIT*	% of Total EBIT *	Net Revenue from Operations	% of Total Net Revenue from Operations	EBIT*	% of Total EBIT*
	(Consolidated, Indian GAAP)											
	(₹ in millions, except for percent data)											
Aluminum	692,176.1	78.5	37,635.2	75.8	831,394.9	79.4	42,264.0	73.4	828,121.1	82.8	35,457.8	72.2
Copper	179,058.4	20.3	10,246.4	20.6	204,923.4	19.6	13,401.9	23.3	172,456.5	17.2	13,673.7	27.8
Others	10,661.6	1.2	1,771.7	3.6	11,257.0	1.1	1,896.8	3.3	-	-	-	-
Total	881,896.1	100.0	49,653.3	100.0	1,047,575.3	100.0	57,562.7	100.0	1,000,577.6	100.0	49,131.5	100.0

* *Does not include the effect of certain items that could not be allocated such as unallocable income and expenses.*

The following table summarizes our consolidated net revenue from operations and EBIT for the nine month periods ended December 31, 2015 and 2016.

	Nine Months Ended December 31,			
	2015		2016	
	Revenue from Operations	EBIT*	Revenue from Operations	EBIT*
				(₹ in million)
Total	758,059.4	374,16.9	735,379.5	66,919.2

* *Does not include the effect of certain items that could not be allocated such as unallocable income and expenses.*

The following table summarizes our combined revenue from operations and EBITDA from our business segments, for the nine month period ended December 31, 2016 as reported under Ind-AS. Note that as a result of the change from Indian GAAP to Ind-AS beginning from April 1, 2016, EBITDA is used as the relevant performance measure (instead of EBIT under Indian GAAP) and the reporting segments have changed. Furthermore, the revenue from operations figures shown below include excise tax amounts, which have been excluded from the net revenue from operations figures shown above. Therefore the tables shown on this page are not strictly comparable.

	Nine Months Ended December 31,							
	2015				2016			
	Revenue from Operations	% of Total Revenue from Operations	Segment EBITDA	% of Segment EBITDA	Revenue from Operations	% of Total Revenue from Operations	Segment EBITDA	% of Total Segment EBITDA
	(Combined, Ind-AS)							
	(₹ in millions, except for percent data)							
Aluminum (India)	135,461.7	17.9	17,120.0	27.7	147,080.8	20.0	29,700.6	32.1
Copper	141,677.9	18.7	10,825.0	17.5	132,061.9	18.0	9,597.2	10.4
Novelis	481,222.6	63.5	33,959.3	54.9	456,531.8	62.1	53,191.9	57.5
Total	758,362.2	100.0	61,904.3	100.0	735,674.5	100.0	92,489.7	100.0

The following table summarizes our combined revenue from operations and EBITDA for the Fiscals 2014, 2015 and 2016.

	Fiscal					
	2014		2015		2016	
	Net Revenue from Operations	EBITDA	Net Revenue from Operations	EBITDA	Net Revenue from Operations	EBITDA
	(₹ in million)					
Total	876,954.9	93,034.8	1,042,811.0	100,493.1	1,000,421	100,068.3

EBIT and EBITDA are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind-AS or U.S. GAAP. We calculate EBIT as revenue from operations plus other income minus total operating expenses and depreciation and amortization expense, excluding finance costs, exceptional items and total tax expense/(credit). We calculate EBITDA as revenue from operations plus other income minus total operating expenses, excluding depreciation and amortization expense, finance costs, exceptional items and total tax expense/(credit).

EBIT and EBITDA are not measurements of financial performance or liquidity under Ind-AS or U.S. GAAP and should not be considered as an alternative to performance measures derived in accordance with Ind-AS or U.S. GAAP. In addition, EBIT and EBITDA are not standardized terms, hence a direct comparison between companies using such a term may not be possible.

We believe that EBIT and EBITDA facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), and, in the case of EBITDA, the age and booked depreciation and amortization of assets (affecting relative depreciation and amortization of expense).

EBIT and EBITDA have been presented because we believe that these measures are frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-GAAP financial measures when reporting their results. Nevertheless, EBIT and EBITDA have limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our financial condition or results of operations as reported under Ind-AS. In particular, EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our businesses.

Significant Factors Affecting Our Results of Operations

Several factors that affect our results of operations include commodity price movements, operating costs and efficiency, product and market mix, governmental regulations, duties and taxes, and exchange rates.

Business and Industry Climate

Global economic trends impact us, and there is a large amount of uncertainty with regard to economic trends and the timing of recovery. While the U.S. economy is showing signs of recovery on the back of fiscal stimulus, the European Union continues to struggle and emerging markets are still in the process of overcoming growth impediments. The impact of demand reductions for flat rolled products varies for each region based upon the nature of the industry sectors in which we operate. In general, the aluminum beverage sheet market is growing in other regions, except for North America, due to a combination of substitution trends and growing economic development. The demand for aluminum by the automotive industry continues to grow rapidly, driven by regulations requiring significant reductions in fuel consumption by vehicles and the need for lightweight vehicles to improve fuel efficiency, while also maintaining or improving vehicle handling, braking and safety. In the aluminum business, lower LME and increasing input operating costs have reduced our margins. In addition, increasing competition and overcapacity in the market have also impacted our results of operations. Further, reduction in the domestic demand for value added products, which have better margins, has also impacted our results of operations. This has, in turn, reduced the gains from a weaker Rupee, while our copper business was impacted by lower co-product prices due to a slowdown in industrial growth.

Commodity Prices

Commodity prices, especially prices for aluminum and TcRc premiums, have a significant impact on our results of operations. Commodity prices are influenced by changes in global economic conditions, related industry cycles, demand-supply dynamics, attempts by individual producers to capture market share and by speculation in the market. In addition to market fluctuations, our average selling prices can be affected by contractual arrangements and hedging strategies. Commodity price fluctuations and market cycles have historically had a material impact on our results of operations and are expected to continue to do so in the future.

Price for Aluminum

We sell alumina, primary aluminum and value-added aluminum products in the Indian and international markets. We price our aluminum products by reference to Indian or international market prices. Pricing in India is influenced by the movements in the LME price for aluminum, local market premiums, exchange rates and import duty changes. In the international markets, we sell primary metal with reference to LME prices, but are able to charge a regional premium that generally reflects the cost of securing the metal from an alternative source of supply.

Alumina prices are negotiated and are usually determined with reference to the LME price for aluminum. We sell alumina under long-term contracts as well as in spot sales. Our decision on the manner of sale is influenced by the demand supply and pricing outlook for alumina in the international markets. The market price for alumina has historically fluctuated independently and significantly differently from the market price for aluminum.

Most of our sales of value-added aluminum products are conducted under a conversion model, which allows us to pass through increases or decreases in the price of aluminum to our customers. Nearly all of the flat rolled products have a price structure with three components: (i) a base aluminum price quoted off the LME; (ii) a local market premium; and (iii) a "conversion premium" to produce the rolled product which reflects, among other factors, the competitive market conditions for that product. Base aluminum prices are typically driven by macroeconomic factors and global supply and demand of aluminum. The local market premiums tend to vary and are based on the supply and demand equation for metal in a particular region and associated transportation costs. Our Indian operations are typically based on the Japan local market premium, whereas Novelis is typically based on the U.S. midwest premium.

Increases or decreases in the price of aluminum based on the average LME base aluminum prices and local market premiums directly impact "Net sales," "Cost of goods sold (exclusive of depreciation and amortization)" and working capital. The timing of these impacts varies based on contractual arrangements with customers and metal suppliers in each region. These timing impacts are referred to as metal price lag. Metal price lag exists due to: (i) the period of time between the pricing of our purchases of metal, holding and processing the metal, and the pricing of the sale of finished inventory to our customers, and (ii) certain customer contracts containing fixed forward price commitments which result in exposure to changes in metal prices for the period of time between when our sales price fixes and the sale actually occurs.

We use LME aluminum forward contracts to preserve our conversion margins and manage the timing differences associated with the LME base metal component of "Net sales," and "Cost of goods sold (exclusive of depreciation and amortization)." These derivatives directly hedge the economic risk of future LME base metal price fluctuations to better match the purchase price of metal with the sales price of metal. We do not use derivative contracts to offset the impacts of local market premium price movements as these contracts are not prevalent in the market. As a consequence, volatility in local market premiums can have a significant impact on our results of operations and cash flows.

LME prices for aluminum have been volatile and cyclical in the past and we expect this to continue. The following table sets out LME aluminum market cash settlement prices per tonne in U.S. Dollars for the periods indicated:

	Fiscal									Nine month period ended December 31,		
	2014			2015			2016			2016		
	High	Low	Avg.	High	Low	Avg.	High	Low	Avg.	High	Low	Avg.
												(in US$ per tonne)
LME Aluminum	1,857	1,694	1,773	2,054	1,749	1,889	1,817	1,466	1,592	1,735	1,556	1,634

(Source: CRU Aluminium Monitor, January 2017)

Price for Copper

The price we pay for copper concentrate and the price we charge for our copper products are based on the LME price for copper. However, because we are a custom copper smelter, we attempt to make the LME price a pass through for us as both our copper concentrate purchases and sales of finished goods are based on LME prices. Nevertheless, we are exposed to differences in the LME price between the quotation periods for the purchase of copper concentrate and sale of the copper, and any decline will adversely affect us. While we hedge against such risks, at times we are exposed to timing and quantity mismatches.

We sell our products at a premium to LME price for the relevant quotation period, which is affected by global demand and supply of refined copper and prevailing freight costs. In India, we price copper at the landed cost of imported metal that reflects LME, local market premiums, import duties and current exchange rates. In the international markets, we sell our copper products with reference to LME prices, but are able to charge a local market premium that generally reflects the cost of securing the metal from an alternative source of supply.

LME prices for copper have been volatile and cyclical in the past and we expect this to continue.

TcRc

The level of TcRc also has a significant impact on the profitability of our copper business. We purchase copper concentrate at the LME price for the relevant quotation period, less TcRc. TcRc are influenced by global factors such as the supply and demand of copper concentrate, prevailing and forecasted LME prices and contango or backwardation prevailing in the market, and mining and freight costs. Our TcRc are influenced by the benchmark price set by certain large Japanese smelters. TcRc has been volatile in the recent past.

The following table shows our average TcRc realized for the periods indicated:

	Fiscal			Nine month period ended December 31,
	2014	2015	2016	2016
	(in US cents per pound)			
TcRc Copper	18.91	23.92	26.68	25.70

TcRc are negotiated on a calendar year basis. We use a blend of contract and spot TcRc, with the former accounting for 73% in the Fiscal 2016. While contract rates are negotiated annually, the spot price fluctuates depending on current concentrate demand and supply conditions and LME price. We typically expect spot TcRc to account for approximately 20% of total purchases by copper content.

Operating Costs and Efficiency

Given the nature of our business, operating costs and efficiencies are critical to maintaining our competitiveness and profitability. For additional details about the expenses in our aluminum business, see "Our Business — Our Aluminum Business — Our Key Raw Materials and Manufacturing and Operating Expenses". For additional details about the expenses in our copper business, see "Our Business — Our Copper Business — Our Key Raw Materials and Cost of Production".

Aluminum

In our aluminum business, our costs can be broadly categorized into power, fuel, raw materials, labor, maintenance expenses and other off-site expenses such as freight and port handling charges. Of these, power, fuel, bauxite and coal were our most significant expenses in the Fiscals 2014, 2015 and 2016, comprising the substantial majority of our aluminum costs.

Bauxite, coal, aluminum and raw materials form a significant component of our costs. Bauxite and coal quality, costs and availability have a significant bearing on our cost and efficiencies, thus impacting profitability. We source most of our bauxite requirements from our own mines and the remainder from third party suppliers. We source most of our coal from third party suppliers. The principal components of costs related to bauxite and coal that we mine are mining costs, royalties and freight. The Indian Government has increased royalty payments in recent periods and may do so again. See "Risk Factors — Risks relating to our Business — Changes in tariffs, royalties, customs duties and government assistance may reduce our domestic premium, which would adversely affect our profitability and results of operations".

Novelis purchased approximately 1,530 kt of primary aluminum during the Fiscal 2016 in the form of sheet ingot, standard ingot and molten metal, as quoted on the LME, approximately 25% of which it purchased from Rio Tinto.

Novelis operates facilities in several plants to recycle post-consumer aluminum, such as used beverage cans, collected through recycling programs. In addition, it has agreements with several of its customers where it takes recycled processed material from their fabricating activity and re-melts, casts and rolls it to re-supply them with aluminum sheet. Other sources of recycled material include lithographic plates, and products with longer lifespan, like cars and buildings, which are just starting to become high volume sources of recycled material. Novelis purchased or tolled 1,790 kt of recycled material during the Fiscal 2016. The net effect of these activities in terms of total shipments is that approximately 53% of Novelis' rolled products production for the Fiscal 2016 was made with recycled material.

Our other key raw materials for our aluminum business include carbon and caustic soda.

We benefit from the low cost and the stable supply of power from our captive power plants in India. Power generation at Renusagar in Fiscal 2016 was 6,867 million kWh and 5,029 million kWh in the nine month period ended December 31, 2016. The average cash cost of power at Renusagar was ₹ 2.79 and ₹ 2.59 per kilowatt hour for the Fiscals 2016 and the nine month period ended December 31, 2016, respectively.

For the Fiscal 2016, the Hirakud power plant generated 2,755 million kWh and 2,038 million units in the nine month period ended December 31, 2016, which was sufficient for our smelting operations for that period. The average cash cost of power at Hirakud was ₹ 3.49 and ₹ 3.61 per kWh for the Fiscal 2016 and the nine month period ended December 31, 2016, respectively.

For the Fiscal 2016, the Aditya power plant generated 3,862 million kWh and 4,272 million units in the nine month period ended December 31, 2016, which was sufficient for our smelting operations for that period. The average cash cost of power at Aditya was ₹ 3.63 and ₹ 3.26 per kWh for the Fiscal 2016 and the nine month period ended December 31, 2016, respectively.

For the Fiscal 2016, the Mahan power plant generated 5,167 million kWh and 3,981 million units in the nine month period ended December 31, 2016, which was sufficient for our smelting operations for that period. The average cash cost of power at Mahan was ₹ 3.43 and ₹ 2.81 per kWh for the Fiscal 2016 and the nine month period ended December 31, 2016, respectively.

Any adverse change in the cost of power and efficiencies may have an adverse effect on us. Energy prices have increased substantially in the past and rising energy costs worldwide expose our Novelis operations to reduced operating profits as increases in prices cannot immediately be recovered under existing contracts and sales agreements, and may only be mitigated in future periods under future pricing arrangements. Novelis uses natural gas, electricity, fuel oil and transport fuel as sources of energy in its operations. Energy prices are affected by several factors, including the volatility of supply and geopolitical events, both of which have created uncertainty in the oil, natural gas and electricity markets, which drive the majority of Novelis' manufacturing and transportation energy costs. The majority of energy usage occurs at Novelis' casting centers and during the hot rolling of aluminum. See "Risk Factors — Risks Relating to our Business — A significant portion of our Indian energy requirements are met by our own power plants, any disruption to these power plants could increase our production costs. Additionally, Novelis' operations consume energy and profitability may decline if its energy costs were to rise, or if its energy supplies were interrupted".

Copper

In our copper business, apart from copper concentrate which is impacted by LME prices, power and fuel are the biggest cost drivers. We operate our dedicated power plant with imported coal. Hence, any change in global coal prices, exchange rates and freight costs affect our operations.

Since the sale of our copper mines in Australia, we typically obtain all of our copper concentrate requirement from suppliers under long-term and spot agreements. We source ammonia from Japan and the Middle East, including Qatar and Saudi Arabia, pursuant to contracts renewed on an annual basis and on a spot basis, as and when required. Rock phosphate is currently sourced from Jordan and Togo, pursuant to contracts renewed on an annual basis with the price fixed for the term of the contract.

The electricity requirements of our copper smelter and refinery are primarily met from our own power generation. Coal is currently sourced from South Africa, India, Australia and China through a competitive bidding process. Most of the coal is used for our power plants and a small portion of it is used for our smelting process.

Product and Market Mix

Aluminum

Our results of operations are affected by the product and market mix within each of the business segments and our profitability will be affected by the mix of aluminum and copper in our overall operations.

In our aluminum business, the market mix has a significant effect on our operations since domestic prices of aluminum are determined with reference to the landed cost of imported metal, which usually reflects the LME price, local market premium, and import duties. On the other hand, export selling prices equal the LME price and local market premium. Domestic prices tend to be higher, therefore we focus our sales efforts first on satisfying the demand in the local market before shifting to exports. In addition, the product mix also affects our results given that value-added products command higher prices due to mark-up over the LME price reflecting the extent of value addition. The growing share of value added products also helps us minimize volatility in our results of operations, particularly after the acquisition of Novelis. As a result, we have focused on increasing our proportion of sales of value added products in recent years. In the Fiscal 2016, while sales in India accounted for 57.6% of aggregate aluminum sales, value-added products accounted for 33% of aggregate Indian aluminum sales. We intend to grow domestic volumes through the development of new applications and increased sales to existing customers.

We sell alumina, aluminum and value-added products in and outside India. The following table sets forth our Company's actual sales in tonnage terms (on an unconsolidated basis excluding Utkal), for the periods indicated:

	Fiscal			**Nine Month Period Ended December 31,**
	2014	**2015**	**2016**	**2016**
				(in tonnes)
Alumina:				
Specialty alumina (non-metallurgical grade)	166,117	157,223	145,406	139,661
Hydrates (including special hydrate)	142,090	154,939	142,371	120,186
Primary Aluminum:				
Ingot / billets (India)	193,165	209,398	315,185	188,943
Ingot / billets (Outside India)	59,027	256,938	421,572	390,658
Wire rods	91,586	89,142	124,241	117,779
Value-added products:				

	Fiscal			Nine Month Period Ended December 31,
	2014	2015	2016	2016
				(in tonnes)
FRPs (India)	133,679	131,073	169,970	133,645
FRPs (Outside India)	76,211	70,309	56,233	46,271
Extrusions (India)	33,173	33,680	36,115	28,752
Extrusions (Outside India)	4,243	6,141	5,456	2,730
Foils & packaging (India)	8,945	8,727	12,995	9,400
Foils & packaging (Outside India)	853	320	142	328
Total (Primary Aluminium)	600,882	805,728	1,141,909	918,506

The following table sets out details of the net sales, regional income and shipments for Novelis for the periods indicated:

	Fiscal			For the Nine Month Period Ended December 31,
	2014	2015	2016	2016
Novelis Total				
Net sales (in US$ million)	9,767	11,147	9,872	6,970
Shipments (in kt)	3,061	3,374	3,325	2,354
North America				
Net sales (in US$ million)	3,050	3,483	3,266	2,307
Regional income (in US$ million)	229	273	258	268
Shipments (in kt)	994	1,030	1,049	744
Europe				
Net sales (in US$ million)	3,280	3,783	3,223	2,189
Regional income (in US$ million)	265	250	116	133
Shipments (in kt)	977	1,153	1,076	714
Asia				
Net sales (in US$ million)	1,876	2,340	1,992	1,314
Regional income (in US$ million)	160	141	135	124
Shipments (in kt)	640	770	770	522
South America				
Net sales (in US$ million)	1,588	1,850	1,575	1,090
Regional income (in US$ million)	231	240	282	237
Shipments (in kt)	534	583	569	410
Eliminations and Others				
Net sales (in US$ million)	(27)	(309)	(184)	70
Regional income (in US$ million)	-	(2)	-	-
Shipments (in kt)	(84)	(162)	(139)	(36)

Note: All net sales and segment income figures are determined on a U.S. GAAP basis

Copper

For the Fiscals 2014, 2015 and 2016 and the nine month period ended December 31, 2016, we sold 57%, 48%, 52% and 53%, respectively, of our copper sales volume in India and the rest outside India. In addition, as our sales outside India are primarily focused on regions that are in close proximity to India such as North Asia, Southeast Asia and the Middle East, our freight costs to such markets tend to be lower as compared to many other copper exporting countries. We intend, however, to grow domestic volumes, through development of new applications and increased sales to existing customers. In our copper business, we also focus on increasing our production volumes of value added products such as continuous cast rods. The following table sets forth our actual sales in terms of tonnage, for the periods indicated:

	Fiscal			Nine Month Period Ended December 31,
	2014	2015	2016	2016
				(in tonnes)
Copper:				
Copper cathodes				
Domestic	30,051	29,470	37,361	27,772
Export	136,744	201,905	184,737	119,691
Continuous cast rods				
Domestic	150,405	154,369	162,723	109,104

	Fiscal			Nine Month Period Ended December 31,
	2014	**2015**	**2016**	**2016**
				(in tonnes)
Export	1,099	998	871	2,620
Other copper products	509	662	598	2,292
Precious metals:				
Gold (in kg)	7,881	8,551	7,222	7,611
Silver (in kg)	62,112	74,673	59,695	50,959
Phosphatic fertilizers	221,376	301,498	327,049	251,594
Sulfuric acid	740,477	770,073	653,168	488,811

Duties and Taxes

Indian Operations

Our Indian operations are subject to various applicable duties, incentives, royalties and taxes and as a result, are significantly affected by changes in import duties, export incentives and taxes. The pricing of both aluminum and copper in India are determined with reference to the landed cost of imports and duties which influence our average selling prices and hence our profitability. On the other hand, we benefit from a reduction in customs duties on imports to India of key inputs such as copper concentrate, coal for our copper operations and caustic soda, fuel oil and coke for our aluminum operations. Also, our results of operations are affected by export incentives as we exported outside India nearly 42% and 48% of aluminum and 48% and 47% of copper produced in the Fiscal 2016 and the nine month period ended December 31, 2016, respectively.

We also enjoy certain tax incentives for investments at some of our plants, which are the subject of individual state policy.

Import Duties

The import of aluminum in India currently attracts a basic duty of 7.5%. The customs duty on imported copper was reduced in stages from 35% in 2002 to the current level of 5%. The basic import duty on copper concentrate was reduced from 5% to 2% effective January 2007 but subsequently increased to 2.5% effective March 2011 in order to merge existing rates of 2%, 2.5% and 3% into a single rate of 2.5%. The current import duty on coal in India is 2.5%. Imports in India also attract an additional surcharge of 3% of the applicable duties.

Though the import duty rates have been reduced substantially over the years, the Government of India may reduce import duties even further and the timing and extent of such reductions cannot be predicted. Any such reduction will have a direct impact on domestic pricing and profitability of both aluminum and copper operations.

Export Incentives

The Government of India provides certain incentives to Indian companies on exports. These incentives are received in the form of payments from the Government of India and our recognized in our financial statements as “other operating revenues”. At present, our operations benefit from the following export incentive schemes provided by the Government of India:

Merchandise Export From India Scheme – Under this scheme, our export products are granted freely transferable duty credit scrips on realized free-of-board value at a rate of 2%.

Duty Exemption / Remission Schemes – Under these schemes, we are able to make duty-free imports of certain of our input, provided that we are able to meet the related export obligations. Such schemes include:

Advance Authorization Scheme – Under this scheme, we are able to import inputs duty-free when we physically incorporate these inputs into our export products, provided that we meet a minimum 15% value addition requirement. The scheme also make normal allowances for wastage and is issued for inputs in relation to resultant products as per standard input output norms or on the basis of self-declaration. Under the Advance Authorization Scheme, from the date of issue, companies are typically able to make duty-free imports for a period of 12 months and have a period of 18 months to fulfil their export obligations.

Duty Drawback Scheme – Administered by the Department of Revenue, this scheme allows for refunds on exported products made from inputs on which duty has been paid. The applicable refund is at either all-industry rates, as determined from a government schedule, or at brand-specific rates, which may be individually applied for based supporting documents and data. We presently avail of the all-industry rates and receive payments from the Government of India of 1.0% on our primary aluminum exports, 1.5% on our FRP, extrusion and foil exports and 1.1% on our alumina exports.

Rebate of Service Tax – We are able to receive a refund on service tax paid on certain services incurred in connection with our goods for export. In particular, we receive a 0.09% refund on services relating to our copper exports.

Export Promotion Capital Goods Scheme – We are able to import certain capital goods with no duty, subject to our compliance with an export obligation, which is equivalent to six times the duty we save, within a period of six years. The scheme also encourages local sourcing of capital goods with a 25% reduction in the applicable export obligation.

Royalties

We are subject to government royalties. We pay royalties on the bauxite and coal that we mine. The Government of India can change the amount of the royalty, but cannot do so more than once every three years. Royalty is calculated as a percentage of the average aluminum price on the LME during the period. The royalty on coal is calculated depending on the grade of coal. In addition, we also pay a premium for our captive coal mines on a per tonne of coal extracted basis that is adjusted annually for inflation.

For more information on the effect of duties and taxes on our results of operations, see “Risk Factors — Risks relating to our Business - Changes in tariffs, royalties, customs duties and government assistance may reduce our domestic premium, which would adversely affect our profitability and results of operations”.

Exchange Rates

Our presentation currency is the Rupee, while our products are typically priced in Rupees for Indian sales and in U.S. Dollars or Euros for international sales. We produce and sell commodities that are typically priced by reference to U.S. Dollar prices, while a majority of our costs for our Indian operations are incurred in Rupees. An appreciation of the Rupee against the U.S. Dollar tends to result in a decrease in our revenues relative to our costs. Conversely, a depreciation of the Rupee can increase the cost of our imports. While we use foreign currency forward and option contracts to hedge our risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions, changes in exchange rates may have an adverse effect on our results of operations and financial condition. The major currencies, whose exchange rate movements against the U.S. Dollar affect our results of operations are explained below:

Rupee

In India, our products are typically priced by reference to U.S. Dollar prices, both in the Indian and international markets. However, a majority of our direct costs are incurred in Rupees in our aluminum business. In addition, our smelting and refining cost are incurred in Rupees in our copper business. All the costs with respect to imported materials for all our businesses are generally incurred in U.S. Dollars. Towards minimizing the impact of currency fluctuations, we hedge our currency exposures from time to time in line with our risk management policy.

Euro

In Europe, where we have predominantly local currency selling prices and operating costs, we benefit as the Euro and other local European currencies strengthen against the U.S. Dollar, but are adversely affected as the Euro and these currencies weaken.

Korean Won

In Korea, where we have local currency selling prices for local sales and U.S. Dollar denominated selling prices for exports from Korea, we benefit slightly as the Korean Won weakens, but are adversely affected as the Korean Won strengthens, due to a slightly higher percentage of exports as compared to local sales.

Canadian Dollar and Brazilian Real

In Canada and Brazil, where we have predominately U.S. Dollar selling prices, metal costs and local currency operating costs, we benefit as the local currencies weaken, but are adversely affected as the local currencies strengthen.

See "Risk Factors — Risks Relating to our Business — Our operating results are affected by movements in exchange rates, particularly between the Rupee and the Euro and the U.S. Dollar".

Business Reconstruction Reserve

We formulated a scheme of financial restructuring, under sections 391 to 394 of the Companies Act (the "Scheme"), between our Company and its equity shareholders, which was approved by the High Court of Judicature at Bombay, to deal with various costs associated with our organic and inorganic growth plans. Pursuant to this, a separate reserve account, the Business Reconstruction Reserve (the "BRR"), was created during the Fiscal 2009 by transferring the balance in our securities premium account to such account for adjustment of certain expenses. Accordingly, ₹ 86,473.7 million was transferred to the BRR and, as of March 31, 2015, ₹ 2,503.3 million and ₹ 21,657.9 million has been adjusted against the BRR in our standalone and consolidated accounts, respectively.

In addition, during the Fiscal 2016, the following expenses have been adjusted against the BRR in both our standalone and consolidated accounts:

- ₹ 2,794.6 million towards expenses on terminated projects;
- ₹ 3,673.1 million in impairment losses (net of ₹ 1,943.9 million in deferred taxes); and
- ₹ 355.0 million of provisions for diminution in the value of our investment in Hindalco-Almex Aerospace Limited, a subsidiary of our Company, which was entirely adjusted against the BRR.

Our Significant Accounting Policies

Please see Note 2 to our consolidated financial statements for a discussion of our significant accounting policies for the Fiscals 2014, 2015 and 2016.

As the implementation of Ind-AS becomes more established and the RBI and other relevant regulatory authorities provide more clarification, our accounting policies used in our combined financial statements for the period ended December 31, 2016 may change. Therefore, investors should use caution when using the Ind-AS accounting policies shown in the combined financial statements ended December 31, 2016 to forecast our future results.

Results of Operations

The following table sets forth selected information from our results of operations as a percentage of total income for the periods indicated:

	Fiscal					
	2014		2015		2016	
	(₹ in millions)	% of Total Income	(₹ in millions)	% of Total Income	(₹ in millions)	% of Total Income
			(Consolidated, Indian GAAP)			
Income:						
Net revenue from operations	876,954.9	98.9	1,042,811.0	99.0	1,000,421.6	98.8
Other income	10,172.0	1.1	11,047.4	1.0	12,153.0	1.2
Total income	887,126.9	100.0	1,053,858.4	100.0	1,012,574.6	100.0
Expenses:						
Purchases of stock-in-trade	522.5	0.1	365.5	0.0	14.8	0.0
Cost of materials	538,573.7	60.7	661,330.5	62.8	581,009.5	57.4

	Fiscal					
	2014		2015		2016	
	(₹ in millions)	% of Total Income	(₹ in millions)	% of Total Income	(₹ in millions)	% of Total Income
consumed						
Changes in inventories of finished goods, works-in-progress and stock-in-trade	(5,218.8)	(0.6)	(12,378.9)	(1.2)	12,852.2	1.3
Employee benefits expenses	73,197.9	8.3	79,912.3	7.6	82,383.4	8.1
Power and fuel	61,504.9	6.9	83,785.6	8.0	93,169.2	9.2
Finance costs	27,015.9	3.1	41,784.2	4.0	50,489.4	5.0
Depreciation and amortization	33,468.3	3.8	34,933.8	3.3	41,265.6	4.1
Impairment loss / (reversal) (net)	2,059.6	0.2	971.8	0.1	1,606.3	0.1
Other expenses	125,518.2	14.1	140,350.3	13.3	143,077.2	14.1
Total expenses	856,635.9	96.6	1,031,055.1	97.8	1,005,867.6	99.3
Exceptional items	3,959.8	0.4	19,401.0	1.8	5,765.3	0.6
Profit before tax	26,531.2	3.0	3,402.3	0.4	941.7	0.1
Current tax	11,510.2	1.3	3,810.2	0.4	9,126.3	0.9
Deferred tax*	(6,261.0)	(0.7)	(1,246.4)	(0.1)	(3,978.8)	(0.4)
Profit/Loss from continuing operations	21,282.0	2.4	838.5	0.1	(4,205.8)	(0.4)
Profit from discontinued operations	-	-	-	-	(1,585.1)	(0.2)
Profit/Loss before minority interests	21,282.0	2.4	838.5	0.1	(5,790.9)	(0.6)
Minority interest in Profit/(Loss) (net)	200.3	-	(5,956.6)	(0.6)	(4,490.0)	(0.4)
Share in Profit/(Loss) of associates (net)	668.4	0.1	1,747.0	0.2	1,749.0	0.2
Net profit	21,750.1	2.5	8,542.1	0.8	448.1	0.0

* *Net of MAT Credit*

	Nine months ended December 31,			
	2015		2016	
	(₹ in millions)	% of Total Revenue	(₹ in millions)	% of Total Revenue
		(Combined, Ind-AS)		
Income:				
Revenue from operations	758,059.4	98.7	735,379.5	98.8
Other income	9,715.6	1.3	8,709.3	1.2
Total revenue	767,775.0	100.0	744,088.8	100.0
Expenses:				
Purchases of stock-in-trade	14.8	-	889.2	0.1
Cost of materials consumed	451,027.7	58.7	418,459.9	56.2
Changes in inventories of finished goods, works-in-progress and stock-in-trade	7,445.8	1.0	(22,862.4)	(3.1)
Excise Duty	18,326.5	2.4	17,268.9	2.3
Employee benefits expenses	57,905.8	7.5	62,204.6	8.4
Power and fuel	69,386.2	9.0	62,971.3	8.5
Finance costs	38,309.6	5.0	43,975.9	5.9
Depreciation and amortization	30,792.0	4.0	32,748.5	4.4
Impairment loss / (reversal) (net)	506.3	0.1	-	-
Other expenses	94,953.0	12.4	105,426.3	14.2
Total expenses	768,667.7	100.1	721,082.2	96.9
Exceptional Income/ (Expense) (net)	-	-	(63.3)	-
Profit/(loss) before tax from continuing operations	(892.7)	(0.1)	22,943.3	3.1
Current tax	5,707.2	0.7	8,143.8	1.1
MAT Credit Entitlement	(418.2)	(0.1)	(2,725.8)	(0.4)
Deferred Tax	1,995.0	(0.3)	5,332.8	0.7

	Nine months ended December 31,			
	2015		2016	
	(₹ in millions)	% of Total Revenue	(₹ in millions)	% of Total Revenue
Profit/(loss) from discontinued operations (Net)	(4,186.7)	(0.5)	12,192.5	1.6
Profit/(loss) from discontinued operations (Net)	(8.1)	-	7.7	-
Profit/(loss) for the period	(4,194.8)	(0.5)	12,200.2	1.6
Other comprehensive income	8,047.5	1.0	1,168.4	0.2
Total comprehensive income	3,852.7	(0.5)	13,368.6	1.8

Description of Line Items

Other than where indicated below (for net revenue from operations, gross revenue from operations, and excise duty), the description of our line items remains unchanged as a result of our transition from Indian GAAP to Ind-AS.

Net Revenue from Operations

Consolidated (Indian GAAP)

Our net revenue from operations primarily consists of sales from our aluminum and copper business segments. For details of the aluminum and copper products we sell, see "— Factors Affecting Our Results of Operations — Product and Market Mix".

Gross Revenue from Operations

Combined (Ind-AS)

Under Ind-AS, we present our revenue from operations as inclusive of excise duty.

Other Income

Other income primarily consists of income from investments in the form of dividends and profit or loss from sales of such investments, and interest income. Our investments primarily include current investments in mutual funds and long term investments in joint ventures and associates.

Purchases of Stock-in-Trade

This includes copper imports and certain other items in our caustic soda business.

Cost of Materials Consumed

Costs of materials consumed consists of raw materials consumed, such as the cost of purchased bauxite, copper concentrate, primary aluminum and aluminum scrap, including used beverage cans among others and packing materials.

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

This relates to adjustment to our income statement which reflects increases or decreases in our work-in-progress and finished goods inventory.

Excise Duty

Combined (Ind-AS)

Under Ind-AS, we present our revenue from operations as inclusive of excise duty. Accordingly, we also present our excise duty as a separate expense line item.

Employee Benefits Expenses

Employee benefits expenses consists of payments to and provisions for employees which includes salaries, wages and bonus to our employees, contributions we make to provident funds and other funds, retirement benefits we provide to employees and expenses incurred for staff welfare.

Power and Fuel

Power and fuel costs include the cost of coal purchased and other fuel for the operation of our power plants, cost of purchase of power at our facilities in and outside India. The cost of our own production of coal is spread across other expense items and not included in power and fuel costs.

Finance Costs

Finance costs primarily consist of interest and finance charges on our indebtedness, including debentures, fixed loans and other indebtedness, net of interest capitalized, as well as loss on extinguishment of debt.

Other Expenses

Other expenses include consumption expenses of stores and spares, repairs to buildings and machinery, rental expenses, insurance costs, research and development costs, freight and forwarding expenses, among others.

Depreciation

Depreciation expenses primarily consist of depreciation on our fixed assets, including our smelters, refineries, power plants, rolling mills and mining equipment. Depreciation also includes amortization of intangible assets such as customer relationships, trade names and technology.

Impairment

We recognize impairment expenses when we believe the net present value of the recoverable amount of an asset is lower than the carrying value in the books.

Combined Nine Months Ended December 31, 2016 Compared to Combined Nine Months Ended December 31, 2015

We have historically prepared our financial statements in accordance with Indian GAAP. We are transitioning to preparing and auditing our financial statements in accordance with Ind-AS as required by the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015, and the comparative discussion below is based on the financial statements for the nine month periods ended December 31, 2015 and 2016 as prepared under Ind-AS and on a unconsolidated but combined basis that includes the standalone Hindalco Industries Limited, Novelis Inc., Utkal Alumina International Limited, AV Minerals (Netherlands) N.V. and AV Metals Inc. as components of the combined financial statements. The composition of the line items discussed below are different from that of the line items for the Fiscals ended 2014, 2015 and 2016 under Indian GAAP. For example, we now report gross revenues without deducting excise duty, which is different from how we reported under Indian GAAP where excise duties were deducted to produce a net revenue line item. Therefore the figures discussed below are not strictly comparable with the figures shown elsewhere in this section for the Fiscals 2014, 2015 and 2016 that are shown on a consolidated basis under Indian GAAP. See "Summary of Significant Differences Among Indian GAAP, Ind-AS and U.S. GAAP".

Our results of operations for the nine months ended December 31, 2016 were primarily driven by the following key factors:

- Higher production volume in our India aluminum operations;
- Lower production volume in our copper operations as a result of shutdowns due to price, which was partially offset by lower cost of raw materials; and
- A strategic shift to products with higher profit margins by Novelis, despite lower production volumes.

Gross Revenue

Gross revenue from operations decreased by 3.0% to ₹ 735,379.5 million for the nine months ended December 31, 2016 from ₹ 758,059.4 million for the nine months ended December 31, 2015 primarily due to decreases in production volume at Novelis and in our copper segment, as well as lower aluminum and copper prices.

Gross revenue from our Indian aluminum operations (standalone) increased by 8.6% to ₹ 147,080.8 million for the nine months ended December 31, 2016 from ₹ 135,461.7 million in the nine months ended December 31, 2015 on account of higher production volume. Gross revenue from Novelis' operations were ₹ 456,531.8 million for the nine months ended December 31, 2016, compared to ₹ 481,222.6 million for the nine months ended December 31, 2015. The decrease in gross revenue for our Novelis' operations was primarily due to a decrease of 57 kt in production volume of FRPs and decreases in aluminum prices, which was partially offset by Novelis' shift to products with higher premiums. Gross revenue for our copper segment decreased by 6.8% to ₹ 132,061.9 million for the nine months ended December 31, 2016 from ₹ 141,677.9 million for the nine months ended December 31, 2015, which was primarily attributable to a decrease in production volume due to the planned shutdown of one of our two copper smelters at Dahej.

Other Income

Other income decreased to ₹ 8,709.3 million for the nine months ended December 31, 2016 from ₹ 9,715.6 million for the nine months ended December 31, 2015, primarily due to decreases in interest income, dividend on non-current investment, as well as losses on fixed assets sold/discarded, which were partially offset by gains on financial assets measured on fair value through profit and loss.

Total Expenses

Our total expenses decreased by 6.2% to ₹ 721,082.2 million for the nine months ended December 31, 2016 from ₹ 768,667.7 million for the nine months ended December 31, 2015, primarily due to lower production volume as a result of lower aluminum prices.

Cost of Materials Consumed

The cost of materials consumed decreased by 7.2% to ₹ 418,459.9 million for the nine months ended December 31, 2016 from ₹ 451,027.7 million for the nine months ended December 31, 2015, primarily due to lower commodity prices.

Power and Fuel

Power and fuel decreased by 9.2% to ₹ 62,971.3 million for the nine months ended December 31, 2016 as compared to ₹ 69,386.2 million for the nine months ended December 31, 2015, primarily due to lower energy prices.

Employee Benefits Expenses

Employee benefits expenses increased by 7.4% to ₹ 62,204.6 million for the nine months ended December 31, 2016 compared to ₹ 57,905.8 million for the nine months ended December 31, 2015, primarily due to an increase in salaries and wages resulting from regular increases in salary and higher employee welfare expense.

Finance Costs

Finance costs increased by 14.8% to ₹ 43,975.9 million for the nine months ended December 31, 2016 from ₹ 38,309.6 million for the nine months ended December 31, 2015, primarily due to loss on the extinguishment of debt relating to a loan refinancing by Novelis.

Other Expenses

Other expenses increased by 11.0% to ₹ 105,426.3 million for the nine months ended December 31, 2016 from ₹ 94,953.0 million for the nine months ended December 31, 2015, primarily due to a loss on fair value of derivatives of ₹ 3,817 million.

Depreciation and Amortization

Depreciation costs increased by 6.4% to ₹ 32,748.5 million for the nine months ended December 31, 2016 from ₹ 30,792.0 million for the nine months ended December 31, 2015, primarily as a result of additional capitalization of facilities and machinery.

Exceptional items

Our exceptional items for the nine months ended December 31, 2016 represents additional losses of ₹ 63.3 million, consisting of losses of ₹ 912.2 million from the sale of Novelis' entire 59.15% equity interest in Aluminium Company of Malaysia Berhad to Towerpack Sdn. Bhd. for US$12 million and losses of ₹ 600.4 million in additional coal purchased through e-auctions and linkage agreement that may arise from the change in effectivity date for the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 from October 20, 2015 to January 12, 2015, which was partially offset by gains of ₹ 1,449.3 million from the sale of our entire holding in Aditya Birla Minerals Limited to Metals X Limited. We did not have any exceptional items for the nine months ended December 31, 2015.

Tax

Provision for current tax increased by 42.7% to ₹ 8,143.8 million for the nine months ended December 31, 2016 from ₹ 5,707.2 million for the nine months ended December 31, 2015, primarily due to higher profits. Our provision for deferred tax (including minimum alternative tax credit entitlement) was ₹ 2,607.0 million for the nine months ended December 31, 2016 as compared to a deferred tax benefit of ₹ 2,413.2 million for the nine months ended December 31, 2015, primarily due to the creation of deferred tax assets in the nine months ended December 31, 2015.

Other Comprehensive Income

Other comprehensive income was a profit of ₹ 1,168.4 million for the nine months ended December 31, 2016 as compared to ₹ 8,047.5 million for the nine months ended December 31, 2015.

Total Comprehensive Income

Total comprehensive income was ₹ 13,368.6 million for the nine months ended December 31, 2016 as compared to ₹ 3,852.7 million for the nine months ended December 31, 2015 for the reasons set out above.

Fiscal 2016 Compared to Fiscal 2015

Our results of operations for the Fiscal 2016 were primarily driven by the following key factors:

- Record production of aluminum (1.1 Mt), alumina (2.7 Mt), and copper (388 kt);
- All greenfield projects achieved full ramp up; and
- Record FRP shipments at Novelis.

Net Revenue

Net revenue from operations decreased by 4.1% to ₹ 1,000,421.6 million for the Fiscal 2016 from ₹ 1,042,811.0 million for the Fiscal 2015 primarily due to sharp declines in realization due to an unfavorable macroeconomic environment globally.

Net revenue for our aluminum segment decreased marginally by 0.4% to ₹ 828,121.1 million for the Fiscal 2016 from ₹ 831,394.9 million for the Fiscal 2015. Revenues from our Indian aluminum operations (standalone) increased by 21.5% to ₹ 17,121.0 million for the Fiscal 2016 from ₹ 140,971.0 million in the Fiscal 2015 on account of higher volumes resulting from the ramp-up of production at the greenfield smelters. Net revenue from Novelis' operations were ₹ 652,498.0 million for the Fiscal 2016, compared to ₹ 680,564.0 million for the Fiscal 2015. The decrease in net revenue for our Novelis' operations was primarily due to a 16% decrease in average base aluminum prices and a 58% decrease in local market premiums (primarily the U.S. midwest premium), despite a 73 kt increase in flat rolled products shipments to a record level of 3,123 kt in fiscal 2016, along with a favorable impact from our strategic shift to higher conversion premium products (primarily automotive). Total metal input costs included in Novelis' cost of material consumed decreased, primarily reflecting lower average base aluminum prices resulting from a decline in LME and lower local market premiums.

Net revenue for our copper segment decreased by 15.8% to ₹ 172,456.5 million for the Fiscal 2016 from ₹ 204,923.4 million for the Fiscal 2015, which was primarily attributable to the abolition of certain export incentive schemes during the year and challenging market conditions, most notably declining demand from China.

Other Income

Other income increased to ₹ 12,153.0 million for the Fiscal 2016 from ₹ 11,047.4 million for the Fiscal 2015, primarily due to an increase in interest income resulting from interest received from the income tax department of ₹ 1,553.9 million relating to a tax refund held by the income tax department, which was partially offset by decreases in gain on sale of current investments and other non-operating income relating to business interruption related insurance claim.

Total Expenses

Our total expenses decreased by 2.4% to ₹ 1,005,867.6 million for the Fiscal 2016 from ₹ 1,031,055.1 million for the Fiscal 2015, primarily due to decreases in costs of materials consumed. Novelis' total expenses were ₹ 651,712.9 million for the Fiscal 2016, which constituted 64.8% of our total expenses for such year, as compared to Novelis' total expenses of ₹ 674,787.4 million for the Fiscal 2015, which constituted 65.1% of our total expenses for such year. The decrease in Novelis' total expenses was primarily a result of lower cost of materials consumed.

Cost of Materials Consumed

The cost of materials consumed decreased by 12.1% to ₹ 581,009.5 million for the Fiscal 2016 from ₹ 661,330.5 million for the Fiscal 2015, primarily due to a decrease in the cost of raw materials to ₹ 581,011.7 million for the Fiscal 2016 as compared to ₹ 661,780.2 million for the Fiscal 2015. The decrease in cost of raw materials was mainly the result of lower commodity prices mainly aluminum and copper (both the LME prices and local market premiums). The cost of materials consumed for the Novelis operations was ₹ 414,471.9 million for the Fiscal 2016 as compared to ₹ 457,733.2 million for the Fiscal 2015 resulting from a decrease in weighted average metal costs, partially offset by an increase in FRP shipments and higher costs related to the initial start-up costs for our three greenfield projects.

Power and Fuel

Power and fuel increased by 11.2% to ₹ 93,169.2 million for the Fiscal 2016 as compared to ₹ 83,785.6 million for the Fiscal 2015, primarily due to record high level of operations upon the successful commissioning of our greenfield projects. In addition, the de-allocation of an operating coal mine resulted in us purchasing additional coal in the spot market. Novelis incurred ₹ 21,788.7 million towards power and fuel expenses in the Fiscal 2016 as compared to ₹ 24,341.2 million in the Fiscal 2015 as a result of lower energy costs.

Employee Benefits Expenses

Employee benefits expenses increased by 3.1% to ₹ 82,383.4 million for the Fiscal 2016 compared to ₹ 79,912.3 million for the Fiscal 2015, primarily due to an increase in salaries and wages resulting from higher employee head count. The employee cost of Novelis was ₹ 62,538.3 million for the Fiscal 2016 as compared to ₹ 60,445.3 million for the Fiscal 2015. The number of employees for our India operations increased to 24,118 as of March 31, 2016 from 21,976 as of March 31, 2015, while for Novelis, the number of employees increased to 11,970 as of March 31, 2016 from 11,560 as of March 31, 2015.

Finance Costs

Finance costs increased by 20.8% to ₹ 50,489.4 million for the Fiscal 2016 from ₹ 41,784.2 million for the Fiscal 2015, primarily due to a decrease in finance costs that were transferred to capital work-in-progress relating to the completion of our greenfield projects. Our finance costs for the Fiscal 2016 include ₹ 21,233.9 million in finance costs resulting from borrowings by Novelis.

Other Expenses

Other expenses increased by 1.9% to ₹ 143,077.2 million for the Fiscal 2016 from ₹ 140,350.3 million for the Fiscal 2015, primarily due to increases in repairs to machinery, freight and forwarding expenses and miscellaneous expenses as the scale of our operations increased.

Depreciation and Amortization

Depreciation costs increased by 18.1% to ₹ 41,265.6 million for the Fiscal 2016 from ₹ 34,933.8 million for the Fiscal 2015, primarily as a result of capitalization of the facilities and machinery at our greenfield projects. Novelis' depreciation costs increased to ₹ 23,871.0 million for the Fiscal 2016 as compared to ₹ 22,362.0 million for the Fiscal 2015, primarily as a result of changes in exchange rates.

Exceptional items

Our exceptional items for the Fiscal represents additional expenses of ₹ 5,765.3 million, consisting of impairment of fixed assets of ₹ 4,509.1 million and write down in value of inventories of ₹ 1,256.2 million as a result of a potential decrease in copper grade in one of our former subsidiary's mines, economically unviable of recovery of copper and change in macroeconomic conditions. This was a significant decrease of exceptional items from 2015 of ₹ 19,401.0 million.

Tax

Provision for current tax increased by 139.5% to ₹ 9,126.3 million for the Fiscal 2016 from ₹ 3,810.2 million for the Fiscal 2015, primarily due to a decrease in the minimum alternative tax credit entitlement. Deferred tax benefit was ₹ 3,978.8 million for the Fiscal 2016 as compared to deferred tax benefit of ₹ 1,246.4 million for the Fiscal 2015, and was primarily due to deferred tax benefit at Novelis.

Minority Interest

Minority interest recorded a loss of ₹ 4,490 million for the Fiscal 2016 from a loss of ₹ 5,956.6 million for the Fiscal 2015 primarily attributable to higher losses at our former Australian subsidiaries.

Share in Profit / (Loss) of Associates (Net)

The share in profit of associates was ₹ 1,749.0 million for the Fiscal 2016 as compared to a profit of ₹ 1,747.0 million for the Fiscal 2015.

Net Profit

Net profit decreased by 94.8% to ₹ 448.1 million for the Fiscal 2016 from ₹ 8,542.1 million for the Fiscal 2015 for the reasons set out above.

Fiscal 2015 Compared to Fiscal 2014

Our results of operations for the Fiscal 2015 were primarily driven by the following key factors:

- Ramp up of greenfield projects in India, with Utkal at near full capacity and Mahan and Aditya at 85% and 50% capacity, respectively, leading to an increase of approximately 40% in metal production volume in our Indian operations;

- Strong performance in our copper business as a result of increases in operational efficiencies and higher TcRc; and

- Record production volume of 3,050 kt and record production of FRP for use in autos by Novelis, which launched three new automotive finishing lines.

Net Revenue

Net revenue from operations increased by 18.9% to ₹ 1,042,811.0 million for the Fiscal 2015 from ₹ 876,954.9 million for the Fiscal 2014, primarily as a result of increased sales volumes of our products in both the aluminum and copper businesses, as well as the strong performance of our copper business, partially offset by the slowing demand for our aluminum products in certain global geographies resulting from macroeconomic headwinds.

Net revenue for our aluminum segment increased to ₹ 831,394.9 million for the Fiscal 2015 from ₹ 692,176.1 million for the Fiscal 2014. Sales from our Indian aluminum operations (standalone) increased to ₹ 141,046.9 million in the Fiscal 2015 from ₹ 100,496.9 million in the Fiscal 2014 on account of higher volumes from the ramp up of production at our greenfield projects. Sales from our Novelis operations generated ₹ 680,564.0 million with a record shipment of 3,374 kt sold for the Fiscal 2015 as compared to ₹ 591,279.1 million with a volume of 3,061 kt sold for the Fiscal 2014. Net revenue from Novelis operations increased primarily due to higher average base aluminum prices, higher local market premiums, an increase in shipments of our can and automotive products, and higher non-FRP shipments, partially offset by the sale of our North American consumer foil operations in the first quarter of Fiscal 2015.

Net revenue for our copper segment increased by 14.4% to ₹ 204,923.4 million for the Fiscal 2015 from ₹ 179,058.4 million for the Fiscal 2014, primarily as a result of higher volumes and increased proportion of sales of value added products, resulting in a record production of cathodes.

Other Income

Other income increased by 8.6% to ₹ 11,047.4 million for the Fiscal 2015 from ₹ 10,172.0 million for the Fiscal 2014, primarily due to higher investment income from current investments due to a higher surplus of funds held in investments and higher other non-operating income resulting from insurance proceeds from business interruption claims for Novelis.

Total Expenses

Our total expenses increased by 20.4% to ₹ 1,031,055.1 million for the Fiscal 2015 from ₹ 856,635.9 million for the Fiscal 2014, primarily due to increases in costs of materials consumed, power and fuel, employee benefits expenses, finance costs and other expenses. Novelis' total expenses was ₹ 674,049.7 million for the Fiscal 2015, which constituted 65.4% of our total expenses for such year, as compared to Novelis' total expenses of ₹ 578,408.0 million which constituted 67.5% of our total expenses for the Fiscal 2014. The increase in Novelis' total expenses was primarily due to the increase in their cost of goods sold.

Cost of Materials Consumed

Cost of materials consumed increased by 22.8% to ₹ 661,330.5 million for the Fiscal 2015 as compared to ₹ 538,573.7 million for the Fiscal 2014, primarily due to higher volumes and aluminum LME prices and local market premiums. The cost of material consumed for the Novelis operations was ₹ 459,926.5 million for the Fiscal 2015 as compared to ₹ 367,186.4 million for the Fiscal 2014, the increase of which was primarily due to higher average base aluminum prices, higher average local market premiums, an increase in shipments, higher costs related to our strategic expansion projects, cost reductions due to an amendment we made to a non-union retiree medical plan in the prior year, partially offset by increased use of recycled aluminum, and the sale of our North American consumer foil operations in the first quarter of Fiscal 2015. Total metal input costs included in Novelis' cost of material consumed increased, primarily reflecting higher average base aluminum prices resulting from an increase in LME and higher local market premiums.

Power and Fuel

Power and fuel cost increased by 36.2% to ₹ 83,785.6 million for the Fiscal 2015 from ₹ 61,504.9 million for the Fiscal 2014, primarily as a result of commissioning and ramping up of aluminum smelters at our greenfield projects as well as an increase in fuel costs. Novelis incurred ₹ 24,341.2 million towards power and fuel expenses in the Fiscal 2015, compared to ₹ 22,807.7 million in the Fiscal 2014, the increase of which was the result of higher shipment volumes and rising energy costs.

Employee Benefits Expenses

Employee benefits expenses increased by 9.2% to ₹ 79,912.3 million for the Fiscal 2015 from ₹ 73,191.6 million for the Fiscal 2014, primarily as a result of an increase in overall head count as well as increased salaries and wages. Employee cost at Novelis increased to ₹ 60,445.3 million for the Fiscal 2015 from ₹ 54,896.6 million for the Fiscal 2014. The number of employees for our Indian operations increased to 21,976 as of March 31, 2015 from 20,902 as of March 31, 2014, while at Novelis, the number of employees increased to 11,560 as of March 31, 2015 from 11,410 as of March 31, 2014.

Finance Costs

Finance costs increased by 54.2% to ₹ 41,784.2 million for the Fiscal 2015 from ₹ 27,105.9 million for the Fiscal 2014, primarily due to a decrease in finance costs that were transferred to capital work-in-progress relating to the completion of our greenfield projects. Our finance costs in 2015 include ₹ 18,849.4 million in finance costs resulting from borrowings by Novelis.

Other Expenses

Other expenses increased by 11.8% to ₹ 140,350.3 million for the Fiscal 2015 from ₹ 125,518.2 million for the Fiscal 2014, primarily due to increases in freight and forwarding expenses, repairs to machinery, consumption of stores and spares due to an increase in the scale of our operations, which was partially offset by gain on change in fair value of derivatives.

Depreciation and Amortization

Depreciation costs increased by 4.4% to ₹ 34,933.8 million for the Fiscal 2015 from ₹ 33,468.3 million for the Fiscal 2014, primarily due to a change in the manner of calculation of depreciation with effect from April 1, 2014 by considering revised useful life of assets to bring it in line with the Schedule II of the Companies Act, 2013. Novelis' depreciation costs was ₹ 22,362.0 million for the Fiscal 2015 as compared to ₹ 20,952.4 million for the Fiscal 2014, as a result of the recent commissioning of some of Novelis' global expansion projects, partially offset by accelerated depreciation on certain non-core assets in the prior year.

Tax

Provision for current tax decreased by 66.9% to ₹ 3,810.2 million for the Fiscal 2015 from ₹ 11,510.2 million for the Fiscal 2014, primarily due to the first time recognition of the minimum alternative tax credit entitlement. Deferred tax benefit was at ₹ 1,246.4 million for the Fiscal 2015 as compared to ₹ 6,261.0 million for the Fiscal 2014.

Minority Interest

Minority interest recorded to a loss of ₹ 5,956.6 million for the Fiscal 2015 as compared to a profit of ₹ 200.3 million for the Fiscal 2014, primarily attributable to higher losses at our former Australian subsidiaries.

Share in (Profit) / Loss of Associates (Net)

The share in profit of associates was ₹ 1,747.0 million for the Fiscal 2015 as compared to ₹ 668.4 million for the Fiscal 2014, primarily as a result of lower losses in certain associates relating to Novelis.

Net Profit

As a result of the foregoing, net profit decreased by 60.7% to ₹ 8,542.1 million for the Fiscal 2015 from ₹ 21,750.1 million for the Fiscal 2014.

Liquidity and Capital Resources

We operate in a capital-intensive industry. Our primary liquidity needs have been to finance our operations, working capital needs, acquisitions and expansion plans, dividend payments and debt servicing. We have historically funded such capital expenditures through a combination of internal cash flows, offerings of securities and borrowings.

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

	Fiscal		
	2014	2015	2016
	(₹ in millions) (Consolidated, Indian GAAP)		
Net cash generated/used from operating activities	79,557.2	71,430.8	102,709.8
Net cash (generated/used in) investing activities	(81,146.9)	(37,930.9)	(32,811.5)
Net cash generated from/(used in) financing activities	14,925.9	(24,370.8)	(72,594.3)
Net increase/(decrease) in cash and cash equivalents	13,336.2	9,129.1	(2,696.0)

	Nine months ended December 31,	
	2015	2016
	(₹ in millions) (Combined, Ind-AS)	
Net cash generated/used from operating activities	70,442.0	77,701.0
Net cash (generated/used in) investing activities	(15,145.8)	(6,668.6)
Net cash (generated/used in) financing activities	(65,024.6)	(56,622.1)
Net increase/(decrease) in cash and cash equivalents	(9,728.4)	14,410.3

Cash in the form of bank deposits, current account balances and cash on hand represent our cash and cash equivalents.

Operating Activities

Net cash generated from operating activities was ₹ 77,701.0 million for the nine months ended December 31, 2016, and consisted of profit before tax of ₹ 22,951.0 million, as adjusted for a number of non-cash items, primarily finance costs of ₹ 43,975.9 million and depreciation and amortization of ₹ 32,748.5 million. Changes in working capital primarily included increases in inventories of ₹ 30,234.9 million and increases in trade and other payables of ₹ 18,405.4 million.

Net cash generated from operating activities was ₹ 102,709.8 million for the Fiscal 2016, and consisted of profit before tax of ₹ 941.7 million, as adjusted for a number of non-cash items, primarily finance costs of ₹ 50,489.4 million, depreciation and amortization of ₹ 41,265.6 million, net investing activities of ₹ 9,880.3 million, impairment loss of ₹ 7,371.6 million and gain on derivative transactions of ₹ 3,645.1 million. Changes in working capital primarily included increases in inventories of ₹ 24,277.8 million and trade and other receivables of ₹ 24,269.6 million, offset by a decrease in trade and other payables of ₹ 26,587.9 million. Net cash generated from operating activities for the Fiscal 2016 included ₹ 56,940.3 million of cash generated from Novelis' operations.

Net cash generated from operating activities was ₹ 71,430.8 million for the Fiscal 2015, and consisted of profit before tax of ₹ 3,402.3 million, as adjusted for a number of non-cash items, primarily finance costs of ₹ 41,784.2 million, depreciation and amortization of ₹ 34,933.8 million, impairment loss of ₹ 10,621.0 million, net investing activities of ₹ 8,295.6 million, other non-operating income of ₹ 3,528.4 million and gain on assets held for sale of ₹ 1,584.2 million. Changes in working capital primarily included decreases in inventories of ₹ 18,697.5 million and trade and other receivables of ₹ 16,168.0 million, offset by an increase in trade and other payables of ₹ 34,002.9 million. Net cash generated from operating activities for the Fiscal 2015 included ₹ 56,897.0 million of cash generated from Novelis' operations.

Net cash generated from operating activities was ₹ 79,557.2 million for the Fiscal 2014, and consisted of profit before tax of ₹ 26,531.2 million, as adjusted for a number of non-cash items, primarily finance costs of ₹ 27,015.9 million, depreciation and amortization of ₹ 33,468.3 million, impairment loss of ₹ 2,059.6 million, impact of foreign exchange translation of ₹ 1,477.9 million and a direct tax payment of ₹ 9,585.5 million. Changes in working capital primarily included decreases in inventories of ₹ 15,713.2 million and trade and other receivables of ₹ 21,004.1 million, offset by an increase in trade and other payables of ₹ 46,340.3 million. The change in trade and other payables was primarily due to higher current liabilities towards capital expenditure.

Net cash generated from operating activities for the Fiscal 2014 included ₹ 60,670.4 million of cash generated from Novelis' operations.

Investing Activities

For the nine months ended December 31, 2016, net cash used in investing activities was ₹ 6,668.6 million, primarily consisting of ₹ 19,003.3 million used for purchase of fixed assets, which was offset by ₹ 7,201.2 million generated from sale of other investments and interest received from investment of ₹ 3,286.7 million.

For the Fiscal 2016, net cash used in investing activities was ₹ 32,811.5 million, primarily consisting of ₹ 39,891.4 million used for purchase of fixed assets and ₹ 6,603.9 million used for purchase of other investments, which was offset by loans and deposits received back of ₹ 6,942.8 million and interest received from investment of ₹ 5,499.7 million.

For the Fiscal 2015, net cash used in investing activities was ₹ 37,930.9 million, primarily consisting of ₹ 59,776.2 million used for purchase of fixed assets, which was offset by ₹ 10,510.4 million generated from sale of other investments, interest received from investment of ₹ 4,295.3 million and loans and deposits given of ₹ 3,978.3 million.

For the Fiscal 2014, net cash used in investing activities was ₹ 81,146.9 million, primarily consisting of ₹ 94,235.7 million used for purchase of fixed assets, which was offset by ₹ 5,316.2 million generated from sale of other investments, mainly investments in mutual funds, and interest received from investment of ₹ 4,990.7 million.

Financing Activities

For the nine months ended December 31, 2016, we used ₹ 56,622.1 million in financing activities, primarily consisting of prepayment of long-term borrowings amounting to ₹ 174,587.1 million and payment of finance costs of ₹ 47,911.4 million, which were offset by ₹ 185,865.5 million in proceeds from long-term borrowings.

For the Fiscal 2016, we used ₹ 72,594.3 million in financing activities, primarily consisting of ₹ 61,160.3 million in proceeds from long-term borrowings and ₹ 3.4 million in proceeds from issue of Shares, net of expenses, which were offset by payment of finance costs of ₹ 50,307.9 million and prepayment of long-term borrowings amounting to ₹ 44,575.8 million.

For the Fiscal 2015, we used ₹ 24,370.8 million in financing activities, primarily consisting of ₹ 82,024.3 million in proceeds from long-term borrowings and ₹ 47.0 million in proceeds from issue of Shares, net of expenses, which were offset by prepayment of long-term borrowings amounting to ₹ 69,225.0 million and payment of finance costs of ₹ 50,253.1 million.

For the Fiscal 2014, we generated ₹ 14,925.9 million from financing activities, primarily consisting of ₹ 220,277.2 million in proceeds from long-term borrowings and ₹ 16,299.9 million in proceeds from issue of Shares, net of expenses, which were offset by prepayment of long-term borrowings amounting to ₹ 191,834.6 million, and payment of finance costs of ₹ 46,919.2 million. We incurred additional long-term borrowings during Fiscal 2014, which substantially comprised of refinancing of existing project loans, and also raised capital from the issuance of shares pursuant to the preferential issue of warrants to promoters.

Indebtedness

The following table summarizes our combined outstanding indebtedness as of December 31, 2016.

Particulars	(Combined) (₹ in millions)
Secured Loans (including finance leases and current maturities of long-term borrowings)	430,667.1
Unsecured Loans	242,175.5
Total	672,842.6

As of December 31, 2016, the indebtedness of our Company on a standalone basis and the indebtedness of Novelis on a standalone basis was ₹ 278,095.0 million and US$5,136 million, respectively. The weighted average maturity of our Company on a standalone basis and the long-term debt of Novelis on a standalone basis increased from 5.55 years and 4.34 years as of March 31, 2014, respectively, to 10.48 years and 7.19 years as of December 31, 2016, respectively.

The following table summarizes the maturity profile of the projects-related debt and non-convertible debentures relating to our standalone operations and Utkal's operations as of December 31, 2016:

Particulars	(Standalone and Uktal)	
	(₹ in millions)	(US$ in millions)*
Not later than one year	49,751.9	742.6
One to two years	3,081.3	46.0
Two to three years	8,534.4	127.4
Three to four years	15,039.2	224.5
Four to five years	16,584.0	247.5
More than five years	235,372.9	3,513.0
Total	328,363.7	4,901.0

**Conversion done from INR to USD at the rate of ₹67*

The following table summarizes the maturity profile of the projects-related debt and non-convertible debentures relating to Novelis' operations as of December 31, 2016:

Particulars	(Novelis)
	(US$ in millions)
Not later than one year	607
One to two years	122
Two to three years	37
Three to four years	21
Four to five years	18
More than five years	4,331
Total	5,136

We are currently evaluating various options to repay certain of our outstanding debt obligations.

Lease Obligations

Our consolidated future obligations towards minimum lease payment commitments under non-cancellable operating leases as of March 31, 2016 are set out below:

Particulars	₹ in millions
Not later than one year	2,080.9
One to five years	4,278.5
Later than five years	2,571.1

Our consolidated future obligations towards minimum lease payment commitments under finance leases are, as of March 31, 2016, as set out below:

Particulars	₹ in millions
Less than one year	726.9
One to five years	1,392.6
Later than five years	-

Off-Balance Sheet Arrangements

Derivative Instruments

In conducting our business, we use various derivative and non-derivative instruments to manage the risks arising from fluctuations in exchange rates, interest rates, aluminum LME prices, copper LME prices, gold and silver prices and energy prices. Such instruments are used for risk management purposes only. We may be exposed to losses in the future if the counterparties to the contracts fail to perform. We do not hold or issue derivative financial instruments for trading or speculative purposes and all the derivatives entered into by the Company are to mitigate or offset the risks that arise from its normal business activities only. See Note 45 to our audited consolidated financial statements for a full description of our derivative instruments outstanding, as of March 31, 2016.

Our derivative instruments on a consolidated basis as of March 31, 2016 are as set out below:

		Quantity	Average Price (US$/Unit)	Unit	Notional value (US$ in millions)	Fair Value Gain/(Loss) (₹ in millions)
Commodity Futures/Forwards						
Cash Flow Hedge						
Aluminum	Sell	1,638.2	715,025	Mt	1,171.3	5,769.2
Natural Gas	Buy	3.5	4,850,000	MMBtu	16.9	(294.4)
Aluminum	Buy	1,510.8	1,175	Mt	1.8	(0.1)
Gold	Sell	1,141.7	181,569	TOZ	207.3	(1,110.5)
Silver	Sell	14.9	3,146,228	TOZ	46.9	(122.1)
Copper	Sell	5,070.0	3,000	Mt	15.2	46.1
Total						4,288.2
Fair Value Hedge						
Aluminum	Buy	1,510.8	75	Mt	0.1	0.3
Total						0.3
Non-Designated edges						
Aluminum	Buy	1,521.3	135,123	Mt	205.6	(305.7)
Aluminum	Sell	1,597.1	216,420	Mt	345.7	1,347.0
Copper	Buy	4,831.9	19,100	Mt	92.3	51.1
Copper	Sell	4,943.4	37,650	Mt	186.1	196.9
Gold	Sell	1,139.3	152	TOZ	0.2	(0.9)
Diesel Fuel	Buy	2.3	4,152,000	gallons	9.6	(10.9)
Natural Gas	Buy	3.7	310,000	MMBtu	1.1	(35.9)
Total						1,241.6
Commodity Swaps						
Non-Designated hedges						
Coal	Buy	45.4	222,750	Mt	10.1	61.3
Coal	Sell	48.4	6,250	Mt	0.3	(2.1)
Furnace Oil	Buy	143.8	58,250	Mt	8.4	101.2
Furnace Oil	Sell	160.8	8,750	Mt	1.4	(0.2)
Electricity	Buy	45.2	1,536,744	MWh	69.4	(525.4)
Total						(365.2)
Embedded derivatives						
Fair Value Hedge						
Copper	Sell	4,714.8	107,389	Mt	506.3	(1,061.0)
Gold	Sell	1,219.4	17,342	TOZ	21.2	(16.2)
Silver	Sell	15.3	312,764	TOZ	4.8	(3.1)
Total						(1,080.3)

The fair value of Novelis' instruments and commodity contracts as of December 31, 2016 is as set out below:

	December 31, 2016 Net Fair Value Assets/(Liabilities) (US$ in millions)
Derivatives designated as hedging instruments:	
Cash flow hedges	
Aluminum contracts	(11)
Currency exchange contracts	7
Energy contracts	(5)
Total derivatives designated as hedging instruments	(9)
Derivatives not designated as hedging instruments	

	December 31, 2016
	Net Fair Value
	Assets/(Liabilities)
	(US$ in millions)
Aluminum contracts	(7)
Currency exchange contracts	11
Energy contracts	1
Total derivative not designated as hedging instruments	5
Total derivative fair value	(4)

Capital Expenditure
Historical Capital Expenditure

The following table sets forth our historical capital expenditure by segment for the periods indicated:

	Fiscal					
	2014		2015		2016	
	₹ in millions	%	₹ in millions	%	₹ in millions	%
Aluminum	107,694.4	95.3	58,925.1	95.0	35,443.6	95.6
Copper	3,223.2	2.9	1,677.9	2.7	1,631.6	4.4
Others	2,141.3	1.8	1,418.3	2.3	-	-
Total	113,058.9	100.0	62,021.3	100.0	37,075.2	100.0

The following table sets forth our historical capital expenditure for the periods indicated:

	Fiscal					
	2014		2015		2016	
	₹ in million	%	₹ in millions	%	₹ in millions	%
Hindalco (standalone accounts)(1)	34,575.8	40.2	20,733.5	36.6	13,329.2	33.9
Novelis	42,682.9	49.6	32,119.4	56.7	24,129.3	61.4
Utkal(1)	8,822.2	10.2	3,828.7	6.7	1,836.8	4.7
Total	86,080.9	100.0	56,681.6	100.0	39,295.3	100.0

(1) Determined in accordance with Indian GAAP.

Planned Capital Expenditure
Our future planned capital expenditure primarily relates to routine maintenance. We intend to fund our planned capital expenditure through cash from operations as well as proceeds from this Offer. As all of our greenfield projects have been commissioned, there are no significant capital expenditure projects planned as of the date of this Placement Document.

Market Risks
We are exposed to risk from changes in commodity prices (especially LME price fluctuations of aluminum and copper and to a lesser extent, gold and silver), foreign currency exchange rates and interest rates. We enter into various hedging transactions to manage these risks. See Note 2 to our audited consolidated financial statements for our accounting policy on derivative financial instruments.

Commodity Price Risk Management
Copper and Precious Metals

Our copper 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 so as to ‘pass through’ the change in input cost to customers to make the margins immune to the fluctuations in prices of the input and output.

Aluminum
Our aluminum business is vertically integrated. The main raw material i.e., bauxite (mostly mined from our own mines) and other purchased raw materials do not have any linkage with the output price which is aluminum LME prices. When the prices of inputs and outputs 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 us to enter into fixed price commitments. These commitments expose us to the risk of fluctuating aluminum prices between the time the order is committed and the time that the material is shipped. We 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.

Natural Gas
We purchase natural gas on the open market in Europe, Asia and South America which exposes us to market price fluctuations. We mitigate the future exposure to natural gas prices through the use of forward purchase contracts.

Electricity
We have entered into an electricity swap in North America to fix a portion of the cost of electricity requirement in North America.

Foreign Currency Risk Management
For our Indian operations, we are a net exporter and earner of foreign exchange. Our presentation currency is the Rupee, while our products are typically priced in Rupees for Indian sales and primarily in U.S. Dollars for international sales. We produce and sell commodities that are typically priced by reference to U.S. Dollar prices, while a majority of our costs for our Indian operations are incurred in Rupees. The price of aluminum sold in the domestic market is referenced with the landed-cost of imported aluminum, and consequently to the exchange rate of the Rupee and the U.S. Dollar. An appreciation of the Rupee against the U.S. Dollar tends to result in a decrease in our revenues relative to our costs. Conversely, a depreciation of the Rupee can increase the cost of our imports.

In addition, after our acquisition of Novelis, we derive a significant portion of our revenues and incur much of our costs in North America, South America, Europe and other countries in Asia in foreign currencies. For the nine month period ended December 31, 2016, ₹ 456,531.8 million, or 62.1%, of our total revenues were derived from Novelis' operations. Revenues in other foreign markets and Novelis' major supplies purchases, including primary aluminum, recycled aluminum, sheet ingot, alloying elements and grain refiners, are mainly denominated in U.S. Dollars. As a result, Novelis' revenues are impacted by fluctuations in the U.S. Dollar to Euro and other exchange rates.

We enter into various cross currency swaps to manage the exposure to fluctuating exchange rate arising from loans given to and net investments made in several of our European subsidiaries. We also enter 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 Management

We are exposed to changes in interest rates due to financing, investing and cash management activities. We enter into interest rate swap contracts to manage its exposure to changes in the benchmark LIBOR interest rate arising from various floating rate debts.

Seasonality

The construction industry and the consumption of beer and soda are sensitive to weather conditions and as a result, demand for aluminum rolled products in the construction industry and for can feedstock can fluctuate by season. Our quarterly financial results could fluctuate as a result of climatic changes, and a prolonged series of cold summers in the different regions in which we conduct our business could have an adverse effect on our financial results.

Effects of Inflation

The All India Consumer Price Index increased by 4.8% in the Fiscal 2016 from 120.2 points as of March 2015 to 126.0 as of March 2016. We price our products sold in India depending on various factors, including inflation. Inflation also affects the conversion cost of our products as many of our principal inputs are purchased in India. Also, inflation impacts interest rates and thus our funding costs. However, inflation has not had a significant impact on our results of operations.

Interest Service Coverage Ratio

The following table details the Company's interest coverage ratio as per its consolidated financial statements as of March 31, 2016, 2015 and 2014:

(*In ₹ million*)

Particulars	Fiscal 2016	Fiscal 2015	Fiscal 2014
Profit for the year before finance cost, depreciation, amortization and impairment	93,809.4	86,231.9	84,293.9
Interest Expense*	50,489.4	41,784.2	27,015.9
Interest Coverage Ratio**	1.86	2.06	3.12

**Finance Costs as per Profit & Loss Statement is considered Interest Expense. This will include loan processing charges.*
*** Interest Coverage Ratio = Profit for the year plus finance costs plus depreciation and amortization divided by finance cost*

Significant Developments after December 31, 2016

In January 2017, Novelis entered into a new term loan credit agreement. The new term loan credit agreement provided Novelis with US$1.8 billion, and the proceeds were used to extinguish Novelis' existing term loan agreement originally maturing on June 2, 2022 and fund related transaction expenses. The new term loan credit agreement matures on June 2, 2022, subject to 0.25% quarterly amortization payments. The loans under the new term loan credit agreement accrue interest at LIBOR plus 1.85%. The new term loan credit agreement also requires customary mandatory prepayments with excess cash flow, asset sale and condemnation proceeds and proceeds of prohibited indebtedness, all subject to customary exceptions. The loans under the new term loan credit agreement may be prepaid, in full or in part, at any time at Novelis' election without penalty or premium, provided that any optional prepayment in connection with a re-pricing amendment or refinancing through the issuance of lower priced debt made within six months after the earlier of (i) completion of the initial syndication of the term loan and (ii) April 13, 2017, will be subject to a 1.00% prepayment premium. The new term loan credit agreement also allows for additional term loans to be issued in an amount not to exceed US$300 million (or its equivalent in other currencies) plus an unlimited amount if, after giving effect to such incurrence on a pro forma basis, Novelis' senior secured net leverage ratio does not exceed 3.00 to 1.00. The lenders under the new term loan credit agreement have not committed to provide any such additional term loans.

Certain Matters Identified by the Auditor

Set out below are certain matters that our auditors have drawn attention to in their reports on our financial statements for the last five Fiscals ended March 31, 2016:

- Adjustments made to certain items in our financial statements against the Business Reconstruction Reserve created pursuant to the scheme of arrangement as approved by the Bombay High Court through its order dated June 29, 2009. Appropriate disclosures with respect to these adjustments have been made in our financial statements.
- Accounting policy of Novelis 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 account as instead of the Profit and Loss account. Appropriate disclosures with respect to these adjustments have been made in our financial statements.
- Non-availability of the financial statements of one of the associates for preparation of our consolidated financial statements for one of the Fiscals. However, the financial statements of such associate was available for the subsequent years.

For further details, see "Financial Statements" beginning on page 252.

SUMMARY OF KEY DIFFERENCES BETWEEN INDIAN GAAP, IND AS AND U.S. GAAP

Our Audited Financial Statements for the Fiscals 2014, 2015 and 2016 included in this Placement Document have been prepared in accordance with Indian GAAP, while the Unaudited Combined Financial Statements for the nine months ended December 31, 2016 have been prepared in accordance with Ind AS. Many differences exist between Indian GAAP, Ind AS and U.S. GAAP that might be material to the Financial Statements included in this Placement Document. The matters described below summarize certain key differences between Indian GAAP, Ind AS and U.S. GAAP as applicable to the Financial Statements included in this Placement Document.

