



Good things come to those who *innovate.*
To those who weather the storm,
who challenge the norms,
who stay true to their vision, values and beliefs.

To those who follow their *passion,*
stick to their commitments and keep
their heads up high in times of difficulty.

As we continue on our path to growth & success
we will tackle setbacks and difficulties with the same focus,

persistence
strength
that we believe in.

ANNUAL REPORT | 2012 - 2013

ADITYA BIRLA NUVO LIMITED



Mr. Aditya Birla
We live by his values.
Integrity, Commitment, Passion, Seamlessness and Speed.



Dear Shareholders,

The global scenario

Across the world in 2012, the economy remained a worry. Global GDP fell to 3.2% compared to 4% in 2011. Many of the systemic vulnerabilities continued. Among these were fiscal fragility, hidden and unknown risks of financial derivative instruments and the problems of the weaker Eurozone economies. The increasing instances of political gridlock aggravated the situation.

While these are not totally left behind, there are strong positives. The unwinding of financial leverage, several rounds of liquidity injections, with Japan also joining in augur well for the global economy. Alongside, continuing low interest rates, sharp corrections in commodity and energy prices, and a modest recovery in the US housing market ring in a degree of optimism. Furthermore, the private corporate sector seems on the path to stepping up investment outlays. Thankfully, the worst case outcomes have been averted. The US has not fallen off the fiscal cliff. And, despite the recent financial shocks in Cyprus, the government bond yields have fallen. The global economy has clearly shown a lot of resilience.

The global economy is now moving on to a surer recovery mode. The IMF projects growth

In the face of all these odds, for the Financial Year 2012-13, your Company has posted a noteworthy performance. Its consolidated revenues grew by 17% to USD 4.75 billion (₹ 25,490 Crore) and EBITDA at USD 767 million (₹ 4,142 Crore) rose by 27%. Net profit is up by 19% at USD 196 million (₹ 1,059 Crore).

at 3.25% in 2013, increasing to 4.0% in 2014. The GDP growth in emerging markets and developing countries is placed at 5.3% in 2013, increasing to 5.7% in 2014. The US GDP is expected to grow 1.9% in 2013, rising sharply to 3.0% in 2014. Europe will remain a laggard, with de-growth at -0.3% this year, and inching to just over 1% in 2014. China's growth will scale back from its recent double digit levels to 7-8%, which is still respectable.

Developments on the global front undeniably dented India's growth level, besides the issues at home.

The Indian economy – ongoing resilience

Slow growth, investor diffidence, the rupee falling to an all time low, power outages and a poor monsoon added to the country's woes. High commodity prices and supply constraints of critical raw material, such as coal and natural gas, further compounded the problem. Unsurprisingly then, India's GDP growth slowed markedly in 2012-13, to 5%, down from 6.2% in the previous year. The manufacturing sector recorded a growth of only 1.9% in 2012-13, down from 2.7% in 2011-12. Export growth in 2012-13 was 5.1%, compared to 15.3% in the previous year.

There are good signs, as we move into the fiscal 2013-14. There have been some positive policy developments in recent months. These include a decline in interest rates and a move towards market-based pricing for diesel and petrol. If this pricing flexibility persists, it could make a considerable dent in the subsidy bill. The expectation of a normal monsoon is a positive, going forward.

In the FY 2013-14, the GDP growth is projected to rise modestly to around 6.0% with much of the improvement likely only in the second half of the year. Industrial activity will continue to be adversely affected by regulatory bottlenecks. The recent decline in commodity prices,

particularly of crude oil, and continuing buoyancy of FII inflows will pave the way for greater exchange rate stability, and a moderation of inflation. The RBI projects a 5.5% increase in the wholesale price index in the FY 2013-14, down from 7.3% in the previous year.

These developments affect your Company's growth and performance.

In the face of all these odds, for the Financial Year 2012-13, your Company has posted a noteworthy performance. Its consolidated revenues grew by 17% to USD 4.75 billion (₹ 25,490 Crore) and EBITDA at USD 767 million (₹ 4,142 Crore) rose by 27%. Net profit is up by 19% at USD 196 million (₹ 1,059 Crore). Most of the businesses of your Company have done very well. Let me apprise you briefly on each business.