In making an investment decision, investors must rely upon their own examination of our Company, the terms of the Issue and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP, Ind AS and US GAAP, and how those differences might affect the Financial Statements included in this Placement Document. This is not an exhaustive list of differences between Indian GAAP, IND-AS and US GAAP; rather, it indicates only those key differences which are considered to be more relevant to the financial position and results of operations of our Company and does not cover all differences regarding presentation, classification and disclosure requirement applicable under Indian GAAP, IND AS and US GAAP.

Key Accounting Differences between Indian GAAP, Ind AS and US GAAP

Area of Difference	Indian GAAP	Ind AS	US GAAP
Primary literature	**AS 1 – Disclosure of Accounting Policies / Schedule III to the Companies Act, 2013** **AS 5 – Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies**	**Ind AS 1 – Presentation of Financial Statements**	**ASC 205 and 505; SEC Regulation S-X, Article 3**
Formats	Schedule III prescribes the minimum requirements for disclosure on the face of the balance sheet and statement of profit and loss and notes. There is no concept of Other Comprehensive Income (OCI) AS 3 provides guidance on line items to be presented in the statement of cash flows.	Ind AS 1 does not include any illustrative format for the presentation of financial statements. The MCA has issued the Ind AS-compliant Schedule III. Ind AS 1 introduces the concept of OCI. Items of Income and expenses that are not recognized in Statement of Profit and Loss as required or permitted by other Ind AS are presented under OCI. Ind AS 7 provides guidance on line items to be presented in the statement of cash flows.	Unlike Ind AS, U.S. GAAP does not prescribe a standard format. However, SEC Regulation S-X, Rule 5- 02 does require specific line items to appear on the face of the balance sheet, where applicable. Further SEC regulations require all registrants to categorize expenses in the income statement by their function.
Extraordinary items	Extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or	Presentation of any items of income or expense as extraordinary is prohibited.	Similar to Ind AS, under U.S. GAAP an entity does not present any items of income or expense as extraordinary items in the statements(s) presenting

Area of Difference	Indian GAAP	Ind AS	US GAAP
	loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.		profit or loss and other comprehensive income or in the notes (ASC 225-20-45).
Primary Literature	**AS 3 – Cash Flow Statements**	**Ind AS 7 – Statement of Cash Flows**	**ASC 230 and 830**
Bank overdrafts	Bank overdrafts are considered as financing activities.	Included as cash and cash equivalents if they form an integral part of an entity's cash management.	Bank overdrafts are included in current liabilities and excluded from cash equivalents. Changes in overdraft balances are financing activities.
Interest and dividend	For Financial enterprises: Interest paid and interest and dividend received are to be classified as operating activities. Dividend paid is to be classified as financing activity. For other enterprises: Interest and dividends received are required to be classified as investing activities. Interest and dividends paid are required to be classified as financing activities.	Cash flows from interest and dividends can be classified as either operating, financing or investing cash flows in a consistent manner from period to period.	Interest and dividends received and interest paid (and expensed) are classified as operating activities (ASC 230-10-45-25b and 45-25e). Dividends paid are classified as financing activities (ASC 230-10-45-15).
Primary literature	**AS 5 – Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies**	**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**	**ASC 105, 235, and 275; SEC Regulation S-K, Item 303**
Changes in accounting Policies	Changes in accounting policies should be made only if it is required by statute, for compliance with an Accounting Standard or for a more appropriate presentation of the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material.	An entity shall change an accounting policy only if the change is required by an Ind AS; or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows. Requires retrospective application of changes in	Similar to IND AS 8 (ASC 250-10-45-5 through 45-8). However, retrospective application includes only the direct effects of a change in accounting principle. IND AS 8 does not include specific guidance on this area. Similar to IND AS 8, except that the accounting for and disclosure of the indirect effects of a change in accounting principle is specifically addressed (ASC 250-10-45-5 and 45-8).

Area of Difference	Indian GAAP	Ind AS	US GAAP
	If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed. However, change in depreciation method, though considered a change in accounting policy, is given retrospective effect.	accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise. Under IndAS, change in depreciation method is considered to be change in estimates, and therefore requires prospective application.	
Errors	Prior period items are included in determination of net profit or loss of the period in which the error pertaining to a prior period is discovered and are separately disclosed in the statement of profit and loss in a manner that the impact on current profit or loss can be perceived.	Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet except to the extent it is impracticable to determine either the period-specific effects or the cumulative effect of the change..	A correction of an error in previously issued financial statements is reported as an error correction, by restating the prior-period financial statements (ASC 250- 10-45-23).
Primary Literature	**AS 4 – Contingencies and Events Occurring after the Balance Sheet Date**	**Ind AS 10 – Events After the Reporting Period**	**ASC 260, 470, 805, and 855; SEC SAB Topic 4:C**
Dividends	As per AS 4 [amended vide the Companies (Accounting Standards) Amendment Rules, 2016] dividends declared after the balance date but before the financial statements are approved for issue, the dividends are not recognised as a liability at the balance sheet date because no obligation exists at that time unless a statue requires otherwise. Schedule III requires disclosure of proposed dividend in the notes to accounts.	Liability for dividends declared to holders of equity instruments are recognised in the period when declared. It is a non-adjusting event. In case of stock dividend, the earning per share calculations for current period and any prior period financial statements presented shall be based on the new number of shares.	Similar to IndAS
Primary	**AS 22 – Accounting for Taxes on Income**	**Ind AS 12 – Income Taxes**	**ASC 740, 718-740, 805-740, and 845**

Area of Difference	Indian GAAP	Ind AS	US GAAP
Literature		**Ind AS 12 – Appendix A – Income Taxes – Changes in the Tax Status of an Entity or its Shareholders**	
Deferred income taxes	Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss for the purposes of financial reporting and for income taxes.	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.	Although U.S. GAAP also follows an asset and liability approach to calculating deferred taxes, there are some differences in the application of the approach from Ind AS (ASC 740-10-25-2 and 25-3).
Recognition of deferred tax assets and Liabilities	Deferred taxes are generally recognised for all timing differences.	Deferred income taxes are recognised for all temporary differences between accounting and tax base of assets and liabilities except to the extent which arise from (a) initial recognition of goodwill or (b) asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither the accounting nor the tax profit.	Deferred taxes are not recognized for: • Goodwill for which amortization is not deductible for tax purposes (ASC 740-10-25-3(d)) • Unlike Ind AS, U.S. GAAP does not have a similar exception other than leveraged leases.
Recognition of deferred tax assets for unused tax losses etc.	Deferred tax asset for unused tax losses and unabsorbed depreciation is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset for all other unused credits/timing differences is recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.	Deferred tax asset is recognised for carry forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised. Where an entity has a history of tax losses, the entity recognises a deferred tax asset only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available.	Unlike Ind AS, deferred tax assets are recognized in full and reduced by a valuation allowance if it is more likely than not (a likelihood of more than 50 percent) that some portion or all of the deferred tax assets will not be realized (ASC 740-10-30-5(e)).
Investments in subsidiaries, branches, and associates and interests in joint arrangements	No deferred tax liability is recognised. Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.	The Company recognises a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:: • the parent, the investor, the venturer or joint operator is able to control timing of the	Deferred tax liability is not recognized for an excess of the amount for financial reporting over the tax basis of an investment in a foreign subsidiary or a foreign corporate joint venture that is essentially permanent in duration, unless it becomes apparent that those temporary differences will reverse in the foreseeable future (ASC 740-30-25-18 through 25-19). Unlike Ind AS, this exception does not apply to

Area of Difference	Indian GAAP	Ind AS	US GAAP
		reversal of the temporary difference, and • it is probable that the temporary difference will not reverse in the foreseeable future.	domestic subsidiaries and corporate joint ventures and investments in equity investees. Under US GAAP, for investments in domestic subsidiaries, deferred tax liabilities are required on undistributed profits arising, unless the amounts can be recovered on a tax-free basis and the entity anticipates utilizing that method. For investments in domestic corporate joint ventures, deferred tax liabilities are required on undistributed profits.
Deferred tax in respect of business Combinations	No specific guidance.	At the acquisition date, a deferred tax liability or asset (to the extent it meets the recognition criteria discussed above) is recognized for an acquired entity's temporary differences (with certain exceptions) including income tax loss carryforwards. If not recognized at the acquisition date, an entity recognizes acquired deferred tax benefits that it realizes after the business combination as follows (Ind AS 12.68): • In goodwill if the change occurs (1) during the measurement period and (2) as a result of new information about facts and circumstances that existed as of the acquisition date. If goodwill is reduced to zero, any remaining deferred tax benefits are recognized in in other comprehensive income and accumulated in equity as capital reserve or recognised directly in capital reserve depending on whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. • All other deferred tax benefits realized are recognized in profit or loss (or outside of profit or loss if required by Ind AS 12).	At the acquisition date, a deferred tax liability or asset is recognized for an acquired entity's temporary differences (with certain exceptions) including operating loss or tax credit carry forwards. If necessary, a valuation allowance for an acquired entity's deferred tax asset is also recognized. A change in the valuation allowance is recognized as follows (ASC 805-740-25-3 and 45-2): • In goodwill if the change occurs (1) during the measurement period and (2) as a result of new information about facts and circumstances that existed as of the acquisition date. If goodwill is reduced to zero, any additional decrease in the valuation allowance is recognized as a gain on a bargain purchase. • All other changes are adjustments to income tax expense or contributed capital, as appropriate, and are not recognized as adjustments to the acquisition date accounting for the business combination.
Deferred tax	Deferred tax is not recognised.	Deferred tax on unrealised intragroup profits is	Unlike Ind AS, deferred taxes are not recognized on

Area of Difference	Indian GAAP	Ind AS	US GAAP
on unrealised intra-group Profits	Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.	recognised at the buyer's tax rate.	elimination of intercompany profits (ASC 740-10-25-3(e)). Taxes paid by the seller on intercompany profits are recorded as an asset and recognized on the sale to a third party. When the intra-group transaction relates to a depreciable or amortizable asset, recognition of any pretax profit or loss and associated income taxes are generally amortized as the transferred assets are depreciated/amortized for financial reporting purposes by the buyer or if there has been a sale or abandonment of the company or asset.
Classification of deferred tax assets and liabilities	Schedule III requires net deferred tax assets and net deferred tax liabilities to be presented as part of non-current assets and non-current liabilities respectively.	Always classified as non-current.	Unlike Ind AS, in a classified balance sheet deferred taxes are presented as separate line items and classified as current or noncurrent based on the classification of the related asset or liability for financial reporting. Deferred taxes not related to an asset or liability for financial reporting purposes are classified according to the expected reversal date of the temporary difference. In November 2015, the FASB issued new guidance requiring all deferred tax assets and liabilities, along with any related valuation allowance, to be classified as noncurrent on the balance sheet. The new guidance will be effective for public business entities in fiscal years beginning after December 15, 2016, including interim periods within those years.
Recognition of taxes on items recognised in OCI or directly in equity	No specific guidance in AS 22. However, an announcement made by the ICAI requires any expense charged directly to reserves and/ or securities premium account to be net of tax benefits expected to arise from the admissibility of such expenses for tax purposes. Similarly, any income credited directly to a reserve account or a similar	Current tax and deferred tax are recognised outside profit or loss if the tax relates to items that are recognised in the same or a different period, outside profit or loss. Therefore, the tax on items recognised in OCI or directly in equity, is also recorded in OCI or in equity, as appropriate.	Similar to Ind AS, the tax effects of certain items occurring during the year are charged or credited directly to OCI or to related components of shareholders' equity (ASC 740-20-45-11) as appropriate.

Area of Difference	Indian GAAP	Ind AS	US GAAP
	account should be net of its tax effect.		
Primary Literature	**AS 6 – Depreciation Accounting** **AS 10 – Accounting for Fixed Assets**	**Ind AS 16 – Property, Plant and Equipment** **Ind AS 16 – Appendix A – Changes in Existing Decommissioning, Restoration and Similar Liabilities** **Ind AS 16 – Appendix B – Stripping Costs in the Production Phase of a Surface Mine**	**ASC 360, 410, 820, 835, 845, and 908; Concepts Statement 5; SEC SAB Topic 5:CC**
Replacement costs	Replacement cost of an item of property, plant and equipment is generally expensed when incurred. Only expenditure that increases the future benefits from the existing asset beyond its previously assessed standard of performance is capitalised. From Fiscals commencing on or after 1 April 2015, Schedule II mandates fixed assets to be componentised and therefore, the position will be similar to that under Ind AS.	Replacement cost of an item of property, plant and equipment is capitalised if replacement meets the asset recognition criteria. Carrying amount of items replaced is derecognised.	US GAAP permits alternative accounting methods for recognizing the costs of a major overhaul. Costs representing a replacement of an identified component can be (1) expensed as incurred, (2) accounted for as a separate component asset, or (3) capitalized and amortized over the period benefited by the overhaul.
Primary Literature	**AS 19 – Leases**	**Ind AS 17 – Leases** **Ind AS 17– Appendix A – Operating Leases – Incentives** **Ind AS 17 – Appendix B – Evaluating the Substance of Transactions Involving the Legal Form of a Lease** **Ind AS 17 – Appendix C – Determining Whether an Arrangement Contains a Lease**	**ASC 840**
Interest in leasehold land	Leasehold land is recorded and classified as fixed assets.	Recognised as operating lease or finance lease as per definition and classification criteria.	Similar to Ind AS.
Operating lease rentals – recognition	Lease payments under an operating lease should be recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. Lease income from operating leases should be	Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless either another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or the payments to the lessor are structured to increase in line with	Similar to Indian GAAP.

Area of Difference	Indian GAAP	Ind AS	US GAAP
	recognised in the statement of profit and loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefit derived from the use of the leased asset is diminished.	expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.	
Determining whether an arrangement contains a lease	No specific guidance. Payments under such arrangements are recognised in accordance with the nature of expense incurred.	Arrangements that do not take the legal form of a lease but fulfilment of which is dependent on the use of specific assets and which convey the right to use the assets are accounted for as lease.	Similar to Ind AS.
Primary literature	**AS 15 (Revised 2005) – Employee Benefits**	**Ind AS 19 – Employee Benefits** **Ind AS 19 – Appendix B – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**	**ASC 420, 450, 710, 712, 715, and 820**
Actuarial gains and losses	All actuarial gains and losses should be recognised immediately in the statement of profit and loss.	Actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are recognised in OCI and not reclassified to profit or loss in a subsequent period.	Amortization of a net gain or loss included in accumulated OCI (excluding asset gains and losses not yet reflected in market-related value) is included as a component of net pension cost for a year if, as of the beginning of the year, that net gain or loss exceeds 10 percent of the greater of the projected benefit obligation (accumulated postretirement benefit obligation for another postretirement defined benefit plan) or the market related value of plan assets. If amortization is required, the minimum amortization is that excess divided by the average remaining service period of active employees expected to receive benefits under the plan. If all or almost all of a plan's participants are inactive, the average remaining life expectancy of the inactive participants is used instead of the average remaining service (ASC 715-30-35-24). Actuarial gains and losses not recognized in income are recognized in OCI when they occur (ASC 715-30-35-21). An entity may adopt a systematic method of recognizing actuarial gains and losses in the period incurred (ASC

Area of Difference	Indian GAAP	Ind AS	US GAAP
			715-30-35-25)
Defined benefit plans	The changes in defined benefit liability (surplus) has the following components: (a) Service cost – recognised in profit or loss; (b) Interest cost – recognised in profit or loss; (c) The expected return on any plan assets – recognised in profit or loss; (d) Net actuarial gains and losses – recognised in profit or loss.	The change in the defined benefit liability (asset) has the following components: (a) Service cost – recognised in profit or loss; (b) Net interest cost (i.e. time value) on the net defined benefit deficit/(asset) – recognised in profit or loss; (c) Re-measurement including: (i) changes in fair value of plan assets that arise from factors other than time value and (ii) actuarial gains and losses on obligations – recognised in OCI.	Net periodic pension cost includes (ASC 715-30-35-4): • Service cost • Interest cost • Actual return on plan assets, if any (effectively it is the expected return, see gain or loss below) • Amortization of any prior service cost or credit included in accumulated OCI • Gain or loss (including the effects of changes in assumptions) which includes, to the extent recognized, the amortization of the net gain or loss included in accumulated OCI • Amortization of any net transition asset or obligation remaining in accumulated OCI • Any recognized settlement or curtailment gains or losses (ASC 715-30-35-21)
Prior Service Cost	Prior service costs are recognized immediately if they are related to vested benefits; otherwise, they are recognized over the vesting period.	An entity recognises prior service cost as an expense at the earlier of the following dates: • When the plan amendment or curtailment occurs; • When the entity recognises related restructuring costs or termination benefits.	Prior service costs are recognised initially in other comprehensive income, and both vested and unvested amounts amortised over the average remaining service period. However, if all or almost all of the plan participants are inactive, prior service cost are amortised over the remaining life expectancy of those participants.
Primary literature	**AS 11 – The Effects of Changes in Foreign Exchange Rates**	**Ind AS 21 – The Effects of Changes in Foreign Exchange Rates**	**ASC 740, 820, 830, and 815**
Functional and presentation Currency	Foreign currency is a currency other than the reporting currency which is the currency in which financial statements are presented. There is no specific concept of functional currency under Indian GAAP.	Functional currency is the currency of the primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.	Functional currency is the currency of the primary economic environment in which that entity operates. Normally, it will be the currency of the economic environment in which cash is generated and expended by the entity (ASC Master Glossary, "Functional Currency"). Reporting currency is the currency in which an enterprise prepares its financial statements.
Primary	**Since AS 31 Financial Instruments:**	**Ind AS 32 – Financial Instruments:**	**ASC 210, 405, 470, 480, 505, 718, 815, 825, 835,**

Area of Difference	Indian GAAP	Ind AS	US GAAP
literature	**Presentation is not yet mandatory (since not notified under the Companies (Accounting Standards) Rules, 2006) the differences discussed below are based on the existing Indian Standards and generally accepted accounting practices.**	**Presentation**	**and 845**
Classification of financial liabilities	Financial instruments are classified based on legal form – redeemable preference shares will be classified as equity. Preference dividends are always recognised similar to equity dividend and are not treated as interest expense.	Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement, (and not its legal form), and the definition of financial liabilities and equity instruments. Dividends on financial instruments classified as financial liability is recognised as an interest expense in the statement of profit or loss and other comprehensive income. Hence if preference shares meet the definition of financial liability, the dividend is treated as an interest expense.	A financial instrument, other than an outstanding share, that embodies an obligation to repurchase the issuer's equity shares, or is indexed to such an obligation, and requires or may require the issuer to settle the obligation by transferring assets is classified as a liability (ASC 480-10-25-8). A financial instrument that embodies an unconditional obligation, or a financial instrument other than an outstanding share that embodies a conditional obligation, that the issuer must or may settle by issuing a variable number of its equity shares is classified as a liability if, at inception, the monetary value of the obligation is based solely or predominantly on one of the following (ASC 480-10-25-14): • A fixed monetary amount • Variations in something other than the fair value of the issuer's equity • Variations inversely related to changes in the fair value of the issuer's equity shares Dividends on financial instruments classified as financial liability is recognised as an interest expense in the statement of profit or loss. Hence if preference shares meet the definition of financial liability, the dividend is treated as an interest expense.
Treasury shares	Acquiring own shares is permitted only in limited circumstances. Shares repurchased should be cancelled immediately and cannot be held as treasury shares.	Cost of treasury shares is deducted from equity and resales of treasury shares are equity transactions. Costs of issuing or reacquiring equity instruments are accounted for as a deduction from equity, net of	Similar to Ind AS (ASC 505-30-45-1). However, any price paid in excess of the amount accounted for as the cost of treasury shares is attributed to the other elements of the transaction and accounted for

Area of Difference	Indian GAAP	Ind AS	US GAAP
		any related income tax benefit.	according to their substance (ASC 505-30-30-7 through 30-10).
Primary literature	**AS 28 – Impairment of Assets** **AS 26 – Intangible Assets**	**Ind AS 36 – Impairment of Assets**	**ASC 350, 360, and 820**
Goodwill	AS 28 requires goodwill to be tested for impairment using the "bottom-up/top-down" approach under which the goodwill is, in effect, tested for impairment by allocating its carrying amount to each cash-generating unit or smallest group of cash-generating units to which a portion of that carrying amount can be allocated on a reasonable and consistent basis.	Allocated to cash generating units that are expected to benefit from the synergies of business combination. Allocated to the lowest level at which goodwill is internally monitored by management which should not be larger than an operating segment before aggregation of segments as defined in Ind AS 108.	Goodwill acquired in a business combination is assigned to one or more reporting units at the acquisition date (ASC 350-20-35-41). A reporting unit is an operating segment or one level below an operating segment (a component) (ASC 350-20-35-33 through 35-38).
Reversal of impairment loss for goodwill	Impairment loss for goodwill is reversed if the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.	Impairment loss recognised for goodwill is prohibited from reversal in a subsequent period. Goodwill impaired in an interim period is not subsequently reversed in subsequent interim or annual financial statements.	Reversals of impairment losses are not permitted (ASC 350-20-35-13, ASC 350-30-35-20, and ASC 360-10-35-20).
Amortisation of Goodwill	Goodwill arising on amalgamation is amortised over its useful life not exceeding five years unless a longer period is justified. There is no specific guidance on goodwill arising on subsidiaries acquired which are not amalgamations. In practice, such goodwill is not amortised but tested for impairment.	Goodwill is not amortised but tested for impairment annually.	Similar to IndAS.
Primary Literature	**AS 29 – Provisions, Contingent Liabilities and Contingent Assets**	**Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets** **Ind AS 37 – Appendix A – Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds** **Ind AS 37 – Appendix B – Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment**	**ASC 410, 420, and 450**

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		Ind AS 37 – Appendix C – Levies	
Discounting	Discounting of liabilities is not permitted and provisions are carried at their full values except in case of decommissioning, restoration and similar liabilities that are recognised as cost of Property Plant and Equipment. The discount rate should be a pre-tax rate that reflects current market assessments of the time value of money and risk specific to the liability.	When the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability.	Discounting of provision is acceptable when the aggregate amount of the liability and the timing of cash payments for the liability are fixed or determinable. The decision to discount is an accounting policy choice. When discounting is applied, the discount rate applied to a liability should not change from period to period if the liability is not recorded at fair value.
Restructuring cost	Requires recognition based on general recognition criteria for provisions i.e. when the entity has a present obligation as a result of past event and the liability is considered probable and can be reliably estimated.	Ind AS 37 requires provisions on the basis of legal and constructive obligations. A constructive obligation to restructure arises only when an entity has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.	In general, a liability for a cost associated with an exit or disposal activity is recognized when the definition of a liability is met. Therefore, unlike Ind AS, an entity's commitment to an exit or disposal plan is, not by itself, the requisite past transaction or event for recognition of a liability (ASC 420-10-25-2).
Primary literature	**AS 26 – Intangible Assets**	**Ind AS 38 – Intangible Assets Ind AS 38 – Appendix A – Intangible Assets – Web Site Costs**	**ASC 340, 350, 360, 720, 730, 805, and 985; Concepts Statement 5**
Measurement	Measured only at cost	Intangible assets can be measured at either cost or revalued amounts.	An intangible asset that is acquired individually or with a group of other assets (but not those acquired in a business combination) is measured based on the guidance included in ASC 805-50-15-3 and ASC 805-50-30-1 through 30-4. The cost of a group of assets acquired in a transaction (other than those acquired in a business combination) is allocated to the individual assets based on their relative fair values and does not give rise to goodwill (ASC 805-50-30-3). Unlike Ind AS, US GAAP generally utilizes historical cost and prohibits revaluations to fair value.
Primary	**No equivalent standard. However, the ICAI**	**Ind AS 102 – Share-based Payment (covers**	**ASC 718 (for employees) and ASC 505-50 (for**

Area of Difference	Indian GAAP	Ind AS	US GAAP
literature	**has issued a Guidance Note that deals only with employee share-based payments.** **The SEBI has also issued the SEBI (Share Based Employee Benefits) Regulations, 2014 which requires that the Guidance Note on Accounting for Employee Share-based Payments or Accounting Standards as may be prescribed by the ICAI, including the disclosure requirements prescribed therein, should be followed while accounting for share based schemes.**	**share-based payments both for employees and non-employees and transactions involving receipt of goods and services)**	**nonemployees)**
Measurement	The guidance note permits the use of either the intrinsic value method or the fair value method for determining the costs of benefits arising from employee share-based compensation plans. The guidance note recommends the use of the fair value method. Under the intrinsic value method, the cost is the difference between the market price of the underlying share on the grant date and the exercise price of the option. The fair value method is based on the fair value of the option at the date of grant. The fair value is estimated using an option-pricing model (for example, the Black-Scholes or a binomial model) that takes into account as of the grant date the exercise price and expected life of the option, the current price in the market of the underlying stock and its expected volatility, expected dividends on the stock, and the risk-free interest rate for the expected term of the option. Where an enterprise uses the intrinsic value method, it should also disclose the impact on the net results and EPS – both basic and diluted – for the accounting period, had the fair value method been used.	For equity settled share-based transactions with non-employees, goods and services received and the corresponding increase in equity is measured at the fair value of the goods and services received. If the fair value of the goods and services cannot be estimated reliably, then the value is measured with reference to the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. In case of equity settled transactions with employees and others providing similar services, grant date fair value of the equity instrument should be used.	**Equity-settled transactions with nonemployees** Fair value – unlike Ind AS, the transaction is measured based on the fair value of the goods or services received or the fair value of the equity instruments issued, whichever is more reliably measurable (ASC 505-50-30-6). Measurement date – unlike Ind AS, the measurement date for awards to nonemployees is generally the earlier of the date at which the counterparty's performance is complete or the date at which a commitment for performance by the counterparty to earn the equity instruments is reached (ASC 505-50-30-11 through 30-14). **Equity-settled transactions with employees** Similar to Ind AS.
Group entities	The Guidance Note applies to transfers of	The entity settling a share-based payment	Share based payments awarded to an employee on

Area of Difference	Indian GAAP	Ind AS	US GAAP
	shares or stock options of the parent of an entity or shares or stock options of another entity in the same group to the employees of the entity.	transaction when another entity in the group receives the goods or services shall recognise the transaction as an equity-settled share-based payment transaction only if it is settled in the entity's own equity instruments. Otherwise, the transaction shall be recognised as a cash-settled share-based payment transaction.	behalf of an entity, by a related party or other holder of an economic interest in the entity as compensation for services provided to the entity are share based payment transactions and thus accounted for as such unless the transfer is clearly for a purpose other than compensation for services to the entity. The economic interest holder makes a capital contribution to the entity, who makes a share based payment to its employee in exchange for services rendered (ASC 718-10-15-4).
Graded Vesting	If the options vest only based on service conditions then the entity has an option to choose the accelerated method or straight line method of expense recognition.	Ind AS requires each installment of a graded vesting reward to be treated as a separate grant. This requires separately measuring and attributing the expenses to each tranche of the award, thereby accelerating the entire expense recognition.	As per ASC 718 - Companies have a policy choice whereby expense recognition for share-based payment awards with only service conditions and graded vesting schedules can be recognised • over the requisite period for each tranche of the award or • on a straight line basis over the life of reward
Recognition - Grant Date	Guidance Note (GN) on Accounting for Share Based Payments is Similar to IND AS. SEBI Guidelines doesn't define Grant Date.	Grant Date is the date at which the entity reaches understanding with the employees for the terms and conditions of the arrangement	It is the date the entity has shared the understanding of the terms and conditions of the arrangement and employee is affected by the future changes in share prices
Primary literature	**AS 14 – Accounting for Amalgamations**	**Ind AS 103 – Business Combinations** **Ind AS 103 – Business Combinations – Appendix C – Business combinations of entities under common control**	**ASC 805 and 810-10**
The pooling of interests and purchase method	Amalgamations in the nature of purchase are accounted for by recording the identifiable assets and liabilities of the acquiree either at the fair values or at book values. Amalgamations in the nature of merger are accounted under the pooling of interests method. Under the pooling of interests method, the assets, liabilities and reserves of the transferor company are recorded by the transferee company at their existing carrying amounts (after making the adjustments	All business combinations are accounted by using the acquisition method except for common control transactions. Common control transactions are included in the scope; and additional guidance is provided. The additional guidance provides that business combination transactions between entities under common control should be accounted for using the 'pooling of interests' method.	US GAAP requires all business combinations to be accounted by using the acquisition method. The guidance in ASC 805 does not apply to business combinations between entities or businesses under common control (ASC 805-50-05-4). In respect of common control transactions, the entity that receives the net assets or equity interests measures the recognized assets and liabilities transferred at their carrying amounts in the accounts of the transferring entity at the date of transfer. (ASC 805-50-30-5).

Area of Difference	Indian GAAP	Ind AS	US GAAP
	required for conflicting accounting policies). Identifiable assets and liabilities of subsidiaries acquired by purchase of shares which are not amalgamations are recorded in the consolidated financial statements at the carrying amounts stated in the acquired subsidiary's financial statements on the date of acquisition.		
Non-controlling interest	At the time of acquisition, minority interests in the net assets consist of the amount of equity attributable to minorities at the date on which investment in the acquiree is made. This is determined on the basis of information contained in the financial statements of the acquiree as on the date of investment.	At the date of acquisition, the acquirer may elect to measure, on a transaction by transaction basis, the non-controlling interest at (a) fair value or (b) the non-controlling interest's proportionate share of the fair value of the identifiable net assets of the acquiree.	Similar to Ind AS, the acquirer is required to measure the identifiable assets acquired and liabilities assumed at their acquisition-date fair values. Unlike Ind AS, non-controlling interests in the acquiree are measured at fair value (full goodwill) (ASC 805-20-30-1).
Initial Goodwill Measurement	Any excess of the amount of the consideration over the value of the net assets of the transferor company acquired by the transferee company is recognised in the transferee company's financial statements as goodwill arising on amalgamation. If the amount of the consideration is lower than the value of the net assets acquired, the difference is recognised as capital reserve, a component of shareholders' equity.	Goodwill is measured as the difference between: • the aggregate of (a) the acquisition-date fair value of the consideration transferred; (b) the amount of any non-controlling interest: and (c) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (d) the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed. If the above difference is negative, the resulting gain is recognised as a bargain purchase in profit or loss. However, any gain on bargain purchase is recognised in other comprehensive income and accumulated in equity as capital reserve. If there is no clear evidence of the underlying reason for	Similar to Ind AS except any bargain purchase is to be recognized in earnings of the year of acquisition.

Area of Difference	Indian GAAP	Ind AS	US GAAP
		classification of the business combination as a bargain purchase, the resulting gain is recognised directly in equity as capital reserve.	
Change in Ownership interest without any loss of control	No specific guidance.	Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control and shall be accounted for as equity transactions.	Similar to IndAS
Primary literature	**AS 24 – Discontinued Operations** **AS 10 – Accounting for Fixed Assets**	**Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations** **Ind AS 10 – Appendix A –** **Distributions of Non-cash Assets to Owners**	**ASC 205, 230, 360, and 810**
Recognition, measurement and presentation	AS 10 deals with assets held for disposal. Items of fixed assets retired from active use and held for disposal are stated at the lower of their carrying amount and net realisable value. Any write-down in this regard should be recognized immediately in the statement of profit and loss.	Non-current assets to be disposed off are classified as held for sale when the asset is available for immediate sale and the sale is highly probable. Depreciation ceases on the date when the assets (individually or as part of a disposal group) are classified as held for sale. These are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets classified as held for sale, and the assets and liabilities in a disposal group classified as held for sale, are presented separately in the balance sheet.	Similar to Ind AS.
Primary literature	**AS 13 – Accounting for Investments** **AS 30 – Financial Instruments: Recognition and Measurement**	**Ind AS 109 – Financial Instruments** **Ind AS 109 – Appendix C – Hedges of a Net Investment in a Foreign Operation** **Ind AS 109 – Appendix D – Extinguishing Financial Liabilities with Equity Instruments**	**ASC 210, 310, 320, 321, 326, 450, 505, 718, 815, 825, 835, and 860**
Initial measurement	No specific guidance	All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue. Trade receivables that do not have a significant financing	Financial assets are recognized initially at fair value which may lead to the recognition of premiums and discounts on loans and debt securities acquired. Liabilities and equity instruments are recorded initially at the fair value of the property, goods,

Area of Difference	Indian GAAP	Ind AS	US GAAP
		component should initially be measured at transaction price.	services, or other consideration received or at the fair value of the financial instrument issued, whichever is more clearly determinable (ASC 835-30-25-10, ASC 505-50-30-6, and ASC 718-10-30-2 and 30-3).

Classification and subsequent measurement of financial assets	Per AS 13, investments are classified as long-term or current. A current investment is an investment that is by its nature readily realisable and is intended to be held for not more than one year from the date on which such investment is made. A long-term investment is an investment other than a current investment. Accordingly, the assessment of whether an investment is long-term has to be made on the date the investment is made.
	Long-term investments are carried at cost less provision for diminution in value, which is other than temporary.
	Current investments are carried at lower of cost and fair value.
	Loans are measured at cost net of provisions, if any.
		All financial assets are classified as measured at amortised cost or measured at fair value.
		Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss, (FVTPL), or recognised in other comprehensive income (FVTOCI).
		Debt Instrument held within a business model :
		(a) Collect contractual cash flows - Amortised cost
		(b) Collect contractual cash flows and selling financial assets – measured at FVTOCI
		Ind AS 109 provides an option to irrevocably designate, at initial recognition, financial assets as measured at FVTPL if doing so eliminates an accounting mismatch.
		Equity instruments – option to irrevocably designate them so that subsequent changes in fair value are in OCI. Dividend income from such assets is recognized in – Profit / Loss
			No explicit categorization scheme for financial assets. They could be categorized as follows:
			• Derivative financial instruments
			• Hybrid financial instruments that would be required to be separated into a host and derivative component under ASC 815-15-25-1 which the entity has irrevocably elected to measure at fair value (ASC 815-15-25-4)
			• Eligible financial assets that the entity elects to measure at fair value – fair value option (ASC 825-10-15-4)
			• Loans and receivables
			• Debt and equity securities within the scope of ASC 320:
			  ○ Trading
			  ○ Held-to-maturity – defined narrowly with strict conditions and covers only those debt securities that the enterprise has the positive intent and ability to hold to maturity
			  ○ Available-for-sale – debt and equity securities not classified as trading or held-to-maturity securities (ASC 320-10-25-1)
			• Equity securities within the scope of ASC 321:
			  ○ If it no longer qualifies to be accounted for under the equity method, the security's initial basis will be the previous carrying amount of the investment (ASC 321-10-30-1)
			Investments in equity instruments that do not have

Area of Difference	Indian GAAP	Ind AS	US GAAP
			readily determinable fair values are outside the scope of ASC 320 (ASC 320-10-15-5). The cost method is generally followed for most investments in noncontrolled corporations, in some corporate joint ventures and to a lesser extent in unconsolidated subsidiaries, particularly foreign (ASC 325-20-05-3).
Classification and subsequent measurement of financial liabilities	No specific guidance.	Financial liabilities held for trading are subsequently measured at FVTPL and all other financial liabilities are measured at amortised cost using the effective interest method. An entity may, at initial recognition, irrevocably designate a financial liability as measured at FVTPL if doing so eliminates an accounting mismatch or a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.	Financial liabilities may be categorized as follows: • At fair value through earnings, which includes: ○ Derivatives classified as liabilities ○ Financial liabilities that are hybrid financial instruments that would be required to be bifurcated into a host and derivative component (ASC 815-15-25-1) which the entity has irrevocably elected to measure at fair value (ASC 815-15-25-4) ○ Financial liabilities within the scope of ASC 480 that are not covered by the guidance in ASC 480-10-35-3 ○ Eligible financial liabilities that the entity elects to measure at fair value under the fair value option (ASC 825-10-15-4) • Forward contracts that require physical settlement by repurchase of a fixed number of the issuer's equity shares in exchange for cash and mandatorily redeemable financial instruments are subsequently measured in one of the following two ways (ASC 480-10-35-3): ○ If both the amount to be paid and the settlement date are fixed, at the present value of the amount to be paid at settlement, accruing interest cost using the rate implicit at inception ○ If either the amount to be paid or the settlement date varies based on specified conditions, at the amount of cash that

Area of Difference	Indian GAAP	Ind AS	US GAAP
			would be paid under the conditions specified in the contract if settlement occurred at the reporting date, recognizing the resulting change in that amount from the previous reporting date as interest cost • All other liabilities carried at amortized cost
Changes in fair value of financial liabilities due to changes in credit risk	No specific guidance.	Gains and losses on financial liabilities designated as at FVTPL are required to be split into the amount of change in fair value attributable to changes in own credit risk of the liability, presented in other comprehensive income, and the remaining amount presented in profit or loss. Amounts presented in other comprehensive income should not be subsequently transferred to profit or loss, the entity may only transfer the cumulative gain or loss within equity.	Report unrealized gains and losses for items for which fair value option has been elected, in earnings (ASC 825-10-45-4).
Impairment of financial Assets	An enterprise should assess the provision for doubtful debts at each period end which, in practice, is based on relevant information such as • past experience, • actual financial position and • cash flows of the debtors. Different methods are used for making provisions for bad debts, including: • the ageing analysis, • an individual assessment of recoverability. Impairment losses recognised in profit or loss for equity investments are reversed through profit or loss (as per AS 13).	The impairment model in Ind AS 109 is based on expected credit losses and it applies equally to debt instruments measured at amortised cost or FVTOCI (the loss allowance is recognised in other comprehensive income and not reduced from the carrying amount of the financial asset), lease receivables, contract assets and certain written loan commitments and financial guarantee contracts. Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to: • The 12 month expected credit losses; or • Lifetime expected credit losses if credit risk has increased significantly since initial recognition of the financial instrument. With respect to trade receivables or contract assets, loss allowance is measured at lifetime expected credit losses.	Similar to Ind AS. Apply applicable impairment requirements to (ASC 326-20-15-2 and ASC 326-30-15-2): • Financial assets measured at amortized cost • Net investments in leases recognized by a lesser under ASC 842 • Off balance sheet credit exposures not accounted for as insurance (Off balance sheet loan commitments, standby letters of credit, financial guarantees not accounted for as insurance and other similar instruments except for instruments with ASC 815) • Debt securities classified as available-for-sale securities, including loans classified as such For financial assets noted above, except debt securities classified as available-for-sale: • Deduct the allowance for credit losses from the amortized cost and present the net amount

Area of Difference	Indian GAAP	Ind AS	US GAAP
		For lease receivables within the scope of Ind AS 17, an entity can elect to always measure loss allowances at an amount equal to lifetime expected credit losses. Interest revenue is calculated by applying the effective interest rate to the amortised cost (which is the gross carrying amount minus loss allowance) for credit-impaired financial assets while for all other instruments, it is calculated based on the gross carrying amount.	expected to be collected (ASC 326-20-30-1) • Measure expected credit losses on a collective (pool) basis when similar risk characteristics exist otherwise evaluate expected credit losses on an individual basis, determined through various methods such as discounted cash flow, loss-rate, roll-rate, probability of default or methods that utilize an aging schedule (ASC 326-20-30-2 and 30-3). • When estimate of expected credit losses is based on a discounted cash flow method, discount the expected cash flows at the financial assets effective interest rate (ASC 326-20-30-4). If another method is used, allowance for credit losses reflects the entity's expected credit losses of the amortized cost basis of the financial asset as of the reporting date over the contractual term of the financial asset (ASC 326-20-30-5 and 30-6). Under Ind AS an entity is permitted to apply either the effective interest rate or an approximation of that rate when calculating expected credit losses. • Historical credit loss experience of financial assets with similar risk characteristics provides a basis for assessment, adjusted for current asset specific risk characteristics and extent management expects current conditions and reasonable and supportable forecasts to differ (ASC 326-20-30-8 and 30-9). Consideration of how credit enhancements mitigate expected credit losses, including consideration of financial condition of guarantor, willingness of guarantor to pay and whether any subordinated interests are expected to be capable of absorbing credit losses (ASC 326-20-30-12).
Derecognition of	There is no current equivalent standard and	Derecognition of financial assets is permitted only	ASC 860-10-40 sets forth the derecognition criteria

Area of Difference	Indian GAAP	Ind AS	US GAAP
financial assets and securitisation	therefore any specific guidance.	upon: • expiry of the contractual rights to the cash flows from the financial assets; • transfer of the financial assets. An asset is transferred if either the entity has transferred the contractual rights to receive the cash flows, or the entity has retained the contractual rights to receive the cash flows from the asset, but has assumed a contractual obligation to pass those cash flows under an arrangement that meets certain specified conditions. Once an entity has determined that the asset has been transferred, it would need to evaluate the extent to which it retains the risks and rewards of ownership of the financial asset. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded. If risks and rewards have neither been substantially transferred nor retained, an assessment is made whether control has been retained by the transferor. If the entity does not control the asset then derecognition is appropriate; however if the entity has retained control of the asset, then the assets continue to be recognised to the extent of continuing involvement.	for financial assets A transfer of a financial asset in which the transferor surrenders control over those financial assets is accounted for as a sale if and only if all of the following conditions are met (ASC 860-10-40-4 through 40-5): • Transferred assets have been isolated from the transferor – put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership • Transferee has the right to pledge or exchange the assets (or beneficial interests) received, without any constraints • Transferor does not maintain effective control over the transferred asset
Derecognition of financial liabilities	There is no current equivalent standard and therefore any specific guidance.	A financial liability (or part of it) is extinguished when the debtor either: (a) discharges the liability (or part of it) by paying the creditor, normally with cash, other financial assets, goods or services; or (b) is legally released from primary responsibility for the liability (or part of it) either by process of law or by the creditor. (If the debtor has given a guarantee this condition may still be met.)	A debtor derecognizes a liability if and only if it has been extinguished. A liability has been extinguished if either of the following conditions is met (ASC 405-20-40-1): • The debtor pays the creditor and is relieved of its obligation for the liability. Paying the creditor includes delivery of cash, other financial assets, goods or services, or reacquisition by the debtor of its outstanding debt securities whether the securities are canceled or held as so-called treasury bonds.

Area of Difference	Indian GAAP	Ind AS	US GAAP
			• The debtor is legally released from being the primary obligor under the liability, either judicially or by the creditor.
Modification	There is not current equivalent standard and therefore any specific guidance.	When contractual cash flows of financial assets are renegotiated/ modified, and such renegotiation/ modification does not result in derecognition, the gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows discounted at the financial asset's original effective interest rate and a modification gain or loss is recognised in profit or loss. Any costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. In case of financial liabilities, a substantial modification of the terms should be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, should be recognised in profit or loss. Ind AS, unlike US GAAP, does not seem to distinguish between fees and third part cost. When the terms of the new/modified instrument are not substantially different, then any fees or costs paid in the exchange/modification are treated as an adjustment to the carrying amount of the original liability and are amortised over the remaining life of the new/modified liability.	When a debt modification or exchange of debt instruments occurs, the first step is to consider whether the modification or exchange qualifies for troubled debt restructuring. If this is the case, the restructuring follows the specific troubled debt restructuring guidance. If the modification or exchange of debt instruments does not qualify for troubled debt restructuring, one has to consider whether the modification or exchange of debt instruments has to be accounted for as a debt extinguishment. An exchange or modification of debt instruments with substantially different terms is accounted for as a debt extinguishment. **Fees Paid to Lender:** If the exchange or modification is to be accounted for as a debt extinguishment, then the fees paid or received are included in determining the debt extinguishment gain or loss to be recognized. If the exchange or modification is not accounted for as a debt extinguishment, then the fees, along with any existing unamortized premium or discount, is amortized as an adjustment of interest expense over the remaining term of the replacement or modified debt instrument using the interest method. **Third Part cost of Exchange or Modification:** If the exchange or modification is accounted for as a debt extinguishment, the costs associated with the new debt instrument are amortized over the term of

Area of Difference	Indian GAAP	Ind AS	US GAAP
			the new debt instrument using the interest method. If the exchange or modification is not accounted for as a debt extinguishment, then the costs are expensed as incurred.
Primary Literature	**AS 21 – Consolidated Financial Statements**	**Ind AS 27 – Separate Financial Statements** **Ind AS 110 – Consolidated Financial Statements** **Ind AS 112 – Disclosure of Interests in Other Entities**	**ASC 480, 805, 810-10; 946, and SEC Regulation S-X, Rule 5-04**
Definition of control	Control is: (a) the ownership, directly or indirectly through subsidiary(ies), of more than one-half of the voting power of an enterprise; or (b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise so as to obtain economic benefits from its activities. Therefore a mere ownership of more than 50% of equity shares is sufficient to constitute control under Indian GAAP, whereas this is not necessarily so under IND AS.	Control is based on whether an investor has 1. power over the investee; 2. exposure, or rights, to variable return from its involvement with the investee; and 3. the ability to use its power over the investee to affect the amounts of the returns.	U.S. GAAP provides two consolidation models: one for variable interest entities and another for other entities, sometimes referred to as voting interest entities. A reporting entity that holds a direct or indirect (explicit or implicit) variable interest in a legal entity determines whether the guidance in the "Variable Interest Entities" subsections of ASC 810-10 applies to that legal entity before considering other consolidation guidance. If an entity is not a variable interest entity, the voting interest consolidation model would generally apply under U.S. GAAP. (ASC 810-10-15-10 and 15-14).
Exclusion of subsidiaries, associates and joint ventures	Excluded from consolidation, equity accounting or proportionate consolidation if the subsidiary/ investment/interest was acquired with intent to dispose of in the near future (which, ordinarily means not more than 12 months, unless a longer period can be justified based on facts and circumstances of the case) or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent/	Consolidated financial statements include all subsidiaries and equity accounted associates and joint ventures. No exemption for 'temporary control', 'different lines of business' or 'subsidiary/associate/ joint venture that operates under severe long-term funds transfer restrictions'. An investment entity need not present consolidated financial statements if it is required, in accordance with paragraph 31 of this Ind AS, to measure all of its subsidiaries at fair value through	Similar to Ind AS, the financial statements of the parent and its subsidiaries are combined by adding together like items of assets, liabilities, equity, income and expense.

Area of Difference	Indian GAAP	Ind AS	US GAAP
	investor/venturer.	profit or loss.	
Uniform accounting policies	If not practicable to use uniform accounting policies in the preparation of consolidated financial statements, that fact should be disclosed together with the proportions of the items in the consolidated financial statements to which different accounting policies have been applied.	Consolidated financial statements should be prepared using uniform accounting policies.	Uniform accounting policies are generally used for similar transactions and other events in similar circumstances. However, in certain limited situations specialized industry accounting principles that are appropriate at a subsidiary level are retained in consolidation (ASC 810-10-25-15).
Non-controlling interests	Minority interests are presented in the consolidated balance sheet separately from liabilities and the equity of the parent's shareholders.	Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.	Similar to Ind AS (ASC 810-10-45-15 through 45-21). For views of the SEC staff on classification and measurement of redeemable securities, refer also to ASC 480-10-S99.
Allocation of losses to non-controlling Interests	Excess of loss applicable to minority over the minority interest in the equity of the subsidiary and any further losses applicable to minority are adjusted against majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses.	Profit or loss and each component of OCI should be attributable to the owners of the parent and to the non-controlling interests. The total comprehensive income should be attributable to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.	Similar to Ind AS.
Disposals	The difference between the proceeds from the disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of profit and loss as the profit or loss on the disposal of the investment in the subsidiary. An investment in an enterprise should be accounted for in accordance with Accounting Standard (AS) 13, Accounting for Investments, from the date that the enterprise ceases to be a subsidiary and does not become an associate.	If a parent loses control of a subsidiary, the parent: • derecognises the assets and liabilities of the former subsidiary from the consolidated balance sheet; • recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant Ind ASs. That fair value is regarded as the fair value on initial recognition of a financial asset in accordance with Ind AS 109 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. • recognises the gain or loss associated with the loss of control attributable to the former	U.S. GAAP includes guidance similar to Ind AS for events resulting in loss of control. However, U.S. GAAP specifies that the guidance for the loss of control applies to a subsidiary that is not a business or nonprofit activity only if the substance of the transaction is not directly addressed in other U.S. GAAP (ASC 810-10-40-3A through 40-5). The decrease in ownership provisions in ASC 810-10 do not apply if the transaction resulting in an entity's decreased ownership interest is either the sale of in-substance real estate or the conveyance of oil and gas mineral rights (ASC 810-10-40-3A). The deconsolidation and derecognition guidance in ASC 810-10 also does not apply to a parent that ceases to have a controlling financial interest in a subsidiary that is in substance real estate as a result of

Area of Difference	Indian GAAP	Ind AS	US GAAP
		controlling interest.	default on the subsidiary's non-recourse debt. See ASC 360-20 for applicable guidance (ASC 810-10-40-3B).
Primary Literature	**AS 27 – Financial Reporting of Interests in Joint Ventures**	**Ind AS 111 – Joint Arrangements** **Ind AS 28 – Investments in Associates and Joint Ventures**	**ASC 323, 605, 808, and 810-10**
Joint control	Joint control is the contractually agreed sharing of control over an economic activity. However, where an enterprise by a contractual arrangement establishes joint control over an entity which is a subsidiary of that enterprise within the meaning of AS 21, the entity is consolidated under AS 21 by the said enterprise, and is not treated as a joint venture.	Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.	Joint control applies only to real estate ventures and occurs if decisions regarding the financing, development, sale or operations require the approval of two or more of the owners (ASC Master Glossary, "Joint control").
Classification	AS 27 identifies three broad types of joint ventures – jointly controlled operations, jointly controlled assets and jointly controlled entities.	Ind AS 111 classifies joint arrangements into two types – joint operations and joint ventures depending upon the rights and obligations of the parties to the arrangement. An entity assesses its rights and obligations by considering the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement.	A corporate (joint) venture is a corporation (entity) owned and operated by a small group of businesses (joint venturers) as a separate and specific business or project for the mutual benefit of the members of the group. The purpose usually is to share risks and rewards in developing a new market, product or technology; to combine complementary technological knowledge; or to pool resources in developing production or other facilities. It also usually provides an arrangement under which each joint venturer may participate, directly or indirectly, in the overall management of the joint venture (ASC Master Glossary, "Corporate Joint Venture" and "Joint Venture").
Uniform	If not practicable to use uniform accounting	Uniform accounting policies should be followed	The equity investee's accounting policies do not have

Area of Difference	Indian GAAP	Ind AS	US GAAP
accounting policies	polices while applying the proportionate consolidation method, that fact should be disclosed together with proportions of items in the consolidated financial statements to which different accounting policies have been applied.	while applying the equity method. No exception is provided.	to conform to the investor's accounting policies if the investee follows an acceptable alternative US GAAP treatment.
Primary Literature	**No equivalent standard**	**Ind AS 113 – Fair Value Measurement**	**ASC 820, 825 and 942**
Definition	No equivalent standard. Fair value is defined in the context of each accounting standard, wherever applicable.	Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.	Similar to Ind AS.
Classification and disclosure	No equivalent standard.	Requires with some exceptions, classification of these measurements into a 'fair value hierarchy' based on the nature of inputs: Level 1 – quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date; Level 2 – inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 – unobservable inputs for the asset or liability. Requires various disclosures depending on the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified	Similar to Ind AS.
Primary Literature	**AS 12 – Accounting for Government Grants**	**Ind AS 20 Accounting for Government Grants** **Ind AS 20 – Appendix A – Government Assistance – No specific relation to operating activities**	**Note: Government grants to business enterprises are not specifically addressed by US GAAP.**
Government Assistance	Does not deal with disclosure of Government Assistance other than in the form of Government grants	Deals with both Government grants and disclosure of Government Assistance	There is no specific guidance. US GAAP revenue recognition principles would apply.
Forgivable loans	No specific guidance	Forgivable loans are treated as government grants	There is no specific guidance. US GAAP revenue

Area of Difference	Indian GAAP	Ind AS	US GAAP
		when there is a reasonable assurance that the entity will meet the terms for forgiveness of the loan	recognition principles would apply.
Government loans with below market rate of interest	No specific guidance	Benefit of government loans with below market rate of interest should be accounted for as a government grant – measured as the difference between the initial carrying amount of the loan determined in accordance with Ind AS 109 and the proceeds received	Similar to Ind AS.
Recognition	Two broad approaches may be followed – capital approach or the income approach Government grants in the nature of promoter's contribution i.e. they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay and no repayment is ordinarily expected, are credited directly to shareholders' funds. Grants related to revenue are recognized in the statement of profit and loss on a systematic and rational basis over the periods necessary to match them with the related costs. Grants relating to non-depreciable assets are credited to capital reserve. If such grant require fulfilment of some obligation, such grants should be credited to income over the period over which the cost of meeting the obligation is charged to income. Grants related to depreciable assets are either treated as deferred income and transferred to the statement of profit and loss in proportion to depreciation, or deducted from the cost of the asset.	Government grants are recognized as income to match with expenses in respect of the related costs for which they are intended to compensate on a systematic basis. Government grants are not directly credited to shareholder's interests. Government grants related to assets (including non-monetary grants at fair value) are presented in the statement of financial position by setting up the grant as deferred income.	There is no specific guidance. US GAAP revenue recognition principles would apply.
Non-monetary government grants	If the asset is given by the Government at a discounted price, the asset and the grant accounted at the discounted purchase price. Non-monetary grants free of cost are	The asset and the grant should be accounted at fair value.	No specific guidance

Area of Difference	Indian GAAP	Ind AS	US GAAP
	accounted for at nominal values.		
Repayment of grants relating to fixed assets	Recognized either by increasing the carrying amount of the asset or reducing the deferred income or capital reserve, as appropriate, by the amount repayable. If the carrying amount of the asset is increased, depreciation on the revised carrying amount is provided prospectively over the residual useful life of the asset.	Recognized by reducing the deferred income balance by amount repayable.	There is no specific guidance. US GAAP revenue recognition principles would apply.
Primary Literature	**AS 17 – Segment Reporting**	**IndAS 108 – Operating Segments**	**ASC 280**
Scope	Applicability of the standard is not linked to the listing status of an entity.	Ind AS 108 is applicable to companies to which Ind Ass notified under the Companies Act apply.	Applicable only to public entities.
Determination of segments	AS 17 requires an enterprise to identify two segments (business and geographical), using a risks and rewards approach, with the enterprise's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance.	Similar to Ind AS
Measurement	Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole. Segment revenue, segment expense, segment result, segment asset and segment liability have been defined. A reconciliation is presented between the information disclosed for reportable segments and the aggregated information in the enterprise's financial statements.	Segment profit or loss is reported on the same measurement basis as that used by the chief operating decision maker. There is no definition of segment revenue, segment expense, segment result, and segment asset or segment liability nor does it require segment information to be prepared in conformity with the accounting policies adopted for the entity's financial statement. Requires reconciliation of segment performance measures with the corresponding amounts reported in the financial statements. A reconciliation of the total of the segment's assets and total of the segment's liabilities to the entity's assets and the entity's liabilities respectively should only be	Similar to Ind AS except that Segment liabilities are not required to be disclosed. Similar to Ind AS

Area of Difference	Indian GAAP	Ind AS	US GAAP
		provided if the segment assets and segment liabilities are regularly provided to the chief operating decision maker.	
Aggregation criteria	No specific guidance	Two or more operating segments may be aggregated into a single operating system if the aggregation is consistent with the principles laid down in the standard. Management need to disclose the judgements made in applying the aggregation criteria for operating segments.	Similar to Ind AS
Entity wide disclosures	Disclosures are required based on the classification of segments as primary or secondary. Disclosure requirements for secondary reporting format are less detailed than those required for primary reporting formats.	Requires disclosure of a) external revenues from each product or service; b) revenues from customers in the country of domicile and from foreign countries; c) geographical information on non-current assets located in the country of domicile and foreign countries. Information on major customers including total revenues from each major customer is disclosed if revenue from each customer is 10% or more of total segment revenues. The entity need not disclose the identity of such customers.	Similar to Ind AS
Primary Literature	**AS 9 – Revenue Recognition**	**Ind AS 18 – Revenue**	**ASC 605 & 845**
Linked transactions - inventory sold to a counterparty with a repurchase obligation.	There is no specific guidance under Indian GAAP	Under IndAs, the applicable inventory is carried at cost on the balance sheet and cash proceeds associated with the sale to the counterparty is recorded as borrowings, provided that the entity retains either continuing managerial involvement to the degree usually associated with ownership or effective control over the goods sold. Under IndAS, the recognition criteria are applied to two or more transactions together when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole.	Under US GAAP, when inventory is sold and an obligation to repurchase exists but the product financing criteria as per ASC 470-40 are not met, the inventory is derecognized upon sale and a gain/loss on sale is recognized based on the difference between sales price and net book value.
Revenue -	Revenue is the gross inflow of cash,	Revenue is the gross inflow of economic benefits	Revenue is defined as inflows or other enhancements

Area of Difference	Indian GAAP	Ind AS	US GAAP
Definition	receivables or other consideration arising in the course of the ordinary activities from the sale of goods, from the rendering of services and from the use by others of entity resources yielding interest, royalties and dividends.	during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Revenue excludes taxes and duties that are collected on behalf of Government Authorities.	of assets of an entity or settlements of its liabilities (or a combination of both) from delivering or producing goods, rendering services, or other activities that constitute the entity's ongoing major or central operations.
Revenue - Recognition	Recognition criteria depend on the category of revenue transaction. In general criteria includes no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of good/ rendering of service.	Revenue is recognised only when it is probable that any future economic benefit will flow to the entity and such a benefit can be measured reliably.	Revenue is generally recognised when it is realised or realisable and earned. US GAAP includes specific revenue recognition criteria for different types of revenue generating transactions.
Measurement	Revenue is recognised at the consideration received or receivable.	Revenue is recognised at the fair value of the consideration received or receivable. Fair value is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the consideration is recognised as interest income using the effective interest method.	Similar to Ind AS.
Tax effects of changes in exchange rates	There is no specific guidance under Indian GAAP	Ind AS requires that If the entity's taxable profit or tax loss is determined in a different currency (including, the tax base of its non-monetary assets and liabilities), changes in the exchange rate will give rise to temporary differences that result in a recognized deferred tax liability or asset. The resulting deferred tax has to be charged or credited to the Statement of P&L.	Under USGAAP, no deferred taxes are recognized for differences related to nonmonetary assets and liabilities that are remeasured from local currency into their functional currency by using historical exchange rates (if those differences result from changes in exchange rates or indexing for tax purposes).

The information disclosed in this section have been primarily derived from reports of CRU Limited ("CRU"), World Copper Factbook 2016 and other publicly available information. This data has not been prepared or independently verified by us or the Lead Managers or any of their respective affiliates or advisors. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. In this section, all references to a particular year are to the 12-month period ended December 31, of that year and all references to a particular Fiscal are to the 12-month period ended March 31, of that year.

Global Economic Scenario

The global economy is still adjusting to the unwinding of China's commodity-intensive growth phase and its transition to consumer-led growth. *(Source: CRU - Aluminium Market Outlook October 2016)*

However, US manufacturing activity has been increasing as is demonstrated by rise in manufacturer's shipments by 2.2% in December 2016 as opposed to an increase of 0.3% in November 2016. *(Source: US Census Bureau).*

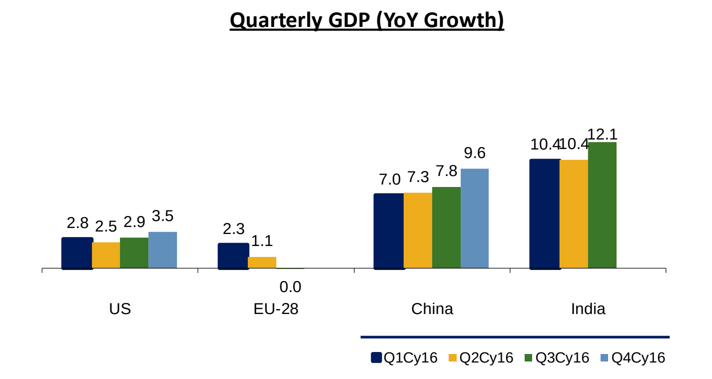
Also, despite various concerns on China, the Chinese construction sector spurred by strong growth in real estate residential completions has remained firm through 2016. The auto sector in China has also shown a good uptake in the recent past aided by certain tax incentives.

India exhibits strong potential for a sustained recovery, given supportive monetary policy and multiple structural reforms by the government. GDP growth is expected to remain robust and average near 7.5% per annum for next five years. *(Source: Survey of Professional Forecasters on Macroeconomics – Round 44 dated February 8, 2017)*

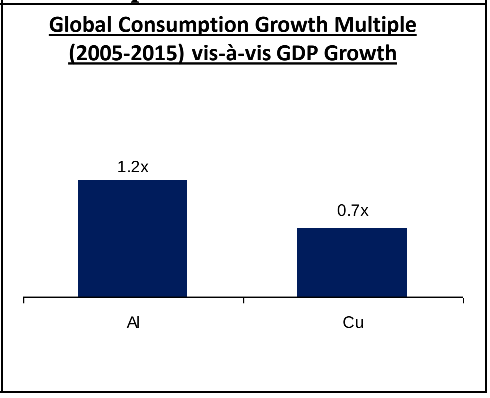
Political uncertainty following UK's decision to leave the European Union is likely to weight on output in the Eurozone. Key structural factors such as ageing population, a prolonged period of high unemployment and a weak banking sector in many countries are likely to weigh on potential growth in medium term. *(Source: CRU – Aluminium Rolled Products Market Outlook August 2016.)*

On an overall basis, a steady economic recovery is likely to drive metals consumption.

Global Economic Recovery Continues



Multiplier Effect of Growth

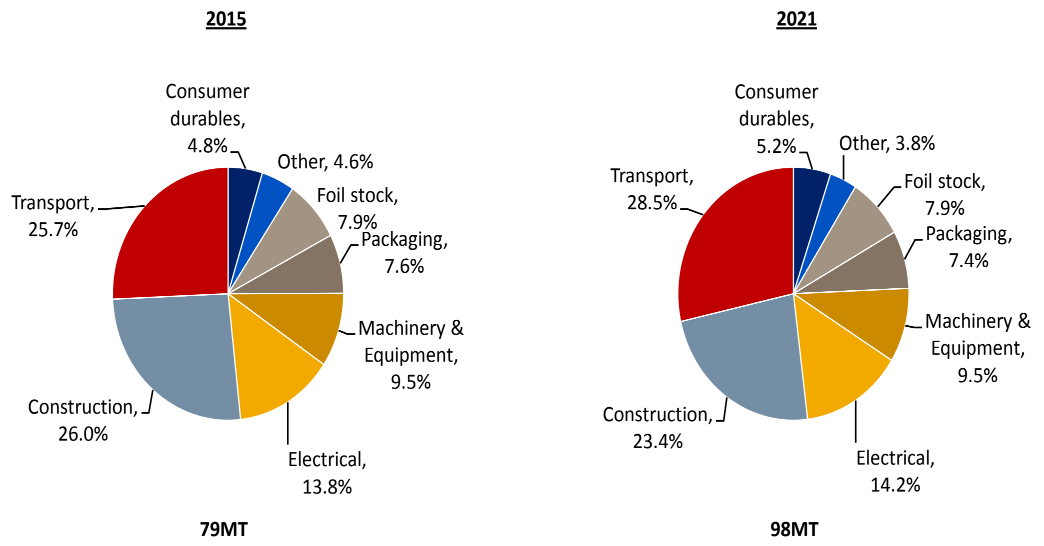


(Sources: Bureau of Economic Analysis, BEA, US; Eurostat; National Bureau of Statistics, China; Central Statistics Office, MOSPI, India; IMF, World Economic Outlook Database, April 2015; 10 yr Al Production Data from CRU, 10 year copper consumption data from World Copper Factbook 2016)

Global Aluminium Market

Background

Global Aluminium Semis Consumption



(Source: CRU - Aluminium Market Outlook October 2016)

Aluminium Rolled Products Applications

The aluminium rolled products market represents the global supply of, and demand for, aluminium sheet, plate and foil produced either from sheet ingot or continuously cast roll-stock in rolling mills operated by independent aluminium rolled products producers and integrated aluminium companies alike. Aluminium rolled products are semi-finished aluminium products that constitute the raw material for the manufacture of finished goods ranging from automotive structures and body panels to food and beverage cans.

There are two major types of manufacturing processes for aluminium rolled products differing mainly in the process used to achieve the initial stage of processing: (1) hot mills — which require sheet ingot, a rectangular slab of aluminium, as starter material; and (2) continuous casting mills — which can convert molten metal directly into semi-finished sheet.

Aluminium rolled products companies produce and sell a wide range of aluminium rolled products, which can be grouped into six end-use markets:(1) packaging; (2) transportation; (3) consumer electronics; (4) architectural; (5) industrial; and (6) electrical. Within each end-use market, aluminium rolled products are manufactured with a variety of alloy mixtures; a range of tempers (hardness), gauges (thickness) and widths; and various coatings and finishes. Large customers typically have customized needs resulting in the development of relationships with their supplying mills.

Packaging: Aluminium is used in beverage cans and bottles, food cans, screw caps used in the beverage industry and household foil. Beverage cans are the second largest aluminium rolled products application (behind foil), accounting for approximately 22% of total worldwide shipments in the calendar year 2015, according to market data from CRU. The recyclability of aluminium enables it to be used, collected, melted and returned to the original product form an unlimited number of times, unlike paper and polyethylene terephthalate (“PET”) plastic, which deteriorate with every iteration of recycling

In addition to their recyclability, aluminium beverage cans offer advantages in fabricating efficiency and product shelf life. Fabricators are able to produce and fill beverage cans at very high speeds, and non-porous aluminium cans provide longer shelf life than PET plastic containers. Additionally, the use of aluminium to package beverages such as craft beer is increasing, as aluminium blocks sunlight and therefore extends the shelf life of the product. Aluminium cans are light, stackable and use space efficiently, making them convenient and cost-efficient to ship. Beverage can sheet is sold in coil form for the production of can bodies, ends and tabs. The material can be ordered as rolled, degreased, pre-lubricated, pre-treated and/or lacquered. Typically, can makers define their own specifications for material to be delivered in terms of alloy, gauge, width and surface finish.

Household foil is another packaging application and it includes home and institutional aluminium foil wrap sold as a branded or generic product. Known in the industry as packaging foil, it is manufactured in thicknesses ranging from 11 microns to 23 microns. Container foil is used to produce semi-rigid containers such as pie plates and take-out food trays and is usually ordered in a range of thicknesses from 60 microns to 200 microns.

Transportation: Aluminium rolled products are used in vehicle structures as well as automotive body panel applications, including hoods, deck lids, fenders and lift gates. Heat exchangers, such as radiators and air conditioners, are also an important application for aluminium rolled products in the truck and automobile categories while original equipment manufacturers also use aluminium sheet with specially treated surfaces and other specific properties for interior and exterior applications. These uses typically result from cooperative efforts between aluminium rolled products manufacturers and their customers that yield tailor-made solutions for specific requirements in alloy selection, fabrication procedure, surface quality and joining. There has been recent growth in North American and European market in automotive applications due to the lighter weight, better fuel economy and improved emissions performance associated with these applications. Continued growth is expected in this end-use market as automotive companies continue to explore opportunities for ways to reduce the weight (light-weighting) of automobiles as a result of environmental regulations concerning emissions and fuel economy

Aluminium is also used in aerospace applications, as well as in the construction of ships' hulls, superstructures and passenger rail cars because of its strength, light weight, formability and corrosion resistance. Newly developed alloys are being used in transportation tanks and rigid containers that allow for safer and more economical transportation of hazardous and corrosive materials.

Consumer Electronics: Aluminium's lightweight characteristics, high formability, ability to conduct electricity and dissipate heat and to offer corrosion resistance makes it useful in a wide variety of electronic applications. Uses of aluminium rolled products in electronics include flat screen televisions, personal computers, laptops, mobile devices, and digital music players.

Architectural: Construction is the largest application within this end-use market. Aluminium siding, gutters, and downspouts comprise a significant amount of construction volume. Other applications include doors, windows, awnings, canopies, facades, roofs and ceilings. Aluminium rolled products developed for the construction industry are often decorative and non-flammable, offer insulating properties, are durable and corrosion resistant, and have a high strength-to-weight ratio.

Industrial: Industrial applications include heat exchangers, process and electrical machinery, lighting fixtures and insulation. Other uses of aluminium rolled products in consumer durables include microwaves, coffee makers, air conditioners and cooking utensils.

Aluminium Extrusion Products Applications

Aluminum extrusions are used for a wide range of purposes, including transportation and construction. Extrusions typically undergo a number of fabrication and/or finishing processes to transform them into usable components, such as an auto part or construction material. Aluminum is becoming a product of choice for green builders. The use of aluminum extrusions in commercial buildings can contribute to LEED (Leadership in Energy and Environmental Design) points in a number of areas including Energy Efficiency, Selection of Sustainable Materials and Indoor Environmental Quality. Aluminum is superior to steel and iron in its ability to reflect the infrared (heat) rays of the sun. Properly coated aluminum roofs can reflect up to 95% of the solar energy that strikes them, dramatically improving energy efficiency. Aluminum is a key component in LEED-certified green buildings.
(Source: http://www.aluminum.org/industries/processing/extrusions#sthash.C3gHPBVu.dpuf)

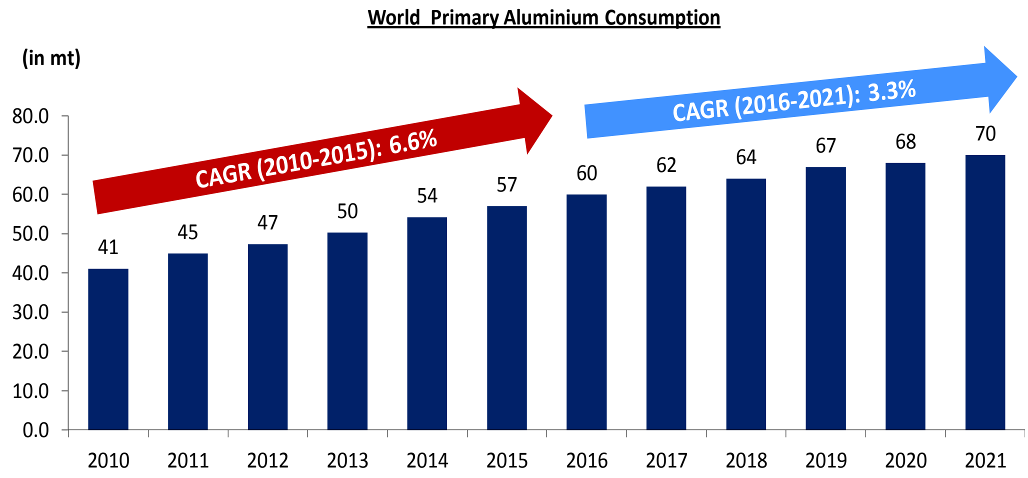
Aluminium Casting Products Applications

Aluminium casting products are widely used in the automotive industry and home applications. Automotive industry is the largest market for aluminum casting. Cast products make up more than half of the aluminum used in cars. Cast aluminum transmission housings and pistons have been commonly used in cars and trucks since the early 1900's. Parts of small appliances, hand tools, lawnmowers and other machinery are produced from thousands of different unique aluminum casting shapes. The casting product most often used by consumers is cookware, the first aluminum product that was made available for everyday use. *(Source: http://www.aluminum.org/industries/processing/castings)*

Aluminium Wire and Cable Products Applications

As aluminium has excellent conductivity, low weight and low cost, it is typically used in overhead power lines. It is also used in the form of wire, normally reinforced with steel to form cables. Electrical transmission lines are the largest application for aluminum rod and bar products. Wire conduit made from steel, rigid aluminum does not spark, resists corrosion and will not rust. These properties of aluminum are vitally important for electrical applications within coal mines, grain elevators and refineries (where sparking can lead to catastrophic outcomes). *(Source: http://www.aluminum.org/industries/processing/rod-bar, http://www.aluminum.org/aluminum-advantage/facts-glance)*

Global Aluminium Consumption



(Source: CRU)

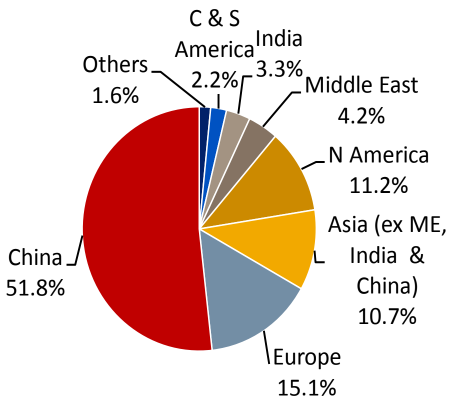
Between 2016 and 2021, global primary aluminium consumption is expected to grow at approximately 3.3% per annum on a base of around 60 MT. This growth is expected to be driven by an increase in demand in emerging markets and by increasing penetration of aluminium in end-use sectors such as automotive, transportation and power. (*Source: CRU - Aluminium Market Outlook October 2016)*

Asia is expected to maintain its position as the fastest growing primary aluminium consumption region with demand driven by increased industrialisation and urbanisation. India is expected to have among the highest growth rates in the region, with demand expected to grow at a CAGR of 7.3% between 2016 and 2021. (*Source: CRU - Aluminium Market Outlook October 2016)*

In more mature markets, demand is expected to rise moderately driven by robust growth in North American consumption. Rising substitution and the pickup in the intensity of use in transportation, engineering and consumer durables is expected to offset the lack of growth in the packaging segment. In the developed regions of Western Europe and North America over two thirds of demand growth from 2016-2021 is expected to come from the transport sector led by a focus on emissions targets and fuel efficiency norms.

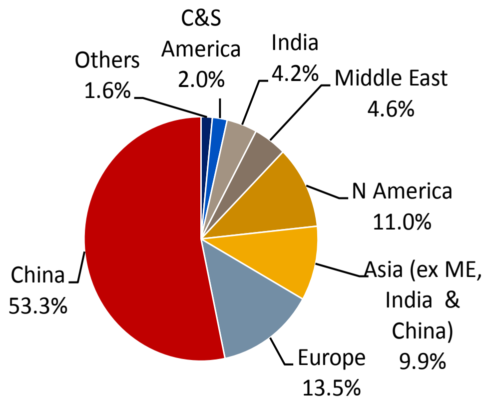
World Consumption of Primary Aluminium by Region

2015



Total Consumption: 56.6MT

2021



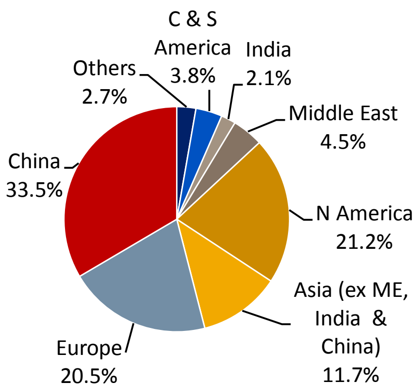
Total Consumption: 70.1MT

Region	CAGR 2015-2021
India	7.7%
World	3.6%
World (Ex-China)	3.1%

(Source: CRU - Aluminium Market Outlook October, 2016. Note: "C & S America" excludes Mexico but includes Cuba. Whereas, "N America" includes Mexico.)

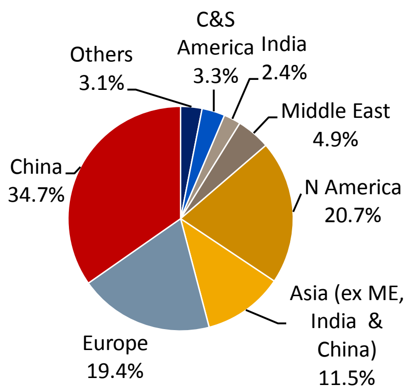
World Consumption of Rolled Products by Region

2015



Total Consumption: 24.1MT

2020



Total Consumption: 29.3MT

Region	CAGR 2015-2020
India	7.0%
World	4.0%
World (Ex-China)	3.6%

(Source: CRU – Aluminium Rolled Products Market Outlook August 2016. Note: "Central & South America" excludes Mexico but includes Cuba. "North America" includes Mexico.)

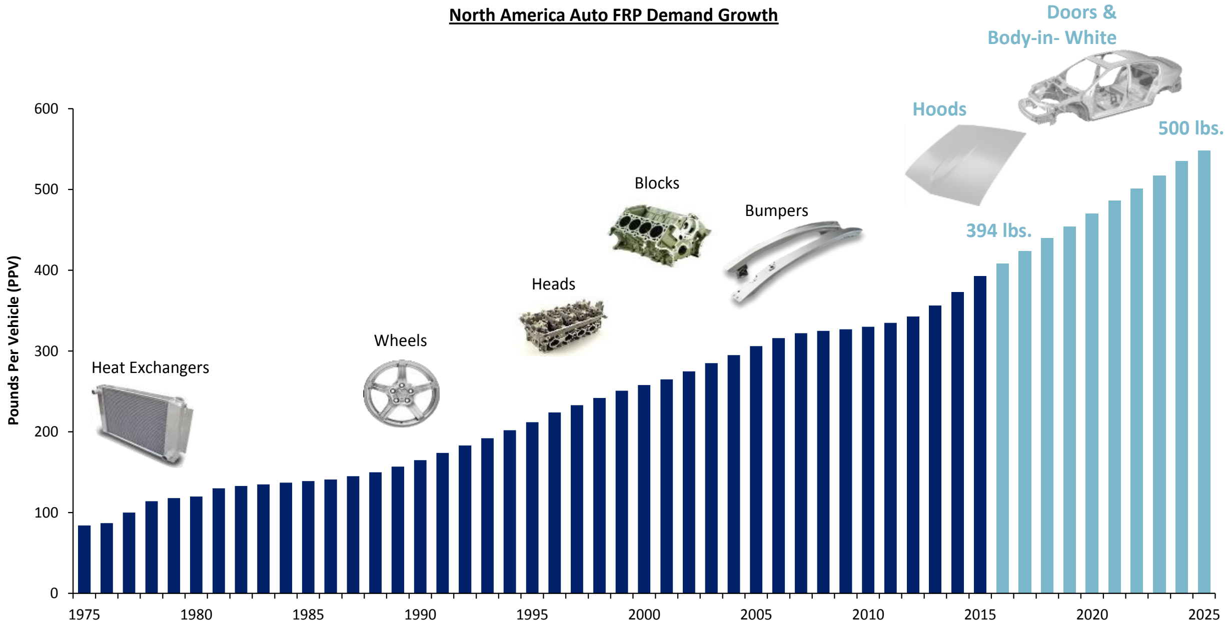
World Consumption of Rolled Products by End Use

End Use ('000 t)	2015	2016	2017	2018	2019	2020	CAGR 2015-2020
Transport	3,808	4,029	4,387	4,770	5,143	5,506	7.7%
Construction	3,391	3,504	3,559	3,648	3,718	3,719	1.9%
Packaging	706	735	760	788	818	841	3.5%
Foil Stock	6,289	6,564	6,814	7,065	7,318	7,556	3.7%
Can stock	5,304	5,497	5,693	5,887	6,068	6,260	3.4%
Electrical	883	909	940	974	1,008	1,051	3.5%
Consumer durables	1,307	1,340	1,376	1,434	1,484	1,538	3.3%
Machinery & Equipment	1,930	1,959	2,027	2,097	2,175	2,257	3.2%
Other	478	483	492	508	525	543	2.6%
Total	**24,097**	**25,022**	**26,050**	**27,171**	**28,257**	**29,272**	**4.0%**

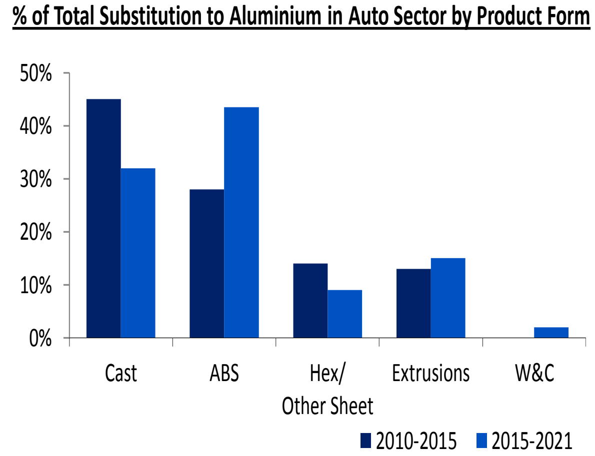
(*Source: CRU – Aluminium Rolled Products Market Outlook August 2016)*

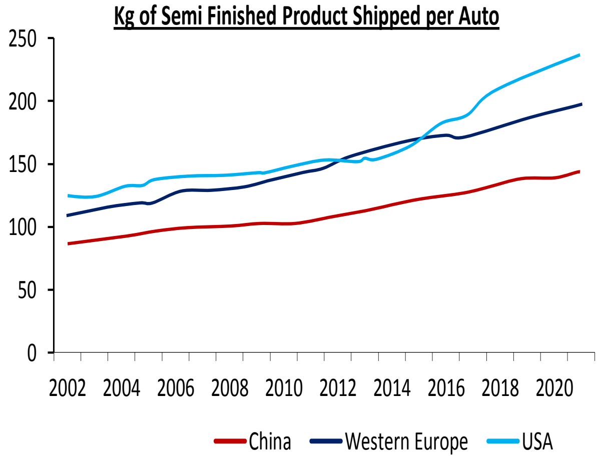
The transport sector is expected to lead the aluminium consumption growth. This trend is being driven by greater aluminium usage in vehicles ahead of increased carbon emissions legislation and stricter fuel efficiency norms and overall growth in vehicle production. In the US, shipments of aluminium sheets to the passenger car market will increase at a CAGR of 15% between 2016 and 2020 while shipments of ABS will rise at a CAGR of 11% over the same period. Rapid growth of ABS will be propelled by the conversion of closures (hoods, trunk lids, roofs, doors) to aluminium. In western Europe the rolled shipments per vehicle produced is expected to increase from 49.8kgs in 2016 to 64.0kgs in 2020. (*Source: CRU – Aluminium Rolled Products Market Outlook August 2016)*

North America Auto FRP Demand Growth



(Source: Ducker Worldwide 2015 North American Light Vehicle Aluminium Content Study, June 2014)





(Source: CRU - Aluminium Market Outlook October 2016)

Regional Demand Outlook

China

Chinese primary aluminium demand is expected to reach 37.3 MT by 2021, growing at a CAGR of 3.5% between 2016 and 2021. The demand for primary aluminium in China is expected to remain strong in 2016 and 2017 due to strong demand from the construction sector. Over the medium term, the demand is expected to be resilient following new applications, especially in the automobile segment, even as economic growth moderates. Tighter environmental legislation and an increase in scrap units are expected to increase the use of scrap in the Chinese downstream industry over the long term. The transport sector is expected to show the strongest growth on higher vehicle production and increased aluminium content in vehicles. *(Source: CRU - Aluminium Market Outlook October 2016)*

Europe

The outlook for aluminium demand in Europe continues to improve. CRU expects that Western European semis demand will surpass the 2007 high by 2020. Economic growth in Europe is expected to strengthen in the coming years as the European economies continue to reduce fiscal tightening, boost employment and strengthen domestic demand. European demand is expected to grow at a CAGR of 1.5% to 9.2 MT in 2021. *(Source: CRU - Aluminium Market Outlook October 2016)*

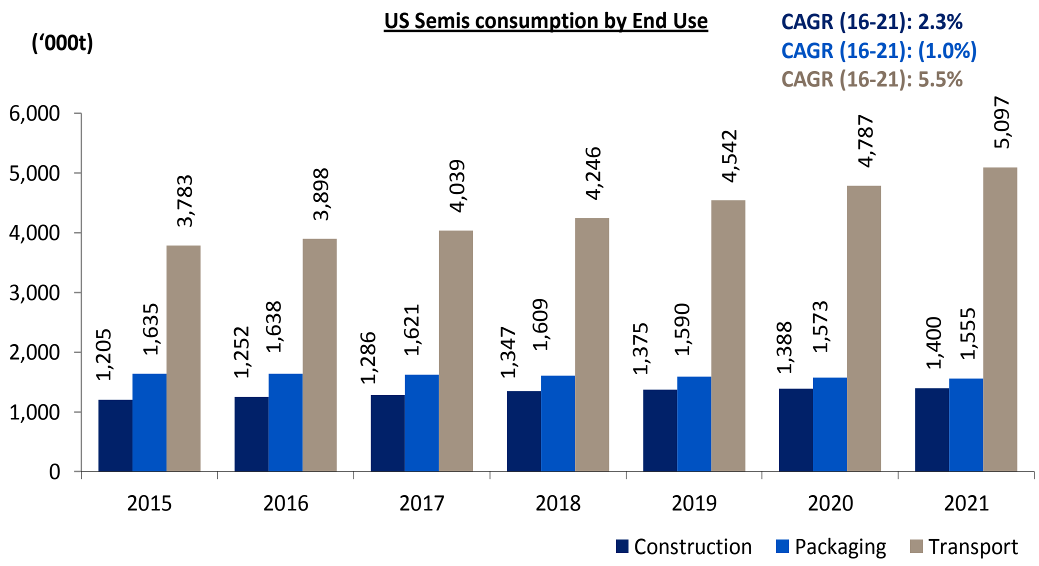
The automotive sector is expected to remain a key area of long term growth in European aluminium demand. The transport market is expected to continue to lead growth, growing two or three times as fast as most other end use sectors. There is expected to be significant penetration growth in many semis markets. Aluminium automotive sheet, extrusions and castings will all gain market share from competing materials. *(Source: CRU - Aluminium Market Outlook October 2016)*

North America

The North American primary aluminium market is expected to grow because of strong demand for aluminium rolled products in the transport sector. Demand from North America is expected to grow at a CAGR of 3.5% to 7.7 MT in 2021 from 2016. *(Source: CRU - Aluminium Market Outlook October 2016)*

In the North American extrusions market, demand continues to be firm from the automotive sector. The automotive market generally remains good for rolled products as well, certainly for auto body sheet (ABS) demand. The market has been awaiting the conversion of the Ford F-250 to an all-aluminium body, which has been slightly delayed from the originally expected timeframe. This conversion will kick in now through the remainder of this year and into 2017. (*Source: CRU - Aluminium Market Outlook October 2016*)

CRU expects that shipments of aluminium rolled products to the passenger car market will increase by 19.6% y-o-y in 2016, to 749,000 t, and that shipments of ABS will grow by 33.1% y-o-y, to 460,000 t. Demand will grow substantially in 2017 and then taper off through 2020. Between 2016 and 2020, shipments of sheet to the passenger car market will increase at a 15% CAGR, while shipments of ABS will rise at an 11% CAGR. *(Source: Aluminium Rolled Products Market Outlook August 2016)*



(Source: CRU - Aluminium Market Outlook October 2016)

Central and South America

The primary aluminium consumption in Central and South America is expected to grow at a CAGR of 3.7% to reach 1,430 KT in 2021 from 1,191 KT in 2016. This is expected to be driven by the increase in demand for aluminium rolled products. Consumption of rolled products to increase at a CAGR of 2.4% to reach 967 KT in 2020 from 881 KT in 2016. This will be driven by expected growth in consumption of can stock which will increase at a CAGR of 3.3% over the same period and account for 56% of total rolled products consumption by 2020.

Brazil is the largest market in Central and South America and expected to account for over 70% of the consumption of rolled products. Brazil market is expected to grow at a CAGR of 2.1% to reach 699 KT in 2020 from 643 KT in 2016. This growth is largely on account of growth in packaging sector which accounts for over 60% the total consumption and expected to increase at a CAGR of 3.1% over the same period. *(Source: CRU - Aluminium Market Outlook October 2016, Aluminium Rolled Products Market Outlook August 2016)*

India

Demand growth is expected to be driven by increased investment in power sector, new applications in various areas and transportation segment.

The electrical sector is expected to see the highest volume growth in India. Solar power growth in India provides a good opportunity for some extruders, while the rural electrification is another major demand driver. The government has plans to electrify the whole of rural India over the next few years and this is expected to boost uptake of wire and cable. Moreover, the Power Grid Corporation of India Ltd. has announced a large list of new investments. *(Source: CRU - Aluminium Market Outlook October 2016)*

Strong demand from power sector, transportation, housing and packaging sectors and some of the governments initiatives are expected to lead the aluminium growth in India. In addition, solar power, electrical vehicles, aerospace, defence, railways, metros and smart city projects are some of the sunrise industries that can offer significant long term growth opportunities for the domestic aluminium industry.

Overall, CRU forecasts that Indian primary aluminium consumption will see a healthy 7.3% CAGR from 2016 through to 2021.

Global Aluminium Supply

In 2015, global aluminium output was 57.1 MT, an increase of 5.5% from 2014. By 2021, global primary aluminium demand is expected to reach 69.6 MT. This combined with continued rationalization of capacity would result in a required capacity utilization of 80.0% by 2021, on par with actual utilization of 80.0% in 2015,

In the near term, however, global aluminium capacity is expected to remain ahead of requirements. The chart below illustrates the capacity utilisation between 2015 and 2021 (in MT):

	2015	2016	2017	2018	2019	2020	2021	CAGR 2016 - 2021
Capacity	71.4	73.8	75.6	80.5	83.1	84.9	87.1	3.4%
Production	57.1	59.0	62.1	63.1	65.9	67.8	69.6	3.4%
Consumption	56.6	59.5	61.8	64.1	66.6	68.4	70.1	3.3%
Balance	0.5	-0.5	0.3	-0.9	-0.7	-0.7	-0.5	
Utilisation Rate (%)	80%	80%	82%	78%	79%	80%	80%	
of which China balance(1)	0.7	0.1	0.9	0.2	0.4	0.2	0.3	
of which world excl. China balance(1)	-0.2	-0.6	-0.6	-1.2	-1.1	-0.9	-0.8	

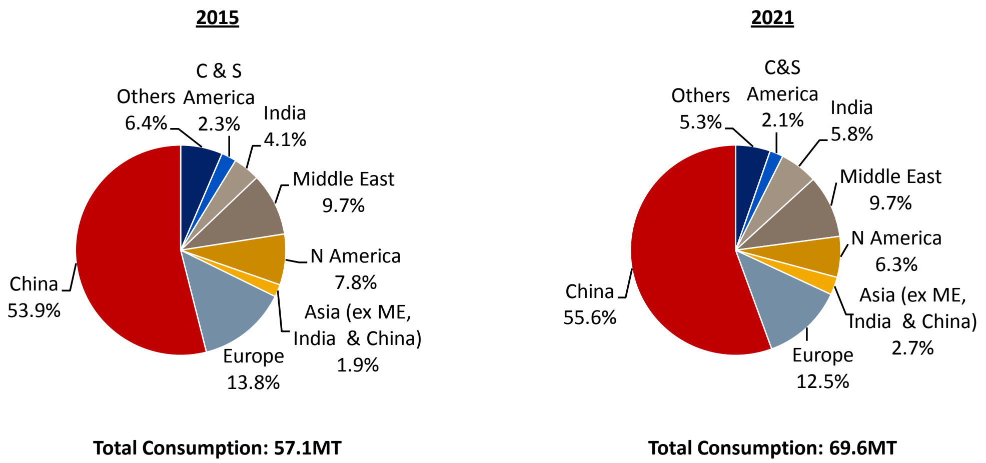
(1) Data adjusted for net primary trade

(Source: CRU - Aluminium Market Outlook October 2016)

In 2015, Chinese production was at 30.8 MT, which accounted for 54% of global production. CRU estimates approximately 4 MT per annum capacity has been closed down since the start of 2015, and more capacity is expected to become idle in 2017 as the oversupply problem aggravates. However, in the past six months, Chinese smelters have been more active in ramping up idle capacity in the second half of 2016 driven by higher aluminium prices. CRU estimates that 1.291 MT per annum capacity has resumed production by the end of October 2016.

The chart below illustrate the split of expected global primary aluminium production from 2015 to 2021

World Production of Primary Aluminium by Region



Region	CAGR 2015-2021
India	8.3%
World	3.4%
World (Ex-China)	2.8%

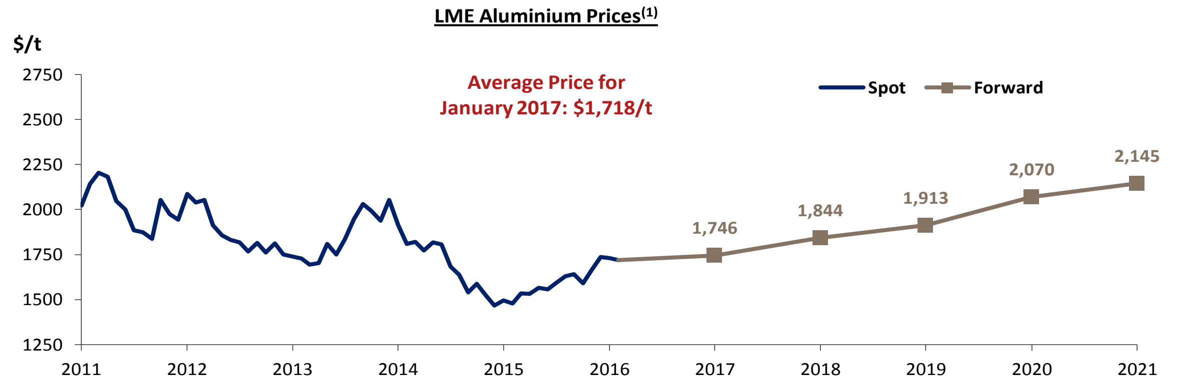
(Source: CRU – Aluminium Market Outlook October 2016. Note: Central & South America excludes Mexico but includes Cuba. North America includes Mexico)

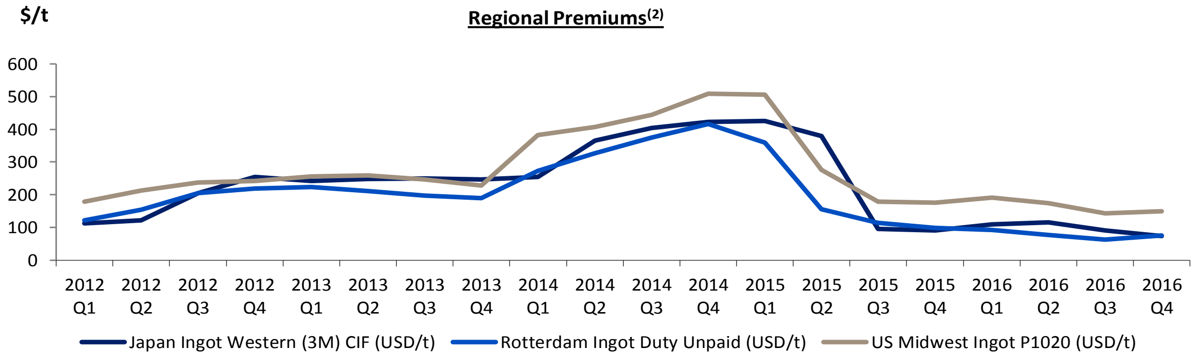
India, the Middle East and Russia account for 73% of the world ex-China output growth over the next five years.

In contrast to China, CRU expects supply to be tight in the rest of the world with minimal closures over next five years.

Pricing

Aluminium is traded on the London Metal Exchange ("LME"). While prices are determined by LME movements, producers also charge a regional premium that generally reflects the cost of obtaining the metal from an alternative source. In addition, primary aluminium suppliers charge regional premiums over the LME price reflective of the regional demand-supply characteristics. The following graphs illustrate the 3-month forward aluminium contract price on the LME for the last 3 years and regional premium trends for the same period





(1) Source: CRU- Aluminium Monitor, January 2017
(2) Source: CRU - Aluminium Market Outlook October 2016

Alumina is the primary raw material for aluminium smelting, which is refined from the bauxite ore. Bauxite is abundantly available globally. However, over 5 tonnes of bauxite is required to produce a tonne of aluminium and hence bauxite logistics along with the quality plays a large role in determining aluminium production cost. Like most minerals, the regional topography, politics, resource nationalisation demands, compensation to the affected people impact the mining costs. In case of China declining domestic grade and lower availability has resulted into increased reliance on imported bauxite. This bauxite travels a long distance coming as far as from Africa and hence impacts the cost economics. India is endowed with good quality bauxite and hence the players with captive bauxite have lower alumina cost of production.

Alumina is not traded on the LME and is priced on the basis of negotiations, with reference to the LME price for aluminium. Negotiated agreements generally take the form of long-term contracts, but fixed prices can also be negotiated for shorter periods. A relatively small spot market for alumina also exists. Alumina pricing is largely driven by aluminium prices and dynamics of seaborne trade for alumina & bauxite. However, over the last few years, several aluminum companies have been gradually moving away to the alumina price index (or API). Alumina prices through API are less dependent on aluminum prices and help in independent price discovery of alumina

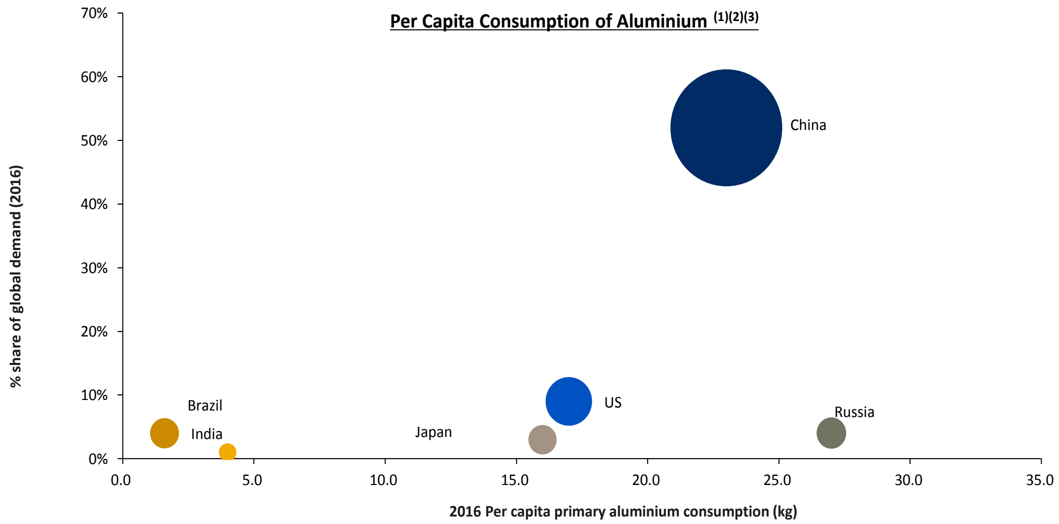
Indian Aluminium Market

Background

In 2013, India was the fifth largest producer of bauxite, in terms of quantity with production of 22.23 MTof bauxite in 2014-15. (*Source: Ministry of Mines, Annual Report 2015-16, Government of India, available at: http://mines.gov.in/writereaddata/UploadFile/Mines_AR_2015-16_English.pdf)* Indian bauxite is largely located on a single plateau, thus making bulk mining possible and resulting in significant cost advantages. Production is largely based in the states of Odisha, Gujarat, Maharashtra, Jharkhand, Chattisgarh and Madhya Pradesh. (*Source: Ministry of Mines, Annual Report 2015-16, Government of India).*

India Aluminium Consumption

For a country with a population of over 1.31 billion *(Source: World Bank - http://data.worldbank.org/indicator/SP.POP.TOTL)* and GDP growth of approximately 7.5%, aluminium consumption is relatively low in India as the Indian economy has been more services oriented than other manufacturing oriented Asian economies. India's per capita aluminium consumption is amongst the lowest in the world presenting huge opportunity for growth.

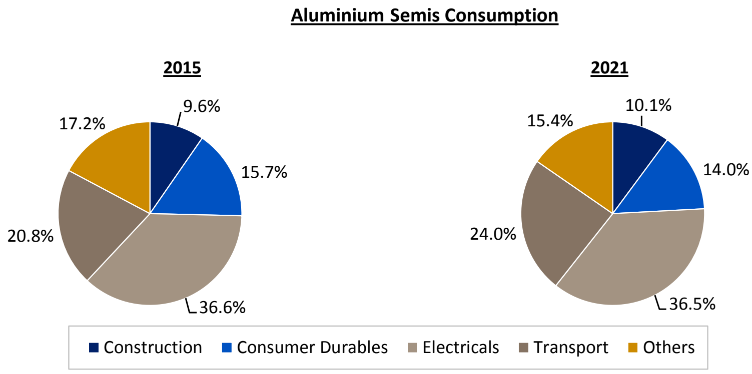


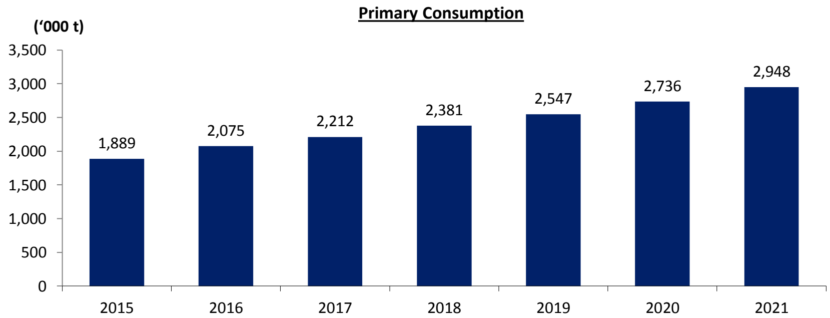
1) *Source: CRU Aluminium Market Outlook October 2016*
2) *Per Capita Aluminium Consumption arrived at by using Aluminium Consumption for 2016 from CRCRU Aluminium Market Outlook, October 2016 and 2016 Population from IMF Database*
3) *Bubble indicates the amount of Aluminium Consumption*

Demand in India is expected to benefit from the new Government, which is more supportive of industry. Infrastructure projects have been prioritised by the new Government, which will boost aluminium demand, particularly in the aluminium wire and cable sector. 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 augurs well for 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 below table illustrates estimated semis and primary aluminium demand in India from 2015 to 2021 (in kt):





(Source: CRU - Aluminium Market Outlook October 2016)

The electrical sector, the largest end-use sector for aluminium semis in India, has shown good growth. Construction of major power projects resumed following delays due to environmental clearance issues. The new Government also announced ambitious plans to expand the country's electricity infrastructure, leading to renewed investor interest. CRU forecasts semis demand in the electrical sector to grow at a CAGR of 7.3% between 2015 and 2021, with consumption reaching approximately 1.6 MT.

The transport sector is expected to have highest growth in terms of end-markets for aluminium semis in India. CRU expects semis demand in the transport sector to rise at a CAGR of 10.2% between 2015 and 2021.

Indian Players Overview Global Aluminium Supply: 2015 to 2021

	2015	2016	2017	2018	2019	2020	2021
Production	2,351	2,722	3,318	3,648	3,680	3,896	4,054
Capacity ('000tpy)	4,143	4,143	4,143	4,143	4,147	4,157	4,265
Utilisation Rate	57%	66%	80%	88%	89%	94%	95%

(Source: CRU - Aluminium Market Outlook October 2016)

The key producers of aluminium in India are the National Aluminium Company Limited ("NALCO"), Hindalco Industries Limited and the Vedanta Group, comprising Bharat Aluminium Company Limited ("BALCO"), Madras Aluminium Company Limited ("MALCO") and Vedanta Aluminium Limited ("VAL"). Out of these companies, only NALCO is in the public sector. The table below illustrates the production of aluminium by the primary aluminium producers in India for the periods indicated (in tonnes):

Producer	2014-15	2015-16 (Apr-Nov)
Hindalco Industries	387,953	262,692
Vedanta Limited	362,373	247,632
HCL	15,243	10,573
Total	**765,569**	**520,897**

(Source: Ministry of Mines, Annual Report 2015-16)

Global Copper Market

Background

Copper is a malleable and ductile metallic element that is an excellent conductor of heat and electricity as well as being corrosion resistant and antimicrobial.

Major product categories of copper traded internationally include:

- Copper concentrates
- Copper blister and anode
- Copper cathode and ingots
- Copper scrap and
- Copper semis

Copper is also one of the most recycled of all metals. Recycled copper (also known as secondary copper) cannot be distinguished from primary copper (copper originating from ores), once reprocessed.

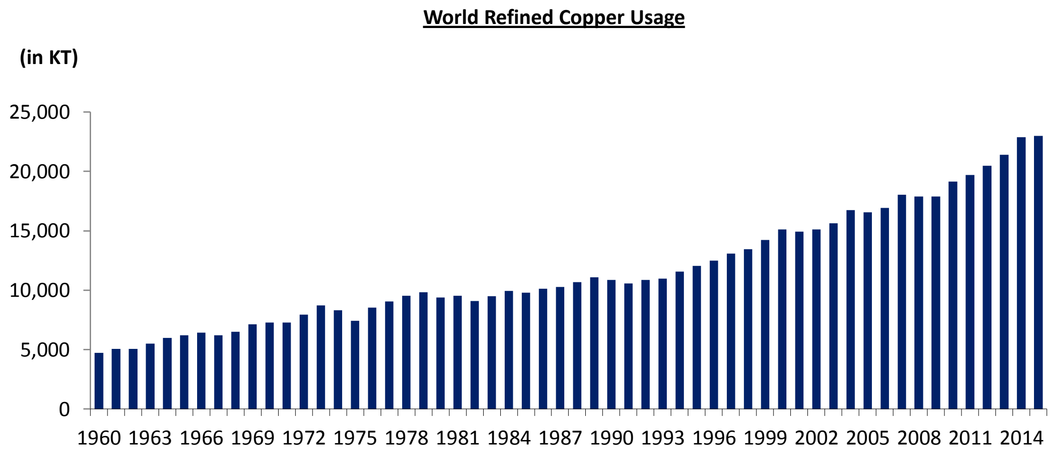
Copper is shipped to fabricators mainly as cathode, wire rod, billet, cake (slab) or ingot. Through extrusion, drawing, rolling, forging, melting, electrolysis or atomization, fabricators form wire, rod, tube, sheet, plate, strip, castings, powder and other shapes. The fabricators of these shapes are called the first users of copper. The total use of copper includes copper scrap that is directly melted by the first users of copper to produce copper semis.

Copper and copper alloy semis can be further transformed by downstream industries for use in end use products such as automobiles, appliances, electronics, and a whole range of other copper-dependent products in order to meet society's needs.

Global Copper Consumption

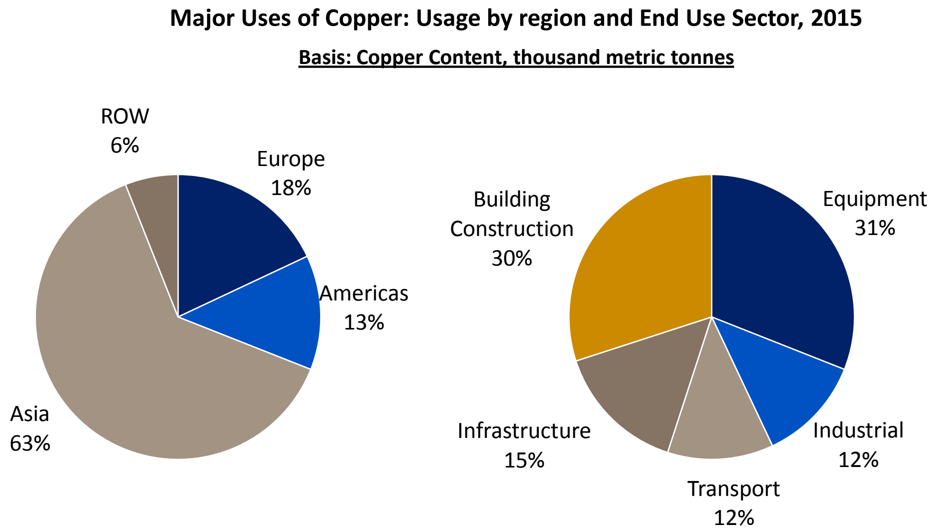
The global demand for copper continues to grow: world refined usage has more than tripled in the last 50 years led by expanding sectors such as electrical and electronic products, building construction, industrial machinery and equipment, transportation equipment, and consumer and general products.

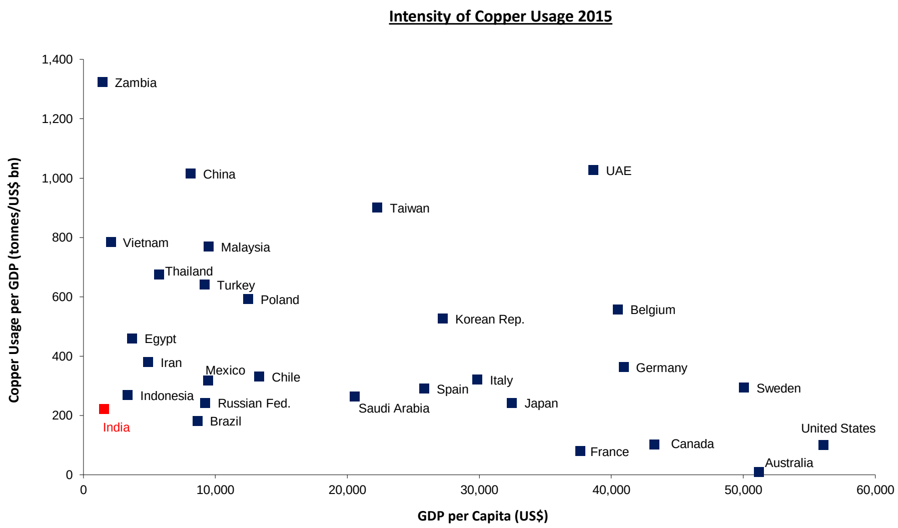
Refined copper usage (usage by semis plants or the first users of copper) in 2015 reached 23.0 MT.



(Source The World Copper Factbook 2016)

China was also the largest consumer of refined copper in 2015 with apparent usage of approximately 11.3 MT. According to the International Copper Association ("ICA"), equipment was the largest copper end-use sector in 2015, followed by building construction and infrastructure. New copper applications being developed include antimicrobial copper touch surfaces, lead-free brass plumbing, high tech copper wire, heat exchangers, and new consumer products.



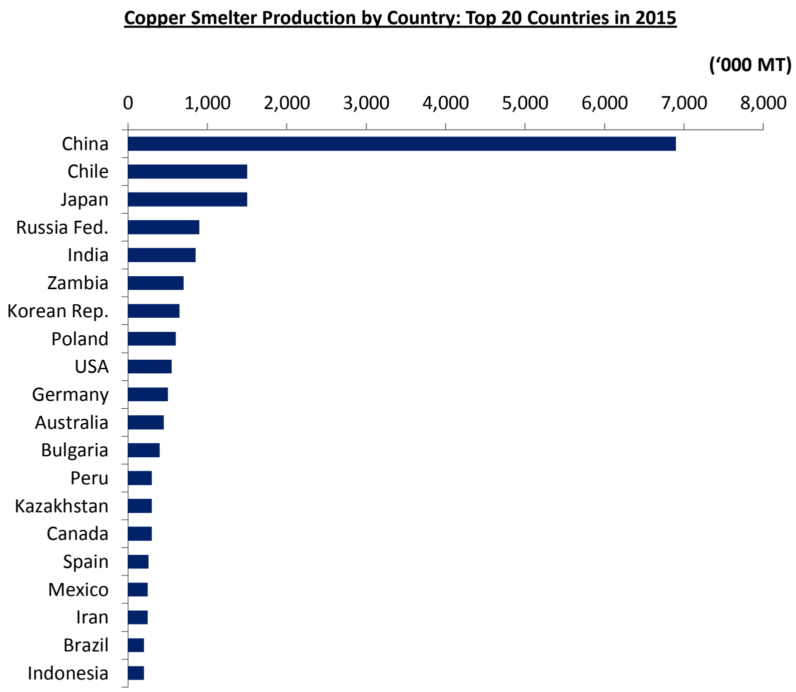


(Source The World Copper Factbook 2016)

Global Copper Supply

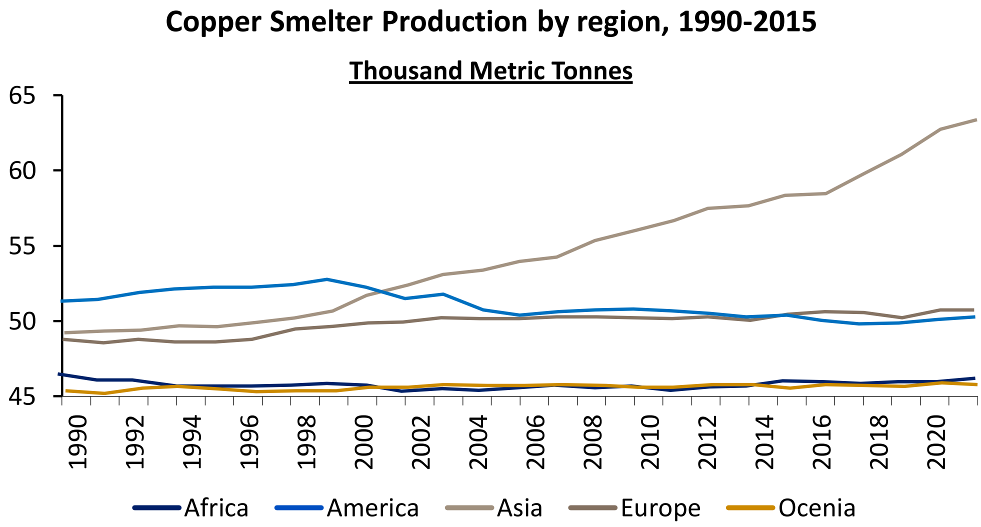
The copper industry can be divided into three broad categories-(i) *Copper miners* which mine ore to produce copper concentrates, usually containing 25% to 40% copper; (ii) *Copper custom smelters* which smelt and refine copper from the concentrates obtained from copper mines; and (iii) *Integrated copper producers*, who undertake mining, smelting, and refining or leaching to produce copper. Integrated copper producers account for a large part of world copper capacity.

Preliminary figures indicate that global copper mine production in 2015 reached 19.1MT. The largest producer of mined copper was Chile at 5.8MT. Smelter production in 2015 reached approximately 18.6MT. China was the largest producer of blister and anode in 2015 at 6.9MT. Refinery production in 2015 increased to 22.9MT, including 3.9 MTof secondary refined production.



Source: ICSG
In 2015, China accounted for over a third of world copper smelter production, followed by Chile and Japan with 8% share each and Russian Fed. (5%)

(Source The World Copper Factbook 2016)



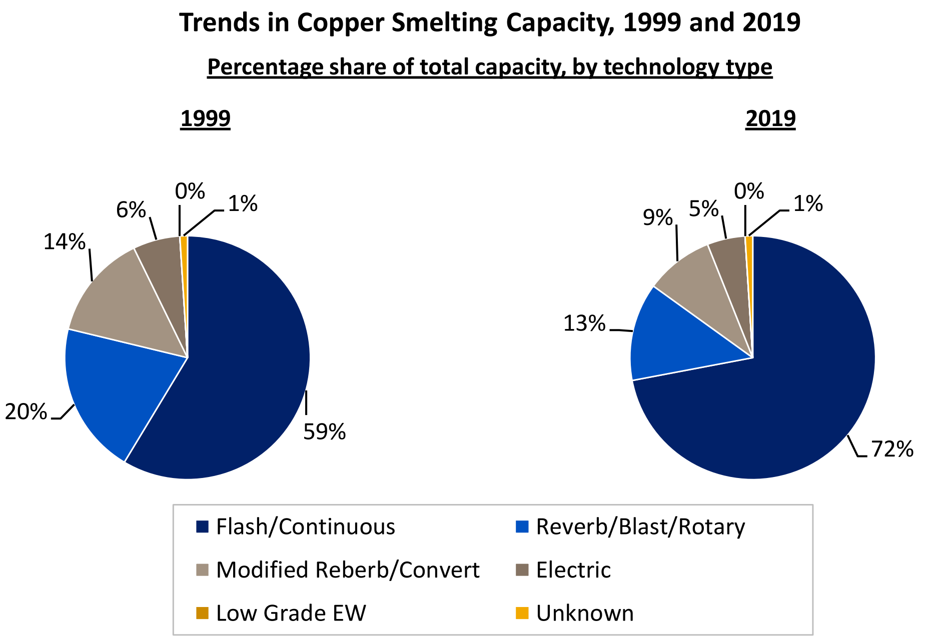
(Source The World Copper Factbook 2016)

Top 20 Copper Smelters by Capacity (basis 2016)

Thousand metric tonnes Copper

Rank	Smelter	Country	Operator/Owner(s)	Process	Capacity
1	Guixi (smelter)	China	Jiangxi Copper Corp.	Outokumpu Flash	900
2	Birla Copper (Dahej)	India	Birla Group	Outokumpu Flash, Ausmelt, Mitsubishi	500
3	Hamburg	Germany	Aurubis	Outokumpu, Contimelt, Electric	450
3	Besshi/ Ehime (Toyo)	Japan	Sumitomo Metal Mining Co. Ltd.	Outokumpu Flash	450
3	Saganoseki/ Ooita (smelter)	Japan	Pan Pacific Copper Co. Ltd	Outokumpu Flash	450
6	El Teniente (Caletones)	Chile	Codelco Chile	Reverberatory/ Teniente Conv.	400
6	Jinchuan (smelter)	China	Jinchuan Non- Ferrous Metal Co.	Reverberatory/ Kaldo Conv.	400
6	Jinchuan (Fangchenggangl t)	China	Jinchuan Non-Ferrous Metal Co.	Flash smelter	400
6	Jinguan (smelter)	China	Tongling Non-Ferrous Metals Group	Flash Smelter	400
6	Xiangguang copper (smelter)	China	Yanggu Xiangguang Copper Co	Outokumpu Flash	400
6	Sterlite Smelter (Tuticorin)	India	Vedanta	Isasmelt Process	400
6	Norilsk (Nikelevy, Medny)	Russia	Norilsk Nickel	Reverb, Electric, Vanyukov	400
13	Codelco Norte (smelter)	Chile	Codelco	Outokumpu/ Teniente Converter	380
14	Pirdop (smelter)	Bulgaria	Aurubis (99.77%)	Outokumpu Flash	360
14	Ilo Smelter	Peru	Southern Copper Corp. (Grupo Mexico 75.1%)	Isasmelt Process	360
16	Onahama/ Fukushima	Japan	Mitsubishi Materials Corp. (49.29%), Dowa Metals & Mining Co. Ltd.(31.15%), Furukawa Metals & Resources Co. Ltd. (12.67%)	Mitsubishi/ Reverb.	354
17	Jinlong (Tongdu)	China	Tongling Nonferrous Metals Corp. (57.4%), Sumitomo (35%), Pingguo Aluminium Co.	Flash Smelter	350
17	Yunnan	China	Yunnan Copper Industry Group (Local Government)	Isasmelt Process	350
19	Naoshima/ Kagawa (smelter)	Japan	Mitsubishi Materials Corp.	Mitsubishi Continuous	342
20	Isabel/ Leyte (PASAR)	Philippines	Glencore plc 78.2%, Local investors 21.8%	Outokumpu Flash	330

Note: Capacity data reflects production capabilities not necessarily production forecasts
(Source: The World Copper Factbook 2016)



Source: ICSG Directory of Copper Mines and Plants – July 2016
The use of Flash/Continuous technology accounted for 59% in total copper smelting capacity in 1999. This share rose to 72% in 2015. It is expected to remain around this level until 2019.

(Source: The World Copper Factbook 2016)

Total known reserves and resource of copper (in metal terms) are estimated to be approximately 630 million metric tonnes. Globally, Chile has the largest reserves of copper accounting for about 24% of the total world reserves followed by Peru 14% , Australia 13%, USA 6%, Indonesia & Russia 5% each and other countries 33%. *(Source: Ministry of Mines, Annual Report 2015 -16)*

In 2015, the largest producer of mined copper was Chile, accounting for almost one-third of world copper mine production with a mine output of over 5.8 MT of copper. China accounted for over a third of world copper smelter production, followed by Chile and Japan with 8% share each and the Russian Federation (5%).

Globally, refined copper production is principally concentrated in Chile, China, Japan, United States and Russia in 2015. (*Source: The World Copper Factbook, 2016)*

Pricing

Copper is traded on the LME. Although prices are determined by LME price movements, producers normally charge a regional premium that is market driven.

For custom smelters, treatment and refining charges ("Tc/Rcs") are the key drivers of profitability. A significant proportion of concentrates are sold under frame contracts linked to the LME spot price Tc/Rcs are negotiated annually. Therefore, Tc/Rcs rates are influenced by the supply and-demand situation in the concentrate market, prevailing and forecasted LME prices, as well as, mining and freight costs.

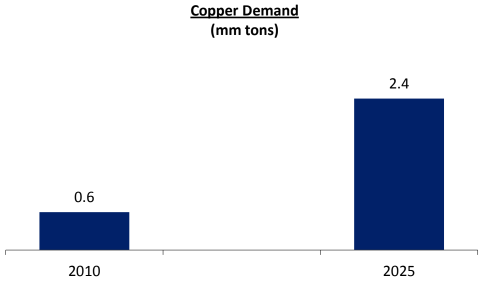
Indian Copper Market

Background

The total resources of copper ore in India as on 1st April, 2010 as per UNFC system are estimated at 1.56 billion tonnes. Of these, 394.37MT (25.30%) fall under 'reserves' (proved and probable) categories while the balance 1,164 MT(74.69%) are 'remaining resources' category. India's share of world reserve & resource is 1.9%. India has very limited known reserves of copper ore exploitable for copper production.

India Copper Consumption

Copper enjoys widespread use in a wide range of applications in all major sectors namely, construction, electric and electronic products, industrial machinery and equipment, transportation equipment and consumer and general products. *(Source: Ministry of Mines, Annual Report 2015-16)* The demand for Copper is expected to grow approximately 4.0 times over 2010-25 (9.7% CAGR). *(Source: Strategy Plan for Ministry of Mines)*



(Source: Strategy Plan for Ministry of Mines)

Presently, electrical and electronic products are the largest sector consuming copper in India, accounting for 34% of total Indian copper consumption. Indian domestic refined copper consumption has growth at a CAGR of 7% between 2000 and 2014.This has been supported by strong growth in end user segments such as winding wires, power cables and other user applications. The total consumption of refined copper within the country is around 5.8 lakh tonnes. Although the country is an importer of copper concentrate, it is a net exporter of refined copper. *(Source: Ministry of Mines, Annual Report 2015 - 2016)*

India Copper Supply

As a result of the limited availability of domestic copper ore, India's copper industry primarily consists of custom smelters which rely on imported copper concentrates to feed domestic smelters.

Historically, most available copper deposits in India were owned by the government-owned entity, Hindustan Copper Limited ("HCL"), which was the only producer in India until 1995. The industry has transformed significantly since then with the entry of Birla Copper, now owned by Hindalco Industries Limited, and Vedanta Limited, part of Vedanta Resources Plc. These three players currently dominate the Indian Copper Industry. At present, the demand for copper minerals in India for primary copper production is met through two sources, copper ore mined from indigenous mines and imported concentrates. The indigenous mining activity among the primary copper producers is limited to only HCL. The other primary copper producers in the private sector import the required mineral in the form of concentrate. Hindalco Industries at Dahej in Gujarat and Sterlite Industries in Tuticorn in Tamil Nadu have setup port based smelting and refining plants, while HCL is a vertically integrated copper producer in the country. Production figures of copper by major players in copper industry are as follows:

Production of Copper in India

(MT)

Producer	2014-15	2015-16 (Apr-Nov)
Hindalco Industries	387,953	262,692
Vedanta Limited	362,373	247,632
HCL	15,243	10,573
Total	**765,569**	**520,897**

(Source: Ministry of Mines, Annual Report 2015-16)

OUR BUSINESS

Overview

We are one of the leading producers of primary aluminum and copper in India. For the calendar year 2015, we were the 12th largest primary aluminum producer in the world and the 7th largest primary aluminum producer in Asia in terms of volume, according to CRU International Limited's Aluminum Market Outlook, October 2016 ("CRU Market Outlook"). Our Company recorded the highest ever production of primary aluminum for Fiscal 2016, crossing the 1 Mt mark for the first time in our history, by producing 1.13 Mt. We also reached our highest ever production of alumina, producing 2.71 Mt in the Fiscal 2016. All three of our greenfield project facilities including smelters at Mahan, and Aditya and a refinery at Utkal, have ramped up to full capacity. Our operating efficiencies have also improved following the ramp up of two of our smelters that employ the latest technology and our alumina refinery at Utkal, all of which have helped to improve our overall operational costs. We believe that our continued focus on value-added aluminum products, of which we produced 3.41 Mt (including Novelis) in Fiscal 2016, will further improve our profitability. In addition, our copper operations are focused on value extraction and profitability. In the Fiscal 2016, we reached our highest ever production of copper cathodes, recording 389 kt.

Our Indian aluminum operations are integrated and consist of bauxite and coal mining, alumina refining, smelting and converting primary metal into value-added products. We have dedicated sources for a substantial portion of our long-term requirement for bauxite, a critical raw material for our Indian operations, as well as dedicated sources for a portion of our long-term requirement for coal. Additionally, we operate four captive power plants and three co-generation plants that produce power and heat and have committed supply sources for auxiliary power requirements. Our finished products include alumina produced from our refineries (that we generally use for our own captive needs, the surplus of which we sell to third parties), primary aluminum in the form of ingots, billets and wire rods, value-added products such as FRPs, extrusions, foils and specialty alumina products used in a wide range of industrial applications. Our Indian aluminum operations consist of four refineries, four smelter units and other manufacturing facilities.

Our subsidiary, Novelis, is the world's leading FRP producer, based on capacity as of December 31, 2015 and accounted for approximately 11% of the world's cold rolled and plate capacity as of December 31, 2015, according to CRU International Limited's Aluminum Rolled Products Outlook, August 2016 ("CRU Rolled Products Outlook"). Novelis is the only company of its size and scope focused solely on FRPs and capable of locally supplying technologically sophisticated aluminum can and automotive products in all four major industrialized continents (North America, South America, Europe and Asia). For the Fiscal 2016, Novelis' FRP shipments aggregated to 3,123 kt. Novelis is also the world's leader in the recycling of used aluminum beverage cans, having recycled more than 50 billion used beverage cans for the Fiscal 2016. Approximately 53% of Novelis' input aluminum requirement was in the form of recycled aluminum scrap for the Fiscal 2016. Novelis operates 24 plants, 10 of which include recycling operations, in 10 countries on four continents and produces aluminum sheet and light gauge products primarily for use in the beverage can, automotive, specialties (including consumer electronics, architecture, and other transportation) and foil markets. Novelis' key customers include Anheuser-Busch LLC, various bottlers of the Coca-Cola system, Crown Cork & Seal Company, Inc., Jaguar Land Rover Limited, Volvo Group, Audi Worldwide Company, Daimler AG, Ford Motor Company, Lotte Aluminum Co., Ltd., Pactiv Corporation Limited, Amcor Limited, Ball Corporation, LG International Corporation and Samsung Electronics Co., Ltd. Novelis' FRP business has achieved economies of scale, global reach and access to advanced technology, all of which are critical to our future growth.

According to World Copper Fact Book 2016, as of July 2016 we own and operate one of the largest smelter facility in terms of capacity in the world at Dahej, located in Gujarat, India. We source our copper concentrate requirements from suppliers under contractual arrangements and the spot market at LME-linked prices for smelting and refining. We then sell the refined copper and continuous cast rod at LME-linked prices in the domestic and export markets. Our forward integrated business model is aimed at capturing the value from by-products of the production process in an efficient manner.

Our copper operations consist of producing copper (through smelting, refining copper from copper concentrate and converting refined copper cathode into continuous cast rod). We also recover precious metals (gold, silver and selenium, which are recovered from anode slime as by-products) and manufacture, phosphatic fertilizers and sulfuric acid, which are produced from the by-products generated through the copper manufacturing process. Our custom copper smelting facility, comprised of two smelters at Dahej, which produced 389 kt and 266 kt of copper cathodes in the Fiscal 2016 and the nine month period ended December 31, 2016, respectively, and as of July 2016 is one of the largest smelting facility in the world according to World Copper Fact Book 2016. Our copper operations are supported by our captive jetty, power plants and oxygen plants located in the vicinity of our copper smelter facility at Dahej. We sell refined copper in the form of cathodes and continuous cast rods and also sell precious metals, phosphatic fertilizers, sulfuric acid and other by-products. We believe we enjoy strong brand presence in India and internationally, as our copper cathodes are registered as LME Grade "A" copper under the brand names "Birla Copper" and "Birla Copper II".

We were incorporated in 1958 and have been listed on the Indian stock exchanges since 1968. We are one of the flagship companies of the Aditya Birla group, which is one of the largest business groups in India. The Aditya Birla group is a multinational conglomerate and has a history of over 50 years, with a presence in more than 30 countries. The Aditya Birla group has business interests in, among others, metals and mining, cement, carbon black, textiles, garments, chemicals, fertilizers, life insurance, financial services and mobile telecommunications. The Aditya Birla group is one of the most respected business houses in India and we believe that we benefit from the confidence that consumers, lenders, regulators, vendors and others have in the Aditya Birla group.

Our Competitive Strengths

We believe that the following are our key competitive strengths:

Leading global industry position

We are one of the leading producers of primary aluminum and copper in India. For the calendar year 2015, we were the 12th largest primary aluminum producer in the world and the 7th largest primary aluminum producer in Asia in terms of volume, according to CRU Market Outlook. We believe we have a significant market share of the Indian aluminum market in terms of volume sold. We also have a strong presence in the FRP market in India with brands like "Eternia", "Everlast" and "Freshwrapp". Additionally, through Novelis, we are the world's leading FRP producer based on shipment volume since 2008 to date according to CRU Rolled Products Outlook. Novelis' FRP operations are currently based in four continents, comprising 24 operating plants and several market-focused innovation centers in 10 countries. We believe we also have a sizeable market share in the highly fragmented aluminum extrusions business with low entry barriers. According to World Copper Fact Book 2016, as of July 2016 our copper business had one of the highest capacity for producing copper in India and our custom copper smelting facility at Dahej is one of the largest copper smelter facilities in the world.

We believe that our strength in value-added aluminum products differentiates us from our competitors in India. In terms of Rupee amount, 37% and 40% of our standalone sales (including exports) came from value-added products in the Fiscal 2016 and the nine month period ended December 31, 2016, respectively. We believe we have a significant market share in India in the downstream aluminum products category, in terms of volume sold.

We expect to benefit from India's economic growth, which continues to remain one of the fastest growing economies in the world, recording a gross domestic product growth rate of 7.6% in 2016, according to the World Bank. According to CRU Market Outlook, in the medium term the demand for primary aluminum in India is expected to grow at a CAGR of 7.3% from 2016 through 2021. With the completion of the construction of our two greenfield aluminum projects and one alumina refinery in 2016, we have nearly doubled our primary aluminum and alumina production since 2014. With our greenfield facilities at Mahan, Aditya and Utkal having achieved full production capacity, we believe we are well positioned to take advantage of the increasing demand from the automobile segment, construction segment for aluminum facades and food and packaging segments through our leadership position.

Presence across the aluminum value chain

Integrated Aluminum Operations in India – In our business, cost competitiveness is a key component of profitability. We believe that one of the key components of our low production costs are our integrated aluminum operations in India. Our Indian aluminum operations span the entire value chain and consist of bauxite and coal mining, alumina refining, smelting and converting primary metal into value-added products. We have access to cost effective bauxite from our own mines that are located in close geographic proximity to our refineries. In addition, we believe that we enjoy low cost power from our captive power plants and co-generation power plants, which meet a large part of our power requirements. The integrated nature of our Indian aluminum operations also provides us with the flexibility to change our product mix to take advantage of market opportunities. In 2015, we ranked in the lowest quartile on the business cost curve among primary aluminum producers according to CRU International Limited's Aluminum Cost Service Report 2016, as updated ("CRU Cost Service Report"). Our recent completion and ramp-up of our greenfield facilities at Mahan, Aditya and Utkal has also improved our operations through improved efficiency of our new smelters and optimization of our existing smelters. Bauxite and coal account for approximately 60%-70% of the total costs for production of aluminum, which is substantially secured through captive mines and exclusive supply agreements. Furthermore, according to CRU Cost Service Report, Utkal was amongst the lowest cost producer of alumina in the world (in terms of site costs) for the calendar year ended December 31, 2016, with a recorded site cost US$128 per ton of alumina produced.

Copper Operations – We utilize advanced technology for our copper smelter at Dahej, which we believe has resulted in reduced energy consumption. We believe that our own captive power plants allow us to lower our energy costs as compared to companies with equal scale of operations. Our copper concentrate requirements are largely sourced under contractual arrangements, which contribute towards dependable raw material availability and cost controls. In order to reduce freight and handling charges, we operate an all-season jetty located in the vicinity of our copper smelting facility at Dahej. We also generate revenue from the production and sale of by-products and waste products in our copper production operations, which have resulted in an increase in our profitability in this business. We also have capabilities to process copper concentrate blended with clean concentrate to supply raw material feedstock for our copper smelters over a longer period.

Novelis Operations – Subsequent to the acquisition of Novelis, we have taken several steps to strengthen its business model and improve its profitability. As a result of our initiative to make aluminum prices pass through and use derivatives to mitigate uncertainty and volatility caused by underlying exposures to aluminum prices, Novelis has been able to reduce its dependence on the volatility of the price of aluminum. Novelis has also improved its profitability through product mix rationalization, with a primary focus on three key product lines, automotive components, beverage sheet and specialty products. We have also taken a number of steps to reduce Novelis' cost of operations, including conducting research and development to reduce conversion costs. Novelis recycles used aluminum and has agreements with several large customers for a closed-looped system whereby it takes recycled processed material from their fabricating activity and re-melts, casts and rolls it to re-supply these customers with aluminum sheets. Novelis purchased or tolled approximately 1,790 kt and 1,334 kt of recycled material inputs in the Fiscal 2016 and the nine month period ended December 31, 2016, respectively. Approximately 53% and 56% of Novelis' FRPs produced for the Fiscal 2016 and the nine month period ended December 31, 2016, respectively, were made with recycled aluminum. Novelis has approximately 330 employees dedicated to research and development and customer technical support as well as a global research and development center in the state of Georgia, USA that focuses primarily on increasing the amount of recycled metal content across all product lines.

Diversified operations, business portfolio and customer base across various geographies and the aluminum value chain

We operate in 11 countries, including India, and have a diversified product mix. We complement our high margin, high volatility products through our product offerings in the stable margin, low volatility space. With respect to aluminum, we sell both metallurgical and non-metallurgical grade alumina that is in excess of our own aluminum production requirements in both the domestic and export markets. Our finished products include alumina produced from our refineries, primary aluminum in the form of ingots, billets and wire rods, value-added products such as FRPs, extrusions, foils and specialty alumina products used in a range of industrial applications. As part of our copper business, we sell refine copper in the form of cathodes and continuous cast rods and also sell precious metals, phosphatic fertilizers, sulfuric acid and other by-products.

We have a widespread customer base across Asia, North America, South America and Europe, and in industries such as automobiles, construction, packaging, power and consumer products. Some of our key customers include Anheuser-Busch LLC, various bottlers of the Coca-Cola system, Crown Cork & Seal Company, Inc., Jaguar Land Rover Limited, Volvo Group, Audi Worldwide Company, Daimler AG, Ford Motor Company, Lotte Aluminium Co., Ltd., Pactiv Corporation Limited, Amcor Limited, Ball Corporation, LG International Corporation and Samsung Electronics Co., Ltd. We believe that the barriers to entry are high for new competitors in the aluminum business and that our long-term customer relationships and technological capabilities provide us with distinct competitive advantages.

Large and well capitalized asset base

We believe that we have a large and well-capitalized asset base. We invested a total of ₹ 376,539.7 million to establish an alumina refinery, two smelters and a rolling plant in India. Furthermore, our subsidiary Novelis has invested US$2,896 million in capital expenditures over a period of five years (Fiscal 2012 through Fiscal 2016). Our total consolidated capital expenditure for the Fiscals 2014, 2015 and 2016 was ₹ 113,058.9 million, ₹ 62,021.3 million and ₹ 37,075.2 million, respectively, and was primarily related to our three greenfield facilities at Mahan, Aditya and Utkal. In 2016, the production facilities at Mahan, Aditya and Utkal ramped up to full capacity following these capital expenditure that was primarily funded through issuance of debt instruments. We do not currently expect any significant capital expenditures in the near to medium term as a result of the completion of these capacity upgrades. Furthermore, as of December 31, 2016, the indebtedness of our Company on a standalone basis and the indebtedness of Novelis on a standalone basis was ₹ 278,095.0 million and US$5,136 million, respectively. The weighted average maturity of our Company on a standalone basis and the long-term debt of Novelis on a standalone basis increased from 5.55 years and 4.34 years as of March 31, 2014, respectively, to 10.48 years and 7.19 years as of December 31, 2016, respectively. We believe that our strong financial position will enable us to focus on improving performance in the short and medium term and help to support the long term growth of our operations.

Secure supplies of key raw materials

We believe we are well positioned to source our bauxite and coal requirements over the long term as set out below:

Bauxite. India is generally believed to have considerable deposits of bauxite. China, on the other hand, is generally believed to import most of its bauxite requirements. We believe that the availability of bauxite in close proximity to our mines gives us a competitive advantage over our Chinese competitors, who must secure most of their bauxite requirements from overseas, resulting in high operating costs. We have access to 28 bauxite mines, including 10 non-operating mines, as of the date of this Placement Document. As of March 31, 2016, our bauxite deposits under existing leases for 28 of our captive bauxite mines had 67.86 Mt of proven (P1) and 178.87 Mt of probable reserves (P2), of which 7.98 Mt and 13.47 Mt is from non-operational mines, respectively. We have applied for mining lease for an additional bauxite mine in the state of Madhya Pradesh, and we will continue to evaluate opportunities to acquire additional mining assets in the future. Assuming that our production level for the Fiscal 2016 does not change in the subsequent years, we expect our total P1 and P2 bauxite reserves to last for more than 20, 17 and 5 years, respectively, for our Renukoot, Muri and Belgaum refineries. We transport bauxite from our mines to our smelters at Aditya and Mahan through dedicated BTAP wagons. Our Utkal alumina refinery has access to a mine in Baphlimali that produces high-quality bauxite (high in alumina content and low in silica) with 189.05 Mt of proven and probable (comprising 32.37 Mt of P1 and 156.68 Mt of P2) reserves, which is expected to last for approximately 42 years, based on our production for the Fiscal 2016. Our Utkal refinery is located in close proximity of the bauxite mine and bauxite is transported from the mine site to the refinery through a long distance conveyer belt. Meanwhile, our Mahan and Aditya smelters are supplied through dedicated BTAP wagons, designed for the transport of alumina, from our Utkal refinery. Our subsidiary, Hindalco Do Brasil Indústria e Comércio DE Alumina Ltd, situated in the city of Ouro Preto, State of Minas Gerias, Brazil, also owns bauxite mining rights previously anticipated for use in supplying itself for the production of specialty aluminum for our South American customers.

Coal. Coal is the principal raw material for our captive power plants and our co-generation plants. We source the majority of our coal requirements for our facility at Renusagar from the northern coal fields of Coal India Limited, which is located approximately eight km from our facility at Renusagar. The coal requirement of our facilities at Aditya and Hirakud are partially met by the allocated captive coal mines Gare Palma IV/4 and Gare Palma IV/5, which are leased from the Government of Chhattisgarh and are situated approximately 150 km to 200 km from these facilities. The balance of our coal requirements for Aditya and Hirakud are met through long-term coal linkages from various mines of Coal India Limited located within a radius of 100 km to 300 km from these smelters and from spot procurement from e-auctions. The coal requirement of our facility at Mahan will be partially met by the captive Kathautia coal mine, which is leased from the Government of Jharkhand and is located approximately 350 km from the Mahan facility. Additionally, we are proposing to meet part of the coal requirement of our facilities at Mahan and Hirakud from the Dumri coal mine, which has been vested to us by the Government of Jharkhand and is yet to commence operation. The balance of our coal requirements for Mahan are also met through long-term coal linkages from various mines of Coal India Limited located within a radius of 100 km from the Mahan facility and by spot procurement through e-auctions. Our total power requirement is calculated on the assumption that each power plant operates at 85% plant load factor and on the basis of the unit heat rates as prescribed by the Central Electricity Authority norms for the captive power plants and as prescribed by the Central Institute of Mining and Fuel Research's formula for the co-generation plants. Requirement at our smelters accounts for approximately 87% while requirement at our refineries accounts for approximately 13% of our total power requirement. On the supply side, we calculate total power supplied at the minimum calorific value corresponding to each specific grade of coal given that the coal grade varies depending on the specific linkage and coal mine. Taking into account those linkages for which we are in the process of executing supply agreements, our coal linkages are expected to account for over 30% of our total power requirement for each smelter. Meanwhile, our captive coal mines (including the coal mine and Dumri not currently in operation) account for over 35% of our total power requirement for each smelter. We have also been allocated an additional coal mine, Dumri, for which we have yet to execute a lease.

Experienced management team and skilled employee base

Our management team includes experienced managers in the aluminum and copper industries. In addition, subsequent to the Novelis acquisition, we have retained most of the key executive officers and skilled employees of Novelis and thereby continue to enjoy the benefits of their skills and expertise, contributing to our successful integration efforts. Most of our senior management team have more than two decades of experience in their respective industries and have been instrumental in our growth. We believe that our management team is well placed to provide strategic leadership and direction to explore new emerging opportunities in these sectors as well as constantly improve our current operations. We have witnessed low attrition of key management personnel and have also recruited several professionals with critical expertise in key areas. We believe our management team provides us with a competitive edge.

Our Strategies

In order to strengthen our industry leading position, we intend to continue to focus on operating an integrated business model, controlling our key raw materials supplies, leveraging location advantages, expanding our global reach, leveraging economies of scale, implementing superior technology and maintaining an optimal product mix. Towards this end, we intend to implement the following strategies:

Leveraging aluminum growth potential

Aluminum is one of the fastest growing metals in the world in terms of use, with several new applications, and we expect for this growth to continue, especially in emerging markets such as India. According to CRU Rolled Products Outlook, the global demand for FRP is expected to increase at a CAGR of 4.0% from 2015 to 2020 with demand for can stock, foil stock and transport growing at CAGRs of 3.4%, 3.7% and 7.7%, respectively, over the same period.

We benefit from our existing presence in emerging markets such as India and our close proximity to the growing economies of China, Southeast Asia and the Middle East. These regions are experiencing growing demand for both aluminum and copper. We intend to continue leveraging the freight cost advantages that we enjoy because of our geographic proximity to our customers in these countries, which we believe gives us a competitive advantage over several of our competitors. We also plan to leverage our established presence in the downstream market to expand our geographical reach and grow our market share through the introduction of new products and applications.

We have invested in brownfield and greenfield facilities to consolidate our global leadership position in the FRP industry. Our FRP plant at Hirakud is capable of producing technologically superior products such as can-body stock. Since 2011, Novelis has invested a significant amount across its global operations to triple its automotive sheet capacity, including setting up an auto finishing line in Changzhou, China in order to capitalize on the expanding automobile market for aluminum in China and the industry trend of light-weighting, as well as a new factory with identical technology in Nachterstedt, Germany.

Our focus on premium segments is primarily targeted at the automobile segment and we intend to increase the share of such products in our product portfolio. We intend to leverage our existing relationships, including being the leading aluminum sheet supplier to several premium automobile manufacturers. Novelis has also undertaken several strategic initiatives in the recent past to optimize its product portfolio to strengthen its core rolling products business, such as recently divesting of its non-core foil facilities in North America, Europe and Asia, hydroelectric power plants in Brazil and the sale of Alcom, which produced construction sheets, industrial sheets and gauge foils. We believe that our relatively large hot-rolling capacity, both in India and abroad through Novelis, gives us a competitive advantage to meet the increasing demand for aluminum in the automotive sector.

Continuing to leverage our strength in recycling

We intend to continue to focus on increasing our recycling capacities. Having recycled more than 50 billion used beverage cans in the Fiscal 2016, Novelis is the world's largest recycler of aluminum and continues to play a critical role in the development of leading technologies in the aluminum recycling space. Novelis has increased the average recycled content in its products from 43% for the Fiscal 2013 to 53% for the Fiscal 2016. We intend to continue to increase the share of recycled content in Novelis' products in the future in order to reach an optimal concentration of recycled content.

We believe that this increased focus on recycling improves the sustainability of our business operations and decreases our energy requirements and thus, provides us with a cost advantage through reductions in our input costs compared to our competitors. We also believe that as emerging markets continue to develop and reach critical mass for the use of aluminum cans, that there will be opportunities in the recycling sector. Given our expertise in the recycling sector, through Novelis, we believe we will be in a unique position to take advantage of these opportunities.

Improving cost competitiveness

We completed the construction of our production facilities at Aditya, Mahan and Utkal and have fully ramped up our alumina and aluminum production capacities. According to CRU Cost Service Report, both Aditya and Mahan are first quartile cost producers of aluminum (based on cash costs for the calendar year 2016, which amounted to US$1,362 per ton for Aditya and US$1,443 per ton for Mahan) and Utkal is the lowest cost manufacturer of alumina in the world (based on site cost for the calendar year 2016, which amounted to US$128 per ton). We believe that with the intended resource integration and economies of scale coupled with superior technology, these facilities will further enhance our cost competitive position globally. We intend to continue to focus on further strengthening our resource security by exploring potential opportunities. We will continue to focus on improved operational efficiencies, debottlenecking of our production process and optimization of our supply infrastructure.

We also intend to improve our cost competitiveness by reducing our logistics cost, most notably from our coal supplies, which still remain high as compared to our global competitors, primarily due to the lack of rail infrastructure in India. We intend to reduce our logistics costs over the next five years, primarily by switching more of our coal supply from road to rail. In order to do this, we will rely both on the Government following through on its announced investments in rail infrastructure, as well as on our own investments at the mine sites and rail stations. We believe there is opportunity to make up ground on our global competitors through these improvements in our logistics capabilities.

Being a custom copper smelter, securing our copper concentrate requirement is one of our key focus areas. Currently, we source our copper concentrate requirement from suppliers through contractual arrangements with various mines across the world and through purchases in the spot market. In order to improve the cost efficiencies of one of our key inputs, we intend to focus on ensuring copper feedstock supply as well as focusing on developing capabilities to process complex materials and scrap.

Strengthening our focus on sustainability

Being part of the Aditya Birla group, aligning our growth and pursuing business objectives that are harmonious with environmental and social objectives is one of the key focus areas of our operations. We have identified several initiatives to strengthen our focus on sustainability and health, safety and environmental issues. Some of these initiatives include energy optimization and efficiency initiatives, zero water discharge, educational programs, waste to wealth initiatives, recycling of metal and effective CSR projects. We also aim to develop a system to analyze the risks of climate change and to develop a mitigation and adaptation plan. See "—Sustainability".

Our Aluminum Business

Products and Application Areas

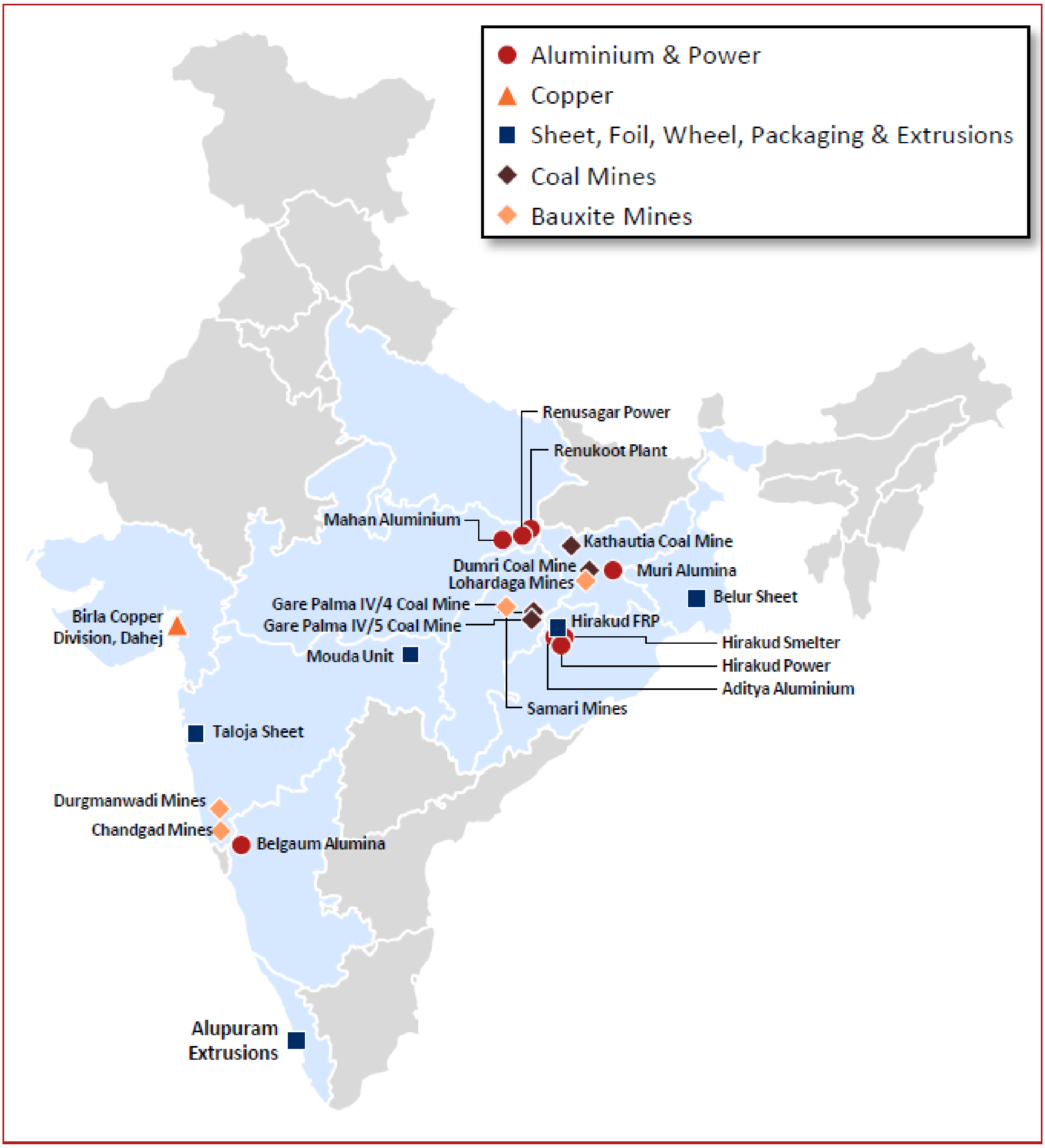
We produce and sell alumina, primary aluminum, value-added aluminum products and specialty alumina products. We produce metallurgical grade alumina, alumina as hydrate and value-added specialty alumina, which are custom made to the requirements of specific end-users. The alumina produced from our plants is generally used for our own captive needs, the excess of which we sell to third parties. Our primary aluminum is produced in the form of ingots, billets and wire rods. Our value-added product portfolio includes FRPs for a variety of applications, extrusions that can be used in several end use segments and different grades of foils. Our specialty alumina products are used in a wide range of industries including water treatment chemicals, refractories, ceramics, cryolite, glass, fillers and plastics, conveyor belts and cables, among others.

A summary of our products from the aluminum business and their most frequent end-uses is provided below:

Products	End-Use
Alumina:	
Metallurgical grade alumina	Primary aluminum production
Specialty alumina	Refractories / castables, grinding media, ceramic fibers, glass, polishing compounds, high tension insulators and spark plugs
Hydrates.....................................	Water treatment chemicals, aluminum fluoride, refractory cement, zeolite and as filler in various applications
Primary Aluminum:	
Ingot / Billets	Aluminum castings and fabrication. Various uses in the construction and transportation industries
Wire rods	Electrical conductors and cables
Value-added products:	
FRPs	Used in the printing industry (lithographic sheets), transportation industry (including bus/truck bodies, radiator fins, miscellaneous automotive applications and railway wagon development), the consumer durables industry (including utensils/pressure cookers, ceiling fans, refrigerators and washing machines), building and architecture (including cladding, roofing, air-conditioning/ventilation ducting, insulation, flooring and new applications of aluminum composite panels), the electrical and communication industries (including cable wrap, lamp caps and cable trays), packaging (bottle-cap stocks, can body stocks, can end stocks, aerosol caps and vial caps), and general engineering applications
Foils and Packaging....................	Used in the packaging of pharmaceuticals, processed foods, beverages, in the cigarette and dentifrice industries, and for kitchen foil, casserole and thin gauge rolled products
Extrusions	Used in electrical, industrial, transportation and consumer durables industries

Our Principal Facilities

India



We believe that our operations allow us to enhance our competitiveness by reducing our production costs and improving our revenues and profitability. Our facilities include:

Aditya: The Aditya aluminum smelter is currently operating at full capacity and produced 230.53 kt of primary aluminum during the Fiscal 2016. The smelter has a 900 MW captive power plant and is located in Madhya Pradesh.

Mahan: The Mahan aluminum smelter is currently operating at full capacity and produced 335.87 kt of primary aluminum and 34.65 kt of wire rods during the Fiscal 2016. The smelter has a 900 MW captive power plant and is located in Odisha.

Utkal: The Utkal alumina refinery is held under a wholly-owned subsidiary of our Company. We have completed the construction of a co-generation power plant and 1,500 kt per annum alumina refinery in Tikri, Odisha. During the Fiscal 2016, the Utkal refinery produced 1,395.80 kt of alumina. Subsequently, this refinery has ramped up to full capacity.

Hirakud: The Hirakud facility is capable of producing aluminum and FRPs. The Hirakud facility produced 157.75 kt of primary aluminum and 28.18 kt of FRPs during the Fiscal 2016. The Hirakud facility also includes a captive power plant. As of the date of this Placement Document, the Hirakud facility is operating at partial capacity due to concerns related to aluminum pricing.

Renukoot: The Renukoot facility is capable of producing alumina, aluminum, wire rods, FRPs, extrusions as well as foils. The Renukoot facility produced 708.36 kt of alumia, 409.32 kt of primary aluminum and 89.56 kt of wire rods during the Fiscal 2016. In addition, the Renukoot facility produced 95.04 kt of FRPs and 31.24 kt of extrusions during the Fiscal 2016. The facility also includes a power plant at nearby Renusagar and has capacity of 741.70 MW to cogenerate power.

Belgaum: The Belgaum facility is capable of producing alumina. The Belgaum facility produced 279.41 kt of alumina during the Fiscal 2016.

Muri: The Muri facility is capable of producing alumina and also has capacity to cogenerate power. The Muri facility produced 321.60 kt of alumina during the Fiscal 2016.

Alupuram: The Alupuram facility is capable of producing extrusions. The production of the Alupuram facility was 10.61 kt during the Fiscal 2016.

Belur: The Belur facility is capable of producing FRPs. The production of the Belur facility was 51.42 kt during the Fiscal 2016.

Taloja: The Taloja facility is capable of producing FRPs. The production of the Taloja facility was 52.77 kt during the Fiscal 2016.

Kollur: The Kollur facility is capable of producing foils. The production of the Kollur facility was 1 kt during the Fiscal 2016.