On the Financial Services business, I am pleased to state that it has become a significant player in the non-banking space with 8 verticals. Its performance has been noteworthy with consolidated revenue of USD 1.2 billion and EBITDA at an all time high of USD 152 million. Its market share across all its verticals is on a continuous growth mode. Financial Services business is the largest contributor to your Company's profits and generates a healthy 31% return on average capital employed.

Today, between our Life Insurance and Asset Management businesses, we manage around USD 20 billion of assets making us a top 5 fund manager in the country, excluding LIC. The Life Insurance business continues to be in the 5th position. The Asset Management business, ranked 4th, is one of the fastest growing AMC's in the industry. The Lending business has doubled its book size. The Broking and Wealth Management business continues to be innovative in its offerings. The General Insurance Broking business has continued to gain market share at a scorching pace of growth.

On the Financial Services business, I am pleased to state that it has become a significant player in the non-banking space with 8 verticals. Its performance has been noteworthy with consolidated revenue of USD 1.2 billion and EBITDA at an all time high of USD 152 million. Its market share across all its verticals is on a continuous growth mode.

Idea continues to be the fastest growing major telecom operator, sustaining a growth rate that is 1.5 times that of the sector. It is among the select club of mobile operators globally with about 122 million customers. It is among the top 10 cellular operators in the world, carrying 1.6 billion minutes of voice calls every day

The opening up of the banking sector by the Reserve Bank of India is indeed a forward looking step. For your Company, getting into the banking sector is a perfect strategic fit, given that it completes the bouquet of financial services that we offer. We are in the process of filing our application and are hopeful of a positive outcome.

Moving to the Telecom sector, Idea has made significant strides. Its performance has been amazing. Its revenue was USD 4.15 billion with an EBITDA of USD 1.13 billion. Idea continues to be the fastest growing major telecom operator, sustaining a growth rate that is 1.5 times that of the sector. It is among the select club of mobile operators globally with about 122 million customers. It is among the top 10 cellular operators in the world, carrying 1.6 billion minutes of voice calls every day. Besides the voice business, Idea's presence is being increasingly felt in the new fastest evolving mobile broadband segment.

Over 20% of its existing subscribers generated global scale Internet Data Traffic at 3.75 billion mega byte per month on 'Idea's High Speed Mobile Broadband' network. With a high proportion of Indian mobile subscribers rapidly upgrading to the latest smartphones and tablets, Idea's 3G overlay network presence augurs a huge future business potential upside.

Madura Fashion & Lifestyle outperformed the industry, registering a growth of 15%. Its sale stood at USD 467 million. It achieved its highest ever EBITDA at USD 45 million, up by 25% over the previous year. Three of its brands - Louis Philippe, Van Heusen and Peter England feature among the top 5 apparel brands in the country. With over 3,000 stores, Madura Fashion & Lifestyle boasts of the largest distribution network in the country.

The acquisition of Pantaloons Fashion business from Future Group this year, is in line with our strategic intent

to be the leader in this segment. It has enabled us to become the largest branded fashion player in the country through an extension into fast fashion segment. For the nine months period ending March 2013, the business reported revenues of USD 238 million.

In the linen segment, to capitalize on the ever increasing demand and the marked preference for our linen fabric, a capacity expansion is underway.

In the BPO sector, revenue of Aditya Birla Minacs grew by 18% to USD 457 million. Minacs has marketed new business of a total contract value of USD 230 million. It has transformed its business over the last few years, with 40% of its revenues now coming from Non-Voice services.

In the Agri business, Indo Gulf achieved almost a 40% growth in revenue of USD 542 million (₹ 2,924 Crore) largely led by doubling of its trading business. Though sales volume of Birla Shaktiman Urea were at an all time high of 1.23 million metric tons, profitability was affected by annual maintenance shutdown for 20 days and a steep increase in the capital employed on account of subsidy receivables from the Government.

In the light of the Government's recently announced policy relating to investments in this sector, our plans for 1.3 million tons urea expansion at your Company's existing plant in Jagdishpur (Lucknow), have been blue printed. After greater clarity on the allocation of natural gas is spelt out, we will roll out the brownfield venture.