Mouda: The Mouda facility is capable of producing FRPs and foils. The production of the Mouda facility was 8.18 kt of FRPs and 12 kt of foil during the Fiscal 2016.

The following table sets forth, for the periods indicated, information relating to the production volumes of our alumina refineries, smelters and value-added semi-fabrication units:

	Fiscal			**Nine Month Period Ended December 31,**
	2014	**2015**	**2016**	**2016**
	(in kt, except as otherwise indicated)			
Alumina refineries	1,546	2,314	2,705	2,178
Smelters (primary metal)	568	837	1,133	949
Smelters (wire rods)	92	89	124	120
Rolling mills	223	211	236	207
Extrusion plants	37	39	42	32
Foil and packaging plants	10	9	13	10

Novelis

The following table summarizes location, processes and major products of Novelis' facilities as of the date of this Placement Document:

Location	Plant Processes	Major Products
North America		
Berea, Kentucky	Recycling, sheet ingot casting	Sheet ingot from recycled metal
Fairmont, West Virginia	Cold rolling, finishing	Foil; heating, ventilation, and air conditioning material
Greensboro, Georgia	Recycling, sheet ingot casting	Sheet ingot from recycled metal
Russellville, Kentucky[(1)]	Hot rolling, cold rolling, finishing	Can stock
Kingston, Ontario	Cold rolling, finishing	Automotive sheet; construction sheet; industrial sheet
Oswego, New York	Sheet ingot casting, hot rolling, cold rolling, recycling, brazing, finishing, heat treatment	Can stock; automotive sheet; construction sheet; industrial sheet; semi-finished coil
Terre Haute, Indiana	Cold rolling, finishing	Foil
Warren, Ohio	Coating	Can stock
Europe		
Bresso, Italy	Finishing, painting	Painted sheet; construction sheet
Göttingen, Germany	Cold rolling, finishing, painting	Can stock; food can; lithographic; painted sheet; automotive sheet
Latchford, United Kingdom	Recycling	Sheet ingot from recycled metal
Ludenscheid, Germany	Foil rolling, finishing, converting	Foil; packaging
Nachterstedt, Germany	Cold rolling, finishing, painting, recycling, heat treatment	Automotive sheet; can stock; industrial sheet; painted sheet; construction sheet; sheet ingot
Neuss, Germany[(2)]	Hot rolling, cold rolling, recycling	Can stock; foilstock; feeder stock for finishing operations
Ohle, Germany	Cold rolling, finishing, converting	Foil; packaging
Pieve, Italy	Continuous casting, cold rolling, finishing, recycling	Coil for finishing operations; industrial sheet
Sierre, Switzerland	Sheet ingot casting, hot rolling, cold rolling, finishing	Automotive sheet; industrial sheet
Crick, United Kingdom	Finishing	Automotive sheet
Asia		
Binh Doung, Vietnam	Recycling	Recycled material
Changzhou, China	Heat treatment	Automotive sheet
Ulsan, South Korea	Sheet ingot casting, hot rolling, cold rolling, recycling, finishing	Can stock; construction sheet; industrial sheet; electronics; automotive sheet for finishing operations; foilstock; recycled material
Yeongju, South Korea	Sheet ingot casting, hot rolling, cold rolling, recycling, finishing	Can stock; construction sheet; industrial sheet; electronics; foilstock; recycled material
South America		

Location	Plant Processes	Major Products
Pindamonhangaba, Brazil...............	Sheet ingot casting, hot rolling, cold rolling, recycling, finishing, coating	Can stock; construction sheet; industrial sheet; foilstock; sheet ingot
Santo Andre, Brazil........................	Foil rolling, finishing	Foil

Note:

(1) Novelis owns 40% of the outstanding common shares of the Russellville, Kentucky facility, but has made equipment investments such that its portion of the facility's total machine hours provides it with approximately 55% of the facility's total production.

(2) Novelis owns 50% of the Neuss, Germany facility, which is a joint venture with Hydro Aluminium Deutschland GmbH.

The following table sets out details of the net sales, regional income and shipments for Novelis for the periods stated:

	Fiscal			For the Nine Month Period Ended December 31,
	2014	**2015**	**2016**	**2016**
Consolidated				
Net sales (in US$ million)	9,767	11,147	9,872	6,970
Shipments (in kt)	3,061	3,374	3,325	2,354
North America				
Net sales (in US$ million)	3,050	3,483	3,266	2,307
Regional income (in US$ million)......	229	273	258	268
Shipments (in kt)	994	1,030	1,049	744
Europe				
Net sales (in US$ million)	3,280	3,783	3,223	2,189
Regional income (in US$ million)......	265	250	116	133
Shipments (in kt)	977	1,153	1,076	714
Asia				
Net sales (in US$ million)	1,876	2,340	1,992	1,314
Regional income (in US$ million)......	160	141	135	124
Shipments (in kt)	640	770	770	522
South America				
Net sales (in US$ million)	1,588	1,850	1,575	1,090
Regional income (in US$ million)......	231	240	282	237
Shipments (in kt)	534	583	569	410
Eliminations				
Net sales (in US$ million)	(27)	(309)	(184)	70
Regional income (in US$ million)......	-	(2)	-	-
Shipments (in kt)	(84)	(162)	(139)	(36)

Note: Dollar amounts are determined on a U.S. GAAP basis

Due in part to the regional nature of the supply and demand for FRPs and in order to best serve our customers, our Novelis operations are managed on the basis of geographical areas and are organized under four operating segments: North America, Europe, Asia, and South America.

North America

The North American business manufactures aluminum sheet and light gauge products at eight FRP production facilities, including two fully dedicated recycling facilities and one facility with recycling operations. Important end-use applications for North America include: beverage and food, cans, containers and packaging, automotive, other transportation applications, architectural and other industrial applications and foil markets. We believe we have a competitive advantage in this market due to our low-cost and technologically advanced manufacturing facilities and technical support capability. Most of the recycled material is from used beverage cans and the material is cast into sheet ingot for Novelis' North American can sheet production plants at Russellville, Kentucky, a joint venture and our largest can-producing operation in North America, and Oswego, New York, and from automotive production scrap.

Within the automotive sector, the demand for aluminum has been increasing faster than the underlying demand for light vehicles due to recent growth in the use of aluminum products in automotive applications. We believe a main reason for this is aluminum's high strength-to-weight ratio in comparison to steel. This light-weighting facilitates better fuel economy, improved emissions performance while also maintaining or improving vehicle handling, breaking and safety. As a result, manufacturers are seeking additional applications where aluminum can be used in place of steel and an increasing number of cars are being manufactured with aluminum panels and crash management systems. We believe that this trend will continue as increasingly stringent EU and U.S. regulations relating to reductions in carbon emissions may encourage the automotive industry to increase its use of aluminum to "lightweight" vehicles. We expect that EU and U.S. regulations requiring reductions in carbon emissions and fuel efficiency, as well as relatively fluctuating fuel prices, will continue to drive aluminum demand in the automotive industry. Whereas growth in aluminum use in vehicles has historically been driven by increased use of aluminum castings, we anticipate that future growth will be primarily in the kinds of extruded and FRPs that we supply to the OEMs.

In response to the lightweighting trend in the automotive industry, we have expanded our Oswego, New York facility by constructing three automotive finishing lines and supporting automotive scrap recycling capabilities. In May 2016, we began operations on our third automotive finishing line at our plant in Oswego. This new line produces lightweight aluminum sheets for the body and cargo box of the Ford F-series truck, which helps reduce the vehicle's weight by nearly 700 pounds. The Ford F-150 was the first mass market vehicle to switch to aluminum, and given the success of the switch, Ford has announced that the entire F-series truck will make the switch from steel to aluminum.

Europe

The European business produces value-added sheet and light gauge products through ten aluminum rolled product facilities, including two fully dedicated recycling facilities and two facilities with recycling operations. The European business serves a broad range of FRP end-use applications including: construction and industrial, beverage and food can, foil and technical products, lithographic, automotive and other related applications. Beverage and food represents the largest end-use market in terms of shipment volume by the European business. The European business also has foil packaging facilities at two locations, and in addition to FRP plants, has distribution centers in Italy together with sales offices in several other European countries. Operations include our 50% interest in Aluminium Norf Gmbh ("Alunorf"), which is the world's largest aluminum rolling and re-melt facility, according to CRU Rolled Products Outlook, which is a joint venture with Hydro Aluminium Deutschland GmbH. Alunorf supplies high quality can stock, foil stock and feeder stock for finishing at our other European operations.

We have built a fully integrated recycling facility at our Nachterstedt, Germany plant, which was commissioned in the Fiscal 2015, and which we believe is the largest aluminum recycling facility in the world. Additionally, a second automotive finishing line at our Nachterstedt, Germany facility was commissioned in the Fiscal 2016, to further expand our production of aluminum automotive sheet products in Europe.

Asia

The Asian business operates four manufacturing facilities, including three facilities with recycling operations, and manufactures a broad range of sheet and light gauge products. End-use applications include beverage and food cans, foil, electronics and construction and industrial products. The beverage can market represents our largest end-use application in terms of volume. Recycling is an important part of our South Korean operations with recycling operations at two facilities. Additionally, we have a facility in Binh Duong, Vietnam, which handles the collection and processing of used beverage cans for shipment to our Korea facility for further processing.

We expanded our aluminum rolling and recycling operations in South Korea during the Fiscal 2014 and our recycling operations in the Fiscal 2013 in South Korea. The move was designed to quickly bring to market high-quality aluminum rolling capacity aligned with the projected needs of our growing customer base. The expansion included the construction of an advanced technology recycling center primarily for used beverage cans and a casting operation.

South America

The South American segment operates two rolling plants, including one facility with recycling operations; and manufactures a broad range of can sheet, industrial sheet and light gauge products. The main markets are beverage and food can, specialty, industrial, foil and other packaging and transportation end-use applications. Beverage cans represent the largest end-use application in terms of shipment volume.

In response to the growing demand for our products in South America, we expanded our aluminum rolling operations to increase capacity at our Pindamonhangaba facility in the Fiscal 2013, and installed a new coating line for beverage can end stock and expanded our recycling capacity at the facility in the Fiscal 2014.

Our Key Raw Materials and Manufacturing and Operating Expenses

Indian Operations

Our key cost drivers for our Indian operations are bauxite, coal, power, fuel, carbon and caustic soda.

Bauxite – Bauxite, the primary raw material used for the production of alumina, is a naturally occurring heterogeneous material composed primarily of aluminum hydroxide minerals together with iron oxide, titanium oxide and silica. We source most of our bauxite needs from the mines leased from various state governments of India while a portion is purchased from private mines. For the Fiscal 2016 and the nine month period ended December 31, 2016, we sourced 85.2% and 94.0% of our bauxite requirements from our mines, respectively. The bauxite is transported by rail and road from mines leased from various state governments of India to our facilities.

We characterize our Indian mineral reserves in accordance with the United Nations Framework Classification (the "UNFC") norm. Mineral reserves are classified as "proved", "probable" and "possible" in the order of reducing levels of confidence in a matrix of three axes, geological axis, feasibility axis and economic axis. Proved reserves indicate that the estimated ore tonnage of grade are at the highest level of confidence and are economically and commercially recoverable. See "*Risk Factors – Our estimates of bauxite reserves from our leased bauxite reserves are subject to assumptions, and if the actual amounts of such reserves are less than estimated, or if we are unable to gain access to sufficient bauxite reserves, our results of operations and financial condition may be adversely affected.*"

We have access to 28 bauxite mines, including 10 non-operating mines, as of the date of this Placement Document. As of March 31, 2016, our bauxite deposits under existing leases had 67.86 Mt of proven (P1) and 178.87 Mt of probable reserves (P2), of which 7.98 Mt and 13.47 Mt is from non-operational mines, respectively. We have applied for leases for an additional bauxite mine in the state of Madhya Pradesh, and we intend to continue to evaluate opportunities to acquire additional mining assets in the future. Assuming that our production level for the Fiscal 2016 does not change, we expect our total P1 and P2 bauxite reserves to last for more than 20, 17 and 5 years, respectively, for our Renukoot, Muri and Belgaum refineries. Our Utkal alumina refinery has access to a bauxite mine in Baphlimali that produces high-quality bauxite (high in alumina content and low in silica) with 189.05 Mt of proven and probable (comprising 32.37 Mt of P1 and 156.68 Mt of P2) reserves, which is expected to last for approximately 42 years, based on our production for the Fiscal 2016. Our Utkal refinery is located in close proximity of the bauxite mine and bauxite is transported from the mine site to the refinery through a long distance conveyer belt. Meanwhile, our Mahan and Aditya smelters are supplied through dedicated BTAP wagons, designed for the transport of alumina, from our Utkal refinery. Our subsidiary, Hindalco Do Brasil Indústria e Comércio DE Alumina Ltd, situated near the city of Ouro Preto, State of Minas Gerias, Brazil, also owns bauxite mining rights previously anticipated for use in supplying itself for the production of specialty aluminum for our South American customers.

Coal – Coal is the principal raw material for our captive power plants. We source the majority of our coal requirements for Renusagar from the northern coalfields of Coal India Limited, which is approximately eight km from Renusagar. The coal is transported by dedicated aerial ropeways from the Northern Coalfields.

Our coal requirements are met from our linkages and from our coal mines. Of these coal mines, however, we are yet to execute a lease for the Dumri coal mine.

The coal requirement of Aditya and Hirakud smelters are partially met by allocated captive coal mines Gare Palma IV/4 and Gare Palma IV/5, which are leased from the Government of Chhattisgarh and are situated approximately 150 km to 200 km from these smelters. The balance of coal requirements are met through long-term coal linkages from various mines of Coal India Limited located within a radius of 100 km to 300 km from these smelters and e-auctions. The coal requirement of the Mahan smelter is expected to be partially met by the captive Katauthia and Dumri coal mines, which are located approximately 350 to 450 km from these smelters. The Dumri coal mine is vested with us, but is awaiting the execution of a lease, while the Katauthia mine is under a lease with the Government of Jharkhand. The balance of our coal requirements are met through long-term coal linkages, for some of which the supply agreement remains to be executed, from various mines of Coal India Limited and by spot procurement through e-auctions. Our total power requirement is calculated with the assumptions of (i) each power plant operating at 85% plant load factor and (ii) unit heat rates as per Central Electricity Authority norms for the captive power plants and as per Central Institute of Mining and Fuel Research's formula for the co-generation plants. Requirement at our smelters accounts for approximately 87% of our total power requirement while requirement at our refineries accounts for approximately 13% of our total power requirement. On the supply side, we calculate total power supplied at the minimum calorific value corresponding to each specific grade of coal given that the coal grade varies depending on the specific linkage and coal mine. Taking into account the four supply agreements that we are in the process of executing, our linkage coal is expected to account for 30% to 100% of our total power requirement for each smelter. Meanwhile, our captive coal mines (including coal mines not currently in operation) are expected to account for over 35% of our total power requirement for each smelter if operated at full capacity. For our Dahej copper plant, our coal requirements are sourced through imports and domestic spot purchases.

Power and Fuel – Our power and fuel costs primarily consist of costs associated with the production and procurement of thermal electricity, coal for power and fuel oil, consisting of furnace oil, anhydrous ammonia, pet-coke natural gas, low sulfur heavy stock, light diesel oil and high speed diesel. Smelting primary aluminum requires a continuous supply of substantial electricity. A reliable and inexpensive supply of electricity, therefore, affects the viability and profitability of aluminum operations.

Carbon – We use carbon, in the form of cathodes and anodes, in the process of electrolysis, a part of the smelting process. Anodes are the biggest component of our carbon costs and are made up of carbonaceous material of high purity. We have in-house facilities for the manufacture of carbon anodes to meet our carbon anode requirements at Renukoot whereas Hirakud's anode requirements are met through the anode manufacturing facility at our smelter at Aditya. The calcined petroleum coke and coal tar pitch, which are the key ingredients for the manufacture of carbon anodes, are sourced primarily from the domestic markets. Though the supply of these raw materials is from domestic markets, their prices are generally determined by the movement in global prices.

Caustic Soda – Caustic soda is a key raw material used to dissolve the bauxite in the alumina refining process. Caustic soda requirements vary depending on the bauxite quality and technology employed.

Other Raw Materials – We use other raw materials, such as fluorides and other chemicals, which we source from external suppliers.

Our Third Party Purchases – As part of our long-term strategy, we also source part of our bauxite requirements from third parties through annual supply contracts. We also provide geological and technical assistance to these third parties to ensure that their bauxite supplies meet our quality requirements. The contracts include penalty and bonus clauses covering both the quantity and quality of the bauxite supplied. For the Fiscals 2014, 2015 and 2016 and the nine month period ended December 31, 2016, we purchased 0.56 Mt, 0.42 Mt, 0.54 Mt and 0.15 Mt, respectively, of bauxite which accounted for 14%, 13%, 5% and 6% of our bauxite requirements for such periods, respectively. This excludes the bauxite requirements for our Utkal alumina facility, for which 100% of its bauxite requirement is sourced from our captive mine at Baphlimali.

Novelis' Operations

The key cost drivers for our Novelis operations are primary aluminum, recycled aluminum, sheet ingot, alloying elements and energy costs.

Primary Aluminum Purchases – We purchased approximately 1,530 kt and 1,098 kt of primary aluminum during the Fiscal 2016 and the nine month period ended December 31, 2016, respectively, in the form of sheet ingot, standard ingot and molten metal, as quoted on the LME, approximately 25% and 23% of which we purchased from Rio Tinto, respectively.

Recycled Aluminum Products – We operate facilities in several plants to recycle post-consumer aluminum, such as used beverage cans, collected through recycling programs. In addition, we have agreements with some of our customers where we take recycled processed material from their fabricating activity and re-melt, cast and roll it to re-supply them with aluminum sheet. Other sources of recycled material include lithographic plates, and products with longer life spans, like vehicles and buildings, which are beginning to become high volume sources of recycled material. We purchased or tolled approximately 1,790 kt and 1,334 kt of recycled material for the Fiscal 2016 and the nine month period ended December 31, 2016, respectively. The majority of recycled material we re-melt is directed back through can-stock plants. The net effect of these activities is that 53% and 56% of our FRP production for the Fiscal 2016 and the nine month period ended December 31, 2016 was made with recycled material, respectively.

Energy – We use several sources of energy in the manufacture and delivery of our FRPs. During each of the Fiscal 2016 and the nine month period ended December 31, 2016, natural gas and electricity represented approximately 98% of our energy consumption for Novelis' operations by cost. We also use fuel oil and transport fuel. We purchase natural gas on the open market, which subjects us to market price fluctuations. We have in the past and may continue to seek to stabilize our future exposure to natural gas prices through the purchase of derivative instruments. Natural gas prices in Europe, Asia and South America have historically been more stable than in the United States. A portion of our electricity requirements are purchased pursuant to long-term contracts in the regions in which we operate. A number of our facilities are located in regions with regulated prices, which affords relatively stable costs.

Our Power Plants

We have four captive power plants, at Renusagar, Hirakud, Mahan and Aditya. With support from our co-generation facilities at Renukoot, Muri and Utkal, the substantial majority of our Indian aluminum smelter power requirements during the Fiscal 2016 were met by our captive power plants and co-generation facilities.

Our plant at Renusagar is a captive source of power for our Renukoot facility and provides electricity at competitive costs due to its proximity to its primary source of coal. Power generation at Renusagar was 6,867 million kWh and 5,029 million kWh in Fiscal 2016 and the nine month period ended December 31, 2016, respectively. The average per unit cash cost of power at Renusagar was ₹ 2.79 and ₹ 2.59 per kWh for the Fiscal 2016 and the nine month period ended December 31, 2016, respectively.

The Hirakud power plant sources its coal partially from its nearby captive coal mine, with the balance being sourced through long-term coal linkages with Coal India Limited and, where appropriate, by spot procurement through e-auctions in the domestic market. The Hirakud power plant generated 2,755 million kWh and 2,038 million kWh of power in the Fiscal 2016 and the nine month period ended December 31, 2016, respectively, which was sufficient for our smelting operations for those periods. The average per unit cash cost of power at Hirakud was ₹ 3.49 and ₹ 3.77 per kWh for the Fiscal 2016 and the nine month period ended December 31, 2016, respectively.

The Aditya power plant sources its coal partially from its nearby captive coal mine, with the balance being sourced through long-term coal linkages with Coal India Limited and, where appropriate, by spot procurement through e-auctions in the domestic market. The Aditya power plant generated 3,862 million kWh of power and 4,272 million kWh in the Fiscal 2016 and the nine month period ended December 31, 2016, respectively, which was sufficient for our smelting operations for those periods. The average per unit cash cost of power at Aditya was ₹ 3.63 and ₹ 3.77 per kWh for the Fiscal 2016 and the nine month period ended December 31, 2016, respectively.

The Mahan power plant currently sources its coal primarily through long-term coal linkages with Coal India Limited and, where appropriate, by spot procurement through e-auctions in the domestic market. The Mahan power plant generated 5,167 million kWh of power and 3,981 million kWh in the Fiscal 2016 and the nine month period ended December 31, 2016, respectively, which was sufficient for our smelting operations for those periods. The average per unit cash cost of power at Mahan was ₹ 3.43 and ₹ 3.17 per kWh for the Fiscal 2016 and the nine month period ended December 31, 2016, respectively.

Sales and Marketing

Indian Operations

We sell alumina, aluminum and value-added products in both the domestic and export markets. The following table sets forth our actual sales during the periods shown:

	Fiscal			Nine Month Period Ended December 31,
	2014	**2015**	**2016**	**2016**
			(in tonnes)	
Alumina:				
Metallurgical grade alumina (including Utkal)...............................	11,342	360	124,800	149,886
Specialty alumina	154,775	156,865	145,406	116,318
Specialty / standard Hydrates	142,090	154,939	142,371	120,185
Primary Aluminum:				
Ingot / billets....................	252,192	466,336	736,757	579,601
Wire rods	91,586	89,142	124,241	117,779
Value-added products:				
FRPs	209,890	201,382	226,203	179,916
Extrusions........................	37,416	39,821	41,571	31,482
Foils and packaging..........	9,799	9,047	13,137	9,728

We sell both metallurgical and non-metallurgical grade alumina that is in excess of our own aluminum production requirements in both the domestic and export markets. The export price of metallurgical alumina is generally determined with reference to prevailing and predicted international alumina prices. The majority of our contracts are short term. Domestic sales are normally conducted on the basis of a fixed price determined from time-to-time. All payments by our domestic customers are in Rupees and by overseas customers in foreign currencies. We generally attempt to push sales towards the domestic market in order to capture the price premium in the domestic market.

Sales Organization. Led by our Chief Marketing Officer, our sales and marketing department is responsible for the planning and execution of sales orders, ensuring optimum utilization of available resources, plant capacities, product mix and the geographic market mix, while taking into consideration the operations of our competitors as well as benchmark LME prices. Our sales and marketing department is also involved in product and market development activities to enhance our product portfolio and market penetration. Our sales and marketing department is involved in every step along the value chain, across product design, development, commercialization, order generation, execution and after sales services. Our sales, marketing and service activities are overseen from our head office in Mumbai, while regional activities are conducted from our offices in Mumbai, Delhi, Bengaluru and Kolkata. We also use non-exclusive overseas agents that assist with the marketing of our products outside of India.

We organize our aluminum business under five separate business units (in order of size)– primary metals, FRPs, alumina, extrusion and foils. The key products under the primary metals business unit are aluminum ingots, wire rods and billets. Meanwhile, the FRP, extrusion and foils business units comprise products such as sheets, coils, foil, extrusion profiles, bars and rods. To cater directly to consumers, we have established premium brands including “Eternia”, “Everlast”, “Hindalco Extrusions” and “Freshwrapp”.

Novelis Operations

Novelis’ key customers include the following:

Beverage and food cans: Anheuser-Busch LLC, affiliates of Ball Corporation, Can-Pack S.A., various bottlers of the Coca-Cola System, Crown Cork & Seal Company

Automotive: Ford Motor Company, BMW Group, Jaguar Land Rover Limited, Daimler Group, General Motors LLC, Volkswagen Group, Fiat Chrysler Automobiles N.V.

Construction, industrial and other: Lotte Aluminium Co., Reynolds Consumer Products LLC, Ryerson Inc.

Electronics: LG International Corporation and Samsung Electronics Co., Ltd.

For the Fiscal 2016 and the nine month period ended December 31, 2016, approximately 60% and 65%, of Novelis' total net sales were to its 10 largest customers, respectively, most of whom Novelis has been supplying for more than 20 years. Purchases by Ball Corporation and its affiliates represented 27%, 28%, 30% and 27% of Novelis' total net sales for the Fiscals 2014, 2015 and 2016 and the nine month period ended December 31, 2016, respectively (with each percentage determined on a U.S. GAAP basis and reflecting the acquisition of Rexam Plc by Ball Corporation and the divestiture of certain assets to the Ardagh Group on June 30, 2016). To address consolidation trends, Novelis focuses significant efforts on developing and maintaining close working relationships with its customers and end-users through engagement at both the corporate and regional levels.

In the beverage can sheet market, we sell directly to beverage makers and bottlers as well as to can fabricators. In certain cases, we operate under umbrella agreements with beverage makers and bottlers under which they direct their can fabricators to source their requirements for beverage can body, end and tab stock from us.

We typically receive orders from our customers as to aluminum characteristics and specific plant delivery locations. Although all orders are placed pursuant to the contract, quantities and specifications will vary by plant and more specifically by production line within the plant. These orders are generally provided with a couple of weeks to months lead time. The majority of all orders that are processed by our FRP business, specifically beverage can sheet orders, are made pursuant to specific customer orders.

Distribution. We have two principal distribution channels for the end-use markets in which Novelis operates: direct sales and distributors. For the Fiscal 2016, 95% of Novelis' total net sales were derived from direct sales to its customers and 5% of Novelis' total net sales were derived from distributors.

- *Direct Sales.* Novelis supplies various end-use markets all over the world through a direct sales force that operates from individual plants or sales offices, as well as from regional sales offices in 13 countries. The direct sales channel typically involves very large, sophisticated fabricators and original equipment manufacturers. Longstanding relationships are maintained with leading companies in industries that use FRPs. Supply contracts for large global customers generally range from one to five years. Given the customized nature of products and in some cases, large order sizes, switching costs are significant, thus adding to the overall consistency of the customer base. We also use third party agents or traders in some regions to complement our own sales force. They provide service to our customers in countries where we do not have local expertise.

- *Distributors.* We also sell our products through aluminum distributors. Customers of distributors are widely dispersed, and sales through this channel are highly fragmented. Distributors sell mostly commodity or less specialized products into many end-use markets. We cooperate with our distributors to develop new end-use markets and improve the supply chain and order efficiencies.

Our Copper Business

Our copper business accounted for 17.2% of our consolidated sales revenue for the Fiscal 2016. Our income from copper operations is largely affected by treatment charges and refining charges ("TcRc"). TcRc is influenced by global copper concentrate demand and supply, LME trends, freight charges, the quality of the concentrates and the realization from by-products such as sulfuric acid.

Products and Application Areas

Our principal products are copper cathodes and continuous cast rods. We also produce phosphatic fertilizers and precious metals such as gold and silver, which are by-products of the copper smelting process.

Copper cathodes – Our copper cathodes are square shaped with purity levels of 99.99%. These cathodes meet international quality standards and are registered as LME Grade "A" copper under the brand names "Birla Copper" and "Birla Copper II". The major uses of copper cathodes are in the manufacture of copper rods for the wire and cable industry and copper tubes for consumer durable goods. Copper cathodes are also used for making alloys such as brass, bronze and alloy steel, with application in defense, minting and construction industries. We export approximately half of our production of copper cathodes and sell the remainder in India.

Continuous cast copper wire rods – Our copper continuous cast wire rods meet the requirements of international quality standards "— ASTM B 49/98". The rods are produced in 8.0 mm, 11.0 mm, 12.5 mm, 16.0 mm and 19.6 mm diameters. Our continuous cast rods are used for power and communication cables, strips for power and distribution transformers, and magnet wires as well as other products. Our large diameter continuous rods (11.0 mm, 12.5 mm and 16.0 mm) are utilized for the production of profiles and bus bars. The continuous cast rods can be used as the basic raw material for the manufacture of wire and cable including winding wire, telephone cables, power cables, wiring harnesses, house wiring cable, instrumentation and control cable. Larger diameter rods are mainly used in strip making whereas 8.0 mm rods are used for wire and cable making as well as in the manufacture of flats and sections for electrical and electronic applications. We sell our copper continuous cast wire rods primarily in India.

Precious metals – We extract precious metals at our precious metals refinery, also located at Dahej. Precious metals, such as gold and silver, are found in certain quantities in copper concentrate supplies. We extract these metals from the by-product of our copper refining process to produce 99.9% pure gold and silver, which are of appropriate purity for use in jewelry-making, as well as selenium. The residue after extraction of gold and silver contains traces of platinum and palladium and is sold as a mix of platinum group metals, commonly known as PGM. We sell our production of precious metals directly to jewelry makers based in India on a spot basis.

Phosphatic fertilizers – We produce di-ammonium phosphate and nitrogen, phosphorous and potassium complexes for use as fertilizer as part of our value-added products. Phosphoric acid is produced at our phosphoric acid plant from a chemical reaction of sulfuric acid from our smelting facility and rock phosphate. Phosphoric acid and ammonia are reacted to form di-ammonium phosphate. The addition of potash produces nitrogen, phosphorous and potassium complexes. Our phosphatic fertilizer brands include "Birla Balwan", "Chakra", "Dum", "Kiran" and "Vishwas".

Other by-products – We sell sulfuric acid, copper slag, phosphor gypsum and hydrofluosilic acid, which are by-products of our copper production processes, primarily in India.

Our Production Facility

Our copper production facility is located at Dahej, Gujarat, India and comprises copper smelters, a copper refinery, a south wire rod mill, a precious metals refinery, acid plants, an all-weather jetty, a di-ammonium phosphate production line and captive power plants. Operations conducted at the facility include smelting of copper, production of electro refined copper cathodes, production of continuous cast rods, recovery of gold, silver and selenium, production of sulfuric acid and phosphoric acid, production of phosphatic fertilizers and power generation.

Our Production Volumes

The following table sets forth the production figures of our smelter, refinery and phosphatic fertilizer plant in India for the periods indicated:

	Fiscal			Nine Month Period Ended December 31,
	2014	**2015**	**2016**	**2016**
	(in tonnes, except as otherwise indicated)			
Continuous cast, copper rods...	152,895	153,864	158,300	115,731
Copper cathodes	332,853	385,889	389,300	266,031
Sulfuric acid............................	1,083,539	1,167,844	1,136,722	784,386
Di-ammonium phosphate and complexes	229,345	298,841	323,732	238,659
Gold (in kg)	7,646	8,548	9,091	5,761
Silver (in kg)...........................	61,731	74,821	64,736	47,677

Our Key Raw Materials and Cost of Production

The principal inputs for our copper business are copper concentrate, blister copper, rock phosphate, ammonia and utilities, such as electricity, compressed air and water.

Historically, we have been able to secure an adequate supply of the principal inputs for our copper production. As a precautionary measure, we maintain a stockpile of each of the principal inputs for our copper production and coal for power generation, which we keep in storage at our plant. Depending on the amount used by our copper smelter and refineries and the lead-time required to receive the input, we aim to maintain a stockpile of principal inputs covering approximately 30 to 40 production days.

Copper

We purchase copper concentrate through contractual arrangements as well as on a spot basis. The spot purchases are made to take advantage of prevailing TcRc during a specific period. Generally, our copper supply agreements run for a period of two to twelve months, and are renewable at the end of such period on mutual agreement. The quantity of supply for each contract year is fixed at the beginning of the agreement period and terms involving TcRc and freight differentials are negotiated each year. During the Fiscal 2016 and the nine month period ended December 31, 2016, we obtained 73% and 67% of our copper concentrate from suppliers under contractual arrangements (excluding supplies from our previously owned mines in Australia), respectively. During the Fiscal 2016 and the nine month period ended December 31, 2016, we obtained 16% and 23% of our copper concentrate from spot market transactions, respectively.

In August 2016, we sold our entire 51% interest in ABML, a company listed on the Australian stock exchange. During the Fiscal 2016, approximately 11% of our copper concentrate came from ABML mines, respectively.

Power and Coal. The electricity requirements of our copper smelter and refinery are primarily met from our own power generation plants. Our power plant is connected to the Gujarat state power grid for only short-term, emergency start-up electricity and to meet fluctuations in peak demand, pursuant to an agreement with the state power grid which provides for the payment by us of a minimum demand charge for 40 MW. The copper plant at Dahej has its own co-generation power plant for its captive use. Our Company has executed an agreement with the Gujarat state power grid to purchase up to 42.5 MW of power. A majority of our coal requirement for our copper business was fulfilled through imported coal.

Ammonia. Ammonia is sourced from Middle Eastern countries, including Qatar, the contracts are typically renewable on an annual basis and on a spot basis, as and when required. The pricing is typically based on a formula linked to the two weeks average FOB price published in the relevant bulletin on international price guide and various price services. Our contracts typically provide for minimum supply quantities with an option to increase the quantity as required.

Rock Phosphate. Rock phosphate is currently sourced from countries such as Jordan, pursuant to contracts typically renewable on an annual basis with the price fixed for the year. The contracts typically provide for minimum supply quantities with an option to increase the quantity purchased, as required.

Sales and Marketing

Sales of Our Copper Products

The following table sets forth our actual sales in India and outside India, in tonnage, for the periods indicated:

	Fiscal			Nine Month Period Ended December 31,
	2014	**2015**	**2016**	**2016**
	(in tonnes)			
Copper:				
Copper cathodes				
Domestic..	30,051	29,470	37,361	27,772
Export..	136,744	201,905	184,737	119,691
Continuous cast rods				
Domestic..	150,405	154,369	162,723	109,104
Export..	1,099	998	871	2,620
Other copper products	509	662	598	2,292
Precious metals:				
Gold (in kg)	7,881	8,551	7,222	7,611
Silver (in kg)...	62,112	74,673	59,695	50,959
Phosphatic fertilizers	221,376	301,498	327,049	251,594
Sulfuric acid..	740,477	770,073	653,168	488,811

We believe we have developed a strong customer base in the domestic market as well as the export markets to support our current business needs. We sell our copper products through annual contracts and spot sales. We do not enter into fixed price long-term copper sales agreements with our customers, the sales price of our exports includes the LME price plus the agreed premium, which is based on prevailing market.

Sales in India. During the Fiscal 2016 and the nine month period ended December 31, 2016, we sold 201 kt and 139 kt of copper in India, respectively. The profit from the copper we sell in India is normally higher than the profit we generate from exports, due to the customs duty differential and the relatively higher premium from medium and small customers. Our plant is located in western India and nearer to the major consumption centers of Gujarat, Dadra and Maharashtra. We charge freight for delivery from our plant to the customers and therefore the overall freight charges recovered by us offset the actual outward freight costs incurred by us. We divide India into four regions and the freight charges are determined based on which region our customers are located in.

Sales outside India. Our copper cathodes are registered on LME as Grade "A" with brand names "Birla Copper" and "Birla Copper II". Our copper exports amounted to 186 kt and 122 kt during the Fiscal 2016 and the nine month period ended December 31, 2016, respectively, and contributed to 48% and 47% of our total copper sales, respectively.

Our top ten customers accounted for 52.2% and 55.0% of our total copper business revenue for the Fiscal 2016 and the nine month period ended December 31, 2016, respectively.

Precious Metals and Other Products

Gold and Silver. We sold 7,222 kg and 7,611 kg of gold and 59,695 kg and 50,959 kg of silver during the Fiscal 2016 and the nine month period ended December 31, 2016. We sell gold and silver to various jewelers and precious metals traders including overseas customers. Sales are made on the basis of international bullion market prices, plus premiums or discounts as agreed.

Phosphatic Fertilizers. Our phosphatic fertilizer products are sold through private trade, cooperative societies and government institutions. Our primary marketing zones are the states of Gujarat, Maharashtra, Madhya Pradesh, Rajasthan, Punjab and Haryana. We sold 327 kt and 252 kt of phosphatic fertilizers during the Fiscal 2016 and the nine month period ended December 31, 2016, respectively.

Sulfuric Acid. The sulfuric acid that we produce is partially used in our phosphoric plant with the balance being sold to various companies and traders through spot sales. The price for spot sales is determined with reference to prevailing market conditions. During the Fiscal 2016 and the nine month period ended December 31, 2016, we produced 1,136 kt and 784 kt of sulfuric acid, respectively.

Competition

There is substantial competition in the primary aluminum and value-added aluminum markets, both in India and internationally. In the domestic market, we compete primarily with National Aluminium Company Limited and Vedanta Limited. In the export market, we compete with major international primary aluminum producers and traders. In the highly fragmented domestic value-added products market, we compete primarily with the leading domestic primary metal producers as well as several smaller producers in the respective product categories. In addition, the end-user markets for certain value-added products, for example, extrusions, are highly competitive. As one of only three integrated players, the others being Norsk Hydro and Hongqiao, we believe we are well-positioned in the industry.

The FRP market is highly competitive. Our Novelis operations face competition from several companies in all of the geographic regions and end-use markets in which we operate. Our primary competitors in North America are Arconic and Alcoa, Inc. ("Alcoa"), Aleris International, Inc. ("Aleris"), Noranda Aluminium Inc., UACJ Corporation/Tri-Arrows Aluminum Inc. and Constellium. Novelis' primary competitors in Europe are Norsk Hydro A.S.A., Constellium, Arconic, Alcoa and Aleris. Novelis' primary competitors in Asia-Pacific are China Aluminum Company, Alcoa Bohai Aluminum Industries Co., Ltd., United Company RUSAL Plc, Dubai Aluminium Co Ltd. (DUBAL), Aluminium Bahrain (ALBA), UACJ Corporation, Kobe Steel Limited, Shandong Nanshan Aluminum Co., Ltd., Chinalco Group, Henan Mingtai Aluminum Industrial Co., Ltd., Henan Zhongfu Industrial Co., Ltd, Bin Zhou Wei Qiao Aluminium Science & Technology Co. Ltd and China Zhongwang Holdings Limited. Novelis' primary competitors in South America are Companhia Brasileira de Alumínio and Alcoa.

In addition to competition from others within the FRP industry, we also face competition from non-aluminum material producers. In the packaging end-use market (primarily beverage and food cans), FRPs compete mainly with glass, PET plastic, and in some regions, steel. In the transportation end-use market, FRPs compete mainly with steel and composites. Aluminum competes with wood, plastic, cement and steel in building products applications. In the consumer durables end-use market, FRPs compete mainly with plastic, steel, and magnesium. Additionally, aluminum competes with steel, cooper, plastic, and glass in industrial applications. Factors affecting competition with substitute materials include price, ease to manufacture, consumer preference and performance characteristics.

For our primary refined copper sold in India, our competitors are Vedanta Limited and Hindustan Copper Limited. In the export market, we compete with global copper suppliers, some of whom are larger than us and have been in operation longer than us. For gold and silver, we compete primarily with importers of these metals. For phosphatic fertilizers, we compete with numerous domestic producers, certain of which have larger capacities to service our marketing focus areas. For sulfuric acid, we compete with domestic sulfur burning acid producers and a large domestic metal-based acid producer.

The factors influencing competition vary by region and end-use market, but generally we compete on the basis of our value proposition, including price, product quality, the ability to meet customers' specifications, range of products offered, lead times, technical support and customer service. In some regions and end-use markets, competition is also affected by fabricators' requirements that suppliers complete a qualification process to supply their plants. This process can be rigorous and may take many months to complete. As a result, obtaining business from these customers can be a lengthy and expensive process. However, the ability to obtain and maintain these qualifications can represent a competitive advantage.

Research and Development

Our total research and development expenditures were ₹ 2,984.1 million, ₹ 3,300.8 million, ₹ 3,703.3 million for the Fiscals 2014, 2015 and 2016, respectively, on a consolidated basis. Novelis' research and development expenses were US$45 million, US$50 million, US$54 million for the Fiscals 2014, 2015 and 2016, respectively, determined on a U.S. GAAP basis. Our research and development activities include development of processes, products and applications to improve raw material quality, achieve cost effective waste management, maximize value extraction from by-products and waste products and reduce specific energy consumption and carbon footprint.

Innovation Centers

Our technology and innovation policy is aimed at achieving our vision of becoming a global leader in non-ferrous metals. Our in house research and development and technology projects are carried out at our two Hindalco Innovation Centres ("HIC"), HIC-Alumina located at Belgaum, Karnataka and HIC-SemiFab center located at Taloja, near Mumbai, Maharashtra. HIC-Alumina supports the alumina process technology, and carries out research in the areas of production and applications of specialty alumina and hydrates and also aims to carry out research value recovery from process streams. HIC-SemiFab carries out research in the areas of FRPs, extrusion, lubrication, modeling for process and product design, and application development for aluminum products.

Novelis' research and development team has more than 300 employees dedicated to research and development and customer technical support. Its research and development team also has mini-scale production lines equipped with hot mills, can lines and continuous casters. We have also created several market-focused innovation centers in Europe. For beverage and food cans, as well as lithographic and painted sheet, the center of excellence is in Goettingen, Germany; for automotive and other specialties, in Sierre, Switzerland; and for foil and packaging, in Dudelange, Luxembourg. We opened a global research and development center in Kennesaw, Georgia that became operational in mid calendar year 2012. The center offers state of the art research and development capabilities to help Novelis meet the global long-term demand for aluminum used for the automotive, beverage can and specialty markets. We conduct research and development activities at Novelis' mills in order to satisfy current and future customer requirements, improve products and reduce conversion costs. Novelis' customers work closely with Novelis' research and development professionals to improve their production processes and market options.

We also conduct research through the Aditya Birla Science and Technology Company Limited ("ABSTCL"), the Aditya Birla group's corporate research and development center at Taloja, near Mumbai. ABSTCP supports the research and development activities of our Company and engages in projects commissioned by our Company, which it charges on a project by project basis.

ABSTCL supports various projects in the aluminum and copper businesses, such as modeling of aluminum smelters, reduction in energy consumption through a combination of design, process control and materials, computational fluid dynamic analysis of alumina process equipment, development of new metallic and composite materials to meet higher performance standards and specifications understanding of processing-structure-property relationships, and application development for aluminum and copper in new areas. For the copper business, ABSTCL has also carried out research on smelting reaction kinetics, equipment and process improvement based on process modeling, value recovery of by products and process wastes.

Intellectual Property

We hold four patents, specifically with respect to (i) device for feeding controlled powdery material and related process thereof; (ii) process for preparing cryolite by extracting fluorine from spent pot filters; (iii) lubricant composition for post-lubrication of aluminum foils and process for preparation thereof; and (iv) lubricant composition method for preparation thereof and application thereof to cutting blade used in precision cutting machines. We also hold two patents jointly with ABSTCP, specifically with respect to (i) system and method for monitoring and optimizing smelting operations of a furnace; and (ii) process of preparing vanadium from calcium vanadate. In addition, we have also obtained trademark registrations for "Hindalco", "Birla Balwan", "Freshwrapp", "Superwrap", "Superap", "Balwan", and "Bhumi Sudhar Poshan Ke Sath". We have also applied for trademark registrations for "Birla Phospho Jipsum", "Maxloader" and "Freshpakk".

We have obtained a royalty free, non-assignable, non- transferable, non-exclusive and non – sub licensable rights to use the trademark and logo appearing on the cover page of this Placement Document from Aditya Birla Management Corporation Private Limited, an affiliate company, pursuant to a license agreement dated March 1, 2017 which we are required to use in accordance with the brand useage guidelines prescribed by ABMCPL.

We actively review intellectual property arising from the Novelis research and development activities and, when appropriate, we apply for patents in the appropriate jurisdictions, including the United States and Canada. We currently hold patents on approximately 180 different items of intellectual property utilized by our Novelis operations. Novelis has applied for or received registrations for the "Novelis" word trademark and the Novelis logo trademark in approximately 50 countries where Novelis has significant sales or operations. Novelis has also registered the word "Novelis" and several derivations thereof as domain names in numerous level domains around the world to protect Novelis' presence on the world wide web.

Employees

As of December 31, 2016, we had approximately 25,000 permanent employees for our Indian operations and Novelis had approximately 12,000 employees globally. Our permanent employees include personnel engaged in our management, administration, engineering, auditing, finance, sales and marketing, procurement, logistics and legal functions. As of December 31, 2016, a majority of our employees in our aluminum business in India are unionized and less than half of our employees in our copper business in India are unionized. As of December 31, 2016, a substantial portion of the employees at Novelis are represented by labor unions. We have entered into long-term agreements with terms of between three and five years with recognized unions at various locations. These agreements provide for standard terms and conditions of workers, including compensation, benefits and working hours. Our copper business employees are not members of any unions. As part of our strategy to improve operational efficiency, we regularly organize in-house and external training programs for our employees.

Sustainability

We have adopted the practices of sustainable development as a guiding principle in line with the philosophy of the Aditya Birla group and have undertaken voluntary publication of a sustainability report. We have published five annual sustainability reports, with the 2015 report being in accordance with Global Reporting Initiative Guidelines, GRI G4. We are currently in the process of preparing the 2016 report.

As part of our sustainability efforts, we aim to focus on mitigating the impact of our operations on climate change. In particular, we intend to reduce specific energy consumption and greenhouse gas emissions. Our various facilities in India are covered under the Government's perform, achieve and trade scheme for mitigation of greenhouse gas emissions by major industries, and we continue to strive toward compliance by improving energy efficiency in our operations. For example, in 2015 we installed online monitoring instruments in major units and a belt pipe conveyer system for transportation of coal to our Renusagar power plant to minimize our environmental impact. Our Risk Management Committee is also working to develop a system to analyze the risks of climate change and to develop a mitigation and adaptation plan. In 2016, we installed a solar power plant at our Alupuram facility to explore alternative sources of energy.

We have also set up an internal sustainability board and developed our sustainability roadmap to meet sustainability targets in the areas of energy, water, waste, emissions and safety. In addition, sustainability projects have been initiated in our product development process stewardship to support and improve the sustainability of our key customers, through light-weighting of our products and the life cycle advantage of aluminum and copper. We have also initiated a project to extract value from waste, which we believe will also benefit the environment.

Environmental Matters

Our global operations are subject to environmental laws and regulations of various jurisdictions, which govern, among other things, air emissions, wastewater discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and safety.

We develop our facilities and operations in accordance with local laws and regulations, the United Nations Global Compact and internationally accepted good management practices on environmental and social issues. We have established procedures for regularly evaluating the applicability of environmental legislations and our compliance with these legislations. We ensure that adequate resources are available to ensure compliance. We achieve reduction in energy consumption through the adoption of new technologies and process controls. In addition, most of our units practice rain water harvesting, the treatment and recycling of process and domestic effluents and fly ash in accordance with law and are progressively moving towards a zero discharge operation.

For environmental management, each unit has an environmental cell that manages the day-to-day environmental activities in order to comply with domestic and international standards and certain units conform to the International Standards for Environment (ISO 14001) and the Occupational Health and Safety (OHSAS 18001).

Each unit also undergoes periodic surveillance audits that are conducted by accredited certification bodies. To ensure that these programs are implemented, maintained and improved, we have a Central Environmental Cell comprised of trained professionals in various disciplines who oversee our environmental activities and also liaise with external environmental and government agencies.

In recognition of the above, we have received several awards and accolades at national and international levels for outstanding performance and contribution to environmental conservation and safety. Many of our units have regularly participated in national and state level competitions in the fields of environment and occupational health and safety and won awards for outstanding performance.

Through our Novelis operations, we are one of the world's largest recyclers of aluminum with eleven plants on four continents. Using recycled aluminum to produce primary aluminum requires only 5% of the energy required by the traditional smelting method. As a result, by using recycled products we avoid 95% of the greenhouse gas emissions associated with primary aluminum smelting.

Novelis is involved in proceedings under the U.S. Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") or Superfund, or analogous state provisions regarding liability arising from the usage, storage, treatment or disposal of hazardous substances and wastes at a number of sites in the United States, as well as similar proceedings under the laws and regulations of the other jurisdictions in which it has operations, including Brazil and certain countries in the European Union. Many of these jurisdictions have laws that impose joint and several liability, without regard to fault or the legality of the original conduct, for the costs of environmental remediation, natural resource damages, third party claims, and other expenses. In addition, Novelis is, from time to time, subject to environmental reviews and investigations by relevant governmental authorities. Novelis has established procedures for regularly evaluating environmental loss contingencies, including those arising from such environmental reviews and investigations and any other environmental remediation or compliance matters. It believes that it has a reasonable basis for evaluating these environmental loss contingencies, and it believes that it has made reasonable estimates of the costs that are likely to be borne by it for these environmental loss contingencies. Accordingly, it has established reserves based on its reasonable estimates for the currently anticipated costs associated with these environmental matters. With respect to environmental loss contingencies, Novelis records a loss contingency on a non-discounted basis whenever such contingency is probable and reasonably estimable. The evaluation model includes all asserted and unasserted claims that can be reasonably identified. Under this evaluation model, the liability and the related costs are quantified based upon the best available evidence regarding actual liability loss and cost estimates. Except for those loss contingencies where no estimate can reasonably be made, the evaluation model is fact-driven and attempts to estimate the full costs of each claim. Novelis' management reviews the status of, and estimated liability related to, pending claims and civil actions on a quarterly basis. The estimated costs in respect of such reported liabilities are not offset by amounts related to cost-sharing between parties, insurance, indemnification arrangements or contribution from other potentially responsible parties unless otherwise indicated.

Corporate Social Responsibility

The spirit and culture of giving, caring, compassion and service is a legacy that has been passed on down through generations of the Birla family, and we have always actively reached out to underserved communities. Our CSR activities are focused and strategic. We dedicate resources, both financial and manpower, to ensure that our work truly impacts the lives of the underprivileged. We form collaborative partnerships with the Government, NGOs and other likeminded stakeholders to further broaden the reach of our CSR initiatives and leverage upon collective expertise, wisdom and experience in making a meaningful difference to the lives of underserved communities.

In India, the Aditya Birla Group impacts over 7.5 million people across 5,000 villages through its outreach programs. Of these figures, Hindalco's community engagement serves over 1.1 million people, spread over 672 villages.

We conduct our community outreach projects under five focus areas – education, healthcare, sustainable livelihood, rural infrastructure development and social reform. The projects are conducted through The Aditya Birla Centre for Community Initiatives and Rural Development. We approach CSR on a project-by-project basis, with robust implementation structure, process for monitoring and professional teams in place. Our activities are in line with Schedule VII of the Companies Act, 2013. Our CSR activities include:

Education: Over 13,606 children were enlisted in 2015 at Balwadis and Anganwadis, which are rural public schools that we support and run. In addition, we provided educational kits to 25,966 students. We also fostered the cause of female childhood education through *Kasturba Gandhi Balika Vidyalayas (KGBV)*, providing support to 2,546 girls through 12 KGBVs.

Healthcare: We served 153,825 villagers through our 1,556 rural medical awareness camps. In addition, we registered 146,970 patients for medical treatment in our 10 hospitals and 19 dispensaries/clinics. In our vision camps, we treated 3,570 persons. We also operated 503 cases of cataract and fitted these individuals with intra-ocular lens. We immunized more than 224,941 children against polio and serviced 100,282 expectant mothers and their children through 23 family welfare centers.

Sustainable Livelihood: We trained more than 19,411 persons through our training programs for farmers to develop additional skills. Of these people, 16,309 farmers were provided improved agricultural tools, seeds, fertilizers and insecticides. We also provided vocational skill training to 7,841 persons to enable them to secure livelihoods. In addition, we formed 1,368 self-help groups to provide economic and social empowerment to 19,067 households.

In 2016, Novelis launched a "Life of a Can – A Never Ending Story" youth educational program designed to reinforce the importance of aluminum recycling and empower students to be environmental stewards.

We dedicated ₹ 341.5 million towards our CSR initiatives in the Fiscal 2016. This amount represented 2.2% of Hindalco's average net profit for the last three Fiscals.

Insurance

We currently maintain insurance coverage on our property and plants, our fixed assets, our transportation vehicles and certain other assets that we consider to be subject to significant operating risks. We paid ₹ 2,373.7 million in the Fiscal 2016 on a consolidated basis in insurance premiums. We maintain mega-risk policies and industrial all-risk policies for our facilities in relation to building, plant and machinery, stock and stock in-progress. In addition, our operations are covered by insurance policies for any anticipated loss due to accident, fire, flood, riot, strike and malicious damage, and for any liability to our customers and third parties. In addition, our Novelis operations are covered by insurance policies for anticipated loss of profit due to accident, fire, flood, riot, strike and malicious damage, for liability to our customers and third parties.

Properties

Our registered office, located at 3rd Floor, Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai 400030, has been leased to us. Furthermore, our corporate office, located at Aditya Birla Centre, SK Ahire Marg, Worli, Mumbai 400025, is owned jointly by us and one of our group companies. Additionally, our various facilities are located on land that is either owned by us or leased to us. See "– *Our Aluminum Business – Locations of Our Principal Facilities*" and "– *Our Copper Business – Our Principal Facility*".

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder and the SEBI Listing Regulations. The Articles of Association provide that the number of directors shall not be less than three and not more than 15. At present, our Company has 12 Directors including two Executive Directors and ten Non-Executive Directors including of six Independent Directors.

Pursuant to the provisions of the Companies Act, at least two-thirds of the total number of Directors, excluding Independent Directors, is liable to retire by rotation, with one-third of such number retiring at each annual general meeting. Additionally, in accordance with the Articles of Association of our Company, if the number of Directors retiring is not three or a multiple of three, then the nearest number to one-third are liable to retire by rotation. A retiring Director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each. Any re-appointment of Independent Directors shall, *inter alia*, be on the basis of the performance evaluation report and approved by the shareholders by way of a special resolution.

The following table provides information about the Directors as of the date of this Placement Document:

Sr. No.	Name, Address, DIN, Term, Nationality and Occupation	Age	Designation
1.	**Kumar Mangalam Birla** **Address**: Mangal Adityayan 20, Carmichael Road Behind Jaslok Hospital Mumbai 400 026 **DIN**: 00012813 **Term**: Liable to retire by rotation **Nationality**: Indian **Occupation**: Industrialist	49	Non-Executive Chairman
2.	**Satish Pai** **Address**: The Imperial South Tower, Apartment number 4202 B.B. Nakashe Marg Tardeo, Mumbai 400 034 **DIN**: 06646758 **Term**: August 1, 2016 to July 31, 2021 **Nationality**: Indian **Occupation**: Service	55	Managing Director
3.	**Debnarayan Bhattacharya** **Address**: Vivarea, A -2502 & 2602 Sane Guruji Marg, Mahalaxmi Mumbai 400 011 **DIN**: 00033553 **Term**: Liable to retire by rotation **Nationality**: Indian **Occupation**: Service	68	Non-Executive Director and Vice Chairman

Sr. No.	Name, Address, DIN, Term, Nationality and Occupation	Age	Designation
4.	**Rajashree Birla** **Address**: Mangal Adityayan 20, Carmichael Road Behind Jaslok Hospital Mumbai 400 026 **DIN**: 00022995 **Term**: Liable to retire by rotation **Nationality**: Indian **Occupation**: Industrialist	71	Non-Executive Director
5.	**Askaran Agarwala** **Address**: Haveli, Flat Number 3 L.D. Ruparel Marg, Mumbai 400 026 **DIN**: 00023684 **Term**: Liable to retire by rotation **Nationality**: Indian **Occupation**: Professional/Executive	83	Non-Executive Director
6.	**Jagdish Khattar** **Address**: E 16, Sector 40, Gautam Budh Nagar Noida 201 301 **DIN**: 00013496 **Term**: Five years with effect from September 24, 2014 **Nationality**: Indian **Occupation**: Businessman	74	Non-Executive and Independent Director
7.	**Kailash Nath Bhandari** **Address**: 5, New Power House Road Sector – 7 Jodhpur 342 001 **DIN**: 00026078 **Term**: Five years with effect from September 24, 2014 **Nationality**: Indian **Occupation**: Retired Professional	74	Non-Executive and Independent Director

Sr. No.	Name, Address, DIN, Term, Nationality and Occupation	Age	Designation
8.	**Madhukar Manilal Bhagat** **Address**: 13, Kabir Road Kolkata 700 026 **DIN**: 00006245 **Term**: Five years with effect from September 24, 2014 **Nationality**: Indian **Occupation**: Retired Professional	83	Non-Executive and Independent Director
9.	**Ram Charan** **Address**: 12655, NC EXPWY #103, Dallas TX 75243 United States of America **DIN**: 03464530 **Term**: Five years with effect from September 24, 2014 **Nationality**: United States of America **Occupation**: Management Consultant	77	Non-Executive and Independent Director
10.	**Girish Mohanlal Dave** **Address**: C/o Bindi Dave, 1704 -B, Phoenix Tower, Senapati Bapat Marg, Near Big Bazar, Lower Parel (W), Mumbai 400 013 **DIN**: 00036455 **Term**: May 28, 2016 to May 27, 2021 **Nationality**: Indian **Occupation**: Advocate	78	Non-Executive and Independent Director
11.	**Yazdi Dandiwala** **Address**: C-11, Meherzin Wodehouse Road, Colaba, Mumbai 400 005 **DIN**: 01055000 **Term:** August 14, 2015 to August 13, 2020 **Nationality**: Indian **Occupation**: Advocate and Solicitor	66	Non-Executive and Independent Director
12.	**Praveen Kumar Maheshwari** **Address**: 2201, Springs Island, City Centre G D Ambedkar Marg, Dadar (East), Mumbai 400 014 **DIN**: 00174361 **Term:** May 28, 2016 to May 27, 2021 **Nationality**: Indian **Occupation**: Service	56	Whole time director and Chief Financial Officer

Biographies of the Directors

Kumar Mangalam Birla, was appointed as a Non-Executive Chairman of our Company with effect from October 19, 1995. He also serves as a chairman of the board of directors of various companies of the Aditya Birla group in India and overseas. He was also an erstwhile director on the central board of directors of the RBI.

Satish Pai is a Whole time Director on our Board since August, 2013 and was appointed as the Managing Director of our Company with effect from August 1, 2016 for a period of five years. He holds a bachelor's degree in mechanical engineering from the Indian Institute of Technology, Madras. He has experience in areas such as operations, recruitment, and training.

Debnarayan Bhattacharya is a Non- Executive Director and the Vice Chairman of our Company with effect from July 31, 2016. He has experience in managing business operations. He joined the Aditya Birla Group in 1998 and has held several key positions within the Aditya Birla Group.

Rajashree Birla, is a Non-Executive Director and was appointed on the Board of Directors on March 15, 1996. She also serves as a director on the board of directors of various companies of the Aditya Birla group in India and overseas. As chairperson of Aditya Birla Centre for Community Initiatives and Rural Development, the body responsible for development projects, she oversees social and welfare related work of the Aditya Birla group. She is a member of the board of advisors of the Vision Foundation of India, Mumbai. She was conferred the Padma Bhushan by the Government of India for her contribution in the area of social work in 2011.

Askaran Agarwala, is a Non-Executive Director of our Company and was appointed on the Board in 1998. He is a Trustee of G.D. Birla Medical Research and Education Foundation and the Vaibhav Medical and Education Foundation. He has held the post of the president of the Aluminum Association of India in the past.

Jagdish Khattar is a Non-Executive and Independent Director of our Company. Prior to joining our Company, he served as the chief executive officer and managing director of Maruti Suzuki India Limited (formerly known as Maruti Udyog Limited). He also founded Carnation Auto India Private Limited.

Kailash Nath Bhandari is a Non-Executive and Independent Director on the Board of our Company. Prior to joining our Company, he has also served as the chairman and managing director of the New India Assurance Company Limited.

Madhukar Manilal Bhagat is a Non-Executive and Independent Director of our Company. He has a bachelor's degree in commerce from Calcutta University and has also qualified as an associate in the general branch of the Chartered Insurance Institute, London and is also an associate of the Insurance Institute of India. Prior to joining our Company, he has also served as the chairman and managing director of United India Insurance Company Limited.

Ram Charan is a Non-Executive and Independent Director of our Company. He is a best-selling author and global adviser to senior business leaders and board of directors of various companies around the world. He has authored and co-authored books on corporate governance.

Girish Mohanlal Dave is a Non-Executive and Independent Director of our Company and was appointed as the Director with effect from May 28, 2016 for a period of five years. He holds the Master's degree in commerce from Gujarat University and the Bachelor's degree in law from Gujarat University. He has varied and extensive experience in financial, banking and project finance laws and has been an advisor to various banks and corporates in India. He is advocate on the rolls of the Bar Council of Maharashtra and Goa. He is also a member of the Bombay Bar Association, the International Bar Association and Alliance of Business Lawyers.

Yazdi Dandiwala is a Non- Executive Director and Independent Director of our Company with effect from August 14, 2015 for a period of five years. He is currently a partner of Mulla & Mulla and Craigie Blunt & Caroe, Advocates & Solicitors. He has experience as a corporate commercial lawyer with experience in corporate and commercial transactions.

Praveen Kumar Maheshwari is the Whole Time Director and Chief Financial Officer of our Company and was appointed as the Director with effect from May 28, 2016 for a period of five years. He has experience in finance and management . Prior to joining our Company, he has also worked with Bharat Forge Limited as the group chief financial officer and as an executive director.

Relationship with other Directors

Except Kumar Mangalam Birla who is the son of Rajashree Birla, none of the other Directors are related to each other.

Borrowing powers of our Board

Our Company has vide special resolution dated September 24, 2014, passed under Section 180(1)(c) of Companies Act, 2013, authorized the Board of Directors to borrow money upon such terms and conditions as the Board may think fit upto an aggregate amount not exceeding ₹ 2,00,000 million over and above the aggregate of paid up share capital and free reserves of our Company.

Interest of the Directors

All of the Directors may be deemed to be interested to the extent of fees and commission payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses payable to them. Our Managing Director and the Whole-time Director may be deemed interested to the extent of remuneration paid to them for services rendered as the officers of our Company.

All of the Directors may also be regarded as interested in our Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them. The Managing Director and the Whole-time Director may also be interested in the options that have been granted to them under the ESOS 2006 and ESOS 2013.

Other than as disclosed in this Placement Document, there were no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors were interested parties.

All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms and trusts, in which they are interested as directors, members, partners or trustees.

Except as disclosed in the section titled "*Financial Information*", and except the arrangement entered into between Debnarayan Bhattacharya (as ex- Managing Director) and our Company vide resolution of the Board of Directors dated May 28, 2016 in relation to payment of one time grant of ₹ 92 million to Debnarayan Bhattacharya, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Mr. Debnarayan Bhattacharya, is deemed to be interested to the extent of payment of monthly pension, periodic emolument and benefits. Furthermore, the Directors have not taken any loans from our Company.

Shareholding of Directors

The following table sets forth details regarding the shareholding of the Directors as of December 31, 2016:

Name	Number of Equity Shares	Percentage shareholding in our Company (%)	Aggregate Number of ESOPs and RSUs granted
Kumar Mangalam Birla	901,635[(1)]	0.04	Nil
Satish Pai	30,000	0.00	782,609
Debnarayan Bhattacharya	267,525	0.01	1,401,930
Rajashree Birla	612,470[(2)]	0.03	Nil
Askaran Agarwala	116,148	0.00	Nil
Jagdish Khattar	2,500	0.00	Nil
Kailash Nath Bhandari	5,071	0.00	Nil
Madhukar Manilal Bhagat	4,050	0.00	Nil
Yazdi Dandiwala	206	0.00	Nil
Praveen Kumar Maheshwari	Nil	0.00	Nil

[(1)] *Including Equity Shares held as father and natural guardian of Ms. Ananyashree Birla.*

(2) *Includes Equity Shares held as trustee of the Aditya Birla Family Trust.*

Terms and Compensation of the Directors

A. Non-Executive Directors

The shareholders of our Company, by way of a special resolution passed at the AGM held on September 24, 2014, have approved payment of commission to the Non-Executive Directors of our Company, at a rate not exceeding 1% per annum of the net profits of our Company for the relevant Fiscal, as may be decided by the Board from time to time.

Our Company also pays sitting fees of ₹ 50,000 per meeting of the Board, ₹25,000 per meeting of Audit Committee and ₹ 20,000 per meeting for any other committee.

Further, Debnarayan Bhattacharya, who stepped down from our board as the Managing Director and was appointed as a Non-Executive Director and Vice Chairman with effect from August 1, 2016 is also entitled to a monthly pension of ₹ 3.35 million, hospitalization and medical insurance, travel reimbursements and other benefits such as a club membership.

The following table sets forth the remuneration (including sitting fees, commission and perquisites) paid by our Company to the Non-Executive Directors during the current Fiscal 2017 (until nine months ending December31, 2016) and during the last three Fiscals:

(in ₹million)

Name	From April 1, 2016 to December 31, 2016	Fiscal 2016	Fiscal 2015	Fiscal 2014
Kumar Mangalam Birla	0.29	17.64	35.08	67.50
Debnarayan Bhattacharya(1)	0.19	-	-	-
Rajashree Birla	0.27	0.62	0.79	1.16
Askaran Agarwala	0.47	1.02	1.16	0.80
Jagdish Khattar	0.27	0.53	0.73	0.64
Kailash Nath Bhandari	0.47	0.98	1.31	1.29
Madhukar Manilal Bhagat	0.53	1.02	1.20	1.09
Ram Charan	0.05	0.24	0.44	0.56
Girish Mohanlal Dave	0.15	-	-	-
Yazdi Dandiwala	0.28	0.43	0.00	0.00

(1) *Debnarayan Bhattacharya has been appointed as a Non-Executive Director and Vice Chairman of our Company with effect from August 1, 2016, prior to which he was the Managing Director of our Company. Debnarayan Bhattacharya stepped down as the Managing Director of our Company with effect from July 31, 2016 and a one time grant of ₹ 92 million has been paid to Debnarayan Bhattacharya upon his retirement as the Managing Director and he receives a monthly pension of ₹ 3.35 million. Additionally, Debnarayan Bhattacharya received a remuneration of ₹ 404.95 million, 198.97 million (includes a sum of ₹ 68.76 million paid as performance bonus in Fiscal 2016), ₹ 215.90 million (includes a sum of ₹ 63.46 million paid as performance bonus in Fiscal 2015), ₹ 210.60 million (includes a sum of ₹ 67.54 million paid as performance bonus in Fiscal 2014) for the nine month period ended December 31, 2016, Fiscal 2016, Fiscal 2015 and Fiscal 2014, respectively.*

B. Executive Directors

Satish Pai, Managing Director

Terms of Appointment

Satish Pai was appointed as a Managing Director of our Company pursuant to a resolution of the shareholders dated September 14, 2016 with effect from August 1, 2016 for a period of five years.

S. No.	Category	Remuneration
1.	Basic Salary	Basic salary of ₹ 4.10 million per month with such increments as the Board may decide from time to time, subject to a ceiling of ₹ 7.00 million per month

S. No.	Category	Remuneration
2.	Special Allowances	₹ 1.69 million per month with such increments as the Board may decide from time to time, subject to a ceiling of ₹ 4 million per month
3.	Annual Incentive Pay	Linked to the achievement of targets, as may be decided by the Board subject to a maximum of ₹ 100 million per annum
4.	Long term Incentive Compensation	Including Employees Stock Options, Restricted Stock Units, Stock Appreciation Rights, Phantom Restricted Stock Units as per the applicable scheme or any other incentive as may be decided by the Board
5.	Perquisites	Shall include housing, reimbursement of expenses, medical expenses reimbursement, leave travel expenses, use of cars, leave and encashment of leaves, club fees, contribution towards provident fund and superannuation fund, personal accident insurance premium, any other one time/ periodic retirement allowances, gratuity and others.

Praveen Kumar Maheshwari, Whole Time Director

Terms of Appointment

Praveen Kumar Maheshwari was appointed as a Whole Time Director of our Company pursuant to a resolution of the shareholders dated September 14, 2016 for a period of five years with effect from May 28, 2016.

Sr. No.	Category	Remuneration
1.	Basic Salary	Basic salary of ₹ 0.71 million per month with such increments as may be decided by the Board from time to time, subject to a ceiling of ₹ 1.50 million per month
2.	Special Allowances	₹ 0.81 million per month with such increments as may be decided by the Board from time to time, subject to a ceiling of ₹ 1.70 million per month
3.	Annual Incentive Pay	Linked to the achievement of targets, as may be decided by the Board subject to a maximum of ₹ 20 million per annum
4.	Long term Incentive Compensation	Including Employees Stock Options, Restricted Stock Units, Stock Appreciation Rights, Phantom Restricted Stock Units as per the applicable scheme or any other incentive as may be decided by the Board
5.	Perquisites	Shall include housing, leave travel expenses, medical expenses reimbursement, leave travel expenses, use of cars, leave and encashment of leaves, club fees, contribution towards provident fund and superannuation fund, personal accident insurance premium, any other one time/ periodic retirement allowances, gratuity and others.

The following tables set forth all compensation (including basic salary, special allowances and other benefits) paid by our Company to the Executive Directors during the current Fiscal 2017 (until nine months ending December 31, 2016) and during the last three Fiscals:

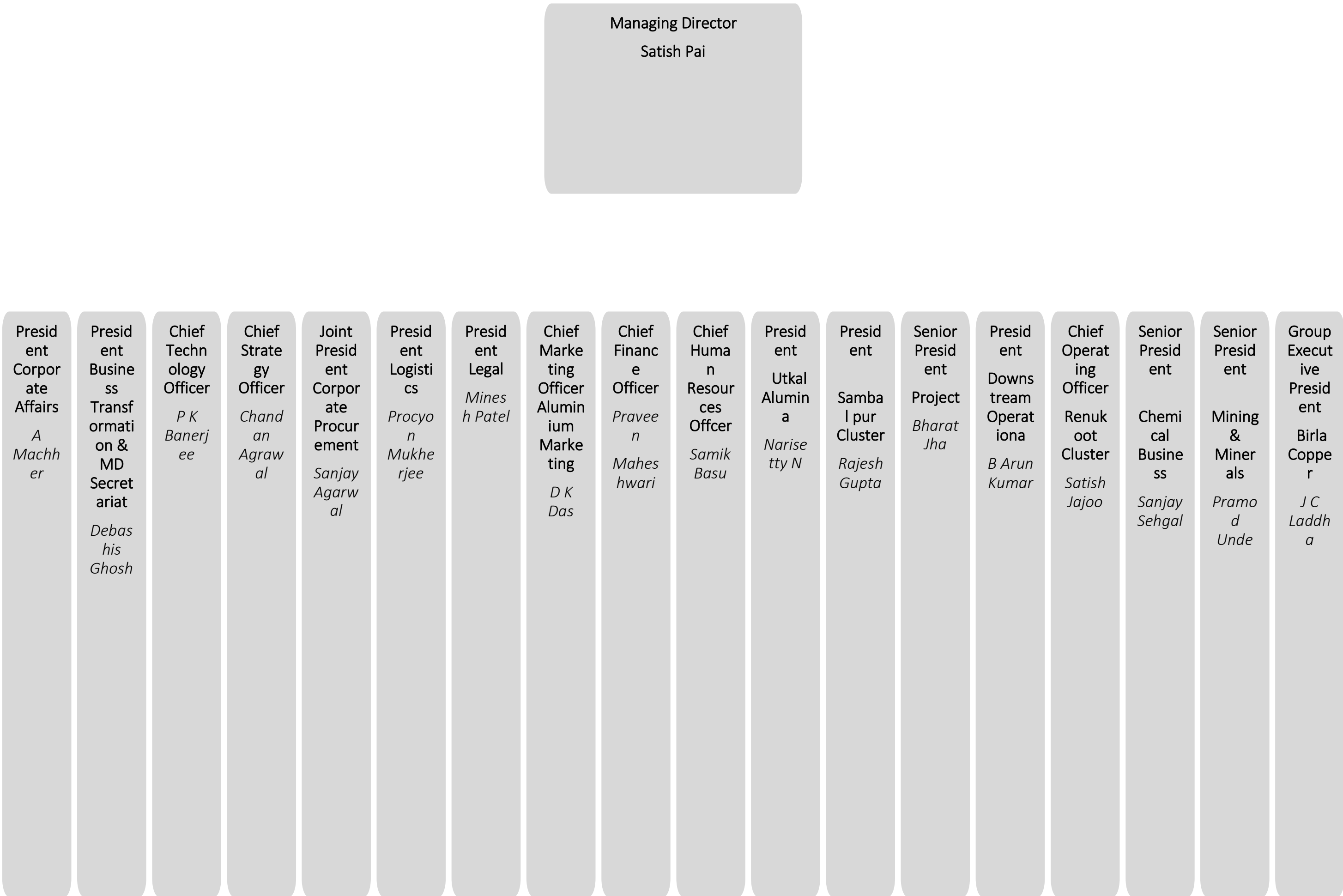
(in ₹million)

Name	From April 1, 2016 to December 31, 2016	Fiscal 2016	Fiscal 2015	Fiscal 2014
Satish Pai	151.40	139.59 (1)	121.74(1)	51.38
Praveen Kumar Maheshwari(2)	27.4	-	-	-

(1)Includes ₹46.96 million and ₹ million 29.96 million paid as performance bonus in Fiscals 2016 and 2015 respectively.

(2) Praveen Kumar Maheshwari has been appointed as the Whole-Time Director of the Company with effect from May 28, 2016.

Organisational Chart of our Company



Mr R K Kasliwal Advisors is not shown in the structure

Key Managerial Personnel

In addition to our Managing Director and the Whole Time Director our Company's key managerial personnel are as follows:

Sanjay Sehgal, is the business head – chemicals business of our Company. He holds a bachelor's degree in chemical engineering from Indian Institute of Technology, Delhi.

Bharat Bhushan Jha, is the Head of the Corporate Projects and Procurement Cell of our Company. He holds a bachelor's degree in Mechanical Engineering from Birla Institute of Technology, Mesra, Ranchi. He has significant experience in planning and management of projects for oil refineries and petrochemical plants at Indian Oil Corporation. He has led the completion of several greenfield projects including Aditya, Mahan, Utkal, Hirakud FRP and Mouda unit. He is presently focusing on guiding and reviewing key capex projects.

Arun Kumar Bhaskaran Nair, is the President - Operations and Planning (Downstream Operations) of our Company. He has a bachelor's degree in production technology from Madras Institute of Technology, Anna University, Chennai. He has worked in different units of our Company prior to assuming this position.

Anil Malik, is the President and Company Secretary of our Company. He is an associate of the Institute of Company Secretaries of India. He has been the Company Secretary of our Company for 13 years.

Samik Basu, is the Chief Human Resource Officer of our Company. He holds a post graduate degree in personnel management and industrial relations from XLRI Jamshedpur. He has over 12 years of experience in human resource management.

Devotosh Kumar Das, is the Chief Marketing Officer for the aluminium business of our Company.

Satish Narain Jajoo, is the Chief Operating Officer (Renukoot, Renusagar and Mahan Units) of our Company.

Jagdish Chandra Laddha, is the business head of the copper division of our Company. He has experience in industry sectors such as chemicals and fertilizers.

Steven Fisher, is the President and Chief Executive Officer of Novelis. He joined Novelis in 2006 and since joining Novelis he has served in a number of executive positions, most recently as Chief Financial Officer. Prior to joining Novelis, he spent 13 years consulting in the energy industry. He has held significant roles in finance and accounting, strategic planning and corporate development and prior to joining Novelis, he been part of, the management teams of certain energy companies.

Devinder Ahuja, is the Senior Vice President and Chief Financial Officer of Novelis. He joined Novelis in July, 2016. Prior to joining Novelis, he spent 15 years as the Chief Financial Officer with various subsidiaries of Novartis in the U.S., Japan, South Korea and Switzerland.

Shareholding of key managerial personnel

The following table sets forth details regarding the shareholding of the key managerial personnel in our Company as at December 31, 2016:

Name	Number of Equity Shares	Percentage of total number of outstanding Equity Shares (%)	Aggregate Number of ESOPs and RSUs granted
Sanjay Sehgal	9,776	0.00	47,627
Anil Malik	3,000	0.00	24,686
Bharat Bhushan Jha	47,338	0.00	31,386
Arun Kumar Bhaskaran Nair	Nil	0.00	13,156
Jagdish Chandra Laddha	7,786	0.00	111,297
Satish Narain Jajoo	4,075	0.00	111,297
Devotosh Kumar Das	36,847	0.00	17,541
Samik Basu	Nil	0.00	111,297

Interest of key managerial personnel

Except as disclosed under 'Interest of Directors', The key managerial personnel of our Company do not have any interest in our Company other than to the extent of (i) the remuneration or benefits to which they are entitled to as per their terms of appointment; and (ii) the Equity Shares held by them or their dependants in our Company, if any, any dividend payable to them and other distributions in respect of such Equity Shares and options granted under ESOS 2006 and ESOS 2013.

Other than as disclosed in this Placement Document, there were no outstanding transactions other than in the ordinary course of business undertaken by our Company in which the key managerial personnel were interested parties.

None of the Directors are related to any of the key managerial personnel of our Company.

Corporate governance

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. Our Company is in compliance with the requirements with respect to the corporate governance provided in the SEBI Listing Regulations and the Companies Act, 2013. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

The Board of Directors and committees of our Company are constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

Committees of the Board

In terms of SEBI Listing Regulations and Companies Act, 2013, our Company has constituted the following committees of Directors namely:

(i) Audit Committee;

(ii) Nomination and Remuneration Committee;

(iii) Stakeholders' Relationship Committee;

(iv) Risk Management Committee; and

(v) Corporate Social Responsibility Committee.

The following table sets forth the details of the members of the aforesaid committees as of the date of this Placement Document:

Committee	Members
Audit Committee	(a) Madhukar Manilal Bhagat (Chairman); (b) Kailash Nath Bhandari (Member); and (c) Yazdi Dandiwala (Member).
Nomination and Remuneration Committee	(a) Madhukar Manilal Bhagat (Chairman); (b) Kumar Mangalam Birla (Member); (c) Kailash Nath Bhandari (Member).
Stakeholders' Relationship Committee	(a) Kailash Nath Bhandari (Chairman); (b) Madhukar Manilal Bhagat (Member); and (c) Askaran Agarwala (Member).
Corporate Social Responsibility Committee	(a) Rajashree Birla(Chairman); (b) Satish Pai (Member); (c) Askaran Agarwala (Member) (d) Debnarayan Bhattacharya (Member); and (e) Jagdish Khattar (Member).
Risk Management Committee	(a) Askaran Agarwala (Chairman); (b) Debnarayan Bhattacharya (Member); (c) Satish Pai (Member); (d) Jagdish Chandra Laddha (Member); (e) Praveen Kumar Maheshwari (Member); (f) Anil Mathews (Member); (g) R K Kaliswal (Member).

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 9 of the Insider Trading Regulations applies to our Company and its employees and requires our Company to implement a code of internal procedures and conduct for the prevention of insider trading. Our Company has implemented a code of conduct for prevention of insider trading in accordance with the Insider Trading Regulations. As per the code of internal procedures and conduct for the prevention of insider trading adopted by our Company, the Company Secretary of our Company, is the compliance officer of our Company for the purposes of this code.

Other confirmations

None of the Directors, Promoters or key managerial personnel of our Company have any financial or other material interest in the Issue.

Neither our Company, nor our Directors or Promoters have ever been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Neither our Company, nor our Directors or Promoters have not been debarred from accessing capital markets under any order or direction made by SEBI.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscals, as per the requirements under AS 18 issued by the Institute of Chartered Accountants in India, see the section "***Financial Statements***" beginning on page 252.

Employee Stock Option Schemes

ESOS 2006

The Employees Stock Options Scheme ("**ESOS 2006**") was formulated by the erstwhile ESOS Compensation Committee of Board of Directors ("**Compensation Committee**") (the functions of which were subsequently merged into the Nomination and Remuneration Committee ("**NRCC**") in accordance with the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999, as amended (the "**SEBI ESOP Guidelines**"), pursuant to a special resolution passed by the shareholders of the Company on January 23, 2007.

The objective of ESOS 2006 is to attract and retain talent and align the interest of employees with the Company as well as to enable the employees to share the value created by them for the Company and motivate them to contribute to the growth and profitability of our Company.

Each option granted under ESOS 2006 would entitle the employee, on exercise, to acquire 1 Equity Share of the face value of ₹ 1 each. The exercise price of ESOS 2006 shall be the average price of the Equity Shares of the Company in the preceding seven day period (at a stock exchange determined by the Nomination and Remuneration Committee) on a date prior to which the NRCC finalizes the specific number of options to be granted to the eligible employees under the ESOS 2006. Pursuant to ESOS 2006, as at December 31, 2016, a total of 4,328,159 stock options were granted, out of which 1,276,575 stock options have been exercised, 1,796,806 stock options were cancelled/lapsed and a total of 1,254,778 stock options are yet to be exercised and 1,796,806 stock options have cancelled/lapsed which can be re-issued.

ESOS 2013

The Hindalco Industries Limited Employees Stock Options Scheme ("**ESOS 2013**") was formulated by the erstwhile Compensation Committee (the functions of which were subsequently merged into the NRCC in accordance with the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended (the "**SEBI ESOP Guidelines**"), pursuant to a special resolution passed by the shareholders of the Company on September 10, 2013.

The objective of ESOS 2013 is to attract and retain talent and align the interest of employees with the Company as well as to enable the employees to share the value created by them for the Company and motivate them to contribute to the growth and profitability of our Company.

Each option or restricted stock unit ("**RSUs**") granted under ESOS 2013 would entitle the employee, on exercise, to acquire 1 Equity Share of the face value of ₹ 1 each. The exercise price of options under ESOS 2013 shall be as determined by NRCC, provided that the exercise price per option shall not be less than the face value of the Equity Shares as on the date of grant of options and the exercise price of the RSUs granted under ESOS 2013 shall be the face value of the Equity Shares as on the date of grant of RSUs. Pursuant to ESOS 2013, as at December 31, 2016, a total of 2,250,754 stock options and 2,252,254 RSUs were granted, out of which 49,351 stock options and 917250 RSUs have been exercised, 222,455stock options and 237,253 RSUs were cancelled/lapsed and a total of 1,978,948 stock options and 1,097,751 RSUs are yet to be exercised and 222,455 stock options and 237,253 RSUs have cancelled/lapsed which can be re-issued.

PRINCIPAL SHAREHOLDERS

The following tables set forth the details regarding the shareholding pattern of our Company, as on December 31, 2016:

I. Summary statement holding of specified securities

Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	No. of shares underlying depository receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held(b)	
(A) Promoter & Promoter Group	22	763,797,188	14,542,309	7,783,39,497	37.67	672,571	0.09	778,339,497
(B) Public	330,933	1,145,672,009	142,133,786	1,287,805,795	62.33	-	0.00	1,24,04,47,471
(C1) Shares underlying DRs	-	-	-	-	0.00	-	0.00	-
(C2) Shares held by Employee Trust	-	-	-	-	0.00	-	0.00	-
(C) Non Promoter-Non Public	-	-	-	-	0.00	-	0.00	-
Grand Total	330,955	1,909,469,197	156,676,095	2,066,145,292	100.00	672,571	0.04	2,018,786,968

II. Statement showing shareholding pattern of the Promoter and Promoter Group

Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	No. of shares underlying depository receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held(b)	
A1) Indian	-	-	-		0.00	-	0.00	
Individuals/Hindu undivided family	5	2,398,696	-	2,398,696	0.12	-	0.00	2,398,696
Aditya Vikram Kumarmangalam Birla HUF	1	648,632	-	648,632	0.03	-	0.00	648,632
Vasavadatta Bajaj	1	121,319	-	121,319	0.01	-	0.00	121,319
Rajashree Birla	1	612,470	-	612,470	0.03	-	0.00	612,470
Neerja Birla	1	114,640		114,640	0.01	-	0.00	114,640
Kumar Mangalam Birla	1	901,635		901,635	0.04	-	0.00	901,635
Any other (specify)	13	761,398,492		761,398,492	36.85	672,571	0.09	761,398,492

Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	No. of shares underlying depository	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per	Number of shares pledged or otherwise encumbered		Number of equity shares held in dematerialized
						No.(a)	As a % of total	
Trustee holding shares under the scheme of merger of HIL/IGCL/IGFL on behalf of Hindalco	1	16,316,130	-	16,316,130	0.79	-	0.00	16,316,130
Umang Commercial Company Private Limited	1	27,330,360	-	27,330,360	1.32	-	0.00	27,330,360
Turquoise Investments and Finance Private limIted	1	124,012,468	-	124,012,468	6.00	-	0.00	124,012,468
Trapti Trading and Investments Private Limited	1	93,063,124	-	93,063,124	4.50	-	0.00	93,063,124
Tgs Investment and Trade Private Limited	1	4,485,249	-	4,485,249	0.22	-	0.00	4,485,249
Pilani Investment and Industries Corporation	1	29,185,398	-	29,185,398	1.41	-	0.00	29,185,398
Manav Investment and trading co. Ltd.	1	672,571	-	672,571	0.03	672,571	100.00	672,571
IGH holdings Private Limited	1	349,963,487	-	349,963,487	16.94	-	0.00	349,963,487
Grasim Industries Limited	1	54,542,475	-	54,542,475	2.64	-	0.00	54,542,475
Global Holdings Private Limited	1	6,336	-	6,336	0.00	-	0.00	6,336
Birla Institute of Technology and Science	1	21,583,090	-	21,583,090	1.04	-	0.00	21,583,090
Birla Group Holdings Private Limited	1	6,731,467	-	6,731,467	0.33	-	0.00	6,731,467
Aditya Birla Nuvo Limited	1	33,506,337	-	33,506,337	1.62	-	0.00	33,506,337
Sub Total A1	18	763,797,188	-	763,797,188	36.97	672,571	0.09	763,797,188
A2) Foreign	-	-	-	-	0.00	-	0.00	-
Any other (specify)	4		14,542,309	14,542,309	0.70	-	0.00	14,542,309
Surya Kiran Investments Pte ltd.	1		1,500	1,500	0.00	-	0.00	1,500
Pt Elegant Textile Industry	1		1,902,752	1,902,752	0.09	-	0.00	1,902,752
Pt Sunrise Bumi Textiles	1	-	3,004,167	3,004,167	0.15	-	0.00	3,004,167
Pt Indo Bharat Rayon	1	-	9,633,890	9,633,890	0.47	-	0.00	9,633,890
Sub Total a2	4	-	14,542,309	14,542,309	0.70	-	0.00	14,542,309
A=A1+A2	22	763,797,188	14,542,309	778,339,497	37.67	672,571	0.09	778,339,497

III. Statement showing shareholding pattern of the ublic shareholder

Category & name of the shareholders	No. Of shareholder	No. Of fully paid up equity shares held	Nos. Of shares underlying depository receipts	Total no. Shares held	Shareholding % calculated as per SCRR, 1957 as a % of (a+b+c2)	No of voting rights	Total as a % of total voting right	Number of equity shares held in dematerialized form(not applicable)
B1) Institutions	0	0	-	-	0.00	-	0.00	-
Mutual Funds/	164	67,608,285	-	67,608,285	3.27	67,608,285	3.54	67,585,715
Foreign Portfolio Investors	631	526,427,104	-	526,427,104	25.48	526,427,104	27.57	526,403,364
Financial Institutions/ Banks	62	1,734,388	-	1,734,388	0.08	1,734,388	0.09	1,673,928
Insurance Companies	33	259,161,052	-	259,161,052	12.54	259,161,052	13.57	259,154,972
LIC & ITS ASSOCIATE FUNDS	1	236,196,154	-	236,196,154	11.43	236,196,154	12.37	236,195,074
Sub Total B1	**890**	**854,930,829**	**-**	**854,930,829**	**41.38**	**854,930,829**	**44.77**	**854,817,979**
B2) Central Government/ State Government(s)/ President of India	0	0	-	-	0.00	-	0.00	-
Central Government/ State Government(s)/ President of India	2	345,520	-	345,520	0.02	345,520	0.02	58,040
Sub Total B2	**2**	**345,520**	**-**	**345,520**	**0.02**	**345,520**	**0.02**	**58,040**
B3) Non-Institutions	**0**	**0**	**-**		**0.00**		**0.00**	
Individual share capital upto ₹ 2 Lacs	319,824	137,619,980	-	137,619,980	6.66	137,619,980	7.21	125,889,765
Individual share capital in excess of ₹ 2 Lacs	16	12,903,139	-	12,903,139	0.62	12,903,139	0.68	12,237,078
Overseas Depositories (holding DRs) (balancing figure)	1	0	142,133,786	142,133,786	6.88		0.00	142,105,956
Any Other (specify)	10,200	139,872,541	-	139,872,541	6.77	139,872,541	7.33	105,338,653
BAJAJ ALLIANCE LIFE INSURANCE COMPANY	1	26,604,453	-	26,604,453	1.29	26,604,453	1.39	26,604,453
Sub Total B3	330,041	290,395,660	142,133,786	432,529,446	20.93	290,395,660	15.21	385,571,452
B=B1+B2+B3	**330,933**	**1,145,672,009**	**142,133,786**	**1,287,805,795**	**62.33**	**1,145,672,009**	**60.00**	**1,240,447,471**

Details of Shares which remain unclaimed for public

Sr No.	Number of Shareholders	Outstanding shares held in demat or unclaimed suspense account	Voting rights which are frozen	Disclosure of notes on shares which remain unclaimed for public shareholders
1	1	1,283,112	-	-

IV. Statement showing shareholding pattern of the non-promoter- non-public shareholders

Category & name of the shareholders(i)	No. Of shareholder(iii)	No. Of fully paid up equity shares held(iv)	Nos. Of shares underlying depository receipts(vi)	Total no. Shares held(vii = iv+v+vi)	Shareholding % calculated as per SCRR, 1957 as a % of (a+b+c2)(viii)	Number of equity shares held in dematerialized form(xiv)(not applicable)	Category & name of the shareholders(i)
(C1) Custodian/DR Holder	0	0	-	-	0.00	-	0
(C2) Employee Benefit Trust	0	0	-	-	0.00	-	0

V. Details of disclosure made by the Trading Members holding 1% or more of the Total No. of shares of the Company: NIL

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and the Book Running Lead Managers and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See the sections "***Selling Restrictions***" *and* "***Transfer Restrictions***" *beginning on pages* 212 *and* 218*, respectively.*

Qualified Institutions Placement

The Issue is being made to QIBs in reliance upon Chapter VIII of the SEBI ICDR Regulations, Section 42 and Section 62 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, through the mechanism of a QIP wherein a listed company in India may issue and allot equity shares to QIBs on a private placement basis provided *inter alia* that:

- a special resolution approving the QIP is passed by shareholders of the issuer. Such special resolution must specify (a) that the allotment of equity shares is proposed to be made pursuant to a QIP; and (b) the relevant date;
- equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, have been listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution;
- the aggregate of the proposed issue and all previous QIPs made by the issuer in the same Fiscal does not exceed five times the net worth (as defined in the SEBI ICDR Regulations) of the issuer as per the audited balance sheet of the previous Fiscal;
- the issuer shall be in compliance with the minimum public shareholding requirements set out in the SCRR;
- the issuer shall have completed allotments with respect to any offer or invitation made earlier by the issuer or shall have withdrawn or abandoned any invitation or offer previously made by the issuer;
- the issuer shall offer to each allottee such number of equity shares in the issue which would aggregate to at least ₹ 20,000 calculated at the face value of the equity shares; and
- at least 10% of the equity shares issued to QIBs must be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other QIBs.

Bidders are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Additionally, there is a minimum pricing requirement for pricing the equity shares offered in a QIP under the SEBI ICDR Regulations. The floor price shall not be less than the average of the weekly high and low of the closing prices of the equity shares quoted on the stock exchange during the two weeks preceding the relevant date. Provided however that an issuer may offer a discount of not more than 5% on the price calculated for the QIP as above, subject to the approval of the shareholders by a special resolution pursuant to Regulation 82(a) of the SEBI ICDR Regulations.

The "relevant date" referred to above, means the date of the meeting in which the board of directors or the committee of directors duly authorized by the board of directors decides to open the proposed issue and the "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such equity shares has been recorded during the two weeks immediately preceding the relevant date.

Equity shares must be allotted within 12 months from the date of the shareholders resolution approving the QIP and also within 60 days from the date of receipt of application money from the successful applicants. The equity shares issued pursuant to the QIP must be issued on the basis of a placement document that shall contain all material information including the information specified in Schedule XVIII of the SEBI ICDR Regulations and Form PAS- 4.

The preliminary placement document and the placement document are private documents provided to only select QIBs, through serially numbered copies and are required to be placed on the website of the concerned stock exchanges and of the issuer with a disclaimer to the effect that they are in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

Securities allotted to a QIB pursuant to a QIP shall not be sold for a period of one year from the date of allotment except on a recognised stock exchange in India.

The minimum number of allottees for each QIP shall not be less than:

1. Two, where the issue size is less than or equal to ₹ 2,500 million; and

2. Five, where the issue size is greater than ₹ 2,500 million.

No single allottee shall be allotted more than 50% of the issue size or less than ₹ 20,000 of face value of Equity Shares. QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee for this purpose.

The issuer shall also make the requisite filings with the RoC, Stock Exchanges, and SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Our Company has filed a copy of the Preliminary Placement Document and will file a copy of this Placement Document with the Stock Exchanges.

Our Company has received the in-principle approval of the Stock Exchanges on March 2, 2017 in terms of Regulation 28(1) of the Listing Regulations for the Issue. The Board of Directors has authorized the Issue pursuant to a resolution passed at its meeting held on November 12, 2016. The shareholders of our Company have authorized the Issue pursuant to a special resolution passed at an extra-ordinary general meeting held on December 9, 2016.

The Equity Shares offered hereby have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Equity Shares have not been and will not be registered under the Securities Act of 1933, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) under the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act. For further information, see the sections "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 212 and 218, respectively.

Issue Procedure

1. Our Company and the Book Running Lead Managers shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic form or physical form, to QIBs and the Application Form shall be specifically addressed to such QIBs. Pursuant to section 42(7) of the Companies Act, 2013, our Company shall maintain complete record of the QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC and with SEBI within the stipulated time period as required under the Companies Act, 2013 and the rules made thereunder.

2. The list of QIBs to whom the Application Form is delivered shall be determined by the Book Running Lead Managers at their sole discretion. **Unless a serially numbered Preliminary Placement Document**

along with the Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such other person and any application that does not comply with this requirement shall be treated as invalid.

3. QIBs may submit the Application Form, including any revisions thereof, during the Bidding Period to the Book Running Lead Managers.

4. Bidders shall submit Bids for, and our Company shall issue and allot to each successful Allottee at least such number of Equity Shares in the Issue which would aggregate to ₹ 20,000 calculated at the face value of the Equity Shares.

5. QIBs will be required to indicate the following in the Application Form:

   (a) name of the QIB to whom Equity Shares are to be Allotted;

   (b) number of Equity Shares Bid for;

   (c) price at which they offer to apply for the Equity Shares provided that QIBs may also indicate that they are agreeable to submit a bid at "Cut-off Price" which shall be any price as may be determined by our Company in consultation with the Book Running Lead Managers at or above the Floor Price;

   (d) a representation that it is either (i) outside the United States, (ii) an institutional investor meeting the requirements of a "qualified institutional buyer" as defined in Rule 144A of the Securities Act and it has agreed to all the representations set forth in the Application Form; and

   (e) the details of the depository account(s) to which the Equity Shares should be credited.

   Note: Each sub-account of an FII, other than a sub-account which is a foreign corporate or a foreign individual, will be considered as an individual QIB and separate Application Forms would be required from each such sub-account for submitting the Application Forms. FIIs or sub-accounts of FIIs are required to indicate the SEBI FII / sub-account registration number in the Application Form.

6. Once a duly filled in Application Form is submitted by the QIB, such Application Form constitutes an irrevocable offer and the same cannot be withdrawn after the Bid/Issue Closing Date. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after the receipt of the Application Form.

7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Under the current regulations, the following restrictions are applicable for investments by Mutual Funds: No mutual fund scheme shall invest more than 10% of its net asset value in Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

8. Based on the Application Forms received, our Company shall, after closure of the Issue, in consultation with the Book Running Lead Managers, determine the final terms including the Issue Price and the number of Equity Shares to be issued pursuant to the Issue. We shall notify the Stock Exchanges of the Issue Price. The Company shall also intimate the Stock Exchanges about the meeting to decide the Issue Price, two working days in advance (excluding the date of the intimation and the date of the meeting). On determining the Issue Price and the QIBs to whom Allocation shall be made, the Book Running Lead Managers, shall on behalf of our Company, send the CANs along with a serially numbered Placement Document to the QIBs who have been Allocated Equity Shares either in electronic form or by physical delivery. The dispatch of the CANs shall be deemed a valid, binding and irrevocable contract for the QIBs to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIB, payment instructions including the details of the

amounts payable by the QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective QIBs.

Following the receipt of the CAN, each QIB would have to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price through electronic transfer to the Escrow Account by the Pay-in Date as specified in the CAN sent to the respective QIB. **Please note that the allocation shall be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Managers.**

9. No payment shall be made by QIBs in cash. Please note that any payment of application monies for the Equity Shares shall be made from the bank accounts of the relevant QIBs applying for the Equity Shares. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013.

10. Upon receipt of the application monies from the QIBs, our Company shall Allot Equity Shares as per the details in the CAN to the QIBs. Our Company will intimate the details of the Allotment to the Stock Exchanges.

11. After passing the resolution for Allotment, the Company will intimate to the Stock Exchanges the details of the Allotment and apply for approvals for listing of the Equity Shares on the Stock Exchanges prior to crediting the Equity Shares into the beneficiary account maintained with the Depository Participant by the Eligible QIBs.

12. After receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the Depository Participant accounts of the respective QIB in accordance with the details submitted by the QIBs in the Application Forms.

13. Our Company shall then apply to Stock Exchanges for the final trading and listing permission.

14. The Equity Shares that have been credited to the beneficiary account with the Depository Participant of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approval from Stock Exchanges.

15. Upon receipt of the final listing and trading approval from the Stock Exchanges, our Company shall inform the QIBs who have received Allotment of the receipt of such approval.

16. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approval granted by the Stock Exchanges is also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from Stock Exchanges or our Company.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Regulation 86(1)(b) of Chapter VIII of the SEBI ICDR Regulations are eligible to invest in the Issue. Under Regulation 86(1)(b) of the SEBI ICDR Regulations, no Allotment shall be made, either directly or indirectly, to any QIB who is a Promoter or any person related to the Promoters. Currently QIBs include:

- Alternate investment funds registered with SEBI;
- Eligible FPIs;
- Foreign venture capital investors registered with SEBI;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India;
- Multilateral and bilateral development financial institutions;
- Mutual funds registered with SEBI;

- Pension Funds with minimum corpus of ` 250 million;
- Provident Funds with minimum corpus of ` 250 million;
- Public financial institutions as defined in section 2(72) of the Companies Act, 2013;
- Scheduled commercial banks;
- State industrial development corporations;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Venture capital funds registered with SEBI.

Foreign Portfolio Investors are permitted to participate in the Issue subject to compliance with applicable law and such that the shareholding of the Foreign Portfolio Investors does not exceed specified limits as prescribed under applicable law in this regard.

All non-resident QIBs shall ensure that the investment amount is paid as per RBI's notification no. FEMA 20/2000 – RB dated May 3, 2000, as amended from time to time.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to be 10.00% or above of our post-Issue Equity Share capital. Further, in terms of the FEMA, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of our paid-up Equity Share capital. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our Company. The existing limit for FIIs and FPIs in our Company has been increased to 40% of the paid up capital of our Company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Subject to trailing condition, an FII or sub-account of an FII may participate in the Issue until the expiry of its registration as a FII or sub-account or until it obtains a certificate of registration as FPI, whichever is earlier. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of FEMA 20, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Under Regulation 86(1)(b) of the SEBI ICDR Regulations, no allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being our Promoter or any person related to our Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoters:

(i) Rights under a shareholders' agreement or voting agreement entered into with our Promoter or persons related to our Promoter;

(ii) Veto rights; or

(iii) A right to appoint any nominee director on the Board.

Provided however that a QIB which does not hold any Equity Shares in our Company and who has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be a person related to the Promoter.

Neither our Company nor the Book Running Lead Managers nor any of their respective directors, officers, counsels, advisors, representatives, agents or affiliates are liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single Application Form from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that any requisite compliance pursuant to this Allotment such as public disclosures under applicable laws is complied with. QIBs are advised to consult their advisers in this

regard. Furthermore, QIBs are required to satisfy themselves that their Application Form would not eventually result in triggering a tender offer under the Takeover Regulations.

Note: Affiliates or associates of the Book Running Lead Managers who are QIBs may participate in the Issue subject to compliance with applicable laws.

Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part thereof may be Allotted to other QIBs.

Bid Process

Application Form

QIBs are permitted to only use the serially numbered Application Forms (which is addressed to the QIB) supplied by our Company and the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including any revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including revisions thereof) for Equity Shares pursuant to the terms of the Preliminary Placement Document, each QIB will be deemed to have made the following representations and warranties, and the representations, warranties, acknowledgements and agreements made under "*Representations by Investors*". The representations listed in this section shall be included in the Application Form:

1. The QIB confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI ICDR Regulations and has a valid and existing registration under the applicable laws of India and is eligible to participate in the Issue and is not excluded under Regulation 86 of the SEBI ICDR Regulations;

2. The QIB confirms that it is not a Promoter of our Company and is not a person related to the Promoter of our Company, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or a person related to the Promoter of our Company;

3. The QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or persons related to the Promoters, no veto rights or right to appoint any nominee director on the Board of our Company other than such rights acquired in the capacity of a lender (not holding any Equity Shares) which shall not be deemed to be a person related to the Promoters;

4. The QIB acknowledges that it has no right to withdraw its Bid after the Bid/Issue Closing Date;

5. The QIB confirms that if Equity Shares are Allotted pursuant to the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;

6. The QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted and together with any Equity Shares held by the QIB prior to the Issue. The QIB further confirms that its holding of the Equity Shares does not, and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

7. The QIB confirms that the Bids will not eventually result in triggering an open offer under the Takeover Regulations;

8. The QIB confirms that, to the best of its knowledge and belief, together with other QIBs in the Issue that belongs to the same group or are under common control, the Allotment to the QIB shall not exceed 50% of the Issue Size. For the purposes of this statement:

   (a) The expression "belongs to the same group" shall derive meaning from the concept of "companies under the same group" as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and

   (b) "Control" shall have the same meaning as is assigned to it by Clause 1(e) of Regulation 2 of the Takeover Regulations.

9. The QIBs shall not undertake any trade in the Equity Shares credited to its Depository Participant account until such time that the final listing and trading approval for the Equity Shares is issued by the Stock Exchanges.

10. The QIB acknowledges, represents and agrees that in the event its total interest in the paid-up share capital of our Company or voting rights in our Company, whether direct or indirect, beneficial or otherwise (any such interest, your "**Holding**"), when aggregated together with any existing Holding and/or Holding of any of the persons acting in concert, results in Holding of 5.00% or more of the total paid-up share capital of, or voting rights in, our Company a disclosure of the aggregate shareholding and voting rights will have to be made under the Takeover Regulations. In case such QIB is an existing shareholder who, together with persons acting in concert, holds 5.00% or more of the underlying paid up share capital of, or voting rights in our Company a disclosure will have to be made under the Takeover Regulations in the event of a change of 2% or more in the existing Holding of the QIB and persons acting in concert.

11. The QIB confirms that:

    a. If it is within the United States, it is a U.S. QIB who is, or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the requirement of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate;

    b. If it is outside the United States, it is purchasing the Equity Shares in an offshore transaction in reliance on Regulation S under the U.S. Securities Act, and is not our affiliate or a person acting on behalf of such an affiliate.

12. It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of the Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on page 1, 3, 212, and 218, respectively.

QIBs MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. FOR THIS PURPOSE, ELIGIBLE SUB-ACCOUNTS OF AN FII WOULD BE CONSIDERED AS AN INDEPENDENT QIB.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE QIB SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE. IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as an address and a bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by the QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for its share of Allotment (as indicated by the CAN) and becomes a binding contract on the QIB, upon issuance of the CAN by the Issuer in favour of the QIB.

Submission of Application Form

All Application Forms shall be required to be duly completed with information including the name of the QIB, the price and the number of Equity Shares applied. The Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at the following addresses:

Name of the BRLMs	Address	Contact Person	Email	Phone

Name of the BRLMs	Address	Contact Person	Email	Phone
DSP Merrill Lynch Limited	Ground Floor, "A" Wing, One BKC, "G" Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 051	Ranjan Sharma	ranjan.sharma@baml.com	Tel: +91 22 6632 8056 Fax: +91 22 2204 8518
Axis Capital Limited	Axis House, 8th floor, Wadia International Centre, P. B. Marg, Worli, Mumbai 400 025	G Venkatesh	venkatesh.iyer@axiscap.in	Tel: +91 22 4325 5587 Fax: +91 22 4325 4599
Citigroup Global Markets India Private Ltd.	1202, 12th Floor, First International Finance Centre, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051	Natwar Parmar	primary.indiaops@citi.com	Tel: +91 22 6175 9984 Fax: +91 22 6175 9973
JM Financial Institutional Securities Limited	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025	Neha Agarwal	Neha.agrawal@jmfl.com	Tel: +91 22 6630 3030 Fax: +91 22 6630 3330
SBI Capital Markets Limited	202, Maker Tower 'E', Cuffe Parade Mumbai – 400 005	Akhilesh Yadav	akhilesh.yadav@sbicaps.com	Tel: +91 22 2217 8844 Fax No: +91 22 2218 8332

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the same.

Permanent Account Number or PAN

Each QIB should mention its Permanent Account Number ("**PAN**") allotted under the IT Act. **The copy of the PAN card is required to be submitted with the Application Form.** Bids without this information will be considered incomplete and is liable to be rejected. It is to be specifically noted that applicant should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

Build-up of the book

The QIBs shall submit their Bids (including the revision thereof) through the Application Form within the Bidding Period to the Book Running Lead Managers. The book shall be maintained by the Book Running Lead Managers.

Price discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price for the Equity Shares, which shall be at or above the Floor Price.

After finalisation of the Issue Price, our Company shall update the Preliminary Placement Document with the Issue details and file the same with Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VIII of the SEBI ICDR Regulations.

Bids received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Application Form being received at or above the Issue Price.

THE DECISION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL QIBs. QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASONS FOR SUCH NON-ALLOCATION.

All Application Forms duly completed along with payment and a copy of the PAN card or PAN allotment letter shall be submitted to the Book Running Lead Managers as per the details provided in the respective CAN.

CAN

Based on the Application Forms received, our Company, in consultation with the Book Running Lead Managers, will, in its sole and absolute discretion, decide the list of QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of the same in their respective names shall be notified to such QIBs. Additionally, the CAN would include details of Escrow Account into which such payments would need to be made, Pay-In Date as well as the probable designated date ("**Designated Date**"), being the date of credit of the Equity Shares to the QIB's account, as applicable to the respective QIBs.

The QIBs who have been Allotted Equity Shares pursuant to the Issue, would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the CAN to the QIB shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by the Book Running Lead Managers and our Company and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

QIBs ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOCATED / ALLOTTED TO THEM PURSUANT TO THE ISSUE.

Bank Account for the Payment of Bid Money

Our Company has opened an escrow account titled "Hindalco Industries Limited – QIP 2017" (the "**Escrow Account**") with the Escrow Bank in terms of the arrangements amongst our Company, the Book Running Lead Managers and (acting as the Escrow Bank). The QIBs will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in their respective CAN.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques are liable to be rejected.

If the payment is not made favouring the Escrow Account within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled.

In case of cancellations or default by the QIBs, our Company and the Book Running Lead Managers have the right to re-allocate the Equity Shares at the Issue Price among existing or new QIBs at their sole and absolute discretion, subject to the compliance with the requirements of the Companies Act, 2013 and the SEBI ICDR Regulations.

Our Company undertakes to utilise the amount in the Escrow Account only for the purposes of: (i) adjustments against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if our Company is not able to Allot Equity Shares in the Issue.

Designated Date and Allotment of Equity Shares

1. The Equity Shares will not be Allotted unless the QIBs pay the Issue Price to the Escrow Account as stated above.
2. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN for the QIBs who have paid the aggregate subscription amounts as stipulated in the CAN.
3. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.
4. Our Company reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.
5. Post receipt of the listing approval of the Stock Exchanges, the Issuer shall credit the Equity Shares into the Depository Participant account of the QIBs.
6. Following the Allotment and credit of Equity Shares pursuant to the Issue into the QIBs Depository Participant account, our Company will apply for final listing and trading approval for trading on the Stock Exchanges.
7. In the event our Company is unable to Issue and Allot the Equity Shares or on cancellation of the Issue, within 60 days from the date of receipt of application money, in accordance with section 42 of the Companies Act, 2013 our Company shall repay the application money within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at the rate of 12% per annum from expiry of the 60^{th} day. The application money to be refunded by us shall be refunded to the same bank account from which application money was remitted by the QIBs.
8. The Escrow Bank shall release the monies lying to the credit of the Escrow Bank Account to our Company after the receipt of the final listing and trading approval from the Stock Exchanges.
9. In case of QIBs who have been Allotted more than 5% of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such QIB to Stock Exchanges and Stock Exchanges shall make the same available on their website.

Other Instructions

Our Right to Reject Bids

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reasons whatsoever. The decision of our Company and the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding.

Equity Shares in dematerialised form with NSDL or CDSL

1. The Allotment of the Equity Shares in the Issue shall be only in dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).
2. A QIB applying for Equity Shares must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid.
3. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.
4. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.
5. The trading of the Equity Shares would be in dematerialised form only for all QIBs in the demat segment of BSE.
6. Our Company will not be responsible or liable for the delay in the credit of the Equity Shares due to errors in the Application Forms or on part of the QIBs.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into a placement agreement with our Company dated March 2, 2017 (the "**Placement Agreement**"), pursuant to which the Book Running Lead Managers have agreed to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription for Equity Shares, on a reasonable efforts basis, to be placed with the QIBs, pursuant to Chapter VIII of the SEBI ICDR Regulations.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Managers, and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs.

In connection with the Issue, the Book Running Lead Managers (or their respective affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. See the section "***Offshore Derivative Instruments***" beginning on page 8.

From time to time, the Book Running Lead Managers, and their affiliates and associates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, our Subsidiaries, group companies, affiliates and the shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their affiliates and associates.

Lock-up

Certain of our Promoter and Promoter Group have agreed with the Book Running Lead Managers that, between the date hereof and the date that is 90 days from the Closing Date ("**Lock-up Period**"), they will not, without the prior written consent (which consent shall not be unreasonably withheld) of the Book Running Lead Managers:

(a) offer, lend, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, including but not limited to any options or warrants to purchase any Equity Shares, global depositary receipts or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, Equity Shares or global depositary receipts regardless of whether any such transaction is to be settled by delivery of Equity Shares or Equity Shares represented by global depository receipts or other such securities convertible into Equity Shares, in cash or otherwise;

(b) enter into any swap or other agreement or transaction that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for any of the Equity Shares or global depositary receipts regardless of whether any such transaction is to be settled by delivery of Equity Shares or Equity Shares represented by global depository receipts or other such securities convertible into Equity Shares, in cash or otherwise;

(c) deposit any of the Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or which carry the rights to subscribe for or purchase the Equity Shares, with any depositary in connection with a depositary receipt facility; or

(d) publicly announce any intention to enter into any transaction described in (a) to (c) above, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Promoter Shares in any depositary receipt facility regardless of whether any such transaction described in (a) to (c) above is to be settled by delivery of Equity Shares, global depositary receipts or such other securities convertible into Equity Shares, in cash or otherwise.

SELLING RESTRICTIONS

The distribution of this Placement Document or any offering material and the offering, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

General

No action has been or will be taken in any jurisdiction by our Company or the Book Running Lead Managers that would permit a public offering of the Equity Shares or the possession, circulation or distribution of this Placement Document or any other material relating to our Company or the Equity Shares in the Issue in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares in the Issue may not be offered or sold, directly or indirectly and neither this Placement Document nor any other offering material or advertisements in connection with the Equity Shares issued pursuant to the Issue may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on our Company or the Book Running Lead Managers. The Issue will be made in compliance with the SEBI ICDR Regulations. Each subscriber of the Equity Shares in the Issue will be required to make, or will be deemed to have made, as applicable, the acknowledgments and agreements as described under the sections "***Notice to Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on pages 1, 212 and 218, respectively.

United States

The Equity Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered (1) in the United States to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) of the Securities Act and (2) outside the United States in reliance upon Regulation S.

Each purchaser of the Equity Shares will be deemed to have made the representations, agreements and acknowledgements as described under the section titled "***Transfer Restrictions***".

United Kingdom

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") received in connection with the issue or sale of any Equity Shares in which section 21(1) of FSMA does not apply to the Issuer has been only communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom. All applicable provisions of FSMA with respect to anything done in relation to the Equity Shares in, from or otherwise involving the United Kingdom has been complied and will be complied with.

United Arab Emirates (excluding Dubai International Financial Centre)

The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Dubai International Financial Centre

The Equity Shares have not been and will not be offered to any person in the Dubai International Financial Centre unless such offer is an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the DFSA rulebook; and made only to persons who meet the "Professional Client" criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA.

Australia

This Placement Document and the offer of Equity Shares are only made available in Australia to persons to whom a disclosure document is not required to be given under Chapter 6D of the Australian Corporations Act 2001 and has not been and will not be lodged or registered with the Australian Securities & Investments Commission or any other regulatory body or agency in Australia. This Placement Document is not a prospectus, product disclosure statement or any other form of formal "disclosure document" for the purposes of the Australian Corporations Act 2001and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian Corporations Act 2001. (i) The offer of the Equity Shares under this Placement Document is only made to persons to whom it is lawful to offer the Equity Shares without a disclosure document such as a professional investor or sophisticated investor for the purposes of Chapter 6D of the Australian Corporations Act; (ii) this Placement Document is made available in Australia to persons as set forth in clause (i) above; and by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (ii) above and agrees not to sell or offer for sale within Australia any Equity Shares sold to the offeree within 12 months after their transfer to the offeree under this Placement Document.

Bahrain

No invitation to the public in the Kingdom of Bahrain to subscribe for the Equity Shares will be made and this Placement Document will not be issued, passed to, or made available to the public generally.

Canada

Prospective Canadian investors are advised that the information contained within this Placement Document and any other offering material relating to the Equity Shares has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within this Placement Document and any other offering material relating to the Equity Shares and as to the suitability of an investment in the Equity Shares in their particular circumstances.

The offer and sale of the Equity Securities in Canada will only be made under exemptions from the requirement to file a prospectus with the Canadian securities regulators and will be made only by authorized dealer representatives that are properly registered under the laws of the relevant Canadian jurisdictions or, alternatively, that are entitled to rely on exemptions from the dealer registration requirements in the relevant Canadian jurisdictions.

The Equity Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions ("NI 45-106") or subsection 73.3(1) of the Securities Act (Ontario), and that are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Placement Document or any other offering material constituting an "offering memorandum" under applicable Canadian securities laws (including any amendment to any such documents) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the parties to this offering, including the Company and the Book Running Lead Managers, are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of Equity Securities.

Prospective Canadian purchasers are hereby notified that: (a) the Company may be required to provide personal information pertaining to the purchasers as required to be disclosed in Schedule I of Form 45-106F1 under NI 45-106 (including, without limitation, the purchaser's name, address, telephone number and the aggregate purchase price of any Equity Securities purchased) ("personal information"), which Form 45-106F1 may be required to be filed by the Company under NI 45-106, (b) such personal information may be delivered to the Ontario Securities Commission (the "OSC") in accordance with NI 45-106, (c) such personal information is collected indirectly by the OSC under the authority granted to it under the securities legislation of Ontario, (d) such personal information is collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and (e) the public official in Ontario who can answer questions about the OSC's indirect collection of such personal information is the Administrative Support Clerk at the OSC, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone: (416) 593-3684. Prospective Canadian purchasers that purchase Equity Securities in this offering will be deemed to have authorized the indirect collection of the personal information by the OSC, and to have acknowledged and consented to its name, address, telephone number and other specified information, including the aggregate purchase price paid by the purchaser, being disclosed to other Canadian securities regulatory authorities, and to have acknowledged that such information may become available to the public in accordance with requirements of applicable Canadian laws.

Upon receipt of this Placement Document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Equity Securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Cayman Islands

No offer to invitation has been made and will not, either directly or indirectly, be made to the public in the Cayman Island to subscribe for any Equity Shares.

The People's Republic of China

No offer or sale has been made or will be made of the Equity Shares in the PRC (excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan) as part of the initial distribution of the Equity Shares.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), no offer has been made or will be made to the public of any Equity Shares which are the subject of the Issue contemplated by this Placement Document in that Relevant Member State, except that the Equity Shares may be offered to the public in that Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity which is a qualified investor, as defined in the Prospectus Directive (as defined below);
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Book Running Lead Managers nominated by the Company for any such offer; or
- at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Equity Shares shall result in a requirement for the publication by the Issuer or the Book Running Lead Managers of a prospectus or the initial purchaser of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer to the public in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2003/71/EC), and includes any relevant implementing measure in the Relevant Member State.

Hong Kong

This Placement Document has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, (i) the Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to ‘‘professional investors’’ as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus’’ as defined in the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and no advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to ‘‘professional investors’’ as defined in the Securities and Futures Ordinance and any rules made under that Ordinance has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended; the FIEA). No offer or sale of any Equity Shares has been made or will be made, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act (the FSCMA). No offer, sale or delivery, directly or indirectly, has been made or will be made in Korea or to any Korean resident (as such term is defined in the Foreign Exchange Transaction Law) for a period of one year from the date of issuance of the Equity Shares, except (i) to or for the account or benefit of a Korean resident which falls within certain categories of "professional investors" as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, in the case that the Equity Shares are issued as bonds other than convertible bonds, bonds with warrants or exchangeable bonds, and where other relevant requirements are further satisfied, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Kuwait

The Equity Shares have not been and will not be offered, sold, promoted or advertised by it in Kuwait other than in compliance with Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities. No private or public offering of the Equity Shares is being made in Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in Kuwait.

Malaysia

At issuance, the Equity Shares shall only be offered, sold or otherwise disposed of directly or indirectly to a person to whom an offer or invitation to subscribe the Equity Shares may be made and to whom the Equity Shares are issued which would fall within Schedule 6 or Section 229(1)(b) of the Capital Market and Services Act 2007 (CMSA) or Schedule 7 or Section 230(1)(b) of the CMSA read together with Schedule 8 or Section 257(3) of the CMSA at issuance. Thereafter, the Equity Shares shall only be offered, sold, transferred or otherwise disposed of directly or indirectly to a person to whom an offer or invitation to purchase the Equity Shares would fall within Schedule 6 or Section 229(1)(b) of the CMSA read together with Schedule 8 or Section 257(3) of the CMSA.

Mauritius

No offer or sale of any Equity Shares will be made in Mauritius. Neither this Placement Document, nor any other offering material or information contained herein relating to the offer of the Equity Shares, may be treated as a prospectus for the purpose of the Securities Act 2005 of Mauritius or be released or issued to the public in Mauritius or used in connection with any such offer. Moreover this Placement Document does not constitute an offer made to sell the Equity Shares to the public in Mauritius. For the purpose of the Securities Act 2005 of Mauritius, the Equity Shares will only be issued to sophisticated investors (which term means that they subscribe for a minimum amount of US$200,000 and they are either (i) QIBs in the United States or (ii) qualified investors (as defined in Directive 2003/71/EC, as amended)).

Qatar (excluding Qatar Financial Centre)

No offer, delivery or sale has been made or will be made at any time, directly or indirectly, of any Equity Shares in the State of Qatar, except: (i) in compliance with all applicable laws and regulations of the State of Qatar; and through persons or corporate entities authorized and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the Securities and Futures Act). Accordingly, the Equity Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Placement Document or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Equity Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following relevant persons specified in Section 275 of the Securities and Futures Act who has subscribed for or purchased shares, namely a person who is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

- should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 of the Securities and Futures Act except:

- to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person or to any person pursuant to Section 275(2) of the Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;

- where no consideration is or will be given for the transfer;

- where the transfer is by operation of law;

- pursuant to Section 276(7) of the Securities and Futures Act; or

- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulation 2005 of Singapore.

Switzerland

Swiss professional investors may freely purchase Equity Shares directly from the Book Running Lead Managers who are not resident in Switzerland and/or conducting business activities in or from Switzerland.

Should a Swiss securities book running lead manager be involved in the transaction, such manager must be licensed in such capacity with the Swiss Financial Market Supervisory Authority FINMA. A securities book running lead manager as a matter of Swiss law is "any natural person, legal entity or partnership who buys and sells securities, in a professional capacity, on the secondary market, either for its own account with the intent of reselling them within a short period of time or for the account of third parties, or makes public offers of securities to the public on the primary market, or creates derivatives and offers them to the public": Article 2(d) of the Federal Law on Stock Exchange and Securities Trading of 24th March, 1995; translation published by SIX Swiss Exchange in the Manual of SIX Swiss Exchange Vol. I. Securities as a matter of Swiss law are "standardised certificates which are suitable for mass trading, rights not represented by a certificate with similar functions (book-entry securities) and derivatives": Article 2(a) of the same Act; translation, op. cit.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VIII of the SEBI ICDR Regulations, successful Bidders are not permitted to sell the Equity Shares Allotted pursuant to the Issue for a period of one year from the date of Allotment, except on the Stock Exchanges. Additionally, purchasers are deemed to have represented, agreed and acknowledged as below with respect to purchase and sale of Equity Shares.

U.S. Transfer Restrictions

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Each purchaser of the Equity Shares in the United States is deemed to have represented, agreed and acknowledged as follows:

- It (A) is a "qualified institutional buyer" (as defined in Rule 144A) and (B) is aware that the sale of the Equity Shares to it is being made in reliance on an exemption under the Securities Act.

- It is acquiring the Equity Shares for its own account or for the account of one or more eligible U.S. investors (i.e., "qualified institutional buyers", as defined above), each of which is acquiring beneficial interests in the Equity Shares for its own account.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Equity Shares have not been and will not be registered under the Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the Securities Act.

- It will notify any transferee to whom it subsequently offers, sells, pledges or otherwise transfers and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.

- It acknowledges that if at any time its representations cease to be true, it agrees to resell the Equity Shares at our Company's request.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or the Book Running Lead Managers for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in the Issue for its own investment and not with a view to distribution.

- It has been provided access to the Preliminary Placement Document and this Placement Document which it has read in its entirety.

- It agrees to indemnify and hold our Company and the Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of our Company or the Book Running Lead Managers liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorized in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It acknowledges that our Company and the Book Running Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify our Company and the Book Running Lead Managers.

Each purchaser of the Equity Shares outside the United States is deemed to have represented, agreed and acknowledged as follows:

- It is authorized to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S) or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is not located outside the United States (within the meaning of Regulation S).

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- The Equity Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Equity Shares have not been and will not be registered under the Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the Securities Act.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or any of the Book Running Lead Managers for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, and (iv) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in the Issue for its own investment and not with a view to distribution.

- It agrees to indemnify and hold our Company and the Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of our Company or the Book Running Lead Mangers liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorized in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It acknowledges that our Company and the Book Running Lead Managers and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify our Company and the Book Running Lead Managers.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"). On June 20, 2012, SEBI, in exercise of its powers under the SCRA and the Securities and Exchange Board of India Act, 1992, as amended from time to time (the "**SEBI Act**"), notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (the "**SCR (SECC) Rules**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, FIIs, FPIs, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

Minimum Level of Public Shareholding

All listed companies are required to ensure a minimum public shareholding at 25%. Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Delisting

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges which were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, the BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. The NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” and the “derivatives” segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading (or “BOLT”) facility in 1995. This totally automated screen based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading (or “NEAT”), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**Takeover Regulations**"), which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Insider Trading Regulations

The SEBI (Prohibition of Insider Trading) Regulations, 2015 have been notified by SEBI to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing either on his own behalf or on behalf of any other person, in the securities of a listed company or a company proposed to be listed when in possession of unpublished price sensitive information.

The Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a predefined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person who has a connection with the company that is expected to put him in possession of unpublished price sensitive information.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association, the Companies Act. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company is ₹ 2,550.0 million, consisting of 2,500,000,000 Equity Shares of ₹ 1 each, and 25,000,000 redeemable cumulative preference shares of ₹ 2 each.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a smaller dividend in the general meeting. In addition, as is permitted by the Articles of Association, the Board of the Directors may pay interim dividend as appear to it be justified by the profits of our Company, subject to the requirements of the Companies Act.

The Equity Shares issued pursuant to this Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Capitalisation of Reserves and Issue of Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus ordinary shares, which are similar to stock dividend. These bonus ordinary shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to SEBI ICDR Regulations and the Companies Act, 2013.

As per the Articles of Association, upon resolution in the general meeting, on recommendation of the Board of Directors, our Company may capitalise and distribute amongst the shareholders any amount standing to the credit of Company's reserve accounts and to the credit of the profit and loss account or otherwise. However, aforesaid distribution shall not be made in cash.

Pre-Emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62 of the Companies Act, 2013 such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the Board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the shareholders of our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash of for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our Company's shareholders in a general meeting.

The Articles of Association authorize it to, from time to time, increase its share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. Subject to the provisions of Section 61 of the Companies Act, 2013, the Company may, by ordinary resolution, (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. The Articles of Association also provide that our Company may issue shares with differential rights as to dividend, voting or otherwise and securities on a preferential basis, subject to the compliance with requirements under the Companies Act and the rules thereto, or any other applicable law in force.

General Meetings of shareholders

There are two types of general meetings of the shareholders:

(i) AGM; and

(ii) EGM.

Our Company must hold its AGM within six months after the expiry of each fiscal year provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. Unless, the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

A company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands, every member present in person shall have one vote; and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.

A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the

Companies Act, 2013.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and any related SEBI guidelines issued in connection therewith.

Liquidation Rights

If the Company is wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution but subject to the rights attached to any preference share capital, divide amongst the contributories, *in specie* or in kind, the whole or any part of the assets of the Company and may, with the same sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO HINDALCO INDUSTRIES LIMITED AND ITS SHAREHOLDERS

To The Board of Directors
Hindalco Industries Limited
Century Bhawan
Dr Annie Besant Road
Mumbai 30

Dear Sirs,
We hereby confirm that the enclosed Annexure, prepared by Hindalco Industries Limited (the Company'), states the possible Tax Benefits available to the Company and the shareholders of the Company under the Income - tax Act, 1961 ('Act') presently in force in India. These tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

We are informed that the shares of the Company are listed on a recognized stock exchange in India and the company will be issuing shares to Qualified Institutional Buyers (QIBs). The Annexure has been prepared for inclusion in the Preliminary Placement Document and Placement Document for the proposed issue of shares to QIB.

The Tax benefits discussed in the enclosed statement are neither exhaustive nor conclusive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We draw attention that direct tax changes proposed by Finance Act 2017 has not be considered and updated in Tax Benefit Statement, since the proposed changes are yet to be enacted as law.

Our confirmation is based on the information, explanations and representations obtained from the Company. We do not express an opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these benefits in future;
ii) the Company has availed of any of these benefits in the past;
iii) the Company has fulfilled the requisite conditions in the past to obtain these benefits;
iv) the conditions prescribed for availing the benefits, where applicable have been/would be met;
v) the revenue authorities/courts will concur with the view expressed herein.

We hereby give our consent to include enclosed statement regarding the possible tax benefits and implications available to the Company and to its shareholders/ investors in the Preliminary Placement Document and Placement Document for the proposed issue which the Company intends to submit to the Securities and Exchange Board of India. This letter is to be treated as an integral part of the enclosed statement of the possible tax benefits.

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

(Rajiv Singhi)
Partner
Membership No. 053518

Place: Kolkata
Date: 2nd March, 2017

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

In general, a person who is "resident" in India in a FY is subject to tax in India on its global income. In the case of a person who is "non-resident" in India, only the income that is received or deemed to be received or that accrues or arises in or is deemed to accrue or arise to such person in India is subject to tax in India. As per explanation 5 to sub section (1) to section 9 of the Act, an asset or a capital asset being any share or interest in a company or entity registered or incorporated outside India shall be deemed to be and shall always be deemed to have been situated in India, if the share or interest derives, directly or indirectly, its value substantially from the assets located in India. Attention is also invited to explanations 6 and 7 to sub section (1) to section 9 of the Act on this matter.

In the instant case, the income from the equity shares of the Company would be considered to accrue or arise in India, and would be taxable in the hands of all categories of tax payers irrespective of their residential status unless specifically exempt, as detailed later. However, a relief may be available under applicable Double Taxation Avoidance Agreement (DTAA) to certain non-residents/investors.

For these purposes, 'Non-Resident' means a person who is not a resident in India. For purposes of the Income Tax Act, 1961, an individual is considered to be a resident of India during any financial year if he or she is in India in that year for:

- a period or periods amounting to 182 days or more; or
- 60 days or more if within the four preceding years he/she has been in India for a period or periods amounting to 365 days or more; or
- 182 days or more, in the case of a citizen of India or a person of Indian origin living abroad who visits India and within the four preceding years has been in India for a period or periods amounting to 365 days or more; or
- 182 days or more, in the case of a citizen of India who leaves India for the purposes of employment outside India in any previous year and has within the four preceding years been in India for a period or periods amounting to 365 days or more.

A company is said to be a resident in India in any previous year if it is an Indian Company; or its place of effective management, in that year, is in India. A firm or other association of persons is resident in India except where the control and management of its affairs is situated wholly outside India.

The following is based on the provisions of Indian tax laws as of the date hereof, which are subject to change, possibly on a retroactive basis.

This summary is not intended to constitute a complete analysis of the Indian tax consequences to any particular Non-Resident holders. Individual tax consequences of an investment in equity shares may vary for Non-Residents in various circumstances, and potential investors should therefore consult their own tax advisers as to the tax consequences of such purchase, ownership and disposition under the tax laws of India, the jurisdiction of their residence and any tax treaty between India and their country of residence.

The Income Tax Act, 1961 is revised by the Finance Act every financial year. Finance Bill 2017 has been place before the parliament. However, we have not considered the changes proposed therein as the same has not been enacted as law uptill now.

As per the taxation laws in force, the tax benefits/consequences as applicable, to the Qualified Institutional Investors (not being individuals or HUFs) investing in the Equity Shares of the Company are stated as follows:

STATEMENT OF TAX BENEFITS AVAILABLE

1. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY

The following benefits are available to the Company after fulfilling conditions as per the respective provisions of the relevant tax laws.

i. Dividends

Exemption u/s 10(34) of the IT Act

As per section 10(34) of the IT Act, any income by way of dividends referred to in section 115-O from a domestic company is exempt from tax in the hands of the company. Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

However, in view of the provisions of Section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, Section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

Exemption u/s 10(35) of the IT Act

As per section 10(35) of the IT Act, the following incomes will be exempt in the hands of the company –

a) Income received in respect of the units of a mutual fund specified under clause (23D) of Section 10 of the IT Act; or
b) Income received in respect of units from the administrator of the specified undertaking; or
c) Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of units of the administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

However, in view of the provisions of Section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, Section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

As per section 94(8) of the IT Act, if an investor purchases units within three months prior to the record date for entitlement of bonus, is allotted bonus units without any payment on the basis of holding original units on the record date and such person sells / redeems the original units within nine months of the record date, then the loss arising from sale/ redemption of the original units will be ignored for the purpose of computing income chargeable to tax and the amount of loss ignored shall be regarded as the cost of acquisition of the bonus units.

ii. Income from buy back of shares

Exemption u/s 10(34A) of the IT Act

As per section 10(34A) of the IT Act, any income arising to the Company being a shareholder, on account of buy back of shares (not being listed on a recognized stock exchange) by a company as referred to in section 115QA of the IT Act will be exempt from tax. Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

iii. Profits and Gains of Business or Profession

Under Section 35(1)(i) and Section 35(1)(iv) of the IT Act, in respect of any revenue or capital expenditure incurred respectively, other than expenditure on the acquisition of any land, on scientific research related to the business of the company are allowed as deduction against the income of Company.

Under Section 35(1)(ii) of the IT Act, any sum paid to a research association which has as its object, the undertaking of scientific research or to a university, college or other institution to be used for scientific research is eligible for weighted deduction to the extent of one and three-fourth times (175%) of the sum so paid. This weighted deduction is available to amounts paid to approved research association, university, college or institution.

Under Section 35(1)(iia) of the IT Act any sum paid to a company registered in India which has as its main object the conduct of scientific research and development and is approved by the prescribed authority and fulfills such conditions as may be prescribed shall be liable to deduction at one and one fourth times (125%) of the amount so paid.

Where the Company pays any sum to a National Laboratory or a University or an Indian Institute of Technology or specified person referred to in section 35(2AA) of the IT Act with a specific direction that the said sum shall be used for scientific research undertaken under a programme approved in this behalf by prescribed authority, the deduction shall be allowed of a sum equal to two times (200%) of the sum so paid.

As per section 35AC of the IT Act, a deduction of the amount of expenditure incurred by way of payment of any sum to a public sector company or a local authority or to an association or institution approved by the National committee for carrying out any eligible project or scheme, is allowable while computing income from profits and gains of business or profession.

In case the Company or any of its subsidiary companies is engaged in any of the specified businesses as prescribed in Section 35AD of the IT Act, there shall be allowed a deduction of 100% or 150% of the capital expenditure incurred except cost of land, goodwill or any financial instruments depending on the type and nature of the business and the date on which such business commenced as prescribed in Section 35AD.

As per section 35CCD of the IT Act, a weighted deduction to the extent of one and one-half times (150%) of the amount of expenditure incurred (other than cost of land and building) on any skill development project notified by the Board, is allowable while computing income from profits and gains of business or profession. However, this deduction is restricted to amount of expenditure with effect from assessment year beginning on or after the first day of April, 2021.

Subject to certain conditions, Section 35D of the IT Act provides for deduction of specified preliminary expenditure incurred before the commencement of the business or after the commencement of business in connection with the extension of the undertaking or in connection with the setting up a new unit. The deduction allowable is equal to one-fifth of such expenditure incurred for each of the five successive previous years beginning with the previous year in which the business commences.

Under Section 35DD of the IT Act, the Company will be entitled to a deduction equal to 1/5th of the expenditure incurred in connection with Amalgamation or Demerger of an undertaking by way of amortization over a period of 5 successive years, beginning with the previous year in which the amalgamation or demerger takes place.

Under Section 35DDA of the IT Act, the company is entitled to a deduction equal to 1/5th of the expenditure incurred in connection Vountary Retirement Scheme by way of amortization over a period of 5 successive years.

iv. Depreciation

The Company is entitled to claim depreciation on specified tangible and intangible assets owned and used by it for the purpose of its business as per provisions of section 32 of the IT Act.

v. Section 32AC of the Act provides for one-time additional deduction at the rate of 15% on new assets acquired and installed by the assessee subject to fulfilment of certain conditions

vi. Section 80-IA of the Act provides for deduction of profit and gain derived by an undertaking or an enterprise from business referred to sub section (4) an amount equal to hundred per cent for ten consecutive assessment year out of 15 years beginning from the year in which undertaking starts operations.

vii. Carry forward and Set Off of Business loss and unabsorbed depreciation

Business loss (other than speculative loss), if any, arising during a year can be set off against the income under any other head of income, other than income under the head 'salaries', in terms of the provisions of section 71 of the IT Act. Balance business loss, if any, can be carried forward and set off against business profits for eight subsequent years in terms of the provisions of section 72 of the IT Act.

Unabsorbed depreciation under section 32(2) of the IT Act can be carried forward and set off against any source of income in subsequent years subject to provisions of section 72(2) of the IT Act.

viii. Capital gains

As per section 2(42A) of the IT Act, a security (other than a unit) listed in a recognized stock exchange in India or units of the Unit Trust of India or a unit of an equity oriented fund or zero coupon bonds will be considered as short term capital asset if the period of holding of such shares, units or security is twelve months or less. If the period of holding is more than twelve months, it will be considered as long term capital asset as per section 2(29A) of the IT Act. In respect of other assets, the determinative period of holding is thirty six months as against twelve months mentioned above. Further, gain/loss arising from the transfer of short term capital asset and long term capital asset is regarded as short term capital gains/loss and long term capital gains/loss respectively.

Section 48 of the IT Act, which prescribes the mode of computation of Capital Gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of Capital Gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time. However, such indexation benefit would not be available on bonds and debentures.

As per section 10(38) of the IT Act, long term capital gains arising to the Company from transfer of long term capital asset being an equity share in a Company or a unit of an equity oriented fund listed in recognized stock exchange in India where such transaction is chargeable to Securities Transaction Tax (STT) will be exempt in the hands of the Company.

However, such income shall be taken into account in computing book profit under section 115JB of the IT Act.

As per section 54EC of the IT Act, capital gains up to ₹ 50 Lakhs per annum, arising from the transfer of a long term capital asset (in cases not covered under section 10(38) of the IT Act) are exempt from capital gains tax provided such capital gains are invested within a period of six months after the date of such transfer in specified bonds issued by National Highways Authority of India (NHAI) or Rural Electrification Corporation Ltd (RECL).

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (plus applicable surcharge, education cess and secondary and higher education cess). However, as per section 111A of the IT Act, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge, education cess and secondary and higher education cess). In case of non-resident investors, the above rates would be subject to applicable treaty relief.

However, as per the proviso to section 112(1), if the tax on long term capital gains resulting on transfer of listed securities (other than a unit) or zero coupon bond (other than through a recognized stock exchange), calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at concessional rate of 10 percent (plus applicable surcharge, education cess and secondary and higher education cess). In case of non-resident investors, the above rates would be subject to applicable treaty relief.

As per section 70 read with section 74 of the IT Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years in terms of the provisions of section 74 of the IT Act.

Long term capital loss arising during a year is allowed to be set-off only against long term capital gains in terms of section 70 of the IT Act. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years in terms of the provisions of section 74 of the IT Act. Long term capital loss arising on sale of shares or units of equity oriented fund subject to STT may not be carried forward for set off.

ix. Minimum Alternate tax and Credit of MAT

Section 115JB of the Act provides that a company is subject to provisions of Minimum Alternative Tax (MAT). Where the tax payable as per the regular provisions of the Act is less than 18.5 per cent of the book profits computed under the said provisions, tax shall be payable at the rate of 18.5 per cent (of the book profit) plus applicable surcharge, education cess and secondary and higher education cess.

As per section 115JAA(1A) of the IT Act, credit is allowed in respect of tax paid under section 115JB of the IT Act for any assessment year commencing on or after April 1, 2006.

MAT credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the IT Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for upto ten assessment years immediately succeeding the assessment year in which the MAT credit becomes allowable under section 115JAA(1A) of the IT Act.

MAT credit can be set off in a year when tax is payable under the normal provisions of the IT Act. MAT credit to be allowed shall be the difference between MAT payable and the tax computed as per the normal provisions of the IT Act for that assessment year.

x. General Anti Avoidance Rules (GAAR)

The General Anti Avoidance Rule (GAAR) was introduced in the Income-tax Act by the Finance Act, 2012 and was proposed to be made effective 1 April 2013. The FA 2015 makes the provisions of GAAR applicable prospectively from 1 April 2017. Further, investments made up to 31 March 2017 would be protected from the applicability of GAAR.

xi. Tax on distributed profits of domestic companies

As per section 115-O of the IT Act, tax on distributed profits of domestic companies is chargeable at 15% (plus applicable surcharge, education cess and secondary and higher education cess). As per sub-section (1A) to section 115-O, the domestic Company will be allowed to set-off the dividend received from its subsidiary company during the financial year against the dividend distributed by it, while computing the Dividend Distribution Tax (DDT) if:

a) the dividend is received from its domestic subsidiary and the subsidiary has paid the DDT payable on such dividend; or
b) the dividend is received from a foreign subsidiary, the Company has paid tax payable under section 115BBD.

However, the same amount of dividend shall not be taken into account for reduction more than once.

xii. Other Deductions

A deduction amounting to 100% or 50%, as the case may be, of the sums paid as donations to various entities is allowable as per section 80G of the IT Act.

A deduction amounting to 100% of any sum contributed to any political party or an electoral trust is allowable under section 80GGB of the IT Act while computing total income.

2. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to resident as well as Foreign Institutional Investors ("FIIs") shareholders of the Company.

3. GENERAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

3.1 RESIDENT SHAREHOLDERS

Under Section 10(34) of the IT Act, income earned by way of dividend from domestic company referred to in Section 115-O of the IT Act is exempt from income-tax in the hands of the shareholders. Accordingly, dividend declared by the Company is exempt in the hands of shareholders.

Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

However, in view of the provisions of Section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.
Also, Section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt.

Under Section 10(38) of the IT Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the Company (i.e. capital asset held for the period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax. However, such long term capital gains of a shareholder being company shall be taken into account in computing tax payable under section 115JB.

In terms of section 36(1)(xv) of the IT Act, STT paid in respect of the taxable securities transactions entered into in the course of the business by a shareholder is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'.

As per section 2(42A) of the IT Act, shares held in a company will be considered as short term capital asset if the period of holding of such shares is twelve months or less. If the period of holding is more than twelve months, it will be considered as long term capital asset as per section 2(29A) of the IT Act. Further, gain/loss arising from the transfer of short term capital asset and long term capital asset is regarded as short term capital gains/loss and long term capital gains/loss respectively.

Section 48 of the IT Act, which prescribes the mode of computation of Capital Gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of Capital Gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time.

Under Section 54EC of the IT Act, capital gain arising from transfer of shares of a company (other than those exempt u/s 10(38) of the IT Act) shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by National Highways Authority of India ('NHAI') and/or Rural Electrification Corporation Limited ('RECL');

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

Under Section 54F of the IT Act, where in the case of an individual or HUF long term capital gain arise from transfer of shares of the a company (other than exempt u/s 10(38) of the IT Act) then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

Under section 80CCG of the IT Act, a resident individual being a new retail investor will be allowed deduction of 50% of amount invested in listed equity shares or listed units of equity oriented mutual fund in accordance with Rajiv Gandhi Equity Savings Scheme 2013 subject to maximum deduction of INR 25,000 and fulfillment of other conditions as prescribed.

Under Section 111A of the IT Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the IT Act at 15% (plus applicable surcharge, education cess and secondary and higher education cess). As per Section 70 read with Section 74 of the IT Act, short-term capital loss, if any arising during the year can be set-off against short-term capital gain as well as against the long-term capital gains and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed.

Under Section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains (not covered under Section 10(38) of the IT Act) arising on transfer of shares of a listed company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge, education cess and secondary and higher education cess) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge, education cess and secondary and higher education cess) (without indexation), at the option of the Shareholders. As per section 70 read with section 74 of the IT Act, long-term capital loss, if any arising during the year can be set-off only against long-term capital gain and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed for set off against future long term capital gain. However brought forward long term capital loss can be set off only against future long term capital gains.

As per section 115BBDA (as inserted by Finance Act, 2016), in the case of resident individual/HUF/firm, dividend shall be chargeable to tax at the rate of 10% if aggregate amount of dividend received from a domestic company during the year exceeds ₹ 10,00,000

3.2 BENEFITS AVAILABLE TO FIIs

- **Dividends exempt under section 10 (34)**

  Under section 10(34) of the IT Act, income earned by way of dividend (Interim or final) from domestic company referred to in section 115-O of the IT Act is exempt from income tax in the hands of the shareholders.

  However, in view of the provisions of Section 14A of IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

  Also, Section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares purchased within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt.
- **Taxability of capital gains**

  As per section 2(42A) of the IT Act, shares held in a company will be considered as short term capital asset if the period of holding of such shares is twelve months or less. If the period of holding is more than twelve months, it will be considered as long term capital asset as per section 2(29A) of the IT Act. Further, gain/loss arising from the transfer of short term capital asset and long term capital asset is regarded as short term capital gains/loss and long term capital gains/loss respectively.

  Under section 10(38) of the IT Act, long term capital gains arising out of sale of equity shares will be exempt from tax provided that the transaction of sale of such equity shares is chargeable to STT.

  The income by way of short term capital gains or long term capital gains (long term capital gains not covered under section 10(38) of the IT Act) realized by FII's on sale of the shares of the Company would be taxed at the following rates as per section 115AD of the IT Act.

  - Short term capital gains, other than those referred to under section 111A of the IT Act shall be taxed @ 30% (plus applicable surcharge, education cess and secondary and higher education cess).
  - Short term capital gains, referred to under section 111A of the IT Act shall be taxed @ 15% (plus applicable surcharge, education cess and secondary and higher education cess).
  - Long term capital gains on transfer of listed securities (other than a unit) or zero Coupon Bond @10% (plus applicable surcharge, education cess and secondary and higher education cess) (without cost indexation).

  It may be noted that the benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the IT Act are not applicable.

  As per section 196D(2) of the IT Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.

Under Section 54EC of the IT Act, capital gain arising from transfer of shares of a company (other than those exempt u/s 10(38) of the IT Act) shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by National Highways Authority of India (‘ HAI’) and/or Rural Electrification Corporation Limited (‘RECL’);

However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempt earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

As per Section 70 read with Section 74 of IT Act, short-term capital loss, if any arising during the year can be set-off against short-term capital gain as well as against the long-term capital gains and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed. Further, long-term capital loss, if any arising during the year can be set-off only against long-term capital gain and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed for set off against future long term capital gain. However brought forward long term capital loss can be set off only against future long term capital gains.

- **Provisions of the IT Act vis-à-vis provisions of the tax treaty**

As per Section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident, subject to compliance with sub-sections (4) and (5) of section 90 and section 206AA of the IT Act.

3.3 BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India, would be exempt from income tax subject to the conditions as the Central Government may notify. However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115R of the IT Act.

3.4 BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/ FUNDS

As per the provisions of section 10(23FB) of the IT Act, any income of Venture Capital Companies/ Funds from investment in venture capital undertaking registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified therein. However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S federal income tax considerations relevant to US Holders and Non-US Holders (as defined below) acquiring, holding and disposing of Equity Shares. This summary is based on the U.S.Internal Revenue Code of 1986 (the "**Code**"), final, temporary and proposed U.S.Treasury regulations and administrative and judicial interpretations, all of which are subject to change, possibly with retroactive effect, as well as on the income tax treaty between the United States and India as currently in force (the "**Treaty**").

This summary does not discuss all aspects of U.S.federal income taxation that may be relevant to investors in light of their particular circumstances, such as investors subject to special tax rules (including, without limitation: (i) financial institutions; (ii) insurance companies; (iii) traders or dealers in stocks, securities, or currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; tax-exempt organisations; (vii) entities that are treated as partnerships or pass-through entities for U.S. federal income tax purposes, or persons that hold Shares through such entities; (viii) holders that own (directly, indirectly or constructively) 10% or more of the voting stock of the Company; (ix) investors that hold Shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes; (x) U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar and (xi) U.S. expatriates and former long-term residents of the United States), all of whom may be subject to tax rules that differ significantly from those summarised below. This summary does not address tax consequences applicable to holders of equity interests in a holder of the Shares, U.S. federal estate, gift, Medicare contribution or alternative minimum tax considerations, or non-US, state or local tax considerations. This summary only addresses investors that will acquire Shares in the Issue, and it assumes that investors will hold their Shares as capital assets (generally, property held for investment).

For the purposes of this summary, a "U.S. Holder" is a beneficial owner of Shares that is for U.S. federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia, (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source or (iv) a trust that is subject to U.S. tax on its worldwide income regardless of its source. A "Non-U.S. Holder" is a beneficial owner of Shares that is neither a partnership nor a U.S. Holder.

If a partnership holds Shares, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Any such partner or partnership should consult their tax advisers as to the U.S. federal income tax consequences to them of the acquisition, ownership and disposition of Shares.

Dividends

Subject to the passive foreign investment company ("**PFIC**") rules discussed below, a distribution made by the Company on the Shares (including amounts withheld in respect of foreign income tax, if any) will be treated as a dividend includible in the gross income of a U.S. Holder as ordinary income to the extent of the Company's current and accumulated earnings and profits as determined under U.S. federal income tax principles. To the extent the amount of such distribution exceeds the Company's current and accumulated earnings and profits as so computed, the distribution will be treated first as a non-taxable return of capital to the extent of such U.S. Holder's adjusted tax basis in the Shares and, to the extent the amount of such distribution exceeds such adjusted tax basis, will be treated as gain from the sale of such shares. The Company does not expect to maintain calculations of earnings and profits for U.S. federal income tax purposes. Therefore, a U.S. Holder should expect that such distribution will generally be treated as a dividend. Such dividends will not be eligible for the dividends received deduction allowed to corporations.

"Qualified dividend income" received by individual and certain other non-corporate U.S. Holders is currently subject to reduced rates applicable to long-term capital gain if (i) the Company is a "qualified foreign corporation" (as defined below) and (ii) such dividend is paid on Shares that have been held by such U.S. Holder for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date. The Company generally will be a "qualified foreign corporation" if (1) it is eligible for the benefits of the Treaty and (2) it is not a PFIC in the taxable year of the distribution or the immediately preceding taxable year. The Company expects to be eligible for the benefits of the Treaty; however, no assurance can be given that the Company will be eligible for the benefits of the Treaty. In addition, as discussed below under "Passive Foreign Investment Company Rules", the Company does not believe it was a PFIC for the taxable year ending March 31, 2016 and does not expect to be a PFIC for the current year or for any future years.

Dividends on the Shares generally will constitute income from sources outside the United States for foreign tax credit limitation purposes. The amount of any distribution of property other than cash will be the fair market value of the property on the date of the distribution.

The U.S. dollar value of any distribution made by the Company in a currency other than U.S. dollars (a **foreign currency**) must be calculated by reference to the exchange rate in effect on the date of receipt of such distribution by the U.S. Holder, regardless of whether the foreign currency is in fact converted into U.S. dollars. If the foreign currency so received is converted into U.S. dollars on the date of receipt, such U.S. Holder generally will not recognise foreign currency gain or loss on such conversion. If the foreign currency so received is not converted into U.S. dollars on the date of receipt, such U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any gain or loss on a subsequent conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such U.S. Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. The rules governing foreign tax credits are complex; U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

Sale or other disposition

Subject to the PFIC rules discussed below, a U.S. Holder generally will recognise gain or loss for U.S. federal income tax purposes upon a sale or other disposition of its Shares in an amount equal to the difference between the amount realised from such sale or disposition and the U.S. Holder's adjusted tax basis in such Shares, as determined in U.S. dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain (taxable at a reduced rate for non-corporate U.S. Holders, such as individuals) or loss if, on the date of sale or disposition, such Shares were held by such U.S. Holder for more than one year. The deductibility of capital loss is subject to significant limitations. Such gain or loss realised generally will be treated as derived by a U.S. Holder from U.S. sources.

A U.S. Holder that receives foreign currency from a sale or disposition of Shares generally will realise an amount equal to the U.S. dollar value of the foreign currency on the date of sale or disposition or, if such U.S. Holder is a cash basis or electing accrual basis taxpayer and the Shares are treated as being traded on an "established securities market" for this purpose, the settlement date. If the Shares are so treated and the foreign currency received is converted into U.S. dollars on the settlement date, a cash basis or electing accrual basis U.S. Holder will not recognise foreign currency gain or loss on the conversion. If the foreign currency received is not converted into U.S. dollars on the settlement date, the U.S. Holder will have a basis in the foreign currency equal to the U.S. dollar value on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the foreign currency generally will be treated as ordinary income or loss to such U.S. Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. The rules governing foreign tax credits are complex; U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

Passive foreign investment company rules

In general, a corporation organised or incorporated outside the United States is a PFIC in any taxable year in which, after taking into account the income and assets of certain subsidiaries, either (i) at least 75% of its gross income is classified as "passive income" or (ii) at least 50% of the average quarterly value attributable to its assets produce or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions.

Based on the present nature of its activities, including the planned Offering, and the present composition of its assets and sources of income, the Company believes that it was not a PFIC for the year ending on March 31, 2016 and does not expect to become a PFIC for the current year or for any future taxable year. There can be no assurances, however, that the Company will not be considered to be a PFIC for any particular year because PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually. If the Company is classified as a PFIC in any year that a U.S. Holder is a shareholder, the Company generally will continue to be treated as a PFIC for that U.S. Holder in all succeeding years, regardless of whether the Company continues to meet the income or asset test described above. If the Company were a PFIC in any taxable year, materially adverse U.S. federal income tax consequences could result for U.S. Holders.

If the Company is considered a PFIC at any time that a U.S. Holder holds the Company's shares, any gain recognized by the U.S. Holder on a sale or other disposition of the Shares, as well as the amount of an "excess distribution" (defined below) received by such holder, would be allocated ratably over the U.S. Holder's holding period for the Shares. The amounts allocated to the taxable year of the sale or other disposition (or the taxable year of receipt, in the case of an excess distribution) and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed. For purposes of these rules, an excess distribution is the amount by which any distribution received by a U.S. Holder on its Shares in a taxable year exceeds 125% of the average of the annual distributions on the Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments of the Shares. In particular, if the Issuer were a PFIC and its shares constitute "marketable stock," a U.S. Holder may elect to be taxed annually on a mark-to-market basis with respect to its Shares and mitigate the adverse tax consequences. U.S. Holders should consult their tax advisers as to the availability and consequences of a mark-to-market election with respect to their Shares.

A U.S. Holder subject to the PFIC rules discussed above or below is required to file U.S. Internal Revenue Service ("IRS") Form 8621 with respect to its investment in the Shares.

Non-U.S. Holders

A Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any payments on the Shares or gain from the sale, redemption or other disposition of the Shares unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the United States; or (ii) in the case of any gain realised on the sale or exchange of a Share by an individual Non-U.S. Holder, that Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

U.S. information reporting and backup withholding tax

A U.S. Holder may be subject to information reporting unless it establishes that payments to it are exempt from these rules. For example, payments to corporations generally are exempt from information reporting and backup withholding. Payments that are subject to information reporting may be subject to backup withholding if a U.S. Holder does not provide its taxpayer identification number and otherwise comply with the backup withholding rules. Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a U.S. Holder's U.S. federal income tax liability and may be refunded to the extent they exceed such liability, provided the required information is timely provided to the IRS.

Under U.S. federal income tax law and regulations, certain categories of U.S. persons must file information returns with respect to their investment in the equity interests of a foreign corporation. A U.S. person that purchases for cash Shares will be required to file IRS Form 926 or similar form if the transfer, when aggregated with all transfers made by such person (or any related person) within the preceding 12 month period, exceeds US$100,000. In the event a U.S. Holder fails to file any such required form, the U.S. Holder could be required to pay a penalty equal to 10% of the gross amount paid for such Shares up to a maximum penalty of US$100,000.

Certain U.S. Holders that own "specified foreign financial assets" that meet certain U.S. dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Shares generally will constitute specified foreign financial assets subject to these reporting requirements unless the Shares are held in an account at certain financial institutions. U.S. Holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the Shares.

The foregoing does not purport to be a complete analysis of the potential tax considerations relating to the Placement, and is not tax advice. Prospective investors should consult their own tax advisors as to the particular tax considerations applicable to them relating to the purchase, ownership and disposition of the Equity Shares, including the applicability of the U.S. federal, state and local tax laws or non-tax laws, foreign tax laws, and any changes in applicable tax laws and any pending or proposed legislation or regulations.

LEGAL PROCEEDINGS

Our Company and its Subsidiaries are, subject to various legal proceedings from time to time, mostly arising in the ordinary course of their business including criminal proceedings, civil proceedings, tax proceedings, environmental proceedings, labour and land related disputes. Our Company believes that the number of proceedings and disputes in which our Company and our Subsidiaries are involved is not unusual for a company of its size in the context of doing business in India and in international markets. Except as stated below, our Company and its Subsidiaries are not involved in any pending legal proceedings: (i) which are criminal proceedings; (ii) which are to the extent quantifiable and exceed ₹ 750 million; or (iii) which our Company believes could have a material adverse effect on the business, financial condition, profitability or results of operations of our Company on a consolidated basis.

Additionally, our Company has no outstanding defaults in relation to statutory dues payable, dues payable to holders of any debentures and interest thereon, and in respect of deposits and interest thereon, defaults in repayment of loans from any bank or financial institution and interest thereon.

The disclosure of outstanding legal proceedings against Novelis is in accordance with periodic filings made by Novelis with the U.S. Securities and Exchange Commission.

Litigation involving our Company

Civil Cases

Cases filed against our Company

(i) The District Magistrate, Kanpur Nagar (the "**DM**") issued a notice dated November 25, 2006 to our Company (the "**First Notice**") in relation to alleged violations of certain provisions of the Indian Stamp Act 1899, arising from deficient payment of stamp duty amounting to ₹ 2,529.59 million, with respect to transfer of assets pursuant to a scheme of amalgamation between Indo Gulf Corporation Limited and our Company. Subsequently, our Company filed a writ petition before the High Court of Allahabad challenging the First Notice (the "**First Petition**"), pursuant to which, the High Court of Allahabad, on May 8, 2007, ordered a stay on further proceedings arising from the First Notice, provided that our Company, within one month, furnished security for the deficient payment of stamp duty. Pending adjudication of the First Petition, the DM, on February 15, 2007, passed an order terminating proceedings pursuant to the First Notice with liberty to initiate proceedings again after obtaining the consent of the state government as required under the provisions of the Indian Stamp Act 1899. Accordingly, on March 2, 2007, the First Petition was dismissed by the High Court of Allahabad as having become infructuous.

Separately, the DM has issued a notice dated March 24, 2007 based on similar allegations (the "Second Notice"). Aggrieved by the Second Notice, our Company filed a writ petition before the High Court of Allahabad against the State of Uttar Pradesh and another inter alia seeking quashing of the Second Notice, and prohibition on the respondents from taking any further action pursuant to the Second Notice. The matter is currently pending

(ii) Biswaranjan Paramguru (the "**Applicant**") filed an application before the National Green Tribunal, New Delhi against our Company, the Union of India and others, in relation to alleged violation of certain provisions of the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974 due to alleged uncontrolled emission of fluoride gas from the Hirakud unit of our Company (the "**Unit**") and improper management of its ash dyke, which allegedly caused damage to crops and trees, as well the surrounding human population. The Applicant, inter alia, has prayed for directions (i) to ensure compliance with the requirement of having a 33% green belt in the Unit, (ii) for determination of the damage caused by our Company; (iii) for payment of compensation to those affected by the pollution as deemed fit; and (iv) for restitution of the environment and damaged property by our Company. The matter is currently pending.

Ashwani Kumar Dubey, a member of the District Environment Committee (the "**Applicant**") filed an application before the National Green Tribunal, New Delhi ("**Tribunal**") against our Company and others (the "**Respondents**") in relation to alleged environmental imbalance created in Singrauli area, a critically polluted industrial area, destruction of forest land wildlife corridors and wildlife habitats. The Applicant has prayed for, amongst other things, (i) restriction on issuance further licenses and permissions by the environmental and other government authorities, to the Respondents, (ii) restriction on the Respondents from further deforestation and causing further pollution, (iii) directions to the Respondents to install devices to minimise pollution, (iv) directions to the Respondents to obtain approval of the pollution control boards for techniques and devices used to control pollution by the Respondents, (v) restriction on the Respondents from transporting coal through the road between the villages and markets of Singrauli, and (vi) restriction on the Respondents from polluting the rivers and reservoirs with fly ash. Accordingly, the Tribunal by way of interim orders dated October 7, 2013 and May 21, 2014, has restricted further deforestation without permission of the appropriate authorities and ordered a joint inspection to be conducted by representatives of the Madhya Pradesh Pollution Control Board and the Central Pollution Control Board to assess the environmental damage caused. Further, the Tribunal has also directed the public works department to resolve all issues and ensure implementation of the orders of the Tribunal and ensure compliance by the Respondents. Separately, Jagat Narayan Viswakarma and others (collectively the "**New Applicants**") have filed an application before the Tribunal against our Company and others, in relation to alleged violation of certain provisions of the Environment Protection Act, 1986, the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974 due to the alleged pollution from the coal mines and thermal plants in and around the Singrauli area, including those of our Company, which, inter alia, caused damage to local flora and fauna, as well as the surrounding human population. The New Applicants have, inter alia, prayed for (i) issuance of a direction to close down industries which are in violation of pollution control norms; (ii) determination of the damage caused by our Company; and (iii) payment of appropriate compensation. The aforementioned matters have been clubbed by the Tribunal and are currently pending.

(iii) Nityanand Mishra and others ("**Applicants**") filed an application before the National Green Tribunal, Bhopal against our Company, State of Madhya Pradesh and others ("**Respondents**") in relation to alleged violation of certain provisions of the Environment Protection Act 1986, the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974 due to alleged illegal and impermissible mining of sand undertaken by the Respondents in the protected area of Son Gharial sanctuary situated on river Son. Our Company has been impleaded in this proceeding on account of our Company being one of the companies that use water from the river Son. The Applicants have prayed, *inter alia*, for (i) directions to be issued to the State of Madhya Pradesh and others to ensure prevention of sand mining in the protected area of the Son Gharial sanctuary; and (ii) restraining mining of sand without obtaining relevant statutory clearances. The Applicants have further prayed to direct the State of Madhya Pradesh and others to recover the cost and penalty from the persons responsible for illegal sand mining. The matter is currently pending.

(iv) Manbodh Biswal ("**Applicant**") has filed an application ("**Application**") before the National Green Tribunal at Kolkata ("**Tribunal**") against our Company and others in relation to alleged violation of the conditions of the environment clearance granted by the Ministry of Environment, Forest and Climate Change, Government of India, issued vide its letter dated November 8, 2011 ("**Environmental Clearance**"). The Applicant has inter alia prayed for suspension of the environmental clearance granted to our Company for expansion of Talabira-I opencast coal mine project granted by which was subsequently transferred to GMR Chhattisgarh Energy Limited by our Company on April 16, 2015. Our Company has filed a demurrer application for the dismissal of the Application wherein, the locus standi of the Applicant and the jurisdiction of the Tribunal have been challenged. Our Company has inter alia also prayed for granting a stay on the proceedings pursuant to the Application until it is disposed. The matter is currently pending.

(v) Our Company filed two civil suits before the City Civil and Sessions Court, Ahmedabad against Padmawati Agencies Private Limited ("**Padmawati**") and others for recovery of ₹ 2,583.55 million for the monetary and reputational loss suffered by our Company on account deposit of amounts with the Superintendent of Customs, Dahej pursuant to summons issued by the Directorate of Revenue Intelligence in relation to the 93 forged import licenses ("**Import Licenses**") supplied to our Company by Padmawati. Our Company had procured Import Licenses from Padmawati for utilisation of import credit as provided through the "Duty Entitlement Passbook Scheme" and the "Vishsesh Krushi and Gramin Udyog Yojana Scheme" (the "**Import Schemes**"), as part of the terms and conditions of such procurement. Our Company was liable to be contractually indemnified for any losses which may arise due to a discrepancy or forgery in the Import Licenses. Subsequently, the Directorate of Revenue Intelligence, Ahmadabad zonal unit initiated an investigation against our Company and its officers, in relation to improper utilisation of import credit through the Import Schemes. Consequently, our Company requested Padmawati for indemnification of the monetary and reputational loss suffered through utilisation of such Import Licenses, which was denied. Subsequently, Padmawati filed two civil suits against Sunkkalp Creations Private Limited and others (the "**Respondents**") before the City Civil and Sessions Court, Ahmedabad in relation to issuance of the Import Licenses and recovery of ₹ 1,585.37 million supplied by such Respondents. Our Company has been impleaded as a necessary party to the suits filed by Padmawati. Padmawati has prayed for (i) quashing of demand notices raised by our Company against the Padmawati for the recovery of damages on account of supply of the forged Import Licenses; and (ii) directing the Respondents to pay damages directly to our Company. Pursuant to the enactment of the Commercial

Courts, Commercial Division and Commercial Appellate Division Act, 2015 the aforementioned suits have been transferred to the commercial division of the Civil Court before which they are currently pending.

Cases filed by our Company

(i) Our Company has filed two writ petitions before the Supreme Court of India, one such writ petition has been filed primarily against State of Madhya Pradesh (through Secretary of State, Department of Labour, government of Madhya Pradesh) and another writ petition has been filed primarily against the State of Odisha (through Secretary of State, Department of Labour, government of Odisha) and others ("**Respondents**"). These writ petitions have been filed in relation to our units at Mahan (Madhya Pradesh) and Aditya (Odisha) (which were under construction during the relevant period) and have challenged, *inter alia* the demand of labour cess by the Respondents under the (i) Building and other Construction Workers Welfare Cess Act, 1996 (the "**BOCW Cess Act**"), (ii) Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996 ("**BOCW Act**") and (iii) Building and other Construction Workers Welfare Cess Rules, 1998 (the "**BOCW Rules**") (collectively with BOCW Cess Act, and BOCW Act, "**Enactments**") and the validity of the Enactments. The Enactments require our Company to register the establishment under the BOCW Act and BOCW Rules and pay 1% of the construction cost of the establishment towards labour cess. The aforementioned writ petitions were clubbed with a petition seeking special leave to appeal before the Supreme Court of India, subsequent to which the Supreme Court of India dismissed the petitions and upheld the constitutional validity of the Enactments and directed appropriate state authorities to determine the amount of cess payable under the Enactments. Accordingly, the total amount involved in the matter is yet to be adjudicated however our Company has made a provision of ₹ 1.162.49 million for the same.

(ii) Our Company has filed a writ petition before the High Court of Orissa challenging (i) resolution of Department of Water Resources, Government of Odisha dated May 18, 2015, whereby realization of a one-time contribution from industries which were allocated water in excess of one cusec was mandated, further such contribution was mandated at the rate of ₹ 25 million for every cusec of water allocated to them. (ii) the letters issued by Executive Engineer, Main Dam Division, Burla directing our Company to deposit an amount of ₹ 1,318.30 million towards water conservation fund for Aditya Unit and ₹ 500 million towards water conservation fund for Hirakud Unit pursuant to the Resolution. The total amount involved in the matter is ₹ 1,818.30 million and the matter is currently pending.

(vi) Our Company has filed a writ petition before the High Court of Madhya Pradesh challenging the validity of demand notices issued by the Area Finance Manager, Jhingurdah project raising a demand of ₹ 48.35 million towards Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Tax ("**Development Tax**") levied under the Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Adhiniyam, 2005 ("**MPGATSV Act**") and Madhya Pradesh Gramin Avsanrachna Tatha Sadak Vikas Niyam, 2005 ("**MPGATSV Rules**") (for the coal supplied to Renusagar and Renukoot units of our Company. Our Company has also, by way of the said petition, challenged the validity of MPGATSV Act and the MPGATSV Rules by which state government sought to levy Development Tax on mineral bearing land by reference to the annual value of the minerals produced and sold. Subsequently the High Court of Madhya Pradesh passed an order granting a stay on the demand of Development Tax. Subsequently, High Court of Madhya Pradesh passed an order granting a stay on the realization of tax from our Company, as required under the demand notices, subject to our Company furnishing security for the aforementioned demand. The writ petition has been clubbed with another special leave petition and shall be heard before Supreme Court of India which is currently pending. The total amount provided by our Company for the matter is ₹ 947.30 million.

(iii) Our Company has filed a petition seeking special leave to appeal before the Supreme Court of India against an order of the High Court of Madhya Pradesh whereby the court had dismissed the writ petition filed by our Company challenging the constitutional validity of MPGATSV Act and consequent demand by Northern Coalfield of India Limited ("**NCL**") in relation to the purchase of coal, stating that the demand raised by NCL was incorrect as it did not take into account the notification issued under the Mines and Minerals (Development and Regulation) Act, 1957 providing the adjustment of royalty paid on coal against levy of tax specific to coal bearing land as required. The amount involved in the matter is ₹ 947.30 million. The matter has been clubbed with a civil appeal before the Supreme Court, which is currently pending.

(iv) Our Company has filed a writ petition before the High Court of Allahabad ("**High Court**") challenging the demand letters issued by the Divisional Forest Officer, Renukoot Forest Division, Renukoot (Sonabhadra) ("**DFO**") issued under the Indian Forest Act, 1927 ("**Forest Act"**) and Uttar Pradesh Transit of Timber and

Other Forest Produce Rules, 1978 ("**Forest Produce Rules**") the writ petition has also challenged the validity of the Forest Act and the Forest Produce Rules to the extent they impose transit tax on minerals. By way of the petition, our Company also prayed for restraining the realisation of transit fee on bauxite by the DFO and refund of the amount collected as transit fee. Subsequently, we filed a transfer petition pursuant to which our writ has been clubbed with a petition seeking special leave to appeal before the Supreme Court of India whereby the petitioners have challenged the levy of transit fee on minerals and their recovery thereof under the provisions of the Forest Produce Rules. Subsequently the Supreme Court of India (the "**Supreme Court**") passed an interim order directing the state authorities to realise the transit fee at the rates prescribed in the third amendment to the Forest Produce Rules adding that the realisation would be subject to the final disposal of the case by the Supreme Court. Subsequently the Supreme Court passed another order modifying its order and allowing states to collect the transit fee at the rates prescribed in fourth and fifth amendment to the Forest Produce Rules (depending upon the fact whether the goods were imported into the state or originated in the state) subject to the final disposal of the petition seeking special leave to appeal, pending before the Supreme Court and further stating that the amount paid by our Company may be recovered along with the interest in the event the final outcome of the petition is in favour of our Company. The aggregate accrued liability of our Company in these proceedings, as on December 31, 2016, is ₹ 2,775.15 million. The matter is currently pending.

(v) Our Company has filed a petition before the Uttar Pradesh Electricity Regulatory Commission ("**Commission**"), Lucknow against the Uttar Pradesh Power Corporation Limited ("**UPPCL**") and Poorvanchal Vidyut Vitran Nigam Limited (collectively, "**Respondents**") in relation to the power purchase agreement dated July 13, 2009 ("**Agreement**") entered into by our Company with UPPCL which was valid till March 31, 2014, in relation to demands raised by the Respondents aggregating to an amount of ₹ 553.2 million with retrospective effect for the period from April 2009 to August 2013 on the alleged ground that drawal of energy against the banked energy is not permissible during peak hours. The Respondents have also included ₹ 321.5 million in the bill as late payment surcharge up to March 31, 2016. Thus, total amount outstanding till March 31, 2016 was ₹ 874.7 million. However, if the case is decided against our Company, 1,074 million units valuing ₹ 229.7 million will be treated as energy banked with UPPCL and accordingly net liability will be ₹ 645 million. Our Company has, vide the said petition, prayed for setting aside of the bills and demand letter issued by the Respondents under section 86(i)(f) read with other relevant provisions of Electricity Act, 2003 on the ground that the demand raised are in violation of the terms of the Agreement. The Commission *vide its* order dated February 24, 2014 directed UPPCL to restrain from any coercive action till the final order of the Commission. The matter is currently pending.

(vi) Our Company has initiated the following proceedings challenging the validity/ applicability of various state regulations which impose obligations to purchase a minimum quantum of the total electricity consumption of its respective plants from renewal sources (the "**Renewable Purchase Obligation**"):

a. Our Company has filed a writ petition before the Orissa High Court against the Orissa Electricity Regulatory Commission ("**OERC**"), *inter alia* challenging the validity of the OERC (Renewable and Co-generation Purchase Obligation and its Compliance) Regulations, 2010 (the "**RCPO Regulations**") as being *ultra vires* the Electricity Act, 2003. In addition, our Company has challenged a letter dated July 14, 2011 by the Secretary, OERC, directing our Company to adhere to its Renewable Purchase Obligation (the "**Letter**"). By an interim order dated April 12, 2012, the Orissa High Court has restrained the OERC from initiating any proceeding pursuant to the RCPO Regulations and the Letter.

b. Our Company has filed a special civil application before the Gujarat High Court against the Gujarat Electricity Regulatory Commission (the "**GERC**"), *inter alia* challenging the applicability of the Gujarat Electricity Regulatory Commission (Procurement of Power from Renewable Sources) Regulations, 2010 (the "**PPRS Regulations**") to captive power plants, and seeking an injunction restraining GERC from making the PPRS Regulations applicable to open access users. The application was dismissed by the Gujarat High Court, in terms of its order dated March 12, 2015 (the "**High Court Order**"). Aggrieved by the High Court Order, our Company has filed a letters patent appeal before a division bench of the Gujarat High Court, seeking that the Order be set aside. The GERC has notified the applicability of the Renewable Purchase Obligation to captive open access users by a notification dated July 1, 2015.

c. Our Company has filed a writ petition before the Allahabad High Court against the State of Uttar Pradesh and others, *inter alia* challenging the validity of the Uttar Pradesh Electricity Regulation Commission (Promotion of Green Energy to Renewable Purchase Obligation) Regulations, 2010 (the "**RPO Regulations**") insofar as they apply to captive power plants, as being *ultra vires* the Electricity Act, 2003 and violating the fundamental rights enshrined in the Constitution of India. By an interim order dated April 30, 2012, the Allahabad High Court has held that the RPO Regulations shall not be applicable to our Company until further orders in this regard.

d. Our Company has filed a writ petition before the Jharkhand High Court against the State of Jharkhand and others, *inter alia* challenging the validity of the Jharkhand State Electricity Regulatory Commission, Ranchi (Renewable Purchase Obligation and its Compliance) Regulations, 2010 and its applicability to "captive users" that is the captive power plants. In addition, our Company has also challenged a letter dated February 17, 2011 by the Jharkhand Renewable Energy Development Agency, directing our Company to adhere to its Renewable Purchase Obligation.

e. Our Company has filed a writ petition before the Madhya Pradesh High Court against the Madhya Pradesh Electricity Regulatory Commission ("**MPERC**"), *inter alia* challenging the MPERC (Co-Generation and Generation of Electricity from Renewable Sources of Energy) Regulations, 2010, insofar as they apply to captive power plants, as being *ultra vires* the Electricity Act, 2003 and the fundamental rights enshrined in the Constitution of India.

The matters are pending before the respective forums at various stages of adjudication. The total assessed liability of our Company for the procurement of the Renewable Energy Certificates in these matters is ₹ 3,662.10 million as of December 31, 2016, and the same has been provided for under the head "Trade Payables - Dues of Creditors other than Micro Enterprises and Small Enterprises".

Our Company filed a revision application before the Mines Tribunal, New Delhi (the "**Tribunal**") in relation to the show cause cum demand notice dated March 3, 2015 issued by the Deputy Director of Mines, Sambalpur against our Company (the "**Notice**"). The Notice has alleged that our Company whilst operating the Talabira-I mine in Odisha, has produced coal beyond the quantity approved under the provisions of the Mines and Minerals (Development and Regulation) Act, 1957, the Mineral Concession Rules, 1960 and various environmental legislations. Accordingly, our Company has been directed to deposit an amount of ₹ 3,104 million in lieu of excess coal produced in the Talabira-I mine. Our Company has prayed, inter alia, that (i) the Notice be set aside; and (ii) the State of Odisha and its representatives be restrained from giving effect to the Notice or taking any other action detrimental to our Company during the pendency of the proceedings. By an interim order dated July 30, 2015, the Tribunal has ordered a stay on the execution of directions mentioned in the Notice. The matter is currently pending.

Criminal cases

Criminal cases filed against our Company

(i) Several criminal proceedings have been initiated against our Company, our Indian subsidiaries and our officials, inter alia, in relation to violation of various provisions of the Indian Penal Code, 1860 and the Criminal Procedure Code, 1973, regarding theft, robbery, cheating, blockage of public canal, criminal breach of trust, damage of property, causing hurt, assault, and encroachment-arising out of various cause of actions including:

- Violations of certain provisions of the Fertilizer Control Order, 1985 ("**FCO**") on account of failure of fertilizer to meet FCO specifications;
- Violation of certain provisions of the Scheduled Caste and Scheduled Tribe (Prevention of Atrocities) Act 1989;
- Violations of certain provisions of the Indian Forest Act, 1927;
- Violation of certain provisions the Mines and Minerals (Development and Regulation) Act, 1957;
- Violation of certain provisions of the Arms Act, 1959 pertaining to contravention of the provisions and rules thereunder;
- Violations of certain provisions of the Motor Vehicles Act, 1988 pertaining to allegations of rash driving and damage to public property by the employees / officials of our Company; and

- Violations of certain provisions of the Factories Act, 1948, inter alia, in relation to non-compliance of standing orders issued and non-compliance with safety standards resulting in injury or fatal accidents at the premises of our Company; and

- Violations of the provisions of the Uttar Pradesh Factories Rules, 1950.

Further, at certain instances proceedings have been initiated against employees of our Company in relation to fatal accidents within the premises of our Company. All such proceedings are currently pending before courts of various forums and are currently pending at various stages of adjudication.

(ii) An FIR has been filed on October 16, 2013 by Central Bureau of Investigation ("**CBI**") against P. C. Parakh, the then Secretary, Ministry of Coal, Kumar Mangalam Birla, Our Company, and other unknown persons/officials, in relation to allocation of Talabira II & III coal blocks to Our Company. The Supreme Court, vide its order dated April 1, 2015, has stayed the cognizance order passed by Special CBI Court despite closure report filed by CBI the Supreme Court has also stayed further proceedings in the matter.

The CBI is investigating allocation of coal blocks made during the period 1993-2012. As part of this investigation, the CBI is also investigating the allocation of the Talabira I coal mine to Indian Aluminum Company Limited ("**INDAL**") in 1994 (demerged undertakings of INDAL merged with our Company in March 2005, which includes the Talabira I coal mine). In this regard, the CBI has conducted searches in three of our Company's offices. Our Company has furnished copies of documents requested by the CBI.

(iii) The CBI (Ranchi) has sought certain information and documents from our Company in relation to an investigation arising out of certain charges in relation to waiver of railway demurrage that was granted for our plant at Muri. Our Company has furnished responses to the information and copies of the documents requested.

Criminal cases filed by our Company

Our Company has filed various cases against its former employees under section 630 of the Companies Act, 1956 for encroachment of our Company's land and premises. Our Company has also filed certain cases filed in relation to various offences, which include, nuisance, theft and unauthorized possessions over our Company's properties and defamation. These cases are currently pending before various forums at various stages of adjudication.

Actions by regulatory / statutory authorities

Our Company and our Subsidiaries have received various show cause notices, issued by statutory and regulatory authorities including state pollution control boards, department of mines and geology, department of forests and department of water resources, in relation to violation of provisions of various enactments governing the day to day operations of our Company and our subsidiaries. Whilst, in the ordinary course of business, we adequately reply to such notices, at certain instances, we have appealed before the appropriate adjudication authorities challenging the validity of such notices.

(i) Our Company has received notices from the RBI in relation to non-compliances with respect to filing of annual performance reports for one of our indirect subsidiaries. Our company has responded to the RBI stating that our Company is not required to make such filings.

(ii) Pursuant to an inspection of the STA operations of our Company carried out by the SEBI, SEBI issued an observation letter alleging certain non compliances with respect to time taken for issuance of duplicate share certificates and qualification of certain personnel in the investor grievance cell of the Company. The company has responded to these observations.

Tax proceedings

Direct Taxes

Appeals filed by the Income Tax Department

(i) The Commissioner of Income Tax, Mumbai has filed an appeal before the High Court of Bombay ("**High Court**") against an order passed by the Income Tax Appellate Tribunal, Mumbai for the assessment year 1999-2000. The High Court has admitted appeal, *inter alia*, on the grounds of allowing deductions claimed under sections 80 HHC, 80-IA, 10(33) of the Income Tax Act, 1961 and interest on dividend income. The aggregate amount involved is ₹ 946.52 million. The matter is currently pending.

(ii) The Commissioner of Income Tax, Mumbai has filed an appeal before the High Court of Bombay ("**High Court**") against an order passed by the Income Tax Appellate Tribunal, Mumbai for the assessment year 2000-2001. The High Court has admitted the appeal, *inter alia*, on the grounds of computation of deductions claimed under sections 80 HHC, 80-IA and 10(33) of the Income Tax Act, 1961. The aggregate amount involved is ₹ 1,483.89 million. The appeal is currently pending.

(iii) The Commissioner of Income Tax, Mumbai has filed an appeal before the High Court of Bombay ("**High Court**") against an order passed by the Income Tax Appellate Tribunal, Mumbai for the assessment year 2001-02. The High Court has admitted the appeal, *inter alia*, on grounds of computation of deductions claimed under section 80IA, Section 80 HHC and Section 10(33) of the Income Tax Act, 1961. The aggregate amount involved is ₹ 2639.92 million. The matter is currently pending.

(iv) The Commissioner of Income Tax, Mumbai has filed an appeal before the High Court of Bombay ("**High Court**") against an order passed by the Income Tax Appellate Tribunal, Mumbai for the assessment year 2002-03. The High Court has admitted the appeal, *inter alia*, on the grounds of computation of deductions claimed under sections 80-IA, 80HHC, 10(33) of the Income Tax Act, 1961. The aggregate amount involved is ₹ 2,285.49 million. The matter is currently pending.

(v) The Commissioner of Income Tax, Mumbai has filed an appeal before the High Court of Bombay ("**High Court**") against an order passed by the Income Tax Appellate Tribunal, Mumbai for the assessment year 2003-04. The High Court has admitted the appeal, *inter alia*, on grounds of computation of deductions claimed under sections 80IA and 80HHC of the Income Tax Act, 1961. The aggregate amount involved is ₹ 2,115.92 million. The matter is currently pending.

(vi) The Commissioner of Income Tax, Mumbai has filed an appeal before the High Court of Bombay ("**High Court**") against an order passed by the Income Tax Appellate Tribunal, Mumbai for the assessment year 2004-05. The High Court has admitted appeal on the ground of deductions claimed under section 80-IA of the Income Tax Act, 1961. The aggregate amount involved is ₹ 1,275.51 million. The matter is currently pending.

(vii) The Principal Commissioner of Income Tax, Mumbai has filed an appeal before the High Court of Bombay ("**High Court**") against the order passed by the Income Tax Appellate Tribunal, Mumbai for the assessment year 2005-06 on various grounds, *inter alia,* including computation of disallowances under Section 36(1) (iii) read with Section 14A of the Income Tax Act, adjustment in income for international transaction with associate enterprise and Section 80IA of the Income Tax Act. 1961. The aggregate tax amount involved is ₹ 2,947.43 million. The appeal is currently pending admission by the High Court.

(viii) The Deputy Commissioner of Income Tax, Mumbai has filed an appeal before the Income Tax Appellate Tribunal, Mumbai against an order passed by the Commissioner of Income Tax (Appeals) for the assessment year 2006-2007 on various grounds including, *inter alia*, allowance of deductions under Sections 80IA, disallowance of capital receipt under Section 37, and adjustment in income for international transaction with associate enterprises under the Income Tax Act, 1961. The aggregate amount involved is ₹ 2,758.48 million. The matter is currently pending.

(ix) The Deputy Commissioner of Income Tax, Mumbai has filed an appeal before the Income Tax Appellate Tribunal, Mumbai against an order passed by the Commissioner of Income Tax (Appeals) for the assessment year 2007-2008 on various grounds including, *inter alia*, computation of deductions under section 36(1)(iii), allowance of deductions under Sections 80IA and adjustment in income for international transaction with associate enterprises under the Income Tax Act, 1961. The aggregate amount involved is ₹ 2,594.88 million. The matter is currently pending.

(x) The Deputy Commissioner of Income Tax, Mumbai has filed an appeal before the Income Tax Appellate Tribunal, Mumbai against an order passed by the Commissioner of Income Tax (Appeals) for the assessment year 2009-10 on various grounds, including, *inter alia*, allowance of deductions under Sections 80IA and disallowance of capital expenditure under Section 37, and adjustment in income for international transaction with associate enterprises under the Income Tax Act, 1961. The aggregate amount involved is ₹ 6,494.06 million. The matter is currently pending.

(xi) The Additional Commissioner of Income Tax, Mumbai has filed an appeal before the Income Tax Appellate Tribunal, Mumbai against an order passed by the Commissioner of Income Tax (Appeals) for the assessment year 2010-11 on various grounds, including, *inter alia,* allowance of deductions under Sections 80IA, disallowance of capital expenditure under Section 37, and adjustment in income international transaction with associate enterprises. The aggregate amount involved is ₹ 4,446.06 million. The matter is currently pending.

Appeals filed by our Company

(i) Our Company has filed an appeal before Income Tax Appellate Tribunal, Mumbai against directions of the Dispute Resolution Panel, Mumbai and the assessment order passed by the Assessing Officer pursuant to the provisions of section 143(3) of the Income Tax Act, 1961 ("**IT Act**") for the assessment year 2008-2009 on various grounds, including, *inter alia,* allocation of interest to dividend income, and additions made to the income of our Company on account of international transactions with associate enterprises, computation of deductions under section 80IA of the IT Act. The aggregate amount involved is ₹ 3,866.71 million. The matter is currently pending.

(ii) Our Company has filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai against the assessment order passed by the assessing officer pursuant to the provisions of section 143(3) of the Income Tax Act, 1961 ("**IT Act**") for the assessment year 2011-12 on various grounds, including, *inter alia*, disallowance of deductions under 80IA, additions made to the income of our Company on account of international transactions with associate enterprises, disallowance spill over additional deprecation under section 153C of the IT Act. The aggregate amount involved is ₹ 4,028.46 million. The matter is currently pending.

(iii) Our Company has filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai against the assessment order passed by the assessing officer pursuant to the provisions of section 143(3) of the Income Tax Act, 1961 ("**IT Act**") for the assessment year 2012-13 on various grounds, including, *inter alia*, disallowance of deductions under 80IA, additions made to the income of our Company on account of international transactions with associate enterprises, disallowance spill over additional deprecation under section 153C of the IT Act. The aggregate amount involved is ₹ 4,641.14 million. The matter is currently pending.

(iv) Our Company has filed an appeal before the Commissioner of Income Tax (Appeals), Mumbai against the assessment order passed by the assessing officer pursuant to the provisions of section 153C of the Income Tax Act, 1961 ("**IT Act**") for the assessment year 2013-14 on various grounds, including, *inter alia,* disallowance of deductions under 80IA, additions made to the income of our Company on account of interest on share application money to associated enterprises, disallowance of provisions for leave salary, disallowance of spill over additional deprecation under section 153C of the IT Act. The aggregate amount involved is ₹ 5,049.73 million. The matter is currently pending.

Indirect Taxes

(i) Our Company received a show cause and demand notice from Commissioner, Central Excise and Customs, Vadodara demanding recovery of ₹ 417.84 million availed as CENVAT credit on the bills of entry for which the duty was paid by 93 forged Import Licenses along with equal penalty, for the period from September 2008 to March 2010. The Commissioner of Central Excise, Vadodara ("**CCE**") passed an ex-parte order confirming the recovery of CENVAT credit along with the penalty. Our Company appealed against the order of the CCE before the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad who allowed the appeal and directed the adjudicating authority to adjudicate the matter after receiving the reply to the show cause notice. Subsequently the Commissioner of Central Excise, Bharuch through his order dated January 13, 2015 ("**Impugned Order**") confirmed the demand of recovery of the CENVAT credit along with the penalty. Our Company has filed an appeal against the Impugned Order before the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad. The amount involved in the matter is ₹ 835.70 million and the matter is currently pending.
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(ii) Our Company received a show cause and demand notice for disallowance of CENVAT credit and for recovery of interest and imposition of penalty alleging the wrongful availment of CENVAT credit by it, for a period from February 2007 to March 2010 during which our Company had availed CENVAT credit on certain goods.

Subsequently the Commissioner of Central Excise passed an order confirming the demand raised in the show cause notice and levying an equal amount of penalty. Our Company filed a stay petition before the Customs, Excise and Service Tax Appellate Tribunal (the "**CESTAT**") seeking waiver of pre-deposit the CENVAT credit of ₹ 455.39 million with interest and a penalty of ₹ 455.39 million, imposed for the relevant period. CESTAT has passed an order waiving the pre-deposit and all dues adjudged and further staying its recovery during the pendency of the appeal filed by our Company against the order of Commissioner of Central Excise dated September 26, 2011 before CESTAT The Commissioner, Central Excise, Customs and Service Tax, has filed an appeal before the High Court of Orissa, against stay order of the CESTAT, Kolkata. The matter is currently pending.

(iii) Our Company received show cause and demand notices issued by the Commissioner of Central Excise, Kolkata raising a demand of ₹ 1,282.73 million, in relation to disallowance of CENVAT credit availed by it for periods from April 1, 2000 to September 30, 2002 and from October 1, 2002 to March 31, 2003 (the "**Demand Notices"**). The Demand Notices held that our Company has wrongfully availed the CENVAT credit on the inputs received on stock transfer basis from its other units in connection with the manufacture of the certain products of aluminium and which our Company was not entitled to avail the CENVAT credit as our Company had not purchased the goods from the sister concern rather the goods were procured, without payment of sales tax and hence Our Company was not liable for availing CENVAT credit on those goods. Subsequently Commissioner of Central Excise, Kolkata ("**CCE**") passed an order disallowing the CENVAT credit of ₹ 1,244.60 million along with the recovery of interest and a penalty of ₹ 1,244.60 million (the "**Impugned Order**"). Subsequently our Company filed an appeal before CESTAT, Kolkata against the Impugned Order, for the waiver of pre-deposit of ₹ 1,244.60 million CENAVT credit and penalty of equal amount. CESTAT passed an order ("**CESTAT Order**") allowing the appeal and setting aside the Impugned Order. Subsequently CCE filed a stay petition before Calcutta High Court seeking stay of operation of the CESTAT Order. The matter is currently pending.

(iv) Our Company has filed special leave petitions before the Supreme Court of India against the orders of the high court of Allahabad ("**High Court**") upholding the constitutional validity of the Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007 ("**Entry Tax Act**") in relation to its Renusagar division and Renukoot division *inter alia* on the ground that an Industrial Township, such as that of our Company, does not form part of "Local Area" under the Entry Tax Act. The Supreme Court, vide its interim order dated February 10, 2012, admitted the petition and granted a stay on the operation of the High Court orders subject to (i) our Company depositing 50% of accrued liability and furnishing a bank guarantee for the remaining amount, and (ii) our Company continuing to pay the entry tax at the prevailing rates ("**Interim Order**"). Pursuant to the Interim Order, our Company has filed an affidavit stating the total accrued liability of Renusagar division and Renukoot division for the period starting November 1999 to November 2011 was ₹ 1,736.1 million (calculated on the basis of self-assessment). Subsequently, the Supreme Court of India, in a common order dated November 11, 2016 upon numerous cases of the same nature, has upheld the constitutionality of entry taxes, while remanding the matter to appropriate Courts to decide on particulars regarding the same. The total accrued liability of our Company pursuant to these proceedings is ₹ 4,248.3 million.

(v) Our Company filed a writ petition before the Orissa High Court against the State of Orissa, *inter alia* challenging the applicability of the Orissa Entry Tax Act, 1999 ("**Entry Tax Act**") on goods imported from other countries, and seeking a refund of the entry tax paid by our Company. Our Company has been paying entry tax on various raw material and capital goods imported by it since 2006. By its order dated October 9, 2012, the Orissa High Court upheld the validity of applying the Entry Tax Act on goods imported from other countries (the "**High Court Order**"). Our Company has filed a special leave petition before the Supreme Court of India challenging the High Court Order. The Supreme Court of India, in a common order dated November 11, 2016 upon numerous cases of the same nature, has upheld the constitutionality of entry taxes, while remanding the matter to appropriate Courts to decide on particulars regarding the same. The total entry tax liability reassessed as up to December 2016 is ₹ 985.13 million. The matter is currently pending.

Material frauds committed against our Company in the last three years, and the action taken by our Company

Nil

Details of default in repayment of (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; (iv) loan from any bank or financial institution and interest thereon

Nil

Litigation involving Indian subsidiaries

Litigation involving Utkal Alumina International Limited ("Utkal")

Civil Cases

Cases filed against Utkal Alumina International Limited

(i) Prafulla Smantara ("**Petitioner**") has filed a writ application before the High Court of Orissa against Utkal alleging *inter alia,* i) alleged illegal construction and operation of its refinery and mining activities in the absence of a valid environmental clearance; ii) alleged illegality of the public hearing for the expansion project; and iii) alleged failure to obtain the approval of the chief wildlife warden regarding the effect to the surrounding flora and fauna. The Petitioner has inter alia prayed for stopping the construction work being carried out by Utkal at its mine in Baphilimali and the alumina refinery in Doraguda, the Petitioner has further prayed for initiating civil and criminal proceedings against Utkal. The matter is currently pending.

(i) Sanjit Kumar Jain and another have filed a writ petition in public interest, before the High Court of Orissa against Utkal and others, wherein the Petitioner has alleged violations of certain provisions of the Forest (Conservation) Act, 1980, Mines and Minerals (Development and Regulation) Act 1957, National Green Tribunal Act, 2010 and the respective rules notified thereunder, by inclusion of forest land as part of the Baphilimali bauxite mine through alleged misrepresentation of facts by Utkal. The matter is currently pending.

(ii) Pabitra Naik and others have filed a writ petition before the High Court of Orissa against Utkal alleging contravention of provisions of Environmental (Protection) Act, 1986, Air (Prevention and control of pollution) Act, 1981, Water (Prevention and control of pollution) Act, 1974 and Forest (Conservation) Act, 1986 as well as violation of the right to live in a pollution free environment and the right to live with dignity under Articles 14 and 21 of the Constitution of India. The matter is currently pending.

(iii) Sanjit Kumar Turuk and another ("**Applicants**") have filed an application before the National Green Tribunal, Kolkata against Utkal alleging violation of the provisions of Forest (Conservation) Act, 1980 due to unauthorized use of forest land for mining bauxite. The Applicants have prayed for declaration of the mining activity carried out by Utkal as illegal and for suspension of the environmental clearance granted to Utkal on the ground of allegedly obtaining the same by suppression of facts. The matter is currently pending.

(iv) Jaidev Naik ("**Applicant**") has filed an application before the National Green Tribunal, Eastern Zone Bench, Kolkata against Utkal alleging *interalia,* violation of the provisions of the Environmental (Protection) Act, 1986, norms prescribed by the state pollution control board and conditions imposed by the Ministry of Environment and Forest in the environmental clearance issued by it ("**the EC**") and transporting bauxite indiscriminately. The applicant has prayed for issuance of showcase notice upon Utkal to show cause as to why permanent injunction should not be granted against Utkal for violation of statutory provisions relating to Environmental (Protection) Act, 1986, and for appointment and for constitution of an independent committee to enquire into issues raised in the application. The Applicant has also prayed for the grant of an interim injunction against Utkal from operating the unit until the submission of the final report by the independent expert committee. NGT has passed an order dated November 23, 2016 whereby it has noted that principle issue raised in the application is relief and rehabilitation scheme and the question pertaining to pollution is only incidental. The matter is currently pending.

Cases filed by Utkal Alumina International Limited

(i) Utkal has filed an application before the OERC against the Orissa Renewable Energy Development Agency ("**OREDA**") and others, seeking a declaration that it is not obligated to discharge any Renewable Purchase Obligation under the RCPO Regulations. By its order dated July 30, 2016, the OERC held that Utkal must comply with the Renewable Payment Obligation (the "**OERC Order**"). Aggrieved by the OERC Order, Utkal has filed an appeal before the Appellate Tribunal for Electricity, New Delhi against OERC and OREDA, seeking *inter alia* a stay on the OERC Order, the quashing of the OERC Order, and a declaration that the applicant is not bound to fulfil the Renewable Purchase Obligation.

Litigation involving Novelis

Environmental Matters

Our subsidiary, Novelis, is involved in proceedings under the U.S. Comprehensive Environmental Response, Compensation, and Liability Act, also known as CERCLA or Superfund, or analogous state provisions regarding liability arising from the usage, storage, treatment or disposal of hazardous substances and wastes at a number of sites in the United States, as well as similar proceedings under the laws and regulations of the other jurisdictions in which it has operations, including Brazil and certain countries in the European Union. Many of these jurisdictions have laws that impose joint and several liability, without regard to fault or the legality of the original conduct, for the costs of environmental remediation, natural resource damages, third party claims, and other expenses. In addition, Novelis is, from time to time, subject to environmental reviews and investigations by relevant governmental authorities. Novelis is also involved in claims and litigation filed on behalf of persons alleging exposure to substances and other hazards at its current and former facilities.

Novelis has established liabilities based on its estimates for the currently anticipated costs associated with these environmental matters. Novelis estimated that the remaining undiscounted clean-up costs related to its environmental liabilities as of December 31, 2016 were approximately US$15 million.

Brazil Tax and Legal Matters

Under a federal tax dispute settlement program established by the Brazilian government, Novelis has settled several disputes with Brazil's tax authorities regarding various forms of manufacturing taxes and social security contributions. In most cases, Novelis is paying the settlement amounts over a period of 180 months, although in some cases it is paying the settlement amounts over a shorter period. As of December 31, 2016, the total settlement liability related to these settlements is US$66 million. In addition to the disputes, Novelis has settled under the federal tax dispute settlement program, Novelis is involved in several other unresolved tax and other legal claims in Brazil.

Novelis leases real and personal property at its Sierre, Switzerland rolling facility from a subsidiary of Constellium N.V. ("**Constellium**") as part of long term, renewable lease agreements. In January 2017, Constellium submitted to Novelis a notice of termination of the lease agreements on the grounds that Novelis breached certain terms and failed to remedy the alleged breaches within the cure period under the lease agreements. Novelis believes it has not breached the lease agreements and Constellium does not have a right to terminate the leases. Novelis has submitted the dispute to arbitration under the rules of the International Chamber of Commerce as required by the lease agreements, has filed formal challenges to the termination notice, and has requested a stay of execution of the notice of termination at least until the arbitration has concluded.

Inquiry, inspections, investigations, prosecutions, fines imposed or compounding of offences under the Companies Act, 2013 or any previous company law in the last three years in the case of our Company and our Subsidiaries

(i) Our Subsidiary, Dahej Harbour and Infrastructure Limited ("**DHIL**") has filed an application dated September 28, 2016 with the Regional Director (Northern Region), Noida pursuant the provisions of Section 441 of the Companies Act, 2013 in relation to multiple director identification numbers ("**DIN(s)**") obtained by one of its directors in contravention of Section 155 of the Companies Act, 2013. DHIL has, in its application submitted that the additional DIN was obtained due to inadvertence and without *mala fide* intention and has prayed for cancellation of the additional DIN and compounding of the aforementioned offence. The application is currently pending.

Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of our Company during the last three years immediately preceding the year of the circulation of this Placement Document and directions issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

Kumar Mangalam Birla

(i) A criminal complaint has been filed against Kumar Mangalam Birla and others by Forest Officer in the Magistrate's Court at Barbil ("**Magistrate's Court**") on April 3, 2014 for alleged violation under Section 27(3) of Orissa Forest Act, 1972. Magistrates Court has taken cognizance and passed order for issue of process. Kumar Mangalam Birla, through his pleader has filed an application for personal exemption under Section 205 of Code of Criminal Procedure, 1973 and the same has been allowed. Subsequently, a petition under Article 226 read with Article 227 of the Constitution of India has been filed by Kumar Mangalam Birla before the High Court Orissa challenging the proceedings initiated before the Magistrate's Court and the High Court of Orissa has granted stay of the said criminal proceedings. The proceedings are pending hearing and final disposal.

(ii) A Complaint was filed by food inspector before the Special Magistrate, Indore ("**Magistrate Court**") against Aditya Birla Retail Limited ("**ABRL**") and its former Directors (including Kumar Mangalam Birla) as sample of food item (muffins) sold at the ABRL store failed the required test and Magistrate Court took cognizance in the matter and issued bailable warrants. ABRL preferred an application under Section 482 of Code of Criminal Procedure, 1973 in the Madhya Pradesh High Court, Indore bench ("**High Court**"), who stayed the process of the Magistrate Court on the ground that at the time of offence the framed persons were not serving as directors on board of ABRL. High Court has now allowed the petition and quashed the complaint vide its order dated January 29, 2014.

(iii) A complaint was filed by Pune Municipal Corporation ("**PMC**") officer against Aditya Birla Retail Limited ("**ABRL**") and Kumar Mangalam Birla was named as the party to the compliant. The complaint was filed by Pune Municipal Corporation officer for breach of notice issued by PMC to observe closure of store for two days. Due to ambiguity of the notice ABRL observed two days closure of store in which one day closure was the day before the required day by Pune Municipal Corporation. The case has been compounded on November 23, 2013.

(iv) A contempt of court proceeding was initiated on May 24, 2013 in the High Court of Delhi by Department of Telecommunications ("**DoT**") against Kumar Mangalam Birla, Idea Cellular Limited and a few of its officials citing certain portions in the compliance affidavit filed by Idea Cellular Limited in the matter of 3G Intra Circle Roaming. The High Court of Delhi, vide its order dated October 29, 2014, dismissed the said contempt proceedings after finding that the order of court was not breached.

(v) The Labour Enforcement Officer (Central), Trichy, filed two complaints before the Judicial Magistrate, Ariyalur against Kumar Mangalam Birla (in his capacity as Chairman of Ultratech Cement Limited), one contractor and others, alleging certain violations under the Contract Labour (Regulation and Abolition) Act, 1970, in the capacity of principal employer. An application was made before Judicial Magistrate Ariyalur for discharge of petition against Kumar Mangalam Birla which was dismissed by the Judicial Magistrate Ariyalur, through order dated February 27, 2004. A criminal miscellaneous petition was filed before the Madras High Court for discharge of petition against Kumar Mangalam Birla and others. The High Court of Chennai has finally disposed the petition whereby the criminal complaints have been quashed.

(vi) The Department of Weights and Measures initiated a criminal case before Additional Chief Metropolitan Magistrate, 24th Borivali Court ("**ACMM**") against certain directors/officials of Ultratech Cement Limited, including Kumar Mangalam Birla, on the basis of confiscation of few bags of cement bearing the brand Ultratech from one of its retailer, as these bags did not had MRP on them. Ultratech expressed its apprehension that this was a case of illegal dealing in non-MRP bags by unauthorized sources and the matter was beyond the control of Ultratech. In October 2013, the ACMM closed the matter and discharged all the accused, by passing an order recording that the complainant is absent and the complainant failed to secure the attendance of the accused.

For additional litigation against Kumar Mangalam Birla, see *"Outstanding Litigation – Litigation against our Company – Criminal Cases – Criminal cases filed against our Company – (vi)"* on page 242.

Birla Group Holdings Private Limited

Birla Group Holdings Private Limited ("**BGHPL**") filed an income tax return for the assessment year 2007-08 offering disallowance amounting to ₹ 28.38 million under section 14A of the Income Tax Act, 1961, whereas the assessing officer computed the disallowance at ₹ 51.53 million. The Commissioner of Income Tax (Appeals) and the Income Tax Appellate Tribunal, Mumbai passed orders in favour of BGHPL ("**Orders**"). Aggrieved by the Orders, the tax authorities filed an appeal bearing number 751 of 2015 before the Bombay High Court. The matter is currently pending.

INDEPENDENT ACCOUNTANTS

Singhi & Co., Chartered Accountants, the current statutory auditors of our Company, who have (i) audited the consolidated financial statements and supporting notes and schedules thereto of the Company for the Fiscals ended March 31, 2016, 2015 and 2014 included in this Placement Document, and (ii) performed the procedures specified by the ICAI for review of interim financial information in the Standard (SRE 2410) on “Engagement to Review Financial Statements” on the unaudited unconsolidated financial statements and the supporting notes and schedules thereto of the Company as at and for the the nine months ended December 31, 2016 and December 31, 2015 prepared in accordance with the Indian Accounting Standard 34 “Interim Financial Reporting” prescribed under section 133 of the Companies Act, 2013 (the “**Reviewed Financial Statements**”) (iii) performed the procedures specified by the ICAI for review of interim financial information in the Standard (SRE 2410) on “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” on the unaudited interim condensed combined financial statements of the Company (including Utkal Alumina International Limited, AV Minerals, AV Metals and Novelis Inc.) as at and for the nine month periods ended December 31, 2016 and December 31, 2015 (“**Unaudited Combined Financial Statements**”) included in this Placement Document, are independent auditors with respect to the Company within the rules of the code of professional ethics of the Institute of Chartered Accountants of India, and as required by the Stock Exchanges and the laws of India and the applicable rules and regulations under such laws.

GENERAL INFORMATION

- Our Company was originally incorporated on December 15, 1958 under the Companies Act, 1956, as Hindustan Aluminium Corporation Limited and received the certificate of commencement of business on April 27, 1959. The name of our Company was changed to Hindalco Industries Limited with effect from October 9, 1989. The registered office of our Company is located at Century Bhavan, 3rd Floor, Dr. Annie Besant Road, Worli, Mumbai 400 030.

- Equity shares of our Company with a face value of ₹ 10 each were first listed on the BSE in January 1960. Each equity share of ₹ 10 was split into 10 Equity Shares of ₹ 1 each on August 30, 2005. The Equity Shares are currently listed on the NSE and the BSE.

- GDRs of our Company, each representing one Equity Share, are listed on the Luxembourg Stock Exchange. 156,676,095 GDRs were outstanding as of December 31, 2016. The Issue will not include any offering of GDRs.

- The Issue was authorized and approved by the Board of Directors on November 12, 2016 and approved by the shareholders at an extra-ordinary general meeting held on December 9, 2016.

- Our Company has received in-principle approval to list the Equity Shares to be issued pursuant to the Issue, on the BSE and the NSE on March 2, 2017.

- Our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

- There has been no material change in the financial or trading position of our Company since March 31, 2016, the date of the Consolidated Financial Statements prepared in accordance with Indian GAAP included in this Placement Document, except as disclosed in this Placement Document.

- Except as disclosed in this Placement Document, there are no outstanding legal or arbitration proceedings against or affecting our Company or its assets or revenues, nor is our Company aware of any pending or threatened legal or arbitration proceedings, which is material in terms of Policy for Determination of Materiality for Disclosure of Events/Information, as adopted by the Board. For further details, see section "***Legal Proceedings***" beginning on page 237.

- Copies of the Memorandum and Articles of Association of our Company will be available for inspection between 11.00 A.M. to 1.00 P.M. any weekday (except Saturdays and public holidays) during the Bid/Issue Period at the Registered Office.

- Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the Listing Regulations.

- The Floor Price for the Equity Shares under the Issue is ₹ 184.45 per Equity Share which has been calculated in accordance with Chapter VIII of the SEBI ICDR Regulations.

- Details of the Compliance Officer:

  Anil Malik
  Company Secretary and Compliance Officer
  3rd Floor, Century Bhavan,
  Dr. Annie Besant Road, Worli,
  Mumbai: 400030
  Tel: +91 22 6662 6666
  Fax: +91 22 2422 7586
  Email: anil.malik@adityabirla.com

FINANCIAL STATEMENTS

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Independent Auditor's Review Report on Unaudited Interim Condensed Combined Financial Statements of Hindalco Industries Limited for the nine months ended 31st December 2016 and 31st December 2015.

To The Board of Directors of Hindalco Industries Limited

1. We have reviewed the accompanying unaudited interim condensed combined financial statements of Hindalco Industries Limited ("the Company") and its certain subsidiaries namely Novelis Inc (group), A V Minerals (Netherlands) N.V, A.V Metals Inc and Utkal Alumina International Limited (together referred as "combined entity") ,which comprises the interim condensed combined balance sheet as at 31st December 2016 and 31st December 2015, the interim condensed combined statement of profit and loss and interim condensed combined cash flow statement for the nine months then ended and a summary of significant accounting policies and explanatory notes (interim condensed combined financial statements) for the purposes of inclusion in the preliminary placement document and the placement document ("PPD/PD") prepared by the Company in connection with the proposed Qualified Institutions Placement (the QIP) of its equity shares in accordance with the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure requirement) Regulations 2009, as amended. The above mentioned interim condensed combined financial statements have been initialled by us for identification.

2. This interim condensed combined financial statements, which is the responsibility of the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133, of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these interim condensed combined Financial Statements based on our review.

3. We conducted our review of the interim condensed combined financial statements in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim condensed combined financial statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated above and based on the Review Report / Fit-For-Consolidation Review Report ("FFC Review Report") of other auditor/ firm of Chartered Accountants, nothing has come to our attention that causes us to believe that the accompanying interim condensed combined financial statements don't present fairly, in all material respect , the state of affairs of the combined entity as at 31st December 2016 and 31st December 2015, the results of its operation and its cash flow for the period then ended in accordance with recognition and measurement principles of Indian Accounting Standard (Ind AS) 34, Interim Financial Reporting, specified under section 133 of the Companies Act 2013 (the Act), read with relevant rules issued thereunder and other accounting principles generally accepted in India.

5. We did not review the financial statements of Novelis Inc (consolidated), A V Minerals (Netherlands) N.V, A.V Metals Inc and Utkal Alumina International Limited, whose financial statements reflect total assets of Rs.760,083.9 million as at 31st December 2016 (previous period Rs. 764,691.4 million), total revenue of Rs. 474,454.5 million (previous period Rs. 503,223.1 million) and net cash flow amounting to Rs. 2,534.8 million (previous period Rs. 11,659.4 million) for the period then ended on that date, as considered in the interim condensed combined financial statements. These financial statements have been reviewed by other auditors/ firm of Chartered Accountants whose Review Report / FFC Review Report have been furnished to us by the management of the Company and our conclusion on the interim condensed combined financial statements, in

so far as it relates to the amounts and disclosures included in respect of these subsidiaries are based solely on the Review Report / FFC Review Report of other auditors / firm of Chartered Accountants.

6. We draw attention to the following:

As explained in paragraph 1 above, this interim condensed combined financial statement has been prepared by the management of the Company for the purpose of inclusion in the PPD/PD based on the financial statements of the Company and certain subsidiaries namely Novelis Inc (group), AV Minerals (Netherlands) N.V., AV Metals Inc. and Utkal Alumina International Limited. The financial statements of below mentioned Subsidiaries, Associates and Jointly Controlled Entities of the Companies have not been considered in the interim condensed combined financial statements. As explained by the management of the Company, the impact of not considering financials of below mentioned entities in the interim condensed combined financial statements will not be significant on the results and state of affairs of interim condensed combined financial statements.

a. Subsidiaries – Suvas Holdings Limited, Minerals & Minerals Limited, Renuka Investments & Finance Limited, Renukeshwar Investments & Finance Limited, Lucknow Finance Company Limited, Mauda Energy Limited, East Cost Bauxite Mining Company Private Limited, Utkal Alumina Technical & General Services Limited, Hindalco - Almex Aerospace Limited, Hindalco Guinea SARL, Hindalco Do Brasil Industria Comercia de Alumina Ltda , Dahej Harbour and Infrastructure Limited and Birla Resources Pty Limited;
b. Associates and Jointly Controlled Entity - Idea Cellular Limited (Consolidated), Aditya Birla Science & Technology Company Private Limited and Hydromine Global Minerals GMBH Limited (Consolidated).

Our conclusion on the interim condensed combined financial statements is not qualified in respect of above matter.

7. This report is intended solely for use of the management and for inclusion in the preliminary placement document/placement document in connection with the issue of equity share of the Company under Qualified Institutional Placement. Our report should not be used for any other purpose except with our prior consent in writing.

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

Rajiv Singhi
Partner
Membership No. 053518

Place: Ahmedabad
Date: February 17, 2017

Addendum to Independent Auditors' Review Report dated 17th February, 2017 on Unaudited Interim Condensed Combined Financial Statements of Hindalco Industries Limited for the nine months ended 31st December, 2016 and 31st December,2015.

To The Board of Directors of Hindalco Industries Limited,

Limited Amendment to our review report dated 17th February, 2017 on unaudited interim condensed combined financial statement of Hindalco Industries Limited (" the Company") for the nine month period ended 31st December 2016 and 31st December 2015.

This limited amendment letter is being issued in reference to our review report dated 17th February 2017 on unaudited interim condensed combined financial statements of Hindalco Industries Limited ("the Company") and its certain subsidiaries namely Novelis Inc (group), A V Minerals (Netherlands) N.V, A.V.Metals Inc and Utkal Alumina International Limited (together referred as "combined entity"),which comprises the interim condensed combined balance sheet as at 31st December 2016 and 31st December 2015, the interim condensed combined statement of profit and loss and interim condensed combined cash flow statement for the nine months then ended and a summary of significant accounting policies and explanatory notes (interim condensed combined financial statements).

This is to clarify that, in accordance with the approval of the Board of Directors and Shareholders of the company dated 12th November, 2016 and 9th December, 2016 the interim condensed combined financial statement of the Company as referred in our review report dated 17th February 2017 have been prepared by the management for inclusion in prospectus, placement document or other permissible /requisite offer documents in connection with QIP/ADR/GDR/FCCB/Right Offer or other offering which may be decided by the Board of Directors of the Company in accordance with the aforementioned resolutions and applicable law.

This limited amendment letter and our above referred review report is intended solely for use of the management and for inclusion in the offer document in connection with the issue of securities of the Company as referred above and this limited amendment letter and our review report as referred above should not be used for any other purpose except with our prior consent in writing.

This limited amendment letter is to be construed as an integral part of our review report dated 17th February 2017 issued and should be read along with above referred review report only.

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

Rajiv Singhi
Partner
Membership No. 053518

Place: Kolkata
Date: 19th February 2017

HINDALCO INDUSTRIES LIMITED
Interim Condensed Combined Balance Sheet as at 31st December, 2016

(₹ Million)

	As at	
	31/12/2016	**31/12/2015**
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	640,315.1	595,034.9
Capital Work-in-Progress	23,430.8	88,989.4
Investment Property	93.2	95.3
Goodwill	178,967.9	175,501.9
Other Intangible Assets	35,476.8	38,303.3
Intangible Assets under Development	920.1	2,490.0
Financial Assets:		
Investment - Subsidiaries	6,743.3	6,736.4
Investment - Joint ventures and Associates	2,472.9	2,444.8
Investment - Other Debt and Equity Instruments	36,986.3	32,722.9
Loans	2,087.2	1,909.9
Other Financial Assets	3,255.9	3,845.0
Deferred Tax Assets (Net)	9,754.6	9,421.6
Non-Current Tax Assets (Net)	43.4	34.9
Other Non-Current Assets	11,170.1	11,233.0
	951,717.6	968,763.3
Current Assets		
Inventories	196,723.8	177,257.6
Financial Assets:		
Investments in Debt and Equity Instruments	73,166.1	60,743.9
Trade Receivables	81,186.1	86,743.6
Cash and Cash Equivalents	53,382.2	37,801.5
Bank balances other than Cash and Cash Equivalents	1,207.1	1,680.1
Loans	607.7	535.3
Other Financial Assets	19,401.0	27,663.4
Current Tax Assets (Net)	50.1	115.8
Other Current Assets	46,415.1	43,947.0
Assets classified as held for Sale	1,067.8	1,452.7
	473,207.0	437,940.9
	1,424,924.6	1,406,704.2
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	2,050.1	2,048.9
Other Equity	407,724.9	394,182.6
	409,775.0	396,231.5
Non-Controlling Interest	9.9	1,416.6
	409,784.9	397,648.1
LIABILITIES		
Non-Current Liabilities		
Financial Liabilities:		
Borrowings	580,811.6	568,973.5
Trade Payables	-	22.8
Other Financial Liabilities	5,670.1	6,040.3
Provisions	66,046.3	61,462.3
Deferred Tax Liabilities (Net)	30,410.9	37,088.3
Other Non-Current Liabilities	4,842.9	5,492.4
	687,781.8	679,079.6
Current Liabilities		
Financial Liabilities:		
Borrowings	83,999.7	114,278.4
Trade Payables	170,561.5	149,696.1
Other Financial Liabilities	40,004.2	37,763.0
Provisions	9,438.1	9,031.5
Current Tax Liabilities (Net)	9,379.6	4,424.1
Other Current Liabilities	13,972.8	14,779.5
Liability associated with Assets classified as held for Sale	2.0	3.9
	327,357.9	329,976.5
	1,015,139.7	1,009,056.1
	1,424,924.6	1,406,704.2

The accompanying Notes are an integral part of the Interim Condensed Combined Financial Statements.

HINDALCO INDUSTRIES LIMITED

Interim Condensed Combined Statement of Profit and Loss for the nine months ended 31st December, 2016

	Nine Months ended (₹ Million)	
	31/12/2016	**31/12/2015**
REVENUES		
Revenue from Operations	735,379.5	758,059.4
Other Income	8,709.3	9,715.6
Total Revenues	744,088.8	767,775.0
EXPENSES		
Cost of Materials Consumed	418,459.9	451,027.7
Purchases of Stock-in-Trade	889.2	14.8
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(22,862.4)	7,445.8
Excise Duty	17,268.9	18,326.5
Employee Benefits Expenses	62,204.6	57,905.8
Power and Fuel	62,971.3	69,386.2
Finance Costs	43,975.9	38,309.6
Depreciation and Amortization	32,748.5	30,792.0
Impairment Loss/ (Reversal) (Net)	-	506.3
Other Expenses	105,426.3	94,953.0
Total Expenses	721,082.2	768,667.7
Profit/ (Loss) before Exceptional Items and Tax from Continuing Operations	23,006.6	(892.7)
Exceptional Income/ (Expenses) (Net)	(63.3)	-
Profit/ (Loss) before Tax from Continuing Operations	22,943.3	(892.7)
Tax Expenses:		
Current Tax	8,143.8	5,707.2
MAT Credit Entitlement	(2,725.8)	(418.2)
Deferred Tax	5,332.8	(1,995.0)
Profit/ (Loss) from Continuing Operations	12,192.5	(4,186.7)
Profit/ (Loss) from Discontinued Operations (Net)		
Profit/ (Loss) from Discontinued Operations before Tax	7.7	(8.1)
Tax on Discontinued Operations	-	-
Profit/ (Loss) from Discontinuing Operations (Net of Tax)	7.7	(8.1)
Profit/ (Loss) for the period	12,200.2	(4,194.8)
Other Comprehensive Income:		
Items that will not be reclassified to Profit and Loss	13,560.5	8,674.7
Items that will be reclassified to Profit and Loss	(12,392.1)	(627.2)
Total Other Comprehensive Income	1,168.4	8,047.5
Total Comprehensive Income	13,368.6	3,852.7
Profit/ (Loss) for the period is attributable to:		
Owners of the Parent	12,137.6	(4,244.9)
Non-Controlling Interests	62.6	50.1
	12,200.2	(4,194.8)
Total Comprehensive Income is attributable to:		
Owners of the Parent	13,421.7	3,936.4
Non-Controlling Interests	(53.1)	(83.7)
	13,368.6	3,852.7
Profit/ (Loss) for the period attributable to owners of the Parent:		
Continuing Operations	12,129.9	(4,236.8)
Discontinued Operations	7.7	(8.1)
Continuing and Discontinued Operations	12,137.6	(4,244.9)
Earnings/ (Loss) per Share for the period attributable to owners of the Parent		
From Continuing Operations		
Basic (₹)	5.92	(2.07)
Diluted (₹)	5.92	(2.07)
From Discontinued Operations		
Basic (₹)	0.00	(0.00)
Diluted (₹)	0.00	(0.00)
From Continuing and Discontinued Operations		
Basic (₹)	5.92	(2.07)
Diluted (₹)	5.92	(2.07)

The accompanying Notes are an integral part of the Interim Condensed Combined Financial Statements.

HINDALCO INDUSTRIES LIMITED

Interim Condensed Combined Cash Flow Statement for the nine months ended 31st December, 2016

(₹ Million)

	Nine Months ended	
	31/12/2016	**31/12/2015**
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before Tax:		
From Continuing Operations	22,943.3	(892.7)
From Discontinuing Operations	7.7	(8.1)
	22,951.0	(900.8)
Adjustment for :		
Finance Costs	43,975.9	38,309.6
Depreciation and Amortization	32,748.5	30,792.0
Impairment Loss/ (Reversal) (Net)	-	506.3
Employee Stock Option Scheme	50.4	74.1
Provisions made/ (written back) (Net)	376.8	19.2
Unrealised Foreign Exchange (Gain)/ Loss (Net)	2,868.6	137.2
(Gain)/ Loss on Derivative transactions (Net)	(689.5)	(4,962.1)
(Gain)/ Loss on Assets held for sale (Net)	(158.4)	(6.2)
(Gain)/ Loss on Sale of Fixed Assets (Net)	492.9	117.9
Interest Income	(3,068.6)	(4,308.8)
Dividend Income	(732.5)	(1,636.3)
Investing Activities (Net)	(4,974.3)	(2,043.7)
Other Non-operating Income/ Expenses (Net)	(5.8)	(112.0)
Operating profit before working capital changes	93,835.0	55,986.4
Changes in working Capital:		
(Increase)/ Decrease in Inventories (Net)	(30,234.9)	20,313.8
(Increase)/ Decrease in Trade and other Receivables (Net)	1,905.0	24,715.6
Increase/ (Decrease) in Trade and other Payables (Net)	18,405.4	(20,894.7)
Realised Hedging Gain/ (Loss) (Net)	2,797.0	5.6
Cash generation from Operation before Tax	86,707.5	80,126.7
(Payment)/ Refund of Income Tax (Net)	(9,006.5)	(9,684.7)
Net Cash Generated/ (Used) - Operating Activities	77,701.0	70,442.0
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Payments to acquire Property, Plant and Equipment and Intangible Assets	(19,003.3)	(29,801.8)
Proceeds from disposal of Property, Plant and Equipment and Intangible Assets	430.4	1,079.0
(Acquisition)/ Disposal of shares in Subsidiaries (Net)	1,469.5	(415.9)
(Purchase)/ Sale of Other Investments (Net)	7,201.2	3,533.1
Loans and Deposits given/ (received back) (Net)	(571.1)	5,092.6
Interest Received	3,286.7	3,930.9
Dividend Received	518.0	1,436.3
Net Cash Generated/ (Used) - Investing Activities	(6,668.6)	(15,145.8)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Shares	26.7	0.6
Redemption of Debenture	(30.0)	(30.0)
Proceeds from Long-term Borrowings	185,865.5	50,180.0
Pre-payment of Long-term Borrowings	(174,587.1)	(25,425.8)
Repayment of Long-term Borrowings	(13,712.6)	(24,428.4)
Proceeds from/ (Repayment of) Short-term Borrowings (Net)	(3,864.5)	(21,067.0)
Payment of Finance Lease liability	(20.9)	(18.3)
Finance Cost Paid	(47,911.4)	(41,941.3)
Dividend Paid (including Dividend Distribution Tax)	(2,387.8)	(2,294.4)
Net Cash Generated/ (Used) - Financing Activities	(56,622.1)	(65,024.6)
Net Increase/ (Decrease) in Cash and Cash Equivalents	14,410.3	(9,728.4)
Add : Opening Cash and Cash Equivalents	39,003.9	44,772.5
Add : Exchange variation on Cash and Cash Equivalents	(50.0)	2,756.1
Closing Cash and Cash Equivalents	53,364.2	37,800.2

HINDALCO INDUSTRIES LIMITED

Interim Condensed Combined Cash Flow Statement for the nine months ended 31st December, 2016

(₹ Million)

	Nine Months ended	
	31/12/2016	**31/12/2015**
Above Cash and Cash Equivalents comprise of:		
Deposits with initial maturity less than 3 months	10,989.8	12,769.4
Current Accounts	24,120.5	18,411.4
Cheques and drafts on hand	1,949.0	7.6
Cash on hand	4.7	3.6
Liquid Investments	16,318.2	6,609.5
	53,382.2	37,801.5
Reconciliation with Balance Sheet:		
Cash and Cash Equivalents as per Balance Sheet	53,382.2	37,801.5
Less: Fair Value adjustments in Liquid Investments	(18.0)	(1.3)
Cash and Cash Equivalents as per Cash Flow Statement	53,364.2	37,800.2

1. Basis of Preparation:

The Interim Condensed Combined Financial Statements (the financial statements) comprise of the following:

(a) Interim Condensed Combined Balance Sheet (Balance Sheet)

(b) Interim Condensed Combined Statement of Profit and Loss (including other comprehensive income)

(c) Interim Condensed Combined Cash Flow Statement

(d) Selected explanatory notes to the above

The financial statements have been prepared in accordance with the recognition and measurement principles of the Indian Accounting Standard (Ind AS) 34, Interim Financial Reporting, as prescribed under section 133 of the Companies Act 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India. The financial statements have been prepared by the management of Hindalco Industries Limited (the Parent) for the purpose of inclusion in the preliminary placement document/ placement documents in connection with proposed qualified institutions placement of its equity shares. The financial statements do not include all the disclosures required under the Ind AS. The financial statements have been prepared on historical cost basis except for financial instruments, inventories designated in fair value hedge relationship, share based payments and re-measurement of plan assets under defined benefit plan.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Parent and the entities controlled by the Parent and its subsidiaries take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102- Share-based Payments, leasing transactions that are within the scope of Ind AS 17 - Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

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

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

2. Basis of Consolidation:

The Interim Condensed Combined Financial Statements relate to the Parent and its certain subsidiaries namely Novelis Inc (Consolidated), A. V. Minerals (Netherlands) N.V., A.V. Metals Inc and Utkal Alumina International Limited (together referred as combined entity/ the Group).

The Interim Condensed Combined Financial Statements have been prepared by adding, line by line like items of assets, liabilities, equity, income and expenses. Intra-combined entity transactions, balances and unrealized profits on transactions between combined entities are eliminated in full. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets. Appropriate adjustments to deferred taxes are made for elimination of unrealised profits and losses from intra-combined entity transactions following Ind AS 12 - Income Taxes.

The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the combined entity uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that combined entity member's financial statements to ensure conformity with the parent's' accounting policies. The financial statements of all entities used for the purpose of combining are drawn up to the same reporting date as that of the parent company.

Non - Controlling Interest in the profit/ loss and equity of the subsidiaries are shown separately in the Statement of Profit and Loss and the Balance Sheet, respectively.

3. Significant Accounting Policies:

A. **Investments in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies, generally accompanying a shareholding of between 20% and 50% of the voting rights.

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

The results and assets and liabilities of associates or joint ventures are incorporated in the financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised in equity as capital reserve in the period in which the investment is acquired.

The requirements of Ind AS 36 –Impairment of Assets are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 - Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 – Impairment of Assets to the extent that the recoverable amount of the investment subsequently increases.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate.

There is no re-measurement to fair value upon such changes in ownership interests. When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to the statement of profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to the statement of profit and loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

B. **Interest in joint operation**

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

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

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

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

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

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

C. **Business Combination**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12- Income Taxes and Ind AS 19 – Employee Benefits, respectively*;*
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 – Share-based Payments at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105- Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in other comprehensive income as a bargain purchase gain and accumulated in equity as Capital Reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with Ind AS 109 – Financial Instruments, or Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in the statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

D. **Property, Plant and Equipment**

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

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

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

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

Capital work-in-progress

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

Depreciation

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

Freehold land is not depreciated.

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

Disposal of assets

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

Mining Reserves, Resources and Rights

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

Stripping cost

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

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

(a). it is probable that the future economic benefit associated with the stripping activity will be realised;

(b). the component of the ore body for which access has been improved can be identified; and

(c). the costs relating to the stripping activity associated with the improved access can be reliably measured.

The stripping cost incurred during the production phase of a surface mine is allocated to the existing mine asset to the extent the current period stripping cost exceeds the stripping ratio.

The stripping activity asset is subsequently depreciated on a unit of production basis over the life of the identified component of the ore body that became more accessible as a result of the stripping activity and is then stated at cost less accumulated depreciation and any accumulated impairment losses.

Stripping costs include such activities as removal of vegetation as well as digging the actual pit for mining the ore.

E. **Investment property**

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

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

Intangible assets acquired separately

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

Internally-generated intangible assets – research and development expenditure

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

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

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

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

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

Intangible assets acquired in a business combination

Identified intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Derecognition of intangible assets

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

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

G. **Goodwill**

Goodwill arising on acquisition is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described above.

H. **Impairment**

Impairment of tangible and intangible assets excluding Goodwill

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

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

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

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

Refer accounting policy on "Goodwill" for impairment of goodwill.

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

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

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

J. **Foreign currencies**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupees, which is the Group's presentation currency.

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

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

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

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

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

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

For the purposes of presenting these financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to the statement of profit and loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the statement of profit and loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the statement of profit and loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

K. **Provisions and contingencies**

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

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

Onerous contracts

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

Restructurings

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

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 - Revenue from Contracts with Customers.

Restoration, rehabilitation and decommissioning

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

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

Environmental liabilities

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

Litigation

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

L. **Leases**

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

The Group as lessor

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

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

The Group as lessee

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

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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Variable increases in lease payments which are linked to an inflation price index are considered as contingent rentals and are not recognised on a straight-line basis. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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

M. **Inventories**

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

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

By-products and scrap are valued at net realisable value

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

N. **Trade receivable**

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

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 18 (or when the entity applies the practical expedient) or pricing adjustments embedded in the contract.

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

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

O. **Financial Instruments**

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

Classification of financial assets

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under Ind AS 32 - Financial Instruments: Presentation). All other non-derivative financial assets are 'debt instruments'.

Financial assets at amortised cost and the effective interest method

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

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

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

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

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

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

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

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

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

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

A financial asset is held for trading if:

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

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

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

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

Financial assets at FVTPL

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

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

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss. The net gain or loss recognised in the statement of profit and loss is included in the 'other gains and losses' line item.

Interest income on debt instruments at FVTPL is included in the net gain or loss described above.

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

Impairment of financial assets

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

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

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

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

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

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

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

Derecognition of financial assets

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

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

Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

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

Equity instruments

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

Compound instruments

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

Financial guarantee contract liabilities

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

- the amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and

- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Financial liabilities

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 Financial Instruments permits the entire combined contract to be designated as at FVTPL.

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

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

Other financial liabilities

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

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

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

Offsetting financial instruments

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

P. **Derivatives and hedge accounting**

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

The group designates certain derivatives as either:

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

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

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

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

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

Fair value hedge

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

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

Cash flow hedges

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

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

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

Hedges of net investments in foreign operations

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

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

Q. **Cash and cash equivalents**

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

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

R. **Borrowing cost**

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

S. **Accounting for government grants**

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

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

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

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

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

Emission allowances are initially recognised as an intangible asset measured at fair value when the group is granted the allowances and able to exercise control with a corresponding recognition of a grant at the same amount under deferred income. As carbon dioxide is emitted, the corresponding tons of emission allowances initially recognised under deferred income is reclassified and recognized in the statement of profit and loss.

Emission allowances are not amortised as their carrying value equals their residual value and therefore the depreciable basis zero, as their value is constant until delivery to the authorities. Emission allowances are subject to impairment test.

The provision for the liability to deliver allowances is recognised based on actual emission. The provision is measured at the carrying amount of allowances to the extent that the provision will be settled using allowances on hand with any excess emission being measured at the market value of the allowances at the period end. The group records the expense in the statement of profit and loss under other expenses.

When the emission allowances for the carbon dioxide emitted are delivered to the authorities, the intangible asset as well as the corresponding provision are derecognized from the balance sheet without any effect on the statement of profit and loss.

T. **Employee Benefits**

Retirement benefit, medical costs and termination benefits

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

For defined benefit retirement and medical plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. In countries where there is a deep market in high-quality corporate bonds, the market rate on those bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation are used.

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

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

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

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

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

Short-term and other long-term employee benefits

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

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

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

U. **Share-based Payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is recognised over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in the statement of profit and loss for the year.

V. **Income Taxes**

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Where the local currency is not the functional currency, deferred tax is recognised on temporary difference arising from exchange rate changes between the closing rate and the historical purchase price of non-monetary assets translated at the exchange rate at the date of purchase if those non-monetary assets have tax consequences. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates.

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

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

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

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

Current and deferred tax for the period

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

W. **Contingent Liabilities and Contingent Assets**

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

X. **Revenue recognition**

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

(a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

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

(c) the amount of revenue can be measured reliably;

(d) it is probable that the economic benefits associated with the transaction will flow to the Group; and

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

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

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

Revenue excludes taxes and duties that are collected on behalf of Government Authorities

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

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

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

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

Y. **Dividend and Interest Income**

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

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

Z. **Claims**

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

4. Measurement of Fair Value:

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

(b) **Marketable and non-marketable equity securities** - Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

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

(d) **Embedded derivatives** - Embedded derivatives that are separated from the host contract are valued by comparing the forward curve at contract inception to the forward curve as of the balance sheet date. Changes in the present value of the cash flows related to the embedded derivative are recognized in the balance sheet and in the income statement.

5. Critical Accounting Judgement and key sources of estimation of uncertainty:

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

(a) **Business Combination** - In a business combination consideration, assets and liabilities are recognized at estimated fair value and any excess purchase price included in goodwill. In the businesses the Group operates, fair values of individual assets and liabilities are normally not readily observable in active markets. This requires the use of valuation models to estimate the fair value of acquired assets and liabilities. Such valuations are subject to numerous assumptions and thus uncertain.

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

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

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

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

The Group provides defined benefit plans in several countries and in various economic environments. The discount rate is based on the yield on high quality corporate bonds. In geographies when the Corporate Bond market is not developed, Government bond yield is considered as discount rate. Assumptions for salary increase in the remaining service period for active plan participants are based on expected salary increase for each country or economic area. Changes in these assumptions can influence the net asset or liability for the plan as well as the pension cost.

(d) **Environmental liabilities and Asset Retirement Obligation (ARO)** – Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs.

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

(f) **Recognition of deferred tax liability on undistributed profits** – The extent to which the Group can control the timing of reversal of deferred tax liability on undistributed profits of its subsidiaries requires judgement.

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

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

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

6. Details of the subsidiaries included in the Interim Condensed Combined Financial Statements are as under:

Name of the Company	Relationship	Principal Activity	Place of Incorporation	Place of operation
Utkal Alumina International Limited (Stand-alone)	Wholly-owned Subsidiary	Manufacturing	India	India
AV Minerals (Netherlands) N.V. (Stand-alone)	Wholly-owned Subsidiary	Holding Company	Netherlands	Netherlands
AV Metals Inc. (Stand-alone)	Wholly-owned Subsidiary	Holding Company	Canada	Canada
Novelis Inc. (Consolidated) - (a)	Wholly-owned Subsidiary	Holding Company	Canada	Canada

(a). Details of subsidiaries included in Consolidated Novelis Inc. (Novelis Group) are given below:

(i). Wholly-owned subsidiaries:

Name of the Subsidiaries	Principal Activity	Place of Incorporation	Place of operation
Albrasilis - Aluminio do Brasil Industria e Comercio Ltda.	Manufacturing	Brazil	Brazil
Novelis do Brasil Ltda.	Manufacturing	Brazil	Brazil
Brecha Energetica Ltda.	Dormant	Brazil	Brazil
Brito Energetica Ltda.	Dormant	Brazil	Brazil
4260848 Canada Inc.	Subsidiary	Canada	Canada
4260856 Canada Inc.	Subsidiary	Canada	Canada
8018227 Canada Inc	Subsidiary	Canada	Canada
8018243 Canada Limited	Subsidiary	Canada	Canada
Novelis (China) Aluminum Products Co. Limited	Manufacturing	China	China
Novelis (Sanghai) Aluminum Trading Company	Manufacturing	China	China
Novelis Lamines France SAS	Distribution Services	France	France
Novelis PAE SAS	Engineering	France	France
Novelis Aluminium Beteiligungs GmbH	Manufacturing	Germany	Germany
Novelis Deutschland GmbH	Manufacturing	Germany	Germany
Novelis Sheet Ingot GmbH	Manufacturing	Germany	Germany
Novelis Aluminium Holding Company	Holding Company	Ireland	Ireland
Novelis Italia SpA	Manufacturing	Italy	Italy
Novelis (India) Infotech Ltd.	IT Service Provider	India	India
Novelis de Mexico SA de CV	Dormant	Mexico	Mexico
Novelis Korea Ltd.	Manufacturing	South Korea	South Korea
Novelis AG	Manufacturing	Switzerland	Switzerland
Novelis Switzerland SA	Manufacturing	Switzerland	Switzerland
Novelis Europe Holdings Limited	Holding Company	UK	UK
Novelis UK Ltd.	Manufacturing	UK	UK
Aluminum Upstream Holdings LLC	Dormant	USA	USA
Eurofoil, Inc. (USA)	Dormant	USA	USA
Novelis Corporation	Manufacturing	USA	USA
Novelis Services Limited	Management Company	UK	UK
Novelis Global Employment Organization (Formerly known as PAE Corp)	Dormant	USA	USA
Novelis South America Holdings LLC	Holding Company	USA	USA
Novelis Acquisitions LLC	Subsidiary	USA	USA
Novelis Holdings Inc.	Holding Company	USA	USA
Novelis Delaware LLC	Subsidiary	USA	USA
Novelis Services (North America) Inc.	Cash Management Service Provider	USA	USA
Novelis Vietnam Company Limited	Manufacturing	Vietnam	Vietnam
Novelis MEA Limited	Import and Export	UAE	UAE
Novelis Asia Holdings (Singapore) Pte. Limited	Dormant	Singapore	Singapore

(ii). Non wholly-owned subsidiaries:

Name of the Subsidiaries	Principal Activity	Place of Incorporation	Place of Operation
Aluminum Company of Malaysia Berhad	Manufacturing	Malaysia	Malaysia
Alcom Nikkei Specialty Coatings Sdn Berhad	Manufacturing	Malaysia	Malaysia

7. **Share Capital:**

₹ Million

	As at	
	31/12/2016	31/12/2015
Authorized:		
2,500,000,000 (Previous period 2,500,000,000) Equity Shares of ₹ 1/- each	2,500.0	2,500.0
25,000,000 (Previous period 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each	50.0	50.0
	2,550.0	2,550.0
Issued:		
2,066,698,938 (Previous period 2,065,539,406) Equity Shares of ₹ 1/- each - (a)	2,066.7	2,065.5
	2,066.7	2,065.5
Subscribed and Paid-up:		
2,066,691,541 (Previous period 2,065,532,009) Equity Shares of ₹ 1/- each fully paid-up	2,066.7	2,065.5
Less: Face value of 16,316,130 (Previous period 16,316,130) Treasury Shares - (b)	(16.3)	(16.3)
	2,050.4	2,049.2
Less: Face value of 546,249 (Previous period 546,249) Equity Shares forfeited	(0.5)	(0.5)
	2,049.9	2,048.7
Add: Forfeited Shares (Amount originally Paid-up)	0.2	0.2
	2,050.1	2,048.9

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

(b). Represents 16,316,130 equity shares of ₹ 1/- each fully paid-up issued to Trident Trust, 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.

(c). Reconciliation of shares outstanding (excluding Treasury Shares) at the beginning and at the end of the reporting period:

	31/12/2016		31/12/2015	
	Numbers	₹ Million	Numbers	₹ Million
Equity Shares outstanding at the beginning of the period	2048669630	2,048.7	2048664252	2,048.7
Equity Shares allotted pursuant to exercise of ESOP	1159532	1.2	5378	0.0
Equity Shares outstanding at the end of the period	2049829162	2,049.9	2048669630	2,048.7

8. Details of Exceptional Income / Expenses (Net) are as under:

(a) The Company has sold its entire holding in its subsidiary, Aditya Birla Minerals Limited, Australia by accepting the off-market takeover offer announced by Metals X Limited. As per the offer, a part of the proceeds were realized in cash and the balance in equity shares of Metals X Limited. The shares of Metals X Limited received as part of this transaction have also been liquidated. The resultant gain arising out of these transactions is ₹ 1,449.3 million.

(b) Novelis Inc, wholly-owned subsidiary of the Company, has sold its 59.15% equity interest in Aluminium Company of Malaysia Berhad to Towerpack Sdn. Bhd. for USD 12 million. The transaction includes Novelis's interest in the Bukit Raja, Malaysia facility, which processed aluminium within the construction/industrial and heavy and light gauge foil markets, and the wholly owned entity Alcom Nikkei Specialty Coating Sdn. Berhad. The resultant loss arising out of these transactions is ₹ 912.2 million.

(c) Through a Gazette notification (G.S.R 837(E) dated 31st August, 2016), Ministry of Coal, Government of India has amended the date of applicability of the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 retrospectively from 12th January, 2015 as against earlier applicability being later of date on which District Mineral Foundation is established or 20th October, 2015. Accordingly, an amount of ₹ 600.4 million has been provided for additional obligation that may arise as a result of this amendment in respect of coal purchased by the Company through e-auction and linkage.

9. **Discontinued Operations:**

Mahan Coal Limited and Tubed Coal Mines Limited, joint operations of the Company, have been classified as discontinued operations since going concern concept is vitiated following deallocation of coal blocks earlier allotted to them. Details of results of the same are given below:

₹ Million

Particulars	Nine Months ended	
	31/12/2016	31/12/2015
Profit/ (Loss) from Discontinued Operations before Tax:		
Other Income	13.8	-
Employee Benefits Expenses	(3.1)	(5.9)
Other Expenses	(3.0)	(2.2)
	7.7	(8.1)
Tax on Discontinued Operations	-	-
Profit/ (Loss) from Discontinued Operations (Net of Tax)	7.7	(8.1)

10. **Earnings per Share (EPS):**

Basic earnings/ loss per share are calculated by dividing profit/ loss for the period attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the period.

Diluted earnings/ loss per share amounts are calculated by dividing the profit/ loss attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the period plus the effects of dilutive options under Employees Stock Options Schemes. The following reflects the profit/ loss and share data used in the basic and diluted earnings/ loss per share computations:

₹ Million

	Nine Months ended	
	31/12/2016	31/12/2015
Profit/ (Loss) for the period attributable to owners of the Parent:		
Continuing Operations	12,129.9	(4,236.8)
Discontinued Operations	7.7	(8.1)
Continuing and Discontinued Operations	12,137.6	(4,244.9)
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of equity shares for basic EPS	2048949074	2048668974
Dilutive impact of Employee Stock Options Scheme	1283006	1350701
Weighted average number of equity shares for diluted EPS	2050232080	2050019675
Face value of per equity share (₹)	1.00	1.00
Earnings/ (Loss) per Share from Continuing Operations:		
Basic (₹)	5.92	(2.07)
Diluted (₹)	5.92	(2.07)
Earnings/ (Loss) per Share from Discontinued Operations:		
Basic (₹)	0.00	(0.00)
Diluted (₹)	0.00	(0.00)
Earnings/ (Loss) per Share from Continuing and Discontinued Operations:		
Basic (₹)	5.92	(2.07)
Diluted (₹)	5.92	(2.07)

11. **Segment Reporting:**

The Group has three reportable segments viz. Aluminium, Copper and Novelis Inc. which have been identified based on combinations of its products and services and geographical areas and regulatory environments. No operating segments have been aggregated to form these reportable operating segments. Details of each of the reporting segments is as under:

i. Aluminium Segment, which produces Hydrate and Alumina, Aluminium and Aluminium Products.

ii. Copper Segment, which produces Copper Cathode, Continuous Cast Copper Rods, Sulphuric Acid, DAP & Complexes, Gold, Silver and other precious metals.

iii. Novelis Inc. Segment which represents Novelis Inc, a wholly owned foreign subsidiary engaged in producing aluminum sheet and light gauge products and operating in all four major industrialized continents i.e. North America, South America, Europe and Asia, identified as separate reportable segment based on its geographical area and regulatory environment.

Management monitors operating results of above segments regularly for the purpose of making decisions about resource allocation and performance assessment. Segment performance is measured based on Segment EBITDA. Segment EBITDA is defined as "Earnings before Finance Costs, Exceptional Items, Tax Expenses, Depreciation and Amortization, Impairment of non-current Assets, Share in Profit/ loss in equity accounted entities but after allocation of Corporate Administrative Expenses".

Transfer price between operating segments are on arm's lengths basis in a manner similar to transactions with third parties. Inter-segment revenues, profits and losses, assets and liabilities are eliminated upon consolidation. Segment-wise Revenue, Results, Assets and Liabilities are given below:

₹ Million

Particulars	Nine Months ended	
	31/12/2016	31/12/2015
1. Segment Revenue		
(a). Aluminium	147,080.8	135,461.7
(b). Copper	132,061.9	141,677.9
(c). Novelis Inc.	456,531.8	481,222.6
	735,674.5	758,362.2
Less: Inter-segment Revenue	(295.0)	(302.8)
Total Revenue from Operations	**735,379.5**	**758,059.4**
2. Segment Results		
(a). Aluminium	29,700.6	17,120.0
(b). Copper	9,597.2	10,825.0
(c). Novelis Inc.	53,191.9	33,959.3
	92,489.7	61,904.3
Less: Depreciation and Amortization (including Impairment)	(32,748.5)	(31,298.3)
Less: Finance Costs	(43,975.9)	(38,309.6)
	15,765.3	(7,703.6)
Add: Unallocated Income/ (Expenses) (Net)	7,241.3	6,810.9
Profit/ (Loss) from Continuing Operations before Exceptional Items and Tax	**23,006.6**	**(892.7)**
3. Segment Assets		
(a). Aluminium	492,003.5	511,995.3
(b). Copper	104,264.7	86,306.3
(c). Novelis Inc.	673,106.8	677,468.5
	1,269,375.0	1,275,770.1
Add: Corporate/ Unallocated Assets	155,549.6	130,934.1
Total Assets	**1,424,924.6**	**1,406,704.2**
4. Segment Liabilities		
(a). Aluminium	49,095.8	46,189.1
(b). Copper	42,888.5	29,544.3
(c). Novelis Inc.	224,822.8	221,516.6
	316,807.1	297,250.0
Add: Corporate/ Unallocated Liabilities (including Borrowings)	698,332.6	711,806.1
Total Liabilities	**1,015,139.7**	**1,009,056.1**

12. 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 ₹ 86,473.7 million from Securities Premium Account to BRR and till 31st March, 2016, ₹ 28,480.7 million (31st March, 2015: ₹ 21,657.9 million) have been adjusted against BRR.

During the nine months ended 31st December, 2015, the Company has made provision of ₹ 315.0 million towards diminution in value of its investment in Hydromine Global Minerals (GMBH) Limited (joint venture) as a result of its decision to dispose of its stake in this joint venture. The entire amount has been adjusted against BRR. During the nine months ended 31st December, 2016, no expense has been adjusted against BRR.

Had the Scheme not prescribed aforesaid treatment, the reported loss for nine months ended 31st December, 2015 would have been higher by ₹ 315.0 million and the Basic and Diluted loss per share for said period would have also been higher by ₹ 0.15.

13. **Contingent Liabilities:**

₹ Million

		As at	
		31/12/2016	31/12/2015
	Contingent Liabilities not provided in respect of followings:		
(a).	Claims against the company not acknowledged as debt	9,808.3	8,212.3
(b).	Corporate Guarantees outstanding	2,013.0	2,208.7
(c).	Other money for which the Company is contingently liable:		
i.	Bills discounted with Banks	22.2	23.0
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).	2,558.6	2,581.7

iii. The Company has received a notice dated 24th March, 2007 from Collector (Stamp) Kanpur, Uttar Pradesh alleging that stamp duty of ₹ 2,529.6 million 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 ₹ 553.2 million with retrospective effect from 1.04.2009 on the alleged ground that drawl of energy against the banked energy is not permissible during peak hours. The UPPCL has also included ₹ 492.1 million in the bill as late payment surcharge up to 31.12.2016. Thus total amount outstanding till 31.12.2016 is ₹ 1,045.3 million. However, if the case is decided against the company, 107.4 million units valuing ₹ 229.7 million will be treated as energy banked with UPPCL and accordingly net liability will be ₹ 815.6 million. 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 12.02.2014 and the Hon'ble Uttar Pradesh Electricity Regulatory Commission (UPERC) vide its order dated 24.02.2014 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.

v. The Company received a demand notice from Deputy Director of Mines (DDM), Sambalpur, vide letter No. 474/Mines, dated 19.03.2015 under section 21(5) of the Mine and Mineral (Development and Regulation) Act, 1957 ("MMDR Act, 1957"), to deposit an amount of ₹ 3,104.3 million towards cost price of Coal for the period from 2004-05 to 2010-11 towards alleged excess production of coal over and above the quantity approved under Mining Plan, Environment Clearance and Consent to Operate in respect of Talabira-I Coal Mine during the said period. The Company challenged the said order before the Hon'ble Revisional Authority, Ministry of Coal, Government of India, New Delhi on the ground that the DDM has no jurisdiction or authority to call upon the Company to pay the cost of coal for alleged violation, if any and the said demand is arbitrary and without lawful authority. Further, the Company has not carried out mining operation outside mining lease area and hence provisions of Section 21(5) of the MMDR Act, 1957 is not applicable. Hence, the said demand is contrary to the provisions of the MMDR Act, 1957 and Mineral Concession Rules, 1960. Interim stay has been granted by the Hon'ble Revisional Authority, Ministry of Coal and matter is pending hearing. In view of the above no provision has been made in the books.

14. Reconciliation of Equity, Profit/ (Loss) and Revenue previously reported under erstwhile Indian GAAP (Previous GAAP) and as presented now under Ind AS for the nine months ended 31st December, 2015 are given below:

(a). Reconciliation of Equity:

Particulars	₹ Million
Reported Equity as at 31st December, 2015 as per Previous GAAP	375,040.6
Adjustments:	
(a). Treasury Shares netted off with Share Capital	(344.5)
(b). Fair value adjustment of Investments	29,512.6
(c). Adjustment for share based compensation	(437.7)
(d). Adjustment in Property, Plant and Equipment	(956.6)
(e). Adjustment of transaction fees of term loan	3,842.4
(f). Fair value adjustment of deposits/ financial guarantee	28.4
(g). Entity accounted for as joint operation (Previous GAAP it was included as subsidiary)	375.5
(h). Other Adjustments	(434.3)
(i). Deferred Tax Adjustments (Net)	(8,978.3)
Equity as at 31st December, 2015 as per Ind AS	397,648.1

(b). Reconciliation of Profit/ (Loss):

Particulars	₹ Million
Reported Profit/ (Loss) for the nine months ended 31st December, 2015 as per Previous GAAP	(1,283.4)
Adjustments:	
(a). Fair value adjustment of Investments	(815.6)
(b). Adjustment for defined benefit obligations accounted through Other Comprehensive Income	(1,011.9)
(c). Adjustment of transaction fees of term loan	(85.8)
(d). Adjustment in Property, Plant and Equipment	20.0
(e). Adjustment for inventory carry trade arrangement	136.3
(f). Adjustment for share based compensation	189.3
(g). Fair value adjustment of deposits/ financial guarantee	28.4
(h). Other Adjustments	5.0
(h). Deferred Tax Adjustments (Net)	(1,377.1)
Profit/ (Loss) for the nine months ended 31st December, 2015 as per Ind AS	(4,194.8)

(c). Reconciliation of Revenue:

Particulars	₹ Million
Reported Revenue for the nine months ended 31st December, 2015 as per Previous GAAP	748,920.5
Adjustments:	
(a). Revenue of entity accounted for as joint operation (Previous GAAP it was included as subsidiary)	(8,870.3)
(b). Excise Duty on Sales earlier netted off with sales	18,326.5
(c). Other Adjustments	(317.3)
Revenue for the nine months ended 31st December, 2015 as per Ind AS	758,059.4

Auditors' Report on the Consolidated Financial Statements

The Board of Directors
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Dr. Annie Besant Road, Worli
Mumbai -400 030

1. We have examined the Consolidated Balance Sheet of Hindalco Industries Limited (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 as at March 31, 2016, 2015, and 2014 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the years ended on these dates and a summary of significant accounting policies and other explanatory information (together comprising the "Consolidated Financial Statements") annexed to this report, for the purposes of inclusion in the Preliminary Placement Document and the Placement Document prepared by the Holding Company in connection with the proposed Qualified Institutions Placement (the "QIP") of its equity shares (the "Offering") in accordance with provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the "SEBI ICDR Regulations"). The above mentioned consolidated financial statements has been initialed by us for identification.

2. **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 (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 Companies Act. 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 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.

The consolidated financial statements have been extracted from the audited consolidated financial statements for the years ended March 31, 2016, 2015 and 2014 ("the audited consolidated financial statements").. The figures for previous years have been regrouped, reclassified wherever necesaary to conform with the current year's classification.

3. **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our examination of the audited consolidated financial statements. The consolidated financial statements for the years ended March 31, 2016, 2015 and 2014 are extracted from the audited consolidated financial statements for the respective years and our opinion stated herein is based on our opinions dated July 21, 2016, May 28, 2015 and May 29, 2014 respectively for each of those years. Accordingly, any events subsequent to the dates as stated above have not been considered / adjusted for those respective years, and our opinion stated herein is based on the opinion as reported by us for each of the above years.

We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 judgement, 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 and presentation 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 and the audit eveidence obtained by the other auditor’s in terms of their report referred to in paragraph (a) and (b) of the other matter paragraph is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4. 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 and other recognized accounting principles:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2016, 2015 and 2014;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on these dates; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on these dates.

5. Emphasis of Matter

(a) For Financial Year 2015-16, we draw attention to -

i. Note No. 49 to notes to consolidated financial statements wherein, as per Scheme of Arrangement u/s 391 to 394 of the Companies Act 1956, approved by the Honourable High Court of Mumbai vide its Order dated June 29, 2009 the Holding Company had created a reserve of Rs. 86,473.7 million out of Securities Premium as Business Reconstruction Reserve (“BRR”) for adjusting certain expenses as defined in the scheme and had made following adjustments:

a. provision for diminution in the carrying value of investment in one of its Subsidiaries and a Jointly Controlled Entity, aggregating to Rs. 355.0 million against BRR;
b. impairement loss of Rs. 5,617.0 million (deferred tax of Rs. 1,943.9 million) related to one of its cash generating units;
c. expenses of Rs. 2,794.6 million for exited project.

ii. Note No. 44 of the consolidated financial statements regarding accounting policy of Novelis

Inc, a wholly owned subsidiary with respect to recognition of actuarial losses relating to pension and other post retirement benefit plans in the actuarial gain/(loss) reserve instead of Statement of Profit and Loss . 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 Rs. 2,537.5 million, Tax Expenses (Deferred Tax) would have been lower by Rs. 930.2 million, Minority Interest credit would have been lower by Rs. 717.1 million, Actuarial Gain/ (Loss) Reserve would have been Nil and Foreign Currency Translation Reserve would have been lower by Rs. 1,507.4 million.

Had the impact of paragraph (i) and (ii) be considered, the reported consolidated profit before tax of Rs. 5,595.6 million and profit after tax and minority interest of Rs. 448.1 million respectively, would have been converted in to consolidated loss before tax of Rs. 6,425.7 million and loss after tax and minority interest of Rs. 8,699.1 million. Further, consolidated share of minority interest would have been Rs. 3,772.9 million (loss) against reported minority share of Rs. 4,490.0 million (loss).

(b) For Financial Year 2014-15, we draw attention to -

i. Note No. 49 to notes to consolidated financial statements wherein, as per Scheme of Arrangement u/s 391 to 394 of the Companies Act 1956, approved by the Honourable High Court of Mumbai vide its Order dated June 29, 2009 the Holding Company had created a reserve of Rs. 86,473.7 million out of Securities Premium as Business Reconstruction Reserve ("BRR") for adjusting certain expenses as defined in the scheme and had made following adjustments:

  a. Impairment loss of Rs. 622.9 million (Net of deferred tax Rs. 329.7 million) related to one of its cash generating units;
  b. provision for diminution in the carrying value of investment in one of its Subsidiaries and a Jointly Controlled Entity, aggregating to Rs. 350 million against BRR

ii. Note No. 44 of the consolidated financial statements regarding accounting policy of Novelis Inc, a wholly owned subsidiary with respect to recognition of actuarial losses relating to pension and other post retirement benefit plans in the actuarial gain/(loss) reserve instead of Statement of Profit and Loss . 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 Rs. 15,165.0 million, Tax Expenses (Deferred Tax) would have been lower by Rs. 4,528.0 million, Minority Interest credit would have been lower by Rs. 502.8 million, Net Profit for the year would have been lower by Rs. 10,636.9 million, Actuarial Gain/ (Loss) Reserve would have been Nil and Foreign Currency Translation Reserve would have been lower by Rs. 686.5 million.

Had the impact of paragraph (i) and (ii) be considered, the reported consolidated profit before tax of Rs. 11,105.9 miilion and profit after tax and minority interest of Rs. 8,542.1 million respectively, would have been converted in to consolidated loss before tax of Rs. 5,864.5 million and loss after tax and minority interest of Rs. 3,570.6 million. Further, consolidated share of minority interest would have been Rs. 5,453.8 million (loss) against reported minority share of Rs. 5,956.6 million.

(c) For Financial Year 2013-14, we draw attention to-

i. Note No. 49 to notes to consolidated financial statements wherein, as per Scheme of Arrangement u/s 391 to 394 of the Companies Act 1956, approved by the Honourable High Court of Mumbai vide its Order dated June 29, 2009 the Holding Company had created a reserve of Rs. 86,473.7 million out of Securities Premium as Business Reconstruction Reserve ("BRR") for adjusting certain expenses as defined in the scheme and had adjusted provision for diminution in the carrying value of investment in one of the Subsidiary, amounting to Rs.

860.6 million against BRR. There is no impact of thesame on the reported consolidated profit for the year. However, balance of consolidated statement of profit and loss is higher by this amount and balance in BRR is lower by this amount.

ii. Note No. 44 of the consolidated financial statements regarding accounting policy of Novelis Inc, a wholly owned subsidiary with respect to recognition of actuarial losses relating to pension and other post retirement benefit plans in the actuarial gain/(loss) reserve instead of Statement of Profit and Loss . 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 lower by Rs. 1,420.9 million, Tax Expenses (Deferred Tax) would have been higher by Rs. 774.3 million, the consolidated profit before taxes and minority interest for the year would have been higher by Rs. 646.6 million, Actuarial Gain/ (Loss) Reserve would have been Nil and Foreign Currency Translation Reserve would have been lower by Rs. 1,263.9 million.

Our opinion is not qualified in respect of above matters.

6. <u>Other Matter</u>

(a) We did not audit the financial statements/ financial information of eleven subsidiaries in FY 2015-16, twelve subsidiaries in 2014-15 and eleven subsidiaries in FY 2013-14 and one jointly controlled entitiy in FY 2015-16, two jointly controlled entities in FY 2014-15 and FY 2013-14, whose financial statements/ finacial information reflect total assets of Rs. 87,660.7 million, Rs. 106,979.7 million and Rs. 106,217.2 million as at March 31, 2016, 2015 and 2014 respectively, total revenue of Rs. 23,148.7 million, Rs. 28,770.9 million and Rs. 13,229.3 million and net cash flow amounting to Rs. 154.7 million, Rs. 85.7 million and Rs. 239.2 million for the year ended March 31, 2016, 2015 and 2014 respectively. The consolidated financial statement also include the Group's share of net profit of Rs 1,805.8 million, Rs. 2,033.1 million and Rs. 1,304.3 million for the year ended March 31,2016, 2015 and 2014 as considered in the consolidated financial statements, in respect of two associates, whose financial statement/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 report 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 disclosure included in respect of these subsidiaries, jointly controlled entity and associates, is based solely on the report of the other auditors.

(b) We did not audit the consolidated financial statements/ financial statements/ financial information of three foreign subsidiaries whose consolidated financial statements/ financial statements reflect Group's Share of total assets (net) of Rs. 668,296.5 million, Rs. 671,481.8 million and Rs. 647,090.8 million as at March 31, 2016, 2015 and 2014 respectively, total revenue of Rs. 654,464.9 million, Rs. 684,786.1 million and Rs. 591,723.4 million; net cash flow amounting to Rs. 2,923.4 million, Rs. 9,307.8 million and Rs. 14,034.9 million for the year ended March 31, 2016, 2015 and 2014 respectively 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.a(ii), b(ii) and c(ii) 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.

(c) We did not audit the consolidated consolidated financial statements / financial statements / financial information of two foreign subsidiaries, whose consolidated financial statements / financial statements reflect total assets of Rs. 8,255.6 million, Rs. 18,643.1 million, Rs. 37,288.4 million as at March 31, 2016, 2015 and 2014 respectively, total revenue Rs. 10,061.3 million, Rs. 3,341.4 million, Rs. 18,255.7 million and net cash flow amounting to Rs. 2,419.9 million, Rs. 914.7 million and Rs. 2,879.7 million for the year ended March 31, 2016, 2015 and 2014 respectively, 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.

(d) We did not audit the financial statements/ financial information of a foreign subsidiary and a jointly controlled entity in FY 2015-16, two foreign subsidiaries in FY 2014-15 and two subsidaries in FY 2013-14, whose financial statements/financial information reflects total assets of Rs. 2,643.5 million, Rs. 1,615.3 million and Rs. 2,307.7 million as at March 31, 2016, 2015 and 2014 respectively; total revenue of Rs. 1,931.1 million, Rs. 1,335.5 million and Rs. 430.6 million and net cash flow amounting to Rs. 73.3 million, Rs. 93.9 million and Rs. 90.3 million for the year ended March 31, 2016, 2015 and 2014 respectively, 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 the amounts included in respect of this subsidiary and jointly controlled entity is based solely on such management certified Financial Statements.

Our opinion on the consolidated financial statements is not qualified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the financial statement/financial information certified by the management.

7. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.

8. This report is intended solely for use of the management and for inclusion in the preliminary placement document/placement document in connection with the issue of equity share of the Holding Company under Qualified Institutional Placement. Our report should not be used for any other purpose except with our prior consent in writing.

For Singhi & Co.
Chartered Accountants
Firm Registeration No. 302049E

(RAJIV SINGHI)
Partner
Membership No.53518

Place : Ahmedabad
Date : February 17, 2017

Limited Amendment to Auditors' Report dated 17th February, 2017 on Consolidated Financial Statement of Hindalco Industries Limited (Holding Company).

To

The Board of Directors of Hindalco Industries Limited.

Limited Amendment to our audit report dated 17th February 2017 on consolidated financial statement of Hindalco Industries Limited (Holding Company) for the year ended 31st March 2016, 2015 and 2014.

This limited amendment letter is being issued in reference to our audit report dated 17th February 2017 on the Consolidated Balance Sheet of Hindalco Industries Limited (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 as at March 31, 2016, 2015, and 2014 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the years ended on these dates and a summary of significant accounting policies and other explanatory information (together comprising the "Consolidated Financial Statements").

With reference to paragraph 1of our audit report dated 17th February, 2017, this is to clarify that, in accordance with the approval of the Board of directors and shareholders of the company dated 12th November 2016 and 9th December ,2016 the Consolidated Financial Statement of the holding company as referred in our review report dated 17th February 2017 have been prepared by the management for inclusion in prospectus, placement document or other permissible /requisite offer documents in connection with QIP/ADR/GDR/FCCB/Right offer or other offering which may be decided by the Board of directors of the Company in accordance with the aforementioned resolutions and applicable law.

This limited amendment letter and our above referred audit report is intended solely for use of the management and for inclusion in the offer document in connection with the issue of securities of the holding company as referred above and this limited amendment letter and our audit report as referred above should not be used for any other purpose except with our prior consent in writing.

This limited amendment letter is to be construed as an integral part of our audit report dated 17th February 2017 issued on consolidated financial statements, as referred above, and should be read along with above referred audit report only.

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

(**Rajiv Singhi**)
Partner
Membership No. 053518

Place: Kolkata

Date: 19th February 2017

HINDALCO INDUSTRIES LIMITED
Consolidated Balance Sheet as at 31st March, 2016, 2015 and 2014

(₹ Million)

	Note No.	As at 31/03/2016	As at 31/03/2015	As at 31/03/2014
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	'6'	2,065.2	2,065.2	2,064.8
Reserves and Surplus	'7'	382,072.8	381,220.2	403,927.5
		384,138.0	383,285.4	405,992.3
Minority Interest		3,888.0	9,561.1	17,805.3
Share Application Money pending allotment		-	-	56.0
Non-Current Liabilities				
Long-Term Borrowings	'8'	581,761.6	553,861.8	539,440.9
Deferred Tax Liabilities (Net)	'9'	33,303.4	39,481.4	43,742.3
Other Long-Term Liabilities	'10'	7,977.0	8,150.3	11,583.0
Long-Term Provisions	'11'	73,550.1	65,622.9	58,137.3
		696,592.1	667,116.4	652,903.5
Current Liabilities				
Short-Term Borrowings	'12'	87,685.9	116,719.8	94,042.6
Trade Payables		141,221.0	155,005.2	129,969.8
Other Current Liabilities	'13'	69,433.1	83,137.5	73,656.6
Short-Term Provisions	'14'	18,656.2	16,563.3	17,384.5
		316,996.2	371,425.8	315,053.5
		1,401,614.3	1,431,388.7	1,391,810.6
ASSETS				
Non-Current Assets				
Fixed Assets:				
Tangible Assets	'15'	631,247.4	545,907.1	432,654.0
Intangible Assets	'16'	175,349.1	173,680.5	178,980.8
Capital Work-in-Progress		40,576.4	139,139.7	228,823.0
Intangible Assets under Development		1,437.7	1,973.0	1,769.5
		848,610.6	860,700.3	842,227.3
Non-Current Investments	'17'	65,583.6	57,264.1	62,702.4
Deferred Tax Assets (Net)	'18'	15,997.7	13,929.6	11,992.3
Long-Term Loans and Advances	'19'	15,219.0	23,686.6	24,563.5
Other Non-Current Assets	'20'	5,013.6	3,290.1	7,668.2
		950,424.5	958,870.7	949,153.7
Current Assets				
Current Investments	'21'	77,655.1	66,199.3	66,908.4
Inventories	'22'	167,309.6	184,511.3	166,942.6
Trade Receivables	'23'	79,413.5	91,864.3	92,347.6
Cash and Bank Balances	'24'	43,120.2	53,089.9	50,212.9
Short-Term Loans and Advances	'25'	48,313.6	52,043.7	45,381.5
Other Current Assets	'26'	35,377.8	24,809.5	20,863.9
		451,189.8	472,518.0	442,656.9
		1,401,614.3	1,431,388.7	1,391,810.6

Significant Accounting Policies '2'

The accompanying Notes are an integral part of the Financial Statements

HINDALCO INDUSTRIES LIMITED
Consolidated Statement of Profit and Loss for the years ended 31st March, 2016, 2015 and 2014

(₹ Million)

	Note No.	Year ended 31/03/2016	Year ended 31/03/2015	Year ended 31/03/2014
INCOME				
Revenue from Operations:	'27'			
Gross Revenue from Operations		1,024,847.7	1,066,955.6	900,068.4
Less: Excise Duty		24,426.1	24,144.6	23,113.5
Net Revenue from Operations		1,000,421.6	1,042,811.0	876,954.9
Other Income	'28'	12,153.0	11,047.4	10,172.0
Total Income		1,012,574.6	1,053,858.4	887,126.9
EXPENSES				
Purchases of Stock-in-Trade		14.8	365.5	522.5
Cost of Materials Consumed	'29'	581,009.5	661,330.5	538,573.7
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	'30'	12,852.2	(12,378.9)	(5,218.8)
Employee Benefits Expenses	'31'	82,383.4	79,912.3	73,191.6
Power and Fuel	'32'	93,169.2	83,785.6	61,504.9
Finance Costs	'33'	50,489.4	41,784.2	27,015.9
Depreciation and Amortization	'34'	41,265.6	34,933.8	33,468.3
Impairment Loss/ (Reversal) (Net)	'35'	1,606.3	971.8	2,059.6
Other Expenses	'36'	143,077.2	140,350.3	125,518.2
Total Expenses		1,005,867.6	1,031,055.1	856,635.9
Profit before Exceptional Items and Tax		6,707.0	22,803.3	30,491.0
Exceptional Items (Net)	'37'	5,765.3	19,401.0	3,959.8
Profit before Tax		941.7	3,402.3	26,531.2
Tax Expenses:	'38'			
Current Tax		10,389.9	10,166.4	11,940.5
MAT Credit Entitlement		(1,263.3)	(6,029.7)	-
Deferred Tax		(3,978.8)	(1,246.4)	(6,261.0)
Tax Adjustments for earlier years (Net)		(0.3)	(326.5)	(430.3)
Profit/ (Loss) for the period from Continuing Operations		(4,205.8)	838.5	21,282.0
Profit/ (Loss) from Discontinuing Operations	'39'	(1,585.1)	-	-
Profit/ (Loss) before Minority Interest and share in Associates		(5,790.9)	838.5	21,282.0
Share in Profit/ (Loss) of Associates (Net)		1,749.0	1,747.0	668.4
Profit/ (Loss) before Minority Interest		(4,041.9)	2,585.5	21,950.4
Minority Interest in Profit/ (Loss) (Net)		(4,490.0)	(5,956.6)	200.3
Profit/ (Loss) for the year		448.1	8,542.1	21,750.1
Earnings per Share (EPS):	'40'			
Basic EPS (₹)		0.22	4.14	10.91
Diluted EPS (₹)		0.22	4.13	10.91
Significant Accounting Policies	'2'			

The accompanying Notes are an integral part of the Financial Statements

HINDALCO INDUSTRIES LIMITED

Consolidated Cash Flow Statement for the years ended 31st March, 2016, 2015 and 2014

(₹ Million)

	Year ended 31/03/2016	Year ended 31/03/2015	Year ended 31/03/2014
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax	941.7	3,402.3	26,531.2
Adjustment for:			
Finance Costs	50,489.4	41,784.2	27,015.9
Depreciation and Amortization	41,265.6	34,933.8	33,468.3
Impairment Loss/ (Reversal) (Net) - (a)	7,371.6	10,621.0	2,059.6
Employee Share Based Payments	70.5	72.8	38.5
Provisions/ Provisions written-back (Net)	(357.4)	492.5	(63.1)
Unrealised Foreign Exchange (Gain)/ Loss (Net)	(214.6)	(530.6)	(797.6)
Loss/ (Gain) on Derivative transactions (Net)	(3,645.1)	3,972.4	(1,054.7)
Write-off and amortization of fair value adjustments	(179.2)	(344.0)	(251.8)
Other Non-operating (Income)/ Expenses (Net)	(126.6)	(3,528.4)	30.0
Loss/ (Gain) on Assets held for sale (Net)	(28.7)	(1,584.2)	(374.1)
Investing Activities (Net)	(9,880.3)	(8,295.6)	(8,560.4)
Operating profit before Working Capital changes	85,706.9	80,996.2	78,041.8
Changes in Working Capital:			
Inventories	24,277.8	(18,697.5)	(15,713.2)
Trade and other Receivables	24,269.6	(16,168.0)	(21,004.1)
Trade and other Payables	(26,587.9)	34,002.9	46,340.3
Cash generation from Operation	107,666.4	80,133.6	87,664.8
Payment of Direct Taxes	(7,830.1)	(11,279.9)	(9,585.5)
Impact of Foreign Exchange translation (Net)	2,873.5	2,577.1	1,477.9
Net Cash generated/ (used) - Operating Activities	102,709.8	71,430.8	79,557.2
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase of Fixed Assets	(39,891.4)	(59,776.2)	(94,235.7)
Sale of Fixed Assets	563.7	2,616.0	1,074.4
(Purchase)/ Sale of shares of Subsidiaries (Net)	236.3	-	-
(Purchase)/ Sale of other Investments (Net)	(6,603.9)	10,510.4	5,316.2
Loans and Deposits Given/ (Received back) (Net)	6,942.8	3,978.3	1,234.0
Interest Received	5,499.7	4,295.3	4,990.7
Dividend Received	441.3	445.3	473.5
Net Cash Generated/ (Used) - Investing Activities	(32,811.5)	(37,930.9)	(81,146.9)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Shares (Net of Expenses) - (b)	3.4	47.0	16,299.9
Capital Subsidy Received	-	-	5.0
Proceeds from Long-term Borrowings	61,160.3	82,024.3	220,277.2
Prepayment of Long-term Borrowings	(44,575.8)	(69,225.0)	(191,834.6)
Repayment of Long-term Borrowings	(6,549.0)	(9,523.9)	(6,932.7)
Proceeds/ (Repayment) of Short-term Borrowings (Net)	(29,749.9)	25,047.9	27,178.8
Finance Costs Paid	(50,307.9)	(50,253.1)	(46,919.2)
Dividend Paid (including Dividend Distribution Tax)	(2,575.4)	(2,488.0)	(3,148.5)
Net Cash Generated/ (Used) - Financing Activities	(72,594.3)	(24,370.8)	14,925.9
Net Increase/ (Decrease) in Cash and Cash Equivalents	(2,696.0)	9,129.1	13,336.2
Add : Opening Cash and Cash Equivalents	43,705.2	35,371.7	21,842.5
Add : Cash and Cash Equivalents on Acquisition/ Disposal	(17.4)	-	-
Add : Foreign Exchange variation on Cash and Cash Equivalents	621.7	(795.6)	193.0
Closing Cash and Cash Equivalents	41,613.5	43,705.2	35,371.7

(a). Include impairment loss of ₹ 5,765.3 million (FY 2014-15: ₹ 9,649.2 million and FY 2013-14: ₹ NIL) accounted for as Exceptional Items (refer Note No. 37 (a) and (b) iii).

(b). Include ₹ 2.8 million (FY 2014-15: ₹ 6.5 million and FY 2013-14: ₹ 60.0 million) received by subsidiaries from minority shareholders.

Notes:

1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash Flow Statement".
2. Previous year figures have been regrouped/ rearranged wherever necessary.

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.

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 notified by the Companies Act (‘the Act’), 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 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 statement of profit and loss as per terms of lease agreement.

(b). Finance leases prior to 1st April, 2001: Lease rental recognized as expense in the statement profit and loss 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 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 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.

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	31/03/2014
Minerals & Minerals Limited	Subsidiary	India	100.00%	100.00%	100.00%
Aditya Birla Chemicals (India) Limited *	Subsidiary	India	-	54.65%	54.65%
Aditya Birla Chemicals (Belgium) BVBA * - (a)	Subsidiary	Belgium	-	54.65%	-
Utkal Alumina International Limited	Subsidiary	India	100.00%	100.00%	100.00%
Suvas Holdings Limited	Subsidiary	India	51.00%	51.00%	51.00%
Renukeshwar Investments & Finance Limited	Subsidiary	India	100.00%	100.00%	100.00%
Renuka Investments & Finance Limited	Subsidiary	India	100.00%	100.00%	100.00%
Dahej Harbour and Infrastructure Limited	Subsidiary	India	100.00%	100.00%	100.00%
Lucknow Finance Company Limited	Subsidiary	India	100.00%	100.00%	100.00%
Hindalco-Almex Aerospace Limited - (b)	Subsidiary	India	97.18%	97.18%	97.18%
Tubed Coal Mines Limited	Subsidiary	India	60.00%	60.00%	60.00%
East Coast Bauxite Mining Company Private Limited	Subsidiary	India	74.00%	74.00%	74.00%
Mauda Energy Limited	Subsidiary	India	100.00%	100.00%	100.00%
Utkal Alumina Technical & General Services Limited #	Subsidiary	India	100.00%	100.00%	100.00%
Birla Resources Pty Limited	Subsidiary	Australia	100.00%	100.00%	100.00%
Aditya Birla Minerals Limited - (c)	Subsidiary	Australia	51.00%	51.00%	51.00%
AV Minerals (Netherlands) N.V.	Subsidiary	Netherland	100.00%	100.00%	100.00%
AV Metals Inc.	Subsidiary	Canada	100.00%	100.00%	100.00%
Novelis Inc. - (d)	Subsidiary	Canada	100.00%	100.00%	100.00%
Hindalco Do Brasil Industria Comercia de Alumina Ltda # - (e)	Subsidiary	Brazil	100.00%	100.00%	100.00%
Hindalco Guinea SARL	Subsidiary	South Africa	100.00%	100.00%	100.00%
Mahan Coal Limited	Joint Venture	India	50.00%	50.00%	50.00%
MNH Shakti Limited	Joint Venture	India	15.00%	15.00%	15.00%
Hydromine Global Minerals (GMBH) Limited	Joint Venture	British Virgin Islands	45.00%	45.00%	45.00%
Idea Cellular Limited	Associate	India	6.34%	6.35%	6.89%
Aditya Birla Science and Technology Company Private Limited - (f)	Associate	India	49.00%	49.00%	49.00%

* With effect from 1st April, 2015, ceases as subsidiary. (refer Note No. 46)

\# Incorporated/ acquired during FY 2013-14.

(a). On 24th December, 2014, Aditya Birla Chemicals (India) Limited, a subsidiary of the company, has acquired subsidiary namely Aditya Birla Chemicals (Belgium) BVBA. Audited Financial statements of Aditya Birla Chemicals (Belgium) BVBA as at 31st March, 2015, prepared under local GAAP, has been converted in Indian GAAP by the management for incorporation in Consolidated Financial Statements.

(b). Board of Directors of Hindalco-Almex Aerospace Limited (HAAL), a subsidiary of the Company, proposed reduction of its share capital effective 1st March, 2014 for which an application was filed before Hon'ble High Court of Judicature of Bombay on 9th May, 2014. Pending approval of the Hon'ble High Court, HAAL had not got their accounts audited, hence, CFS for the year ended 31st March, 2014 were prepared using un audited financial statements of HAAL. However, audited financial statements of HAAL has been received subsequently and there was no change as compare to un audited financial statements.

(c). For the purpose of consolidation, the consolidated financial statements of Aditya Birla Minerals Limited reflecting consolidation for following entities as at 31st March, 2016, 2015 and 2014 prepared in accordance with International Financial Reporting Standards have been restated, where considered material, to comply 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	31/03/2014
Birla Maroochydore Pty Limited #	Subsidiary	Australia	51.00%	51.00%	51.00%
Birla Nifty Pty Limited #	Subsidiary	Australia	51.00%	51.00%	51.00%
Birla Mt. Gordon Pty Limited # *	Subsidiary	Australia	-	51.00%	51.00%

\# Group's proportion of voting power is 100%.

* Disposed during FY 2015-16.

(d). For the purpose of consolidation, the consolidated financial statements of Novelis Inc. reflecting consolidation for following entities as at 31st March, 2016, 2015 and 2014 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	31/03/2014
Albrasilis - Aluminio do Brasil Industria e Comercio Ltda. *2	Subsidiary	Brazil	-	99.99%	99.99%
Novelis do Brasil Ltda.	Subsidiary	Brazil	99.99%	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%	100.00%
4260856 Canada Inc.	Subsidiary	Canada	100.00%	100.00%	100.00%
8018227 Canada Inc	Subsidiary	Canada	100.00%	100.00%	100.00%
8018243 Canada Limited $$	Subsidiary	Canada	-	100.00%	100.00%
Novelis Cast House Technology Ltd. $	Subsidiary	Canada	-	-	100.00%
Novelis No. 1 Limited Partnership *3	Subsidiary	Canada	-	-	100.00%
Novelis (China) Aluminum Products Co. Limited	Subsidiary	China	100.00%	100.00%	100.00%
Novelis (Sanghai) Aluminum Trading Company	Subsidiary	China	100.00%	100.00%	100.00%
Novelis Lamines France SAS	Subsidiary	France	100.00%	100.00%	100.00%
Novelis PAE SAS	Subsidiary	France	100.00%	100.00%	100.00%
Novelis Aluminium Beteiligungs GmbH	Subsidiary	Germany	100.00%	100.00%	100.00%
Novelis Deutschland GmbH	Subsidiary	Germany	100.00%	100.00%	100.00%
Novelis Sheet Ingot GmbH	Subsidiary	Germany	100.00%	100.00%	100.00%
Novelis Aluminium Holding Company	Subsidiary	Ireland	100.00%	100.00%	100.00%
Novelis Italia SpA	Subsidiary	Italy	100.00%	100.00%	100.00%
Aluminum Company of Malaysia Berhad	Subsidiary	Malaysia	59.15%	59.15%	59.15%
Alcom Nikkei Specialty Coatings Sdn Berhad #	Subsidiary	Malaysia	59.15%	59.15%	59.15%
Al Dotcom Sdn Berhad # *2	Subsidiary	Malaysia	-	59.15%	59.15%
Novelis (India) Infotech Ltd.	Subsidiary	India	100.00%	100.00%	100.00%
Novelis de Mexico SA de CV	Subsidiary	Mexico	99.99%	99.99%	99.99%
Novelis Korea Ltd.	Subsidiary	South Korea	100.00%	100.00%	100.00%
Novelis AG	Subsidiary	Switzerland	100.00%	100.00%	100.00%
Novelis Switzerland SA	Subsidiary	Switzerland	100.00%	100.00%	100.00%
Novelis Europe Holdings Limited	Subsidiary	UK	100.00%	100.00%	100.00%
Novelis UK Ltd.	Subsidiary	UK	100.00%	100.00%	100.00%
Aluminum Upstream Holdings LLC $$	Subsidiary	USA	-	100.00%	100.00%
Eurofoil, Inc. (USA) $$	Subsidiary	USA	-	100.00%	100.00%
Logan Aluminium Inc. ##	Subsidiary	USA	40.00%	40.00%	40.00%
Novelis Corporation	Subsidiary	USA	100.00%	100.00%	100.00%
Novelis Madeira, Unipessoal, Limited *3	Subsidiary	Portugal	-	-	100.00%
Novelis Services Limited	Subsidiary	UK	100.00%	100.00%	100.00%
Novelis Brand LLC $	Subsidiary	USA	-	-	100.00%
Novelis Global Employment Organization (Formerly known as Novelis PAE Corp)	Subsidiary	USA	100.00%	100.00%	100.00%
Novelis South America Holdings LLC	Subsidiary	USA	100.00%	100.00%	100.00%
Novelis Acquisitions LLC	Subsidiary	USA	100.00%	100.00%	100.00%
Novelis Holdings Inc. ^	Subsidiary	USA	100.00%	100.00%	100.00%
Novelis Delaware LLC $$	Subsidiary	USA	-	100.00%	100.00%
Novelis Services (North America) Inc. *	Subsidiary	USA	100.00%	100.00%	-
Novelis Vietnam Company Limited	Subsidiary	Vietnam	100.00%	100.00%	100.00%
Novelis MEA Limited	Subsidiary	UAE	100.00%	100.00%	100.00%
Novelis Asia Holdings (Singapore) Pte. Limited *1 *2	Subsidiary	Singapore	-	100.00%	100.00%
Consorcio Candonga *3	Associate	Brazil	-	-	50.00%
France Aluminium Recyclage SA	Associate	France	20.00%	20.00%	20.00%
Aluminium Norf GmbH	Associate	Germany	50.00%	50.00%	50.00%
Deutsche Aluminium Verpackung Recycling GmbH	Associate	Germany	30.00%	30.00%	30.00%
Mini MRF LLC (Delaware) *4	Associate	Germany	-	-	-

Group's proportion of voting power is 100%.
Subsidiary on account of management control.
* Acquired/ Incorporated during FY 2014-15.
*1 Acquired/ Incorporated during FY 2013-14.
*2 Disposed/ Dissolved during FY 2015-16.
*3 Disposed/ Dissolved during FY 2014-15.
*4 Disposed/ Dissolved during FY 2013-14.
$ Amalgamated with Novelis Inc. during FY 2014-15.
$$ Amalgamated with Novelis Inc./ Novelis Group Companies during FY 2015-16.
^ Formerly known as Novelis North America Holding LLC

(e). Audited Financial Statements for the years ended 31st March, 2016, 2015 and 2014 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.

(f). Aditya Birla Science and Technology Company Limited has been converted from "Public Limited" to "Private Limited" w.e.f. 30th March, 2015. The name of said company is changed to Aditya Birla Science and Technology Company Private Limited.

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		2013-14	
Parent	Subsidiary	₹ Million	Proportion	₹ Million	Proportion	₹ Million	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.	1,605.5	100%	3,614.0	100%	3,978.6	100%

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:

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
BALANCE SHEET			
Equity and Liabilities			
Shareholders' Funds			
Share Capital	2,427.5	2,422.5	2,055.4
Reserves and Surplus	(267.8)	(263.5)	(0.7)
	2,159.7	2,159.0	2,054.7
Share Application Money pending allotment	5.5	1.1	301.4
Non-Current Liabilities			
Long-Term Provisions	-	-	0.3
	-	-	0.3
Current Liabilities			
Short-Term Borrowings	1.7	0.9	7.7
Trade Payables	0.1	0.1	0.1
Other Current Liabilities	5.4	6.0	7.0
Short-Term Provisions	0.1	1.5	1.4
	7.3	8.5	16.2
	2,172.5	2,168.6	2,372.6
Assets			
Non-Current Assets			
Fixed Assets			
Tangible Assets	34.6	36.0	147.8
Intangible Assets	-	-	-
Capital Work-in-Progress	315.6	307.2	2,087.2
Intangible Assets under Development	32.8	34.6	34.2
Long-Term Loans and Advances	-	-	20.6
Other Non-Current Assets	0.8	0.8	0.8
	383.8	378.6	2,290.6
Current Assets			
Cash and Bank Balances	60.2	52.1	69.5
Short-Term Loans and Advances	1,015.6	23.4	10.0
Other Current Assets	712.9	1,714.5	2.5
	1,788.7	1,790.0	82.0
	2,172.5	2,168.6	2,372.6

(₹ Million)

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
STATEMENT OF PROFIT AND LOSS			
Income			
Other Income	0.6	0.3	1.1
Total Income	0.6	0.3	1.1
Expenses			
Employee Benefits Expenses	4.0	-	-
Power and Fuel	0.1	-	-
Finance Costs	-	-	0.1
Depreciation and Amortization	0.3	0.3	0.3
Other Expenses	(7.7)	65.7	(5.9)
Total Expenses	(3.3)	66.0	(5.5)
Profit before Exceptional Items and Tax	3.9	(65.7)	6.6
Exceptional Items (Net)	-	207.2	-
Profit before Tax	3.9	(272.9)	6.6
Current Tax	-	0.1	0.3
Profit/ (Loss) for the year	3.9	(273.0)	6.3

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Contingent Liabilities and Commitments			
Claims against the Company not acknowledged as debts	3.7	2.7	-
Guarantees outstanding	-	167.1	405.6
Capital Commitments (Net of Advances)	-	4.7	7.2

6. **Share Capital:**

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Authorized:			
2,500,000,000 (31/03/2015: 2,500,000,000 and 31/03/2014: 2,100,000,000) Equity Shares of ₹ 1/- each - (a)	2,500.0	2,500.0	2,100.0
25,000,000 (31/03/2015 and 31/03/2014: 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each	50.0	50.0	50.0
	2,550.0	2,550.0	2,150.0
Issued:			
2,065,539,406 (31/03/2015: 2,065,534,028 and 31/03/2014: 2,065,141,514) Equity Shares of ₹ 1/- each - (b)	2,065.5	2,065.5	2,065.1
	2,065.5	2,065.5	2,065.1
Subscribed and Paid-up:			
2,065,532,009 (31/03/2015: 2,065,526,631 and 31/03/2014: 2,065,134,117) Equity Shares of ₹ 1/- each fully paid-up	2,065.5	2,065.5	2,065.1
Less: Face value of 546,249 (31/03/2015 and 31/03/2014: 546,249) Equity Shares forfeited	0.5	0.5	0.5
	2,065.0	2,065.0	2,064.6
Add: Forfeited Shares (Amount originally Paid-up)	0.2	0.2	0.2
	2,065.2	2,065.2	2,064.8

(a). Shareholders of the Company have approved increase in authorised equity share capital from 2,100,000,000 equity shares of ₹ 1/- each to 2,500,000,000 equity shares of ₹ 1/- each in Extra Ordinary General Meeting held on 14th August, 2014.

(b). Issued Equity Share Capital includes 7,397 Equity Shares (31/03/2015 and 31/03/2014: 7,397 Equity Shares) of ₹ 1/- each issued on Rights basis kept in abeyance due to legal case pending.

(c). **Reconciliation of shares outstanding at the beginning and at the end of the reporting period:**

	2015-16		2014-15		2013-14	
	Numbers	(₹ Million)	Numbers	(₹ Million)	Numbers	(₹ Million)
Equity Shares outstanding at the beginning of the period	2064980382	2,065.0	2064587868	2,064.6	1914583068	1,914.6
Equity Shares allotted pursuant to exercise of ESOP	5378	-	392514	0.4	4800	-
Equity Shares allotted pursuant to exercise of Share Warrants*	-	-	-	-	150000000	150.0
Equity Shares outstanding at the end of the period	2064985760	2,065.0	2064980382	2,065.0	2064587868	2,064.6

* In accordance with the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, the Company had allotted 150,000,000 warrants on a preferential basis to the Promoter Group on 22nd March, 2012 entitling them to apply for and obtain allotment of one equity share of ₹ 1/- each fully paid-up at a price of ₹ 144.35 per share against each such warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment in one or more tranches for which the Company has received ₹ 5,413.1 million being 25% against these warrants. The Promoter Group Companies applied for conversion of warrants into equity shares at predetermined price, accordingly the Company has issued and allotted 150,000,000 equity shares of ₹ 1/- each at a premium of ₹ 143.35 per share on 20th September, 2013 to the Promoter Group on payment of balance amount of these warrants. The entire amount so received has been utilised for various Greenfield and Brownfield projects expenditure.

(d). **Rights, preferences and restrictions attached to Equity Shares:**

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

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

	31/03/2016		31/03/2015		31/03/2014	
	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding	Numbers of Shares held	Percentage of Holding
IGH Holdings Private Limited	349963487	16.95	349963487	16.95	349963487	16.95
Turquoise Investment and Finance Pvt. Limited	124012468	6.01	124012468	6.01	124012468	6.01
Morgan Guaranty Trust Company of New York (represents GDRs)	157366851	7.62	159430288	7.72	162138001	7.85
Life Insurance Corporation of India and its Associate Funds	304921221	14.77	228087441	11.05	239089223	11.58

(f). **Shares reserved for issue under options:**

The Company has reserved equity shares for issue under the Employee Stock Option Schemes.

(g). **The Company during the preceding 5 years:**

i. Has not allotted shares pursuant to contracts without payment received in cash.

ii. Has not issued shares by way of bonus shares.

iii. Has not bought back any shares.

7. **Reserves and Surplus:**

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Capital Reserve	5,032.2	5,098.5	5,673.4
Capital Redemption Reserve	1,036.7	1,036.7	1,015.7
Securities Premium Account	56,820.3	56,813.7	55,037.3
Debenture Redemption Reserve	6,030.6	4,521.7	3,016.4
Actuarial Gain/ (Loss) Reserve (refer Note No. 44)	(27,202.6)	(23,370.8)	(12,550.1)
Employees Stock Options Outstanding	248.9	168.2	95.5
Foreign Currency Translation Reserve	24,127.9	16,150.7	30,492.1
Hedging Reserve (refer Note No. 42 (h))	6,259.9	962.4	3,897.6
Special Reserve	137.6	125.4	117.8
Business Reconstruction Reserve (refer Note No. 49)	57,993.0	64,815.8	65,788.7
General Reserve	213,883.5	214,152.8	214,794.9
Surplus in the Statement of Profit and Loss - (a)	37,704.8	40,745.1	36,548.2
	382,072.8	381,220.2	403,927.5

(a). Allocations and Appropriations in Surplus in Statement of Profit and Loss are as under:

Balance as at the beginning of the year	40,745.1	36,548.2	28,530.2
Adjustment on Acquisition, disposal and change in holding interest in Group Companies	617.4	(205.5)	(2.2)
Profit for the year	448.1	8,542.1	21,750.1
Transfer on Capital Reduction	-	-	860.6
Dividend on Equity Shares	(2,065.0)	(2,065.2)	(2,064.6)
Dividend Distribution Tax - (i)	(523.6)	(530.0)	(377.4)
Transitional Depreciation on adoption of Schedule II	-	(9.3)	-
Transfer to Special Reserve	(12.2)	(7.6)	(9.7)
Transfer to Capital Redemption Reserve	-	(21.0)	-
Transfer to Debenture Redemption Reserve	(1,509.0)	(1,506.6)	(1,510.0)
Transfer to General Reserve	4.0	-	(10,628.8)
	37,704.8	40,745.1	36,548.2

(i). Dividend Distribution Tax also include tax of on dividend paid/ proposed by the Group Companies.

8. **Long-Term Borrowings:**

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Secured			
Bonds/ Debentures/ Notes	60,000.0	60,000.0	60,000.0
Term Loans:			
From Banks	337,914.2	324,559.5	312,303.3
From Other Parties	5,142.7	4,492.5	4,884.9
	403,056.9	389,052.0	377,188.2
Unsecured			
Bonds/ Debentures/ Notes	165,637.5	155,788.3	150,037.5
Term Loans:			
From Banks	11,778.3	7,240.6	9,832.4
Deferred Payment Liabilities	9.2	10.0	13.3
Long term maturities of Finance Lease obligations	1,279.7	1,770.9	2,369.5
	178,704.7	164,809.8	162,252.7
	581,761.6	553,861.8	539,440.9

9. **Deferred Tax Liabilities (Net):**

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Deferred Tax Liabilities			
Depreciation and Amortization Expenses	74,466.8	64,543.2	52,044.1
Inventory Valuation Reserves	4,314.3	6,283.9	5,196.8
Other Timing Differences	6,888.1	2,699.0	5,971.7
	85,669.2	73,526.1	63,212.6
Less: Deferred Tax Assets			
Unabsorbed Business Losses	7,279.9	5,548.6	4,886.8
Employee's Separation and Retirement Expenses	1,306.0	1,120.5	1,067.4
Provision for Doubtful Debts, Loans and Advances	14,395.3	13,245.6	11,500.5
Unabsorbed Depreciation	25,533.2	14,115.3	868.2
Other Timing Differences	3,851.4	14.7	1,147.4
	52,365.8	34,044.7	19,470.3
	33,303.4	39,481.4	43,742.3

10. **Other Long-Term Liabilities:**

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Trade Payables	71.7	52.2	49.3
Derivative Liabilities (refer Note No. 42 (c))	4,479.7	1,496.7	1,202.1
Liability for Capital Expenditure	337.9	947.7	4,443.0
Security and other Deposits	59.2	47.2	46.9
Other Payables	3,028.5	5,606.5	5,841.7
	7,977.0	8,150.3	11,583.0

11. **Long-Term Provisions:**

(₹ Million)

	As at 31/03/2016	As at 31/03/2015	As at 31/03/2014
Provision for Employee Benefits	61,242.1	53,061.9	42,616.0
Provision for Claims against Company	1,103.4	753.7	851.8
Provision for Assets Retirement Obligations	3,516.4	986.4	933.4
Provision for Restructuring	286.3	979.7	1,003.6
Provision for Rehabilitation	1,948.9	3,566.7	3,747.6
Provision for Tax Contingencies	5,260.5	6,002.7	8,200.7
Provision for Environmental Contingencies	168.2	149.3	262.9
Other Provisions	24.3	122.5	521.3
	73,550.1	65,622.9	58,137.3

12. **Short-Term Borrowings:**

(₹ Million)

	As at 31/03/2016	As at 31/03/2015	As at 31/03/2014
Secured			
Loans repayable on demand			
From Banks	1,457.6	1,391.6	1,467.1
Other Loans and Advances:			
Payable under Trade Financing Arrangements	25.3	39.9	97.5
Cash Credit, Export Credit etc.	2,677.4	3,508.3	4,963.4
Others	26,100.5	37,948.8	32,773.5
	30,260.8	42,888.6	39,301.5
Unsecured			
Loans repayable on demand			
From Banks	750.0	1,061.7	305.4
From Other Parties	1.7	1,700.9	1,433.9
Loans and Advances from Related Parties	-	-	7.8
Other Loans and Advances:			
Buyers Credit and Packing Credit	44,438.3	56,183.3	19,277.5
Cash Credit, Export Credit etc.	-	179.7	-
Banks - Other	12,044.2	14,705.6	23,194.0
Other Parties	190.9	-	10,522.5
	57,425.1	73,831.2	54,741.1
	87,685.9	116,719.8	94,042.6

13. **Other Current Liabilities:**

(₹ Million)

	As at 31/03/2016	As at 31/03/2015	As at 31/03/2014
Current maturities of Long-term Borrowings	5,065.5	13,468.3	13,468.1
Current maturities of Finance Lease obligations	663.7	625.6	606.0
Interest accrued but not due on Borrowings/ Deposits	10,071.5	9,889.2	9,573.7
Interest accrued and due on Borrowings/ Deposits	-	0.2	-
Unclaimed Dividends	57.2	60.8	64.4
Application/ Call Money received due for refund	3.1	3.1	3.1
Advance from Customers	3,283.0	2,927.6	3,099.7
Derivative Liabilities (refer Note No. 42 (c))	9,899.9	11,384.8	4,931.5
Liability for Capital Expenditure	15,723.6	20,511.4	21,376.4
Security and other Deposits	232.1	284.5	273.4
Statutory dues payable	7,343.0	5,851.4	5,788.0
Other Payables	17,090.5	18,130.6	14,472.3
	69,433.1	83,137.5	73,656.6

14. **Short-Term Provisions:**

(₹ Million)

	As at 31/03/2016	As at 31/03/2015	As at 31/03/2014
Provision for Employee Benefits	3,812.9	2,082.9	2,382.7
Proposed Dividends	2,065.0	2,118.0	2,080.5
Provision for Dividend Distribution Tax	420.4	419.7	356.8
Provision for Current Tax (Net of Advance Tax)	10,166.5	8,429.3	9,218.3
Provision for Claims against Company	70.0	69.8	34.2
Provision for Assets Retirement Obligation	165.0	-	-
Provision for Restructuring	1,513.1	989.2	1,774.7
Provision for Environmental Contingencies	95.1	99.9	99.4
Provision for Warranties	12.7	7.0	14.9
Other Provisions	335.5	2,347.5	1,423.0
	18,656.2	16,563.3	17,384.5

15. **Tangible Assets:**

(₹ Million)

	ORIGINAL COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE		
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Leasehold Land	7,538.9	6,838.0	6,166.8	550.0	449.9	348.5	-	-	-	6,988.9	6,388.1	5,818.3
Leasehold Improvements	3,169.3	3,082.0	2,891.7	810.0	791.9	656.5	13.8	13.0	12.5	2,345.5	2,277.1	2,222.7
Freehold Land	17,540.6	17,639.0	17,534.6	619.7	487.9	411.1	931.4	850.0	825.6	15,989.5	16,301.1	16,297.9
Buildings	173,335.6	143,201.3	113,996.4	36,871.2	29,309.7	25,664.8	1,039.8	512.8	534.0	135,424.6	113,378.8	87,797.6
Plant and Equipment	696,515.6	600,212.8	495,299.7	225,733.4	198,575.0	182,150.3	12,632.9	6,459.8	3,540.3	458,149.3	395,178.0	309,609.1
Furniture and Fixtures	7,565.4	7,002.3	7,303.9	5,236.4	4,653.8	4,550.7	19.4	0.8	-	2,309.6	2,347.7	2,753.2
Vehicles and Aircraft	5,896.2	5,563.3	5,498.7	2,832.5	2,409.4	2,209.3	2.3	-	-	3,061.4	3,153.9	3,289.4
Office Equipment	5,515.3	5,044.1	4,447.9	3,764.7	3,186.7	2,784.4	25.5	3.9	3.8	1,725.1	1,853.5	1,659.7
Railway Sidings	6,416.0	5,794.5	3,677.1	996.0	739.0	471.0	166.5	26.6	-	5,253.5	5,028.9	3,206.1
	923,492.9	794,377.3	656,816.8	277,413.9	240,603.3	219,246.6	14,831.6	7,866.9	4,916.2	631,247.4	545,907.1	432,654.0

16. **Intangible Assets:**

(₹ Million)

	ORIGINAL COST			AMOTISATION			IMPAIRMENT			NET BOOK VALUE		
	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Goodwill on Consolidation	142,144.3	133,742.8	130,192.4	-	-	-	2,291.9	2,140.8	143.2	139,852.4	131,602.0	130,049.2
Brands/ Trademarks	9,698.2	9,137.8	8,811.2	4,454.0	3,761.8	3,206.0	-	-	-	5,244.2	5,376.0	5,605.2
Computer Software	14,144.1	12,077.5	9,997.2	6,982.1	5,240.0	4,321.1	340.2	320.0	308.2	6,821.8	6,517.5	5,367.9
Mining Rights	18,223.0	19,277.0	21,948.4	10,188.6	11,578.2	13,068.3	6,221.5	3,376.9	-	1,812.9	4,321.9	8,880.1
Technology	11,534.7	10,827.3	10,744.2	7,036.2	5,927.7	5,198.4	-	-	-	4,498.5	4,899.6	5,545.8
Licences	16.3	238.3	230.4	9.6	89.2	65.2	-	-	-	6.7	149.1	165.2
Favorable Contracts	8,195.4	8,445.5	8,333.7	7,689.9	7,254.9	6,475.9	-	-	-	505.5	1,190.6	1,857.8
Customer Relationship	29,748.5	27,666.1	28,187.3	13,141.4	10,836.1	9,632.7	-	-	-	16,607.1	16,830.0	18,554.6
Rehabilitation Assets	1,605.5	3,614.0	3,877.3	949.1	820.2	922.3	656.4	-	-	-	2,793.8	2,955.0
	235,310.0	225,026.3	222,322.1	50,450.9	45,508.1	42,889.9	9,510.0	5,837.7	451.4	175,349.1	173,680.5	178,980.8

17. **Non-Current Investments:**

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Investments in Equity Instruments:			
Associates - (a)	59,487.9	52,755.4	57,942.1
Others	5,644.7	3,396.6	3,397.1
Investments in Preference Shares	250.0	335.8	285.8
Investments in Debentures and Bonds	-	575.3	876.3
Investments in Government Securities	201.0	201.0	201.1
	65,583.6	57,264.1	62,702.4

(a). Investments in Equity Instruments of Associates include ₹ 37,725.2 million (31/03/2015: ₹ 34,048.5 million and 31/03/2014: ₹ 39,321.8 million) 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:

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Aggregate amount of Unquoted Investments	43,436.1	38,483.5	46,914.2
Aggregate amount of Quoted Investments	22,147.5	18,780.6	15,788.2
Aggregate market value of Quoted Investments	57,276.6	71,992.3	53,651.1
Aggregate provision for diminution in value of Investments	0.3	8.5	7.4

18. **Deferred Tax Assets (Net):**

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

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Deferred Tax Assets			
Unabsorbed Business Losses	4,264.2	3,616.9	2,577.4
Employee's Separation and Retirement Expenses	-	69.8	-
Provision for Doubtful Debts, Loans and Advances	12,804.2	10,485.3	7,919.7
Unabsorbed Depreciation	1,358.9	1,345.9	1,872.9
Other Timing Differences	576.5	3,106.2	423.0
	19,003.8	18,624.1	12,793.0
Less: Deferred Tax Liabilities			
Depreciation and Amortization Expenses	1,592.8	4,043.4	8.9
Inventory Valuation Reserves	551.9	42.6	-
Other Timing Differences	861.4	608.5	791.8
	3,006.1	4,694.5	800.7
	15,997.7	13,929.6	11,992.3

19. **Long-Term Loans and Advances:**

(Unsecured, Considered Good unless otherwise stated)

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Capital Advances	2,331.7	5,868.1	11,491.5
Loans, Advances and Deposits to Related Parties - (a)	1,722.1	1,681.3	1,567.3
Security Deposits	1,337.3	1,180.3	942.5
Advances recoverable in cash or in kind:			
Unsecured, Considered Good	1,857.3	8,386.3	8,015.4
Unsecured, Considered Doubtful	3.3	129.4	15.2
Less: Provision for doubtful amount	(3.3)	(129.4)	(15.2)
	1,857.3	8,386.3	8,015.4
Other Advances and Balances:			
Advance Income Tax (Net of Provision for Taxation)	40.0	31.3	23.3
MAT Credit Entitlement	7,226.0	6,297.4	267.7
Prepaid Expenses	41.3	26.1	33.9
Others - (b)	663.3	215.8	2,221.9
	15,219.0	23,686.6	24,563.5

(a). Loans, Advances and Deposits to Related Parties includes ₹ 344.6 million (31/03/2015: ₹ 344.6 million and 31/03/2014: ₹ 344.5 million) 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:**

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Long-Term Trade Receivables:			
Unsecured, Considered Doubtful	-	193.5	191.0
Less: Provision for doubtful amount	-	(193.5)	(191.0)
	-	-	-
Deposits with Bank exceeding 12 months maturity	919.7	786.4	945.8
Inventories (Work-in-Progress)	-	513.8	4,253.6
Interest Accrued on Investments and Deposits	-	9.5	-
Derivative Assets (refer Note No. 42 (c))	1,157.6	303.8	375.5
Unamortized Expenses	102.3	747.1	892.3
Other Receivables	2,834.0	929.5	1,201.0
	5,013.6	3,290.1	7,668.2

21. **Current Investments:**

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Investments in Preference Shares	-	121.8	121.8
Investments in Debentures and Bonds:			
Associates	101.3	100.4	97.5
Others	18,111.2	9,189.5	11,973.3
Investments in Government Securities	2,740.2	2,467.6	2,043.5
Investments in Certificate of Deposits	8,279.0	4,590.4	2,388.0
Investments in Commercial Papers	6,575.7	5,773.7	3,161.8
Investments in Mutual Funds	41,847.7	43,955.9	47,122.5
	77,655.1	66,199.3	66,908.4

(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:

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Aggregate amount of Unquoted Investments	74,085.7	62,782.6	64,187.0
Aggregate amount of Quoted Investments	3,569.4	3,416.7	2,721.4
Aggregate market value of Quoted Investments	3,682.0	3,547.6	2,736.1
Aggregate provision for diminution in value of Investments	75.7	71.9	232.4

22. **Inventories:**

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Raw Materials	54,059.6	58,672.1	62,031.2
Finished Goods	28,716.9	30,064.1	22,020.8
Work-in-Progress	64,280.3	72,763.9	66,916.3
Stores and Spares	15,681.4	13,483.1	12,730.5
Coal and Fuel	4,571.4	9,528.1	3,243.8
	167,309.6	184,511.3	166,942.6

23. **Trade Receivables:**

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Outstanding for a period exceeding six months:			
Secured, Considered Good	102.4	-	0.4
Unsecured, Considered Good	1,538.3	1,044.0	4,069.8
Unsecured, Considered Doubtful	493.7	508.3	337.5
Less: Provision for doubtful amount	(493.7)	(508.3)	(337.5)
	1,640.7	1,044.0	4,070.2
Outstanding for a period less than six months:			
Secured, Considered Good	1,069.4	801.5	1,208.7
Unsecured, Considered Good	76,703.4	90,018.8	87,068.7
Unsecured, Considered Doubtful	56.5	79.2	222.4
Less: Provision for doubtful amount	(56.5)	(79.2)	(222.4)
	77,772.8	90,820.3	88,277.4
	79,413.5	91,864.3	92,347.6

24. **Cash and Bank Balances:**

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Cash and Cash Equivalents			
Balance with Banks:			
Deposits with less than 3 months initial maturity	14,929.1	12,373.2	3,277.2
Current Accounts	26,154.5	31,177.5	31,084.0
Cheques and drafts on hand	525.1	148.1	1,004.3
Cash on hand	4.8	6.4	6.2
	41,613.5	43,705.2	35,371.7
Other Balances			
Balance with Banks:			
Earmarked Balances	139.3	987.1	73.5
Margin Money Account	401.2	21.4	29.4
Deposits with more than 3 months initial maturity	966.2	8,376.2	14,738.3
	1,506.7	9,384.7	14,841.2
	43,120.2	53,089.9	50,212.9

25. **Short-Term Loans and Advances:**

(Unsecured, Considered Good unless otherwise stated)

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Loans, Advances and Deposits to Related Parties	4,095.8	3,423.4	3,360.6
Inter Corporate Loans, Advances and Deposits	-	-	220.0
Security Deposits:			
Unsecured, Considered Good	237.0	358.7	546.6
Unsecured, Considered Doubtful	2.5	2.5	2.5
Less: Provision for doubtful amount	(2.5)	(2.5)	(2.5)
	237.0	358.7	546.6
Advances recoverable in cash or in kind:			
Unsecured, Considered Good	14,550.2	28,253.1	24,651.8
Unsecured, Considered Doubtful	664.8	420.4	125.2
Less: Provision for doubtful amount	(664.8)	(420.4)	(125.2)
	14,550.2	28,253.1	24,651.8
Other Advances and Balances:			
Advance Income Tax (Net of Provision for Taxation)	25.3	48.2	118.5
Balance with Government Authorities	1,035.4	2,622.1	3,301.9
Prepaid Expenses	508.4	413.4	478.8
Others - (a)	27,861.5	16,924.8	12,703.3
	48,313.6	52,043.7	45,381.5

(a). Others under head "Other Advances and Balances" mainly include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc.

26. **Other Current Assets:**

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Accrued Interest	1,067.2	972.9	1,350.5
Accrued Export and Other Incentives	2,200.8	2,353.6	1,101.3
Dividend receivable on Investments	35.5	-	-
Derivative Assets (refer Note No. 42 (c))	17,995.2	11,724.5	10,445.4
Amount Recoverable on De-allocation of Coal Mines	923.1	1,940.3	-
Assets held for Sale	756.6	796.8	3,315.9
Unamortized Expenses	-	18.0	18.0
Other Receivables	12,399.4	7,003.4	4,632.8
	35,377.8	24,809.5	20,863.9
Unsecured, Considered Doubtful	15.8	11.1	-
Less: Provision for doubtful amount	(15.8)	(11.1)	-
	35,377.8	24,809.5	20,863.9

27. **Revenue from Operations:**

(₹ Million)

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
Sale of Products	1,018,203.0	1,059,134.4	895,094.5
Sale of Services	418.4	384.5	298.2
Other Operating Revenues	6,226.3	7,436.7	4,675.7
Gross Revenue from Operations	1,024,847.7	1,066,955.6	900,068.4
Less: Excise Duty	24,426.1	24,144.6	23,113.5
Net Revenue from Operations	1,000,421.6	1,042,811.0	876,954.9

28. **Other Income:**

(₹ Million)

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
Interest Income:			
On Long-term Investments	82.8	88.5	91.0
On Current Investments	1,819.6	1,608.1	1,438.6
On Others	3,663.3	2,237.1	3,701.0
Dividend Income:			
On Long-term Investments	295.8	200.0	261.1
On Current Investments	181.0	245.3	144.4
Gain/ (Loss) on sale of Investments (Net):			
On Long-term Investments	173.7	-	112.4
On Current Investments	3,900.0	4,257.3	3,814.0
Adjustments to the carrying amount of Investments (Net):			
On Long-term Investments	8.2	(1.1)	(1.1)
On Current Investments	(3.8)	160.5	(160.6)
Profit/ (Loss) on Fixed Assets sold/ discarded (Net)	(236.2)	(476.2)	(667.8)
Rent Income	119.1	126.8	128.3
Liabilities no longer required written back	702.8	764.9	817.4
Other Non-Operating Income (Net)	1,450.8	1,865.5	680.7
	12,157.1	11,076.7	10,359.4
Less: Transfer to Capital Work-in-Progress/ Finance Costs - (a)	4.1	29.3	187.4
	12,153.0	11,047.4	10,172.0

(a). Include ₹ Nil (FY 2014-15: ₹ 23.9 million and FY 2013-14: ₹ 167.8 million) income derived from temporary deployment of surplus fund out of specific borrowing for various projects deducted from borrowing costs.

29. **Cost of Materials Consumed:**

(₹ Million)

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
Raw Materials	581,011.7	661,780.2	540,341.4
Packing Materials	108.8	248.5	276.5
	581,120.5	662,028.7	540,617.9
Less: Transfer to Capital Work-in-Progress	111.0	698.2	2,044.2
	581,009.5	661,330.5	538,573.7

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

(₹ Million)

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
Opening Inventories			
Finished Goods	30,064.1	22,020.8	17,377.5
Work-in-Progress	73,277.7	71,169.9	66,177.0
Stock-in-Trade	-	-	10.5
	103,341.8	93,190.7	83,565.0
Less: Closing Inventories			
Finished Goods	28,716.9	30,064.1	22,020.8
Work-in-Progress	64,280.3	73,277.7	71,169.9
Stock-in-Trade	-	-	-
	92,997.2	103,341.8	93,190.7
	10,344.6	(10,151.1)	(9,625.7)
Add: Inventories on acquisition/ disposal of Business	(298.0)	-	47.8
Add: Increase/ Decrease of Excise Duty on Inventories	36.4	86.4	138.9
Add: Foreign Currency Translation Adjustments	2,769.2	(2,314.2)	4,220.2
	12,852.2	(12,378.9)	(5,218.8)

31. **Employee Benefits Expenses:**

(₹ Million)

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
Salaries and Wages - (a)	64,827.0	62,678.1	57,865.6
Contribution to Provident and other Funds	5,883.9	6,693.7	5,276.1
Employee Share Based Payments	70.5	72.8	38.5
Employee Welfare	11,822.3	11,716.2	12,159.3
	82,603.7	81,160.8	75,339.5
Less: Transfer to Capital Work-in-Progress	220.3	1,248.5	2,147.9
	82,383.4	79,912.3	73,191.6

(a). Include income of ₹ 144.8 million (FY 2014-15: expense of ₹ 552.2 million and FY 2013-14: expense of ₹ 1,623.3 million) on account of Stock Appreciation Rights (SARs) and Restricted

32. **Power and Fuel:**

(₹ Million)

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
Power and Fuel	93,581.5	84,639.7	67,249.9
Less: Transfer to Capital Work-in-Progress	412.3	854.1	5,745.0
	93,169.2	83,785.6	61,504.9

33. **Finance Costs:**

(₹ Million)

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
Interest Expenses	50,434.9	50,618.0	48,833.9
Other Borrowing Costs	642.0	653.2	1,196.0
Loss on foreign currency transactions and translation (Net)	339.1	205.2	368.4
	51,416.0	51,476.4	50,398.3
Less: Income on Specific Borrowing (refer Note No. 28 (a))	-	23.9	167.8
	51,416.0	51,452.5	50,230.5
Less: Transfer to Capital Work-in-Progress	926.6	9,668.3	23,214.6
	50,489.4	41,784.2	27,015.9

34. **Depreciation and Amortization:**

(₹ Million)

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
Depreciation and Amortization - (a)	41,278.0	34,990.3	33,637.1
Less: Transfer to Capital Work-in-Progress	12.4	56.5	168.8
	41,265.6	34,933.8	33,468.3

(a). In compliance with Schedule II of the Companies Act, 2013 requiring companies to change manner of calculation of depreciation w.e.f. 1st April, 2014, the Company and its Indian subsidiaries and joint ventures have recomputed useful life of its assets to bring it in line with the Schedule. As a result, during FY 2014-15, in accordance with transitional provision ₹ 577.8 million (net of deferred tax of ₹ 295.5 million) has been recognised in the opening balance of retained earnings in respect of assets whose life has got exhausted as on 1st April, 2014 as per the revised useful life.

35. **Impairment Loss/ (Reversal) (Net):**

(₹ Million)

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
Impairment Loss	7,223.3	1,924.4	2,059.6
Adjusted with Business Reconstruction Reserve - (refer Note No. 49 (b) i & (c) i)	5,617.0	952.6	-
	1,606.3	971.8	2,059.6

The Group has carried out impairment test of various assets and identified impairment loss in FY 2015-16, FY 2015-14 and FY 2013-14 as under:

(a). Impairment loss for the year ended 31st March 2016 include:

i. The Company has recognised impairment loss of ₹ 5,617.0 million 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.

ii. ₹ 1,606.3 million (including ₹ 1,469.2 million towards Capital Work-in-Progress) as a result of uneconomical operation of the certain assets of Novelis Inc, subsidiary of the Company.

(b). Impairment loss for the year ended 31st March 2015 include:

i. ₹ 952.6 million arising on deteriorating operating performance of Muri Alumina Unit, one of its cash generating unit of Aluminium Business, using value in use basis for recoverable amount.

ii. ₹ 971.8 million (including ₹ 25.4 million towards Capital Work-in-Progress) as a result of uneconomical operation of the certain assets of Novelis Inc, subsidiary of the Company.

(c) Impairment loss for the year ended 31st March 2014 amounting to ₹ 2,059.6 million as a result of uneconomical operation.

36. **Other Expenses:**

(₹ Million)

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
Consumption of Stores and Spares	29,434.6	29,877.2	29,181.8
Repairs to Buildings	2,252.3	2,100.0	1,674.1
Repairs to Machinery	17,506.3	16,367.0	15,522.3
Rates and Taxes	1,794.9	1,636.7	2,106.0
Rent	2,089.3	1,980.0	1,899.4
Insurance	2,373.7	2,235.4	2,017.6
Payments to Auditors	510.2	610.6	506.0
Research and Development	3,703.3	3,300.8	2,984.1
Freight and Forwarding Expenses (Net)	34,571.4	33,288.1	30,777.8
Provision for Doubtful Loans, Advances and Receivables (Net)	(72.3)	527.8	21.7
Bad Loans, Advances and Receivables written off/ (written back) (Net)	258.8	38.0	63.6
Pre-operative/ Incidental Expenditure written-off	7.0	-	-
Prior Period Items (Net)	18.7	(8.1)	2.1
Donation	202.1	316.9	148.4
Directors' Fees and Commission	81.5	99.7	131.8
(Gain)/ Loss on assets held for sale	(28.7)	(1,584.2)	(374.1)
(Gain)/ Loss on Change in Fair Value of Derivatives (Net)	(3,668.4)	(1,082.6)	(6,333.6)
Cost of own Manufactured Products Capitalized/ Used	(226.0)	(212.3)	(549.2)
Tolling Expenses	10,251.2	10,437.0	9,028.2
Miscellaneous Expenses	43,355.6	42,272.3	40,982.0
	144,415.5	142,200.3	129,790.0
Less: Transfer to Capital Work-in-Progress	1,338.3	1,850.0	4,271.8
	143,077.2	140,350.3	125,518.2

37. **Exceptional Items (Net):**

(₹ Million)

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
Exceptional Expenses	5,765.3	22,103.2	3,959.8
Exceptional Income	-	(2,702.2)	-
	5,765.3	19,401.0	3,959.8

(a) Exceptional items (net) for the year ended 31st March, 2016 represent impairment of Fixed Assets ₹ 4,509.1 million and write down in value of inventories ₹ 1,256.2 million 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.

(b) Exceptional items (net) for the year ended 31st March, 2015 represents:

i. ₹ 5,628.5 million towards additional levy of ₹ 295/- per MT on extracted coal for the period up to 30th September, 2014 in view of Hon'ble Supreme Court order.

ii. ₹ 1,464.8 million liability provided towards Renewable Power Obligations (RPO) in view of Hon'ble Supreme Court judgment dated 13th May, 2015 upheld validity of RPO under the Electricity Act, 2003.

iii. Impairment of Fixed Assets ₹ 7,237.7 million, impairment of Goodwill on Consolidation ₹ 2,411.5 million, write down in value of inventories ₹ 4,126.2 million and ₹ 1,181.7 million towards restoration of operation by Birla Nifty Pty Limited and Birla Mount Gordon Pty Limited, subsidiaries of the Company, as a result of the sinkhole incident and change in macro economic conditions.

iv. ₹ 52.8 million towards expenses written off by Tubed Coal (subsidiary) on de-allocation of coal blocks by the Hon'ble Supreme Court.

v. Net foreign exchange gain of ₹ 2,299.5 million in connection return of capital from A V Minerals (Netherlands) N. V., a wholly owned subsidiary of the Company.

vi. Reversal of ₹ 402.7 million out of the liabilities provided in the previous years and accounted for as exceptional items which are no longer required.

(c) Exceptional items (net) for the year ended 31st March 2014 represents:

i. Liability of ₹ 3,243.6 million under UP Tax on Entry of Goods into Local Areas Act, 2007 (UP Entry Tax)

ii. Liability of ₹ 716.2 million under Madhya Pradesh Gramin Avsanrachna Tatha Sarak Vikas Adhiniyam (MPGATSVA)

Both the above levies have been contested by the Company and appeals against these are pending before the Hon'ble Supreme Court. In the matter of UP Entry Tax, the Hon'ble Supreme Court has granted a stay on the adverse order of the Hon'ble Allahabad High Court. In the matter of MPGATSVA, the Supreme Court has not stayed the adverse order of the Hon'ble Jabalpur High Court in a separate but similar case. Since in both these matters an adverse order has been passed by a High Court upholding the validity of the levy and the amount of the levy has either been paid or secured by bank guarantees provided by the Company, the Statement of Profit and Loss has been debited with the total amount pertaining to these levies following principles of prudence. The amount paid towards these levies has been shown as advance recoverable in the balance sheet.

38. **Tax Expenses:**

(₹ Million)

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
Current Tax	10,389.9	10,166.4	11,940.5
MAT Credit Entitlement	(1,263.3)	(6,029.7)	-
Deferred Tax	(3,978.8)	(1,246.4)	(6,261.0)
Tax Adjustments for earlier years (Net)	(0.3)	(326.5)	(430.3)
	5,147.5	2,563.8	5,249.2

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:

	(₹ Million)
INCOME	
Other Income	8.1
	8.1
EXPENSES	
Finance Costs	34.8
Depreciation and Amortization	17.7
Impairment Loss	1,414.1
Other Expenses	126.6
	1,593.2
Profit/ (Loss) before Tax	(1,585.1)
Tax Expenses	-
Net Profit/ (Loss) from Discontinuing Operations	(1,585.1)

40. **Earnings per Share (EPS):**

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
Profit for the period (□ Million)	448.1	8,542.1	21,750.1
Weighted average number of shares used in the calculation of EPS:			
Weighted average number of equity shares for computing basic EPS	2064985267	2064821218	1993898373
Dilutive impact of Employee Stock Options Scheme	1298140	1834285	331541
Weighted average number of equity shares for computing diluted EPS	2066283407	2066655503	1994229914
Face value of per share (₹)	1.00	1.00	1.00
Basic EPS (₹)	0.22	4.14	10.91
Diluted EPS (₹)	0.22	4.13	10.91

41. **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:

(₹ Million)

	Year ended 31/03/2016				Year ended 31/03/2015				Year ended 31/03/2014			
	Aluminium	Copper	Others #	Total	Aluminium	Copper	Others	Total	Aluminium	Copper	Others	Total
REVENUE												
External	828,083.5	172,338.1	-	1,000,421.6	830,442.3	204,693.1	7,675.6	1,042,811.0	691,312.8	178,628.3	7,013.8	876,954.9
Inter Segment	37.6	118.4	-	156.0	952.6	230.3	3,581.4	4,764.3	863.3	430.1	3,647.8	4,941.2
Total	828,121.1	172,456.5	-	1,000,577.6	831,394.9	204,923.4	11,257.0	1,047,575.3	692,176.1	179,058.4	10,661.6	881,896.1
RESULTS												
Segment Results	35,457.8	13,673.7	-	49,131.5	42,264.0	13,401.9	1,896.8	57,562.7	37,635.2	10,246.4	1,771.7	49,653.3
Unallocated Corporate Income				10,276.6				9,017.9				9,490.9
Unallocated Corporate Expenses				(2,211.7)				(1,993.1)				(1,637.3)
Finance Costs				(50,489.4)				(41,784.2)				(27,015.9)
Profit before Exceptional Items and Tax				6,707.0				22,803.3				30,491.0
Exceptional Income/ (Expenses) (Net)				(5,765.3)				(19,401.0)				(3,959.8)
Tax Expenses				(5,147.5)				(2,563.8)				(5,249.2)
Profit/ (Loss) from Discontinuing Operations				(1,585.1)				-				-
Share in Profit/ (Loss) of Associates				1,749.0				1,747.0				668.4
Minority Interest in (Profit)/ Loss (Net)				4,490.0				5,956.6				(200.3)
Profit for the period				448.1				8,542.1				21,750.1
OTHER INFORMATION												
Assets:												
Segment Assets	1,129,637.4	92,038.6	-	1,221,676.0	1,154,627.9	96,618.0	18,059.2	1,269,305.1	1,075,003.0	122,653.3	17,465.2	1,215,121.5
Unallocated Corporate Assets				179,938.3				162,083.6				176,689.1
Total Assets				1,401,614.3				1,431,388.7				1,391,810.6
Liabilities:												
Segment Liabilities	263,837.8	26,653.9	-	290,491.7	267,780.9	30,596.5	1,934.1	300,311.5	205,821.8	38,796.1	2,471.3	247,089.2
Unallocated Corporate Liabilities				723,096.6				738,230.7				720,867.8
Total Liabilities				1,013,588.3				1,038,542.2				967,957.0
Capital Expenditure	35,443.6	1,631.6	-		58,925.1	1,677.9	1,418.3		107,694.4	3,223.2	2,141.3	
Non-Cash Expenses:												
Depreciation and Amortization	38,314.1	2,772.7	-		32,163.4	1,956.2	633.1		27,890.5	4,596.3	768.6	
Impairment Loss/ (Reversal) (Net)	1,606.3	-	-		971.8	-	-		2,059.6	-	-	
Other Non-Cash Expenses	183.2	(1.4)	-		484.6	40.6	-		120.8	-	1.0	

\# Aditya Birla Chemicals (India) Limited, a subsidiary of the Company in business of producing & selling Caustic, 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:

(₹ Million)

	Year ended 31/03/2016			Year ended 31/03/2015			Year ended 31/03/2014		
	India	Rest of World	Total	India	Rest of World	Total	India	Rest of World	Total
Revenue	217,660.0	782,917.6	1,000,577.6	220,601.6	826,973.7	1,047,575.3	205,565.3	676,330.8	881,896.1
Assets	577,083.7	644,592.3	1,221,676.0	610,416.2	658,888.9	1,269,305.1	589,659.8	625,461.7	1,215,121.5
Capital Expenditure	15,435.9	21,639.3	37,075.2	27,242.9	34,778.4	62,021.3	67,098.1	45,960.8	113,058.9

42. **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 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.

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

(□ Million)

Particulars	Nature of Risk being Hedged	31st March, 2016			31st March, 2015			31st March, 2014		
		Liability	Asset	Net Fair Value	Liability	Asset	Net Fair Value	Liability	Asset	Net Fair Value
Current										
Cash flow hedges										
- Commodity contracts	All cash flow risk other than foreign currency	(1,656.0)	5,490.4	3,834.4	(846.5)	3,846.0	2,999.5	(576.5)	3,632.1	3,055.6
- Interest rate contracts	Exchange rate movement risk	(21.0)	-	(21.0)	(36.5)	-	(36.5)	(23.8)	-	(23.8)
- Foreign currency contracts	Exchange rate movement risk	(167.8)	5,367.9	5,200.1	(2,634.6)	1,740.8	(893.8)	(924.1)	2,518.6	1,594.5
Fair value Hedges										
- Commodity contracts		-	0.1	0.1	(1.7)	0.3	(1.4)	(54.0)	2.0	(52.0)
- Embedded derivatives		(1,423.9)	343.6	(1,080.3)	(1,238.9)	725.7	(513.2)	(207.3)	2,474.4	2,267.1
Net Investment Hedges										
- Foreign currency contracts	Exchange rate movement risk	(83.7)	-	(83.7)	-	281.9	281.9	(40.0)	1.1	(38.9)
Non-designated hedges										
- Commodity contracts		(3,173.2)	3,984.2	811.0	(3,293.6)	3,139.0	(154.6)	(2,046.6)	3,016.1	969.5
- Foreign currency contracts		(4,798.2)	3,152.6	(1,645.6)	(4,571.9)	2,716.5	(1,855.4)	(1,266.5)	1,275.5	9.0
- Interest rate contracts		-	-	-	-	-	-	-	-	-
Total		**(11,323.8)**	**18,338.8**	**7,015.0**	**(12,623.7)**	**12,450.2**	**(173.5)**	**(5,138.8)**	**12,919.8**	**7,781.0**
Non - current										
Cash flow hedges										
- Commodity contracts	All cash flow risk other than foreign currency	(22.4)	476.2	453.8	(106.8)	274.5	167.7	(46.5)	136.0	89.5
- Interest rate contracts	Exchange rate movement risk	(22.7)	-	(22.7)	-	-	-	-	0.3	0.3
- Foreign currency contracts	Exchange rate movement risk	(4,354.4)	586.1	(3,768.3)	(954.2)	0.1	(954.1)	(365.6)	239.4	(126.2)
Fair value Hedges										
- Commodity contracts	All cash flow risk other than foreign currency	-	0.2	0.2	(0.2)	0.1	(0.1)	(9.1)	0.6	(8.5)
Net Investment Hedges										
- Foreign currency contracts	Exchange rate movement risk	-	-	-	-	-	-	(0.1)	0.2	0.1
Non-designated hedges										
- Commodity contracts		(14.7)	80.1	65.4	(435.5)	0.9	(434.6)	(777.6)	1.2	(776.4)
- Foreign currency contracts		(65.5)	15.0	(50.5)	-	28.2	28.2	(3.2)	(2.2)	(5.4)
- Interest rate contracts		-	-	-	-	-	-	-	-	-
Total		**(4,479.7)**	**1,157.6**	**(3,322.1)**	**(1,496.7)**	**303.8**	**(1,192.9)**	**(1,202.1)**	**375.5**	**(826.6)**
Grand Total		**(15,803.5)**	**19,496.4**	**3,692.9**	**(14,120.4)**	**12,754.0**	**(1,366.4)**	**(6,340.9)**	**13,295.3**	**6,954.4**

* Fair Value of □ (1,080.3) million (FY 2014-15: □ (513.2) million and FY 2013-14: □ 2,267.1 million) is part of Trade Payables

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

	Currency Pair	31st March, 2016			31st March, 2015			31st March, 2014		
		Average exchange rate	Notional Value (in □ Million)	Fair Value Gain/ (Loss) (□ Million)	Average exchange rate	Notional Value (in □ Million)	Fair Value Gain/ (Loss) (□ Million)	Average exchange rate	Notional Value (in □ Million)	Fair Value Gain/ (Loss) (□ Million)
Foreign currency forwards										
Cash flow hedges										
Buy	CHF_EUR	0.93	101.60	(80.6)	0.95	86.11	69.5	0.83	3.17	(3.3)
Buy	USD_CHF	0.99	1.66	4.4	-	-	-	-	-	-
Buy	EUR_INR	-	-	-	69.85	0.42	(1.0)	86.34	3.05	(9.4)
Buy	USD_INR	-	-	-	65.57	4.46	(7.4)	62.09	2.68	(4.8)
Buy	BRL_USD	0.26	146.17	270.8	0.36	258.92	(2,870.3)	0.43	292.48	(619.9)
Buy	EUR_USD	1.12	20.56	(19.2)	1.27	48.86	(171.2)	1.35	57.88	(60.8)
Buy	USD_CAD	1.33	49.96	86.6	1.18	36.65	(186.2)	1.10	38.79	(45.4)
Buy	USD_KRW	1,190.48	281.08	512.5	1,098.90	186.61	(195.8)	1,125.72	331.93	754.0
Sell	USD_INR	70.64	992.34	1,929.4	66.38	750.79	1,514.5	64.45	703.00	1,072.9
Sell	USD_AUD	-	-	-	-	-	-	0.88	158.95	385.0
Total				**2,703.9**			**(1,847.9)**			**1,468.3**
Net investment hedge										
Buy	EUR_USD	1.11	36.09	(83.7)	1.32	27.86	281.9	1.37	61.21	(38.8)
Total				**(83.7)**			**281.9**			**(38.8)**
Non-Designated										
Buy	AUD_INR	50.88	0.05	-	49.20	0.44	(0.5)	56.18	1.15	0.0
Buy	CAD_INR	-	-	-	50.69	0.06	(0.1)	54.96	0.25	0.0
Buy	CHF_INR	70.27	0.06	-	66.66	0.13	(0.2)	72.10	0.19	(0.3)
Buy	EUR_INR	76.42	7.13	6.6	72.52	5.66	(29.6)	86.75	11.69	(25.7)
Buy	GBP_INR	95.96	0.07	-	94.67	0.21	(0.3)	103.18	0.30	(0.6)
Buy	NOK_INR	8.09	0.68	0.1	8.18	1.05	(0.3)	10.40	2.37	(0.4)
Buy	SEK_INR	8.18	2.54	0.1	7.63	0.05	(0.0)	-	-	-
Buy	USD_INR	66.30	129.68	(192.9)	62.92	462.43	(290.1)	60.08	164.50	(200.1)
Buy	GBP_EUR	1.37	41.07	(154.7)	1.38	43.58	7.3	1.19	22.15	36.3
Buy	KRW_USD	0.00	164.71	258.8	0.91	179.14	17.9	0.91	62.72	(5.6)
Buy	USD_EUR	0.90	209.90	(339.6)	0.86	232.17	433.0	0.74	142.69	(8.6)
Buy	GBP_USD	1.43	10.36	8.0	1.49	22.21	20.5	1.66	34.02	1.2
Buy	USD_CHF	1.00	34.49	(92.0)	0.96	59.58	41.8	0.89	39.49	(25.4)

Buy	CAD_USD	-	-	2.7	-	-	-	0.92	3.48	11.5
Buy	USD_BRL	0.81	208.95	(1,049.8)	2.94	292.58	(2,097.5)	2.34	236.83	204.6
Buy	JPY_USD	-	-	-	0.01	0.83	(0.0)	0.01	0.94	(0.1)
Buy	CHF_GBP	0.71	15.09	(21.5)	0.69	1.06	6.0	0.68	8.30	3.5
Buy	CHF_EUR	0.93	78.51	(103.6)	0.94	36.10	195.2	0.82	170.21	(3.4)
Buy	EUR_KRW	-	-	-	1,207.70	0.68	(0.4)	1,472.50	4.81	0.4
Buy	CNY_USD	0.15	48.83	(54.4)	0.16	39.48	49.0	0.16	0.08	5.0
Buy	CNY_EUR	0.14	11.49	8.6	0.14	26.11	(85.3)	0.12	5.39	(3.0)
Buy	MYR_USD	0.24	6.13	26.1	0.27	1.23	(10.3)	-	-	-
Buy	EUR_MYR	4.62	0.01	(0.0)	-	-	-	-	-	-
Buy	SEK_USD	-	-	-	-	-	-	0.15	0.39	0.2
Sell	USD_INR	68.01	66.12	73.5	66.23	165.13	101.7	61.28	28.43	14.1
Sell	AUD_USD	0.75	18.50	28.5	0.84	31.90	(185.0)	-	-	-
Total				**(1,595.5)**			**(1,827.2)**			**3.6**
Foreign currency Swaps										
Cash flow hedges										
Sell	USD_INR	63.96	938.04	(1,272.1)	-	-	-	-	-	-
Total				**(1,272.1)**			-			-
Cross Currency Interest Rate Swaps										
Non-Designated										
Buy	BRL_USD	0.27	22.00	(100.6)	-	-	-	-	-	-
Total				**(100.6)**			-			-

(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)	Qty	Unit	Notional value (USD in millions)	Fair Value Gain/(Loss) (₹ Million)
Commodity Futures/Forwards						
Cash Flow Hedge						
Aluminium	Sell	1,638.18	715,025	MT	1,171.34	5,769.2
Natural Gas	Buy	3.48	4,850,000	MMBtu	16.87	(294.4)
Aluminium	Buy	1,510.75	1,175	MT	1.78	(0.1)
Gold	Sell	1,141.66	181,569	TOZ	207.29	(1,110.5)
Silver	Sell	14.91	3,146,228	TOZ	46.91	(122.1)
Copper	Sell	5,070.00	3,000	MT	15.21	46.1
Total						**4,288.2**
Fair Value Hedge						
Aluminium	Buy	1,510.75	75	MT	0.11	0.3
Total						**0.3**
Non Designated hedges						
Aluminium	Buy	1,521.30	135,123	MT	205.56	(305.7)
Aluminium	Sell	1,597.12	216,420	MT	345.65	1,347.0
Copper	Buy	4,831.94	19,100	MT	92.29	51.1
Copper	Sell	4,943.43	37,650	MT	186.12	196.9
Gold	Sell	1,139.27	152	TOZ	0.17	(0.9)
Diesel Fuel	Buy	2.32	4,152,000	Gallons	9.63	(10.9)
Natural Gas	Buy	3.65	310,000	MMBtu	1.13	(35.9)
Total						**1,241.6**
Commodity Swaps						
Non Designated hedges						
Coal	Buy	45.43	222,750	MT	10.12	61.3
Coal	Sell	48.40	6,250	MT	0.30	(2.1)
Furnace Oil	Buy	143.83	58,250	MT	8.38	101.2
Furnace Oil	Sell	160.81	8,750	MT	1.41	(0.2)
Electricity	Buy	45.17	1,536,744	MWh	69.41	(525.4)
Total						**(365.2)**
Embedded derivatives						
Fair Value Hedge						
Copper	Sell	4,714.82	107,389	MT	506.32	(1,061.0)
Gold	Sell	1,219.41	17,342	TOZ	21.15	(16.2)
Silver	Sell	15.30	312,764	TOZ	4.79	(3.1)
Total						**(1,080.3)**

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) (₹ Million)
Commodity Futures/Forwards						
Cash Flow Hedge						
Aluminium	Sell	1,877.60	558,640	MT	1,048.91	3,553.6
Natural Gas	Buy	4.16	7,279,980	MMBtu	30.31	(526.4)
Aluminium	Buy	1,781.25	1,200	MT	2.14	(0.7)
Gold	Sell	1,194.61	103,147	TOZ	123.22	70.4
Silver	Sell	17.53	2,593,963	TOZ	45.46	140.4
Copper	Sell	5,973.05	16,325	MT	97.51	(70.1)
Total						**3,167.2**
Fair Value Hedge						

Aluminium	Buy	1,781.25	1,450	MT	2.58	(1.5)
Total						**(1.5)**
Non Designated hedges						
Aluminium	Buy	1,783.68	104,938	MT	187.18	(324.0)
Aluminium	Sell	1,820.16	129,070	MT	234.93	889.9
Copper	Buy	6,070.89	15,800	MT	95.92	(6.2)
Copper	Sell	6,043.22	20,825	MT	125.85	(25.7)
Gold	Buy	1,257.34	33,889	TOZ	42.61	(156.6)
Gold	Sell	1,277.30	37,000	TOZ	47.26	215.3
Silver	Buy	16.63	1,203	TOZ	0.02	0.0
Natural Gas	Buy	4.34	1,930,020	MMBtu	8.38	(180.5)
Gold	Buy		*	TOZ		(90.9)
Silver	Buy		*	TOZ		78.2
Total						**399.5**
Commodity Swaps						
Non Designated hedges						
Coal	Buy	57.24	156,250	MT	8.94	(5.7)
Coal	Sell	59.55	6,250	MT	0.37	0.5
Electricity	Buy	32.33	438,648	MWh	14.18	(983.5)
Total						**(988.7)**
Embedded derivatives						
Fair Value Hedge						
Copper	Sell	5,956.78	93,297	MT	555.75	(556.5)
Gold	Sell	1,205.53	32,351	TOZ	39.00	45.1
Silver	Sell	16.53	285,545	TOZ	4.72	(1.8)
Total						**(513.2)**

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

The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2014:

		Average Price (USD/Unit)	**Qty**	**Unit**	**Notional value (USD in millions)**	**Fair Value Gain/(Loss) (₹ Million)**
Commodity Futures/Forwards						
Cash Flow Hedge						
Aluminium	Sell	1,874.31	553,179	MT	1,036.83	2,201.7
Natural Gas	Buy	4.06	9,530,000	MMBtu	38.72	154.1
Aluminium	Buy	1,744.25	15,735	MT	27.45	(20.4)
Gold	Sell	1,289.08	119,697	TOZ	154.30	29.8
Silver	Sell	21.13	1,398,151	TOZ	29.55	103.4
Copper	Sell	7,199.32	20,425	MT	147.05	676.5
Total						**3,145.1**
Fair Value Hedge						
Aluminium	Buy	1,744.25	9,315	MT	16.25	(60.5)
Total						**(60.5)**
Non Designated hedges						
Aluminium	Buy	1,733.58	106,805	MT	185.15	(652.7)
Aluminium	Sell	1,812.87	214,582	MT	389.01	1,521.4
Copper	Buy	6,564.02	20,675	MT	135.71	109.2
Copper	Sell	7,098.80	14,200	MT	100.80	480.6
Gold	Buy	1,294.39	15,598	TOZ	20.19	(9.4)
Gold	Sell	1,254.43	27,131	TOZ	34.03	(48.6)
Silver	Buy	19.92	35,146	TOZ	0.70	(0.3)
Electricity	Buy	32.33	668,416	MWh	21.61	(1,148.1)
Natural Gas	Buy	4.14	1,520,000	MMBtu	6.30	35.9
Copper	Buy		*	MT		2.4
Gold	Buy		*	TOZ		(102.4)
Silver	Sell		*	TOZ		5.1
Coal				MT	-	-
Total						**193.1**
Embedded derivatives						
Fair Value Hedge						
Copper	Sell	6,964.22	112,395	MT	782.74	2,122.0
Gold	Sell	1,328.58	41,688	TOZ	55.39	110.6
Silver	Sell	20.53	757,777	TOZ	15.56	34.5
Total						**2,267.1**

* Represent derivatives matured within 31st March, 2014 for which cash flow to happen on settlement date during April, 2014.

(f) The following table presents the outstanding position and fair value of various interest rate derivative financial instruments:

		As of 31-Mar-2016			**As of 31-Mar-2015**			**As of 31-Mar-2014**		
Interest rate swaps	**Fixed leg**	**Average price (USD / Unit)**	**Notional value (USD in millions)**	**Fair value (₹ Million)**	**Average price (USD / Unit)**	**Notional value (USD in millions)**	**Fair value (₹ Million)**	**Average price (USD / Unit)**	**Notional value (USD in millions)**	**Fair value (₹ Million)**
Cash flow hedges										
3M-CD-3200	Pay fixed	2.92%	114.87	(43.7)	3.69%	77.83	(36.5)	4.03%	127.25	(23.5)
Total			**114.87**	**(43.7)**		**77.83**	**(36.5)**		**127.25**	**(23.5)**

(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.

(₹ Million)

Hedge Instrument Type	Products/ Currency Pair	31st March, 2016			31st March, 2015			31st March, 2014		
		Closing Value in Hedging Reserve as at 31st March, 2016	Release: In less than 12 Months	Release: After 12 Months	Closing Value in Hedging Reserve as at 31st March, 2015	Release: In less than 12 Months	Release: After 12 Months	Closing Value in Hedging Reserve as at 31st March, 2014	Release: In less than 12 Months	Release: After 12 Months
		Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
Commodity Forwards	Aluminium	6,389.3	6,333.6	55.7	3,713.0	3,501.9	211.1	1,494.2	527.1	967.1
	Gold	(1,076.4)	(1,076.4)	-	71.1	71.1	-	47.3	47.3	-
	Silver	(120.0)	(120.0)	-	140.0	140.0	-	87.0	87.0	-
	Copper	50.9	50.9	-	(63.6)	(85.5)	21.9	339.4	339.4	-
	Electricity	(239.3)	(239.3)	-	(562.6)	(337.5)	(225.1)	(866.9)	-	(866.9)
	Natural Gas	(312.8)	(352.5)	39.7	(558.6)	(464.5)	(94.1)	150.5	(161.4)	311.9
	Total	**4,691.7**	**4,596.3**	**95.4**	**2,739.3**	**2,825.5**	**(86.2)**	**1,251.5**	**839.4**	**412.1**
Debt		370.0	370.0	-	(187.0)	(187.0)	-	898.0	898.0	-
Liability for Copper Concentrate		2.0	2.0	-	(93.2)	(93.2)	-	528.2	528.2	-
Interest rate swaps	3M-CD-3200	(43.3)	-	(43.3)	(34.5)	(34.5)	(0.0)	(22.8)	(20.2)	(2.6)
	Total	**(43.3)**	**-**	**(43.3)**	**(34.5)**	**(34.5)**	**(0.0)**	**(22.8)**	**(20.2)**	**(2.6)**
Foreign currency Forwards	EUR_INR	-	-	-	(9.4)	(9.4)	-	(9.6)	(9.6)	-
	USD_INR	1,866.1	1,565.8	300.3	1,479.5	1,479.5	-	1,075.9	1,075.9	-
	USD_EUR	(16.6)	(35.9)	19.3	(173.1)	151.2	(324.3)	(63.9)	(78.7)	14.8
	USD_BRL	113.2	(84.8)	198.0	(2,532.2)	(2,175.9)	(356.3)	(600.4)	(497.9)	(102.5)
	USD_CAD	86.6	35.0	51.6	(186.2)	(191.2)	5.0	(45.0)	(49.5)	4.5
	EUR_KRW	-	(4.9)	4.9	-	(4.9)	4.9	-	(4.8)	4.8
	USD_KRW	533.9	350.0	183.9	(110.2)	(107.6)	(2.6)	756.1	612.8	143.3
	EUR_CHF	(77.6)	(84.4)	6.8	69.4	69.4	-	-	-	-
	USD_CHF	6.0	6.0	-	-	-	-	-	-	-
	USD_AUD	-	-	-	-	-	-	129.6	129.6	-
	Total	**2,511.6**	**1,746.8**	**764.8**	**(1,462.2)**	**(788.9)**	**(673.3)**	**1,242.7**	**1,177.8**	**64.9**
Foreign currency Swaps	USD_INR	(1,272.1)	-	(1,272.1)	-	-	-	-	-	-
	Total	**(1,272.1)**	**-**	**(1,272.1)**						
	Grand Total	**6,259.9**	**6,715.1**	**(455.2)**	**962.4**	**1,721.9**	**(759.5)**	**3,897.6**	**3,423.2**	**474.4**

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

(₹ Million)

Item	Opening Balance	Net Amount recognised	Recycled: Net Amount to P&L	Recycled: Net Amount added to Non-Financial Assets	Recycled: Total Amount recycled	CTA	Closing Balance
Commodity	2,739.3	17,499.4	15,518.2	(32.8)	15,485.4	(61.6)	4,691.7
Forex	(1,742.4)	(5,066.5)	(8,229.1)	(385.3)	(8,614.4)	(194.0)	1,611.5
Interest	(34.5)	(46.1)	(48.9)	-	(48.9)	(11.6)	(43.3)
Total	**962.4**	**12,386.8**	**7,240.2**	**(418.1)**	**6,822.1**	**(267.2)**	**6,259.9**

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

(₹ Million)

Item	Opening Balance	Net Amount recognised	Recycled: Net Amount to P&L	Recycled: Net Amount added to Non-Financial Assets	Recycled: Total Amount recycled	CTA	Closing Balance
Commodity	1,251.5	(73.6)	(1,442.4)	(55.7)	(1,498.1)	63.3	2,739.3
Forex	2,668.9	(3,334.3)	1,205.1	(247.2)	957.9	(119.1)	(1,742.4)
Interest	(22.8)	(51.2)	(40.1)	-	(40.1)	(0.6)	(34.5)
Total	**3,897.6**	**(3,459.1)**	**(277.4)**	**(302.9)**	**(580.3)**	**(56.4)**	**962.4**

The following tables presents the amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2013-14:

(₹ Million)

Item	Opening Balance	Net Amount recognised	Recycled: Net Amount to P&L	Recycled: Net Amount added to Non-Financial Assets	Recycled: Total Amount recycled	CTA	Closing Balance
Commodity	3,719.9	7,836.9	10,348.8	14.7	10,363.5	58.2	1,251.5
Forex	639.8	(5,715.1)	(7,343.8)	(456.5)	(7,800.3)	(56.1)	2,668.9
Interest	(43.6)	(1.3)	4.3	-	4.3	26.4	(22.8)
Total	**4,316.1**	**2,120.5**	**3,009.3**	**(441.8)**	**2,567.5**	**28.5**	**3,897.6**

(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:

(₹ Million)

Schedule No.	Schedule Line Item	2015-16	2014-15	2013-14
27	Revenue from Operations	11,364.6	3,310.9	1,138.2
29	Cost of Materials Consumed	(3,608.5)	(2,408.6)	3,226.1
34	Depreciation	(71.0)	(50.0)	(11.1)
33	Finance Costs	(51.8)	(20.9)	4.3
36	(Gain)/ Loss on asset held for sale	-	441.6	-
36	Other Expenses	-	(96.0)	-
36	(Gain)/Loss in change in Fair value of derivatives (net)	(393.1)	(1,454.4)	(1,348.2)

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

(₹ Million)

	2015-16	2014-15	2013-14
Copper	1,089.8	543.7	(2,187.5)
Gold	16.8	(44.9)	(112.3)
Silver	3.2	1.9	(35.1)
Total	**1,109.8**	**500.7**	**(2,334.9)**

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.

(₹ Million)

		31st March, 2016			31st March, 2015			31st March, 2014		
Currency Pair	**Change in Rate/Price**	**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**	**Change in Fair Value**	**Change in Profit & Loss Account**	**Change in Hedging Reserve**
Forwards										
USD_INR	10%	6,262.9	(183.8)	6,446.7	2,951.2	(1,691.1)	4,642.3	3,489.3	(741.5)	4,230.8
EUR_INR	10%	53.6	53.6	-	40.7	38.0	2.7	126.0	100.8	25.2
GBP_INR	10%	0.7	0.7	-	1.9	1.9	-	3.0	3.0	-
NOK_INR	10%	0.5	0.5	-	0.7	0.7	-	2.2	2.2	-
CHF_INR	10%	0.4	0.4	-	0.8	0.8	-	1.1	1.1	-
AUD_INR	10%	0.3	0.3	-	2.1	2.1	-	6.5	6.6	-
CAD_INR	10%	-	-	-	0.3	0.3	-	1.2	1.2	-
SEK_INR	10%	1.9	1.9	-	0.0	0.0	-	-	-	-
CHF_USD	10%	1,999.8	1,883.7	116.1	1,369.5	1,343.6	25.9	1,273.4	1,282.0	(8.6)
GBP_USD	10%	912.9	901.3	11.6	234.4	230.0	4.4	289.7	291.7	(2.0)
CAD_USD	10%	299.7	-	299.7	187.1	-	187.1	187.0	15.5	171.5
KRW_USD	10%	2,679.9	977.6	1,702.3	2,499.0	1,200.8	1,298.2	2,670.4	427.2	2,243.1
BRL_USD	10%	770.0	447.3	322.7	1,512.0	685.0	827.0	2,303.6	799.8	1,503.7
EUR_USD	10%	3,291.8	2,559.4	732.4	1,700.2	1,253.7	446.5	2,962.8	1,625.9	1,336.9
AUD_USD	10%	13.3	13.3	-	149.4	149.4	-	1,221.1	588.7	632.4
EUR_KRW	10%	-	-	-	4.3	3.5	0.8	23.3	26.0	(2.7)
EUR_CHF	10%	1,084.8	0.1	1,084.7	761.6	117.3	644.3	3,933.6	3,944.8	(11.3)
EUR_GBP	10%	247.4	60.0	187.4	271.6	186.7	84.9	366.4	368.9	(2.5)
GBP_CHF	10%	90.9	62.5	28.4	6.6	99.2	(92.6)	99.0	99.6	(0.7)
CNY _USD	10%	448.4	442.7	5.7	54.4	53.7	0.7	29.6	29.8	(0.2)
JPY_USD	10%	-	-	-	5.8	5.7	0.1	6.2	6.3	(0.1)
EUR_MYR	10%	0.1	170.0	(169.9)	-	-	-	-	-	-
MYR_USD	10%	39.0	38.5	0.5	7.3	7.2	0.1	-	-	-
EUR_CNY	10%	69.2	0.1	69.1	141.4	117.3	24.1	25.9	1,724.6	(1,698.8)
SEK_USD	10%	-	-	-	-	-	-	2.6	2.6	(0.0)
Swaps										
USD_INR	10%	6,954.7	-	6,954.7	-	-	-	-	-	-
Debt	10%	5,672.7	670.1	5,002.6	6,871.0	1,939.6	4,931.4	3,774.9	868.0	2,906.9

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).

(₹ Million)

		31st March, 2016			31st March, 2015			31st March, 2014		
Types of Derivative	**Change in Rate/Price**	**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**	**Change in Fair Value**	**Change in Profit & Loss Account**	**Change in Hedging Reserve**
Forwards	10%	9,811.2	867.3	8,943.9	8,002.5	344.7	7,657.8	7,745.2	589.8	7,155.4
Swaps	10%	126.9	126.9	-	52.8	52.8	-	-	-	-
Embedded derivatives	10%	3,630.9	3,630.9	-	3,785.0	3,785.0	-	4,894.5	4,894.5	-

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)

(₹ Million)

		31st March, 2016			31st March, 2015			31st March, 2014		
Types of Derivative	**Change in Rate/Price**	**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**	**Change in Fair Value**	**Change in Profit & Loss Account**	**Change in Hedging Reserve**
3M-CD-3200	100 bps	120.3	-	120.3	23.9	-	23.9	84.5	-	84.5

43. 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 (FY 2014-15: on 28th May, 2015 of ₹ 1.00 per share and FY 2013-14: on 29th May, 2014 of ₹ 1.00 per share) to equity shareholders aggregating to ₹ 2,485.4 million (FY 2014-15: ₹ 2,460.9 million and FY 2013-14: ₹ 2,415.5 million) including Dividend Distribution Tax.

44. 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 ₹ 2,537.5 million (FY 2014-15: higher by ₹ 15,165.0 million and FY 2013-14: lower by ₹ 1,420.9 million), Tax Expenses (Deferred Tax) would have been lower by ₹ 930.2 million (FY 2014-15: lower by ₹ 4,528.0 million and FY 2013-14: higher by ₹ 774.3 million), Minority Interest credit would have been lower by ₹ 717.1 million (FY 2014-15: lower by ₹ 502.8 million and FY 2013-14: ₹ Nil), Net Profit for the year would have been lower by ₹ 2,324.5 million (FY 2014-15: lower by ₹ 11,139.8 million and FY 2013-14: higher by ₹ 646.6 million), Actuarial Gain/ (Loss) Reserve would have been ₹ Nil (FY 2014-15 and FY 2013-14: ₹ Nil) and Foreign Currency Translation Reserve would have been lower by ₹ 1,507.4 million (FY 2014-15: lower by ₹ 686.5 million and FY 2013-14: lower by ₹ 1,263.9 million).

45. 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.

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 □ 203.8 million 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 Limited, a listed company in Australia, has made a 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. During FY 2014-15 the Company has been awarded four coal blocks in the auction conducted by the Nominated Authority of the Ministry of Coal. Further, during FY 2015-16 the Company has furnished bank guarantees to Nominated Authority of Ministry of Coal towards fulfillment 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 transferred ₹ 86,473.7 million from Securities Premium Account to BRR and as per terms of the Scheme ₹ 19,824.4 million have been adjusted against BRR till 31st March, 2013. During FY 2013-14, 2014-15 and 2015-16, following expenses have been adjusted against BRR:

(a). During FY 2013-14, a provision of ₹ 860.6 million has been made for diminution in value of investment in Hindalco-Almex Aerospace Limited, a subsidiary of the Company. The entire amount of provision has been adjusted against BRR. Since the financial statements of HAAL has already been incorporated in CFS, hence this adjustment has no impact on consolidated profit.

(b). During FY 2014-15, following expenses has been adjusted with BRR:

i. Impairment loss of ₹ 622.9 million (Net of deferred tax ₹ 329.7 million) arising on deteriorating operating performance in one of its cash generating unit of Aluminium Business. (refer Note No. 35 (b) i)

ii. Provision of ₹ 350.0 million towards diminution in value of investment of Mahan Coal Limited, joint venture of the Company, and Tubed Coal Mines Limited, subsidiary of the Company, made following de-allocation of coal blocks by the Hon'ble Supreme Court. (refer Note No. 50 (a))

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, 2015 lower by ₹ 972.9 million
Consolidated Basic and Diluted EPS for the year ended 31st March, 2015 lower by ₹ 0.47

(c). During FY 2015-16, following expenses has been adjusted with BRR:

i. ₹ 2,794.6 million towards expenses on exited Projects

ii. Impairment loss of ₹ 3,673.1 million (Net of deferred tax ₹ 1,943.9 million) (refer Note No. 35 (a) i)

iii. Provision of ₹ 355.0 million 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 ₹ 6,822.7 million
Consolidated basic and Diluted EPS for the year ended 31st March, 2016 lower by ₹ 3.30

50. The Hon'ble Supreme Court of India, in its judgment dated 25th August, 2014 and order dated 24th September,2014, has declared all allocations of the coal blocks made through Screening Committee route since 1993 as illegal and has quashed the allocation of coal blocks which include:

(a). Mahan, Tubed and Talabira II & III Coal Blocks allocated to joint venture companies Mahan Coal Limited (Mahan Coal), Tubed Coal Mines Limited (Tubed Coal) and MNH Shakti Limited (MNH Shakti) respectively. The Company holds equity of 50%, 60% and 15%, respectively in these joint venture companies. In view of said judgment, Mahan Coal and Tubed Coal have reported that going concern concept has been vitiated and accordingly, these companies have made necessary provisions in their financial statements in FY 2014-15 and FY 2015-16 to bring down the assets and liabilities to their realisable value. Considering these facts, the Company has made appropriate provisions for diminution in value of investments in these companies.

(b). Talabira I Coal Block held and operated by the Company stands cancelled with effect from 1st April, 2015 following de-allocation of coal blocks by the Hon'ble Supreme Court. However, an additional levy of □ 295/- per MT of coal extracted since beginning till 31st March, 2015 has been paid in FY 2014-15, as per direction of the Hon'ble Supreme Court.

51. 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:

(₹ Million)

	Year ended		
	31/03/2016	31/03/2015	31/03/2014
Revenue from Operations	575.9	1,313.9	(907.0)
Cost of Materials Consumed	(181.9)	(786.0)	92.8
Power and Fuel	(24.9)	20.3	(27.8)
Finance Costs	(339.1)	(205.2)	(368.4)
Other Expenses	(427.6)	(1,642.4)	100.7
	(397.6)	(1,299.4)	(1,109.7)

52. **Leases:**

A. **Operating Lease**

Future obligations towards minimum lease payment commitments under non-cancellable operating leases are as under:

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
Not later than 1 year	2,080.9	1,709.4	1,772.8
Later than 1 year and not later than 5 years	4,278.5	4,585.6	4,357.3
Later than 5 years	2,571.1	3,343.6	3,879.8

B. **Finance Lease**

Future obligations towards minimum lease payment commitments under the finance leases taken on or after 1st April, 2001 are as under:

(₹ Million)

	As at 31/03/2016		As at 31/03/2015		As at 31/03/2014	
	Payment	Present value	Payment	Present value	Payment	Present value
Not later than 1 year	726.9	663.8	675.6	625.6	726.3	606.0
Later than 1 year and not later than 5 years	1,392.6	1,279.7	1,951.7	1,770.9	2,478.2	2,022.4
Later than 5 years	-	-	-	-	351.5	347.1

53. **Contingent Liabilities and Commitments**

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
A. Contingent Liabilities not provided in respect of followings:			
(a). Claims against the company not acknowledged as debt	9,153.1	9,682.5	12,054.9
(b). Corporate Guarantees outstanding	-	5.0	-
(c). Other money for which the Company is contingently liable:			
i. Bills discounted with Banks	-	8.7	35.3
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).	3,258.1	3,280.3	3,685.1

iii. The Company has received a notice dated 24th March, 2007 from Collector (Stamp) Kanpur, Uttar Pradesh alleging that stamp duty of ₹ 2,529.6 million 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 ₹ 553.2 million (FY 2014-15: ₹ 554.2 million) 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 ₹ 321.5 million in the bill as late payment surcharge up to 31.3.2016.Thus total amount outstanding till 31.3.2016 is ₹ 874.7 million. However, if the case is decided against the company, 107.4 million units valuing ₹ 229.7 million will be treated as energy banked with UPPCL and accordingly net liability will be ₹ 645.0 million. 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.

v. Against the notifications issued by the State Electricity Regulatory Commissions of Uttar Pradesh ,Odisha and Madhya Pradesh States under the provisions of Electricity Act, 2003 in respect of Renewable Purchase Obligation (RPO), the Company has filed writ petitions before jurisdictional high courts on the ground, inter alia, that RPO cannot be made applicable to captive users and the High Court(s) at Allahabad, Cuttack and Jabalpur have granted stay on the applicability of the RPO. Further, the company has received favourable order from the Appellate Authority and Uttar Pradesh Regulatory Commission on applicability of RPO to units with Co-generation facility. In view of pending writ petitions and favourable order obtained from Appellate Authority, no provision has been considered necessary at this stage in FY 2013-14. However, necessary liability provided in FY 20014-15 in view of Hon'ble Supreme Court judgment dated 13th May, 2015 upheld validity of RPO under the Electricity Act, 2003.

vi. FY 2014-15: The assessing officer while framing the assessment for AYs 2008-09 made adjustment, inter alia, amounting to ₹ 2,703.2 million, to total income on account of purported arms' length fee for corporate guarantee provided to foreign banks for granting loan to a wholly owned subsidiary of the Company viz. AV Minerals (Netherlands) N.V. The Company has filed appeal before Income Tax Tribunal.

FY 2013-14: The assessing officer while framing the assessment for AYs 2008-09, 2009-10 and 2010-11 has made adjustment, inter alia, amounting to ₹ 2,703.2 million, ₹ 10,638.9 million and ₹ 3,161.0 million to total income of respective assessment years on account of purported arms' length fee for corporate guarantee provided to foreign banks for granting loan to a wholly owned subsidiary of the Company viz. AV Minerals (Netherlands) N.V. The Company has filed appeals against these orders. The Company has been advised that, considering the facts of the case, no provision is necessary for these adjustments.

(₹ Million)

	As at		
	31/03/2016	31/03/2015	31/03/2014
B. **Commitments**			
(a). Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advance paid)	5,468.4	13,622.6	29,585.1
(b). Purchase commitments in relation to Materials and Services	401,705.6	524,473.2	337,942.9

(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 ₹ 231.6 million (FY 2014-15: ₹ 257.4 million and FY 2013-14: ₹ 205.3 million).

(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.

54. **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
Consorcio Candonga (Disposed during FY 2014-15)
Mini MRF LLC (Delaware) (Disposed during FY 2013-14)
Deutsche Aluminium Verpackung Recycling GmbH
France Aluminium Recyclage SA

(b). **Joint Ventures:**

Mahan Coal Limited
Hydromine Global Minerals (GMBH) Limited
MNH Shakti Limited

(c). **Trust:**

Trident Trust

(d). **Key Managerial Personnel:**

Mr. D. Bhattacharya - Managing Director
Mr. Satish Pai - Deputy Managing Director (w.e.f. 13th August, 2013)

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:**

(₹ Million)

		2016		2015		2014	
		Associates	Joint Ventures	Associates	Joint Ventures	Associates	Joint Ventures
1.	**Transactions during the year ended 31st March:**						
i.	**Service Received**	**15,337.8**	**-**	**16,167.8**	**-**	**16,809.5**	**-**
	Aditya Birla Science and Technology Company Pvt. Limited	120.0		152.2		155.4	-
	Idea Cellular Limited	32.7		30.6		26.0	-
	Aluminium Norf GmbH	15,185.1		15,985.0		16,628.1	-
ii.	**Service Rendered**	**-**	**-**	**0.2**	**0.6**	**-**	**0.2**
	Hydromine Global Minerals (GMBH) Limited	-	-	-	0.6	-	0.2
	Aditya Birla Science and Technology Company Pvt. Limited	-	-	0.2	-	-	-
iii.	**Interest and Dividend Received**	**244.5**	**-**	**196.3**	**-**	**147.3**	**-**
	Aditya Birla Science and Technology Company Pvt. Limited	51.4	-	51.4	-	46.1	-
	Idea Cellular Limited	146.5	-	100.8	-	78.0	-
	Aluminium Norf GmbH	46.6	-	44.1		23.2	-
iv.	**Interest and Dividend Paid**	**-**	**-**	**-**	**-**	**-**	**-**
	Mahan Coal Limited	-	-	-	-	-	-
v.	**Loans, Advances and Deposits given**	**174.7**	**0.6**	**1,271.6**	**0.1**	**-**	**-**
	Hydromine Global Minerals (GMBH) Limited	-	0.6	-	0.1	-	-
	Aluminium Norf GmbH	174.7	-	1,271.6	-	-	-
2.	**Outstanding balances as at 31st March:**						
i.	**Trade and other Receivables**	**57.1**	**-**	**19.5**	**-**	**5.6**	**-**
	Aditya Birla Science and Technology Company Pvt. Limited	-		0.4	-	-	-
	Idea Cellular Limited	3.9		4.0	-	4.0	-
	Aluminium Norf GmbH	53.2	-	15.1	-	1.6	-
ii.	**Trade and Other Payables**	**3,167.5**	**-**	**2,713.0**	**-**	**3,205.2**	**-**
	Idea Cellular Limited	1.0	-	1.1	-	0.9	-
	Aluminium Norf GmbH	3,166.5	-	2,711.9	-	3,204.3	-
iii.	**Loans, Advances and Deposits**	**5,472.3**	**0.6**	**4,760.0**	**0.1**	**4,551.8**	**-**
	Hydromine Global Minerals (GMBH) Limited	-	0.6	-	0.1	-	-
	Aditya Birla Science and Technology Company Pvt. Limited	579.4	-	579.4	-	579.4	-
	Aluminium Norf GmbH	4,892.9	-	4,180.6	-	3,972.4	-

	(₹ Million)		
	As at		
	31/03/2016	31/03/2015	31/03/2014
(b). **Trust:**			
Beneficiary Interest in Trust	344.6	344.6	344.5
	Year ended		
	31/03/2016	31/03/2015	31/03/2014
(c). **Key Managerial Personnel:**			
Managerial Remuneration (including perquisites but excluding gratuity, leave encashment provisions and compensation under Employee Stock Options Scheme)			
Mr. D. Bhattacharya	209.3	225.6	219.9
Mr. Satish Pai	149.5	131.1	57.3

55. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries, Associates and Joint Ventures applicable from FY 2014-15.

Information for FY 2015-16:

	Name of Entity	Net Assets i.e. total assets minus total liabilities as at 31st March, 2016		Share in Profit/ (Loss) for the year ended 31st March, 2016	
		As % of Consolidated Net Assets	Amount (₹ Million)	As % of Consolidated Profit/ (Loss)	Amount (₹ Million)
A.	**Parent:**				
	Hindalco Industries Limited	96.50%	370,678.9	1355.17%	6,072.5
B.	**Subsidiaries:**				
	Indian:				
	Minerals & Minerals Limited	0.00%	11.6	0.07%	0.3
	Utkal Alumina International Limited	7.62%	29,261.2	-208.35%	(933.6)
	Utkal Alumina Technical & General Services Limited *	0.00%	0.4	0.00%	-
	Suvas Holdings Limited	0.02%	70.4	0.04%	0.2
	Renuka Investments & Finance Limited	0.09%	328.4	13.57%	60.8
	Renukeshwar Investments & Finance Limited	0.07%	253.4	7.34%	32.9
	Dahej Harbour and Infrastructure Limited	0.24%	931.8	115.11%	515.8
	Lucknow Finance Company Limited	0.04%	155.8	2.32%	10.4
	Hindalco-Almex Aerospace Limited	0.20%	760.3	-5.78%	(25.9)
	Tubed Coal Mines Limited	0.06%	211.5	-5.42%	(24.3)
	East Coast Bauxite Mining Company Private Limited	0.00%	(0.2)	0.00%	-
	Mauda Energy Limited	0.00%	-	-0.31%	(1.4)
	Foreign:				
	Birla Resources Pty Limited	0.01%	33.1	0.09%	0.4
	Aditya Birla Minerals Limited (Consolidated)	1.24%	4,781.4	-2045.48%	(9,165.8)
	AV Minerals (Netherlands) N.V.	27.77%	106,682.9	-1.41%	(6.3)
	AV Metals Inc. *	26.97%	103,600.3	0.00%	-
	Novelis Inc. (Consolidated) * @	27.20%	104,490.6	-36.33%	(162.8)
	Hindalco Do Brasil Industria Comercia de Alumina Ltda *	-0.04%	(142.5)	-193.68%	(867.9)
	Hindalco Guinea SARL	0.00%	-	0.00%	-
	Minority Interests in all Subsidiaries #	-1.01%	(3,888.0)	1002.01%	4,490.0
C.	**Associates (Investments as per the Equity Method)**				
	Indian:				
	Idea Cellular Limited (Consolidated)	4.29%	16,477.3	435.91%	1,953.3
	Aditya Birla Science and Technology Company Private Limited	0.03%	111.4	-2.34%	(10.5)
D.	**Joint Ventures (as per Proportionate Consolidation Method)**				
	Indian:				
	Mahan Coal Limited	0.45%	1,729.1	-1.41%	(6.3)
	MNH Shakti Limited	0.03%	127.7	0.00%	-
	Foreign:				
	Hydromine Global Minerals (GMBH) Limited (Consolidated)	0.08%	308.5	2.28%	10.2
		191.85%	736,975.3	433.39%	1,942.0
	Consolidation Adjustments	-91.85%	(352,837.3)	-333.39%	(1,493.9)
		100.00%	384,138.0	100.00%	448.1

* Indirect subsidiaries of the Company

\# ₹ 3,888.0 million and ₹ 4,490.0 million represents minority share in net assets and minority share in net loss of subsidiaries respectively.

@ Includes ₹ 42,899.2 million of Net Assets and ₹ 193.7 million of share in net loss of associate companies of Novelis Inc.

Information for FY 2014-15:

	Name of Entity	Net Assets i.e. total assets minus total liabilities as at 31st March, 2015		Share in Profit/ (Loss) for the year ended 31st March, 2015	
		As % of Consolidated Net Assets	Amount (₹ Million)	As % of Consolidated Profit/ (Loss)	Amount (₹ Million)
A.	**Parent:**				
	Hindalco Industries Limited	97.20%	372,552.6	108.30%	9,251.5
B.	**Subsidiaries:**				
	Indian:				
	Minerals & Minerals Limited	0.00%	11.3	-0.05%	(4.3)
	Aditya Birla Chemicals (India) Limited	1.16%	4,460.0	4.37%	372.9
	Utkal Alumina International Limited	7.72%	29,594.8	-58.07%	(4,960.7)
	Utkal Alumina Technical & General Services Limited *	0.00%	0.4	0.00%	(0.0)
	Suvas Holdings Limited	0.02%	70.2	-0.01%	(0.8)
	Renukeshwar Investments & Finance Limited	0.16%	628.7	0.44%	37.9
	Renuka Investments & Finance Limited	0.10%	401.0	0.18%	15.7
	Dahej Harbour and Infrastructure Limited	0.33%	1,282.5	4.87%	416.2
	Lucknow Finance Company Limited	0.04%	145.4	0.35%	29.5
	Hindalco-Almex Aerospace Limited	0.21%	786.3	-0.20%	(17.5)
	Tubed Coal Mines Limited	0.06%	230.9	-2.48%	(211.5)
	East Coast Bauxite Mining Company Private Limited	0.00%	-	0.00%	-
	Mauda Energy Limited	0.00%	1.4	0.00%	(0.1)
	Foreign:				
	Birla Resources Pty Limited	0.01%	30.5	0.00%	(0.1)
	Aditya Birla Minerals Limited (Consolidated)	3.52%	13,498.4	-137.45%	(11,741.4)
	AV Minerals (Netherlands) N.V.	26.06%	99,874.7	-8.24%	(703.6)
	AV Metals Inc. *	25.42%	97,439.9	0.00%	-
	Novelis Inc. (Consolidated) * @	24.91%	95,493.5	105.92%	9,047.4
	Hindalco Do Brasil Ind Com Alumina Ltda *	0.07%	251.3	-16.16%	(1,380.8)
	Hindalco Guinea SARL	0.00%	-	0.00%	-
	Aditya Birla Chemicals (Belgium) BVBA *	0.00%	0.4	0.00%	-
	Minority Interests in all Subsidiaries #	-2.49%	(9,561.1)	69.73%	5,956.6
C.	**Associates (Investments as per the Equity Method)**				
	Indian:				
	Idea Cellular Limited (Consolidated)	3.85%	14,751.6	23.72%	2,026.4
	Aditya Birla Science and Technology Company Private Limited	0.03%	121.9	0.08%	6.8
D.	**Joint Ventures (as per Proportionate Consolidation Method)**				
	Indian:				
	Mahan Coal Limited	0.45%	1,730.4	-2.44%	(208.2)
	MNH Shakti Limited	0.03%	127.7	0.00%	-
	Foreign:				
	Hydromine Global Minerals (GMBH) Limited (Consolidated)	0.08%	302.0	-0.76%	(64.8)
		188.95%	724,226.7	92.10%	7,867.2
	Consolidation Adjustments	-88.95%	(340,941.3)	7.90%	674.9
		100.00%	383,285.4	100.00%	8,542.1

* Indirect subsidiaries of the Company

\# ₹ 9,561.1 million and ₹ 5,956.6 million represents minority share in net assets and minority share in net loss of subsidiaries respectively.

@ Includes ₹ 37,850.7 million of net assets and ₹ 286.2 million of share in net loss of associate companies of Novelis Inc.

56. Figures of previous years have been reclassified/ regrouped wherever necessary.

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

To The Board of Directors of
Hindalco Industries Limited

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of M/s Hindalco Industries Limited ("the Company") for the quarter and nine months ended 31st December, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133, of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as stated above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material mis-statement.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

(Rajiv Singhi)
Partner
Membership No.053518

Place: Mumbai
Date: 13th February 2017

Statement of Standalone Unaudited Results for the Quarter and Nine Months ended 31st December, 2016

(₹ Crore)

	Particulars	Quarter ended 31/12/2016 (Unaudited)	Quarter ended 30/09/2016 (Unaudited)	Quarter ended 31/12/2015 (Unaudited)	9 Months ended 31/12/2016 (Unaudited)	9 Months ended 31/12/2015 (Unaudited)
1	**Income from Operations**	**9,914.81**	**9,561.91**	**8,715.94**	**27,636.03**	**27,450.32**
	(a). Sales	9,827.29	9,457.59	8,586.90	27,348.24	27,179.56
	(b). Other Operating Revenues	87.52	104.32	129.04	287.79	270.76
2	**Expenses**	**9,087.54**	**8,757.13**	**8,352.48**	**25,217.51**	**26,223.43**
	(a). Cost of Materials Consumed	5,841.26	4,966.01	4,834.12	14,780.46	14,686.57
	(b). Purchases of Stock-in-Trade	-	15.15	(0.25)	88.92	1.48
	(c). Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(685.13)	(173.87)	(304.36)	(1,267.90)	31.29
	(d). Excise Duty	601.25	549.63	578.63	1,725.51	1,831.92
	(e). Employee Benefits Expenses	444.48	481.54	438.61	1,333.67	1,261.19
	(f). Power and Fuel	1,429.49	1,482.29	1,646.79	4,396.63	4,973.07
	(g). Depreciation and Amortization (including Impairment)	357.95	351.60	312.03	1,047.76	941.56
	(h). Other Expenses	1,098.24	1,084.78	846.91	3,112.46	2,496.35
3	**Profit/ (Loss) before Other Income and Finance Costs from Continuing Operations**	**827.27**	**804.78**	**363.46**	**2,418.52**	**1,226.89**
4	**Other Income**	**219.97**	**336.39**	**183.43**	**782.60**	**769.42**
5	**Profit/ (Loss) before Finance Costs and Exceptional Items from Continuing Operations**	**1,047.24**	**1,141.17**	**546.89**	**3,201.12**	**1,996.31**
6	**Finance Costs**	**587.90**	**594.27**	**585.16**	**1,781.74**	**1,816.58**
7	**Profit/ (Loss) before Exceptional Items and Tax from Continuing Operations**	**459.34**	**546.90**	**(38.27)**	**1,419.38**	**179.73**
8	**Exceptional Income/ (Expenses) (Net)**	**-**	**84.89**	**-**	**84.89**	**-**
9	**Profit/ (Loss) before Tax from Continuing Operations**	**459.34**	**631.79**	**(38.27)**	**1,504.27**	**179.73**
10	**Tax Expenses**	**138.95**	**192.85**	**(5.78)**	**450.67**	**27.11**
11	**Profit/ (Loss) from Continuing Operations**	**320.39**	**438.94**	**(32.49)**	**1,053.60**	**152.62**
12	**Profit/ (Loss) from Discontinued Operations (Net of Tax)**	**0.17**	**0.80**	**(0.26)**	**0.77**	**(0.81)**
13	**Net Profit/ (Loss) for the Period**	**320.56**	**439.74**	**(32.75)**	**1,054.37**	**151.81**
14	**Other Comprehensive Income (Net of Tax)**	**(171.65)**	**527.13**	**136.46**	**543.65**	**664.98**
	(a). Items that will not be reclassified to Statement of Profit and Loss	(246.50)	226.04	85.25	590.06	411.67
	(b). Items that will be reclassified to Statement of Profit and Loss	74.85	301.09	51.21	(46.41)	253.31
15	**Total Comprehensive Income (Net of Tax)**	**148.91**	**966.87**	**103.71**	**1,598.02**	**816.79**
16	**Paid-up Equity Share Capital (Net of Treasury Shares)** (Face Value ₹ 1/- per Share)	**205.01**	**204.91**	**204.89**	**205.01**	**204.89**
17	**Earnings/ (Loss) per Share (EPS) of ₹ 1/- each (not annualised)**					
	(a). EPS from Continuing Operations					
	Basic (₹)	1.56	2.14	(0.16)	5.14	0.74
	Diluted (₹)	1.56	2.14	(0.16)	5.14	0.74
	(b). EPS from Continuing and Discontinued Operations					
	Basic (₹)	1.56	2.15	(0.16)	5.15	0.74
	Diluted (₹)	1.56	2.14	(0.16)	5.14	0.74

Standalone Segment-wise Revenue, Results, Assets and Liabilities for the Quarter and Nine Months ended 31st December, 2016

(₹ Crore)

	Particulars	Quarter ended 31/12/2016 (Unaudited)	Quarter ended 30/09/2016 (Unaudited)	Quarter ended 31/12/2015 (Unaudited)	9 Months ended 31/12/2016 (Unaudited)	9 Months ended 31/12/2015 (Unaudited)
1.	**Segment Revenue**					
	(a) Aluminium	4,916.92	4,930.15	4,529.18	14,437.68	13,295.54
	(b) Copper	5,000.42	4,634.75	4,189.84	13,206.19	14,167.79
		9,917.34	9,564.90	8,719.02	27,643.87	27,463.33
	Less: Inter Segment Revenue	(2.53)	(2.99)	(3.08)	(7.84)	(13.01)
	Total Income from Operations	**9,914.81**	**9,561.91**	**8,715.94**	**27,636.03**	**27,450.32**
2.	**Segment Results**					
	(a) Aluminium	875.81	807.62	354.02	2,554.52	1,172.30
	(b) Copper	329.53	365.86	352.15	959.72	1,082.50
		1,205.34	1,173.48	706.17	3,514.24	2,254.80
	Less: Depreciation and Amortization (including Impairment)	(357.95)	(351.60)	(312.03)	(1,047.76)	(941.56)
	Less: Finance Costs	(587.90)	(594.27)	(585.16)	(1,781.74)	(1,816.58)
		259.49	227.61	(191.02)	684.74	(503.34)
	Add: Other Unallocable Income/ (Expenses) (Net)	199.85	319.29	152.75	734.64	683.07
	Profit/ (Loss) before Exceptional Items and Tax from Continuing Operations	**459.34**	**546.90**	**(38.27)**	**1,419.38**	**179.73**
3.	**Segment Assets**					
	(a) Aluminium	41,067.26	41,179.60	42,962.68	41,067.26	42,962.68
	(b) Copper	10,426.47	8,772.12	8,630.63	10,426.47	8,630.63
		51,493.73	49,951.72	51,593.31	51,493.73	51,593.31
	Add: Corporate/ Unallocable Assets	29,055.55	28,824.34	26,569.90	29,055.55	26,569.90
	Total Assets	**80,549.28**	**78,776.06**	**78,163.21**	**80,549.28**	**78,163.21**
4.	**Segment Liabilities**					
	(a) Aluminium	4,655.60	4,673.22	4,403.22	4,655.60	4,403.22
	(b) Copper	4,288.85	3,032.52	2,954.43	4,288.85	2,954.43
		8,944.45	7,705.74	7,357.65	8,944.45	7,357.65
	Add: Corporate/ Unallocable Liabilities (including Borrowings)	30,360.06	29,975.68	30,328.32	30,360.06	30,328.32
	Total Liabilities	**39,304.51**	**37,681.42**	**37,685.97**	**39,304.51**	**37,685.97**

Notes:

1. The Company has adopted from 1st April, 2016 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. These results have been prepared in accordance with recognition and measurement principles laid down in Ind AS 34 on Interim Financial Reporting. The figures for the quarter and nine months ended 31st December, 2015 presented here are also Ind AS compliant.

2. Statement of Assets, Equity and Liabilities is given below:

(₹ Crore)

	As at 31/12/2016	As at 31/12/2015
A. ASSETS		
1. Non-Current Assets	**54,038.09**	**54,897.07**
Property, Plant and Equipment	33,662.75	29,375.02
Capital Work-in-Progress	1,142.74	6,696.60
Investment Property	9.32	9.53
Other Intangible Assets	143.83	101.59
Intangible Assets under Development	0.06	0.20
Financial Assets:		
Investments	18,018.57	17,599.83
Loans	100.89	88.36
Other Financial Assets	234.45	281.78
Other Non-Current Assets	725.48	744.16
2. Current Assets	**26,511.19**	**23,266.14**
Inventories	10,412.45	8,881.20
Financial Assets:		
Investments	7,316.62	6,055.25
Trade Receivables	1,765.28	1,814.38
Cash and Cash Equivalents	1,918.73	756.43
Bank balances other than Cash and Cash Equivalents	120.70	167.11
Loans	34.70	48.96
Other Financial Assets	938.65	1,855.70
Other Current Assets	3,919.37	3,577.66
Non-Current Assets Held for Sale/ Disposal Group	84.69	109.45
	80,549.28	**78,163.21**
B. EQUITY AND LIABILITIES		
1. Equity	**41,244.77**	**40,477.24**
Equity Share Capital	205.01	204.89
Other Equity	41,039.76	40,272.35
2. Non-Current Liabilities	**25,393.75**	**25,318.25**
Financial Liabilities:		
Long-term Borrowings	23,175.91	22,963.11
Long-term Trade Payables	-	2.28
Long-term Other Financial Liabilities	513.04	534.63
Long-term Provisions	390.64	365.63
Deferred Tax Liabilities (Net)	1,309.80	1,447.95
Other Non-Current Liabilities	4.36	4.65
3. Current Liabilities	**13,910.76**	**12,367.72**
Financial Liabilities:		
Short-term Borrowings	4,498.96	4,875.81
Short-term Trade Payables	5,888.88	4,341.32
Short-term Other Financial Liabilities	1,628.75	1,762.74
Short-term Provisions	269.01	242.48
Current Tax Liabilities (Net)	804.38	316.26
Other Current Liabilities	820.58	828.72
Liability of Non-Current Assets Held for Sale/ Disposal Group	0.20	0.39
	80,549.28	**78,163.21**

3. Reconciliation between Net Profit previously reported under erstwhile Indian GAAP and as presented now under Ind AS for the quarter and nine months ended 31st December, 2015 are given below:

(₹ Crore)

Particulars	Quarter ended 31/12/2015	9 months ended 31/12/2015
Reported Net Profit/(Loss) for the period as per Indian GAAP	40.46	250.92
Adjustments:		
(a). Change in fair valuation of investments	(53.20)	(81.63)
(b). Actuarial Gain (Loss) on Defined benefit obligation	2.81	8.77
(c). Other adjustments	(19.43)	(26.18)
(d). Deferred Tax	(3.39)	(0.07)
Net Profit/(Loss) for the period as per Ind AS	(32.75)	151.81

4. Reconciliation of Equity as on 31st December, 2015 between previously reported under erstwhile Indian GAAP and as presented now under Ind AS is given below:

(₹ Crore)

Equity reported under Indian GAAP	37,889.72
Treasury Shares	(34.45)
Change in Fair Valuation of Investments	2,951.19
Fair Valuation of ESOS Over Intrinsic Value	0.14
Property, Plant and Equipment	(15.60)
Other Adjustments	3.66
Deferred Tax impact on Above Adjustments	(317.41)
Equity reported under IndAS	40,477.25

5. During the quarter ended on 31st December, 2016, the Company has allotted 956,874 equity shares of ₹1 each to the option grantees pursuant to the exercise of options under the Employees Stock Option Schemes. Further, the Company has granted 76,930 stock options and 76,982 restricted stock units to eligible employees on 21st December, 2016 under Employees Stock Option Scheme, 2013. After expiry of one year from the grant date, one-fourth of the number of stock options granted will vest on yearly rest over a four year period at a fixed exercise price of ₹167.15 per share. All the restricted stock units granted will vest after expiry of three years at face value of ₹1 per share.

6. Mahan Coal Limited and Tubed Coal Mines Limited, joint operations of the Company, have been classified as discontinued operations since going concern concept is vitiated following deallocation of coal blocks earlier allotted to them. Details of results of the same are given below:

(₹ Crore)

Particulars	Quarter ended 31/12/2016 (Unaudited)	Quarter ended 30/09/2016 (Unaudited)	Quarter ended 31/12/2015 (Unaudited)	9 Months ended 31/12/2016 (Unaudited)	9 Months ended 31/12/2015 (Unaudited)
Other Income	0.33	1.05	-	1.38	-
Employee benefit expenses	(0.05)	(0.05)	0.14	(0.31)	(0.59)
Power and fuel	-	-	0.01	-	-
Other expenses	(0.11)	(0.20)	(0.41)	(0.30)	(0.22)
Profit / (Loss) from Discontinued Operations (Net of Tax)	0.17	0.80	(0.26)	0.77	(0.81)

7. During quarter ended 31st December, 2015, the Company made a provision of ₹31.50 Crore towards diminution in value of its investment in Hydromine Global Minerals (GMBH) Limited (a joint venture) as a result of its decision to dispose of its stake in this joint venture. The entire amount was adjusted against Business Reconstruction Reserve (BRR) as enjoined in the scheme of financial restructuring approved by the Hon'ble High Court of Bombay (the Scheme) under Sections 391 to 394 of the Companies Act, 1956 during the year 2008-09. However, no such adjustments has been made against BRR during the current period.

   Had the Scheme not prescribed aforesaid treatment, Net Loss and Basic and Diluted Loss per Share for the quarter ended 31st December, 2015 would have been higher by ₹31.50 Crore and ₹0.15 respectively whereas Net Profit and Basic and Diluted Earnings per Share for the nine months ended 31st December, 2015 would have been lower by ₹31.50 Crore and ₹0.15 respectively.

8. Segment reporting has been done in compliance with Ind AS 108. For this purpose, Aluminium and Copper have been identified as reportable segments with "Earnings before Finance Costs, Exceptional Items, Tax Expenses, Depreciation and Amortization (including Impairment) but after allocation of Corporate Expenses" as the segment performance measure. Segment Results of previous periods have undergone change to the extent of Corporate Expense allocation.

9. These results have been reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on Monday, 13th February, 2017. Limited Review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the statutory auditors of the Company.

10. Figures of previous periods have been regrouped wherever necessary.

By and on behalf of the Board

Place: Mumbai **Satish Pai**
Dated: 13th February, 2017 **Managing Director**

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII and Schedule XVIII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

____

Satish Pai
Managing Director

Place: Mumbai
Date: March 8, 2017

DECLARATION

We, the Directors of the Company certify that:

(i) our Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

____
Satish Pai
Managing Director

I am authorized by the Capital Raising Committee, a committee of the Board of Directors of the Company, vide resolution number 3.4 (C) dated March 8, 2017 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____
Satish Pai
Managing Director

____
Praveen Kumar Maheshwari
Whole-time Director and Chief Financial Officer

Place: Mumbai
Date: March 8, 2017

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