In the Rayon business, I very proudly share the fact that we continue to enjoy the stellar position of the largest Indian exporter of Viscose filament yarn - for the 8th year in a row. The business deserves kudos on its profitability numbers as well.

The Insulators business witnessed a challenging year due to cheaper imports from China. Power Projects in the

Madura Fashion & Lifestyle outperformed the industry, registering a growth of 15%. Its sale stood at USD 467 million. It achieved its highest ever EBITDA at USD 45 million, up by 25% over the previous year. Three of its brands - Louis Philippe, Van Heusen and Peter England feature among the top 5 apparel brands in the country. With over 3,000 stores, Madura Fashion & Lifestyle boasts of the largest distribution network in the country.

Your Company has a very strong balance sheet, robust cash flows, and gearing levels well within reasonable limits. The proceeds from the divestment of the Carbon Black business and the remaining equity infusion by your Company's promoters will add additional heft.

pipeline at the national level have been deferred and this has also put the brakes on the Insulator sector's growth.

With your approval, your Company has decided to exit from the Carbon Black business, given the limitation of scale and sector dynamics. Its divestment as going concern is underway.

Outlook

Your Company has a very strong balance sheet, robust cash flows, and gearing levels well within reasonable limits. The proceeds from the divestment of the Carbon Black business and the remaining equity infusion by your Company's promoters will add additional heft.

As you are aware both Idea Cellular and Birla Sun Life Insurance have started distributing dividend. This reflects the beginning of generating returns on long term investments. It bolsters the confidence of our multiple stakeholders.

From its position of strength, your Company is indeed all set to scale higher peaks.

To our Teams

I thank all of our teams. For most of our employees, I can say with certitude that their commitment towards their responsibility to give results has been incredibly overwhelming. They have enriched your Company and determined its course over the years. I am confident that as we move into an even higher growth trajectory, our people will continue to rise to the increasing demands of their work.

The Aditya Birla Group in perspective

Over the last two years, significant changes have impacted the global and domestic business scenario. Given our resilience, our Group has managed to weather the storm.

Our consolidated revenue at US 42 billion dollars is marginally above that of the last year.

I believe, that if we have been able to sustain our revenues, it is because of the quality of our 136,000 strong workforce spread over 36 countries and 42 nationalities. The hallmark of our overall leadership development efforts has been our belief in taking "bets on our people". And it has indeed paid off.

Our entrepreneurial DNA also encourages risk taking which includes taking risks with people, of course with safety nets. We believe that people are endowed with immense capability – our task is to spot them, early in their careers and provide them with suitable opportunities to try their hand at and test their skills. Our investment in people processes has enabled us have a robust bench-strength of talent. Our entire focus is on ensuring that we always remain a meritocracy. This pool of talent is developed through a series of planned exposures, assignments and training opportunities, so that they are prepared to take on leadership roles as and when these emerge.

Let me elucidate these aspects with an overview of our talent management and leadership development processes.

Two new programmes, namely, "Step UP" and "Turning Point" have been launched. These aim primarily to prepare Departmental Heads and Functional Heads for the next stage of their career development as Functional heads and Cost Centre heads respectively. The first pilot batches have already undergone the initial rounds of training. These programmes will be further institutionalised.

Last year, I had alluded to the launch of our *P&L Leaders Development Program*, called – "*The Cutting Edge*".

Our entrepreneurial DNA also encourages risk taking which includes taking risks with people, of course with safety nets. We believe that people are endowed with immense capability – our task is to spot them, early in their careers and provide them with suitable opportunities to try their hand at and test their skills. Our investment in people processes has enabled us have a robust bench-strength of talent. Our entire focus is on ensuring that we always remain a meritocracy.

Our in-house learning university 'Gyanodaya' is a globally bench-marked institution. It leverages resources from around the world to meet the development needs of our leadership. Last year, it had 28,000 touch points and partnered with several external institutions and corporations for collaborative learning. More than a 1,000 executives take courses at Gyanodaya each year.

The objective of this programme is to prepare our high-performing functional heads to take on P&L roles. The programme has taken off to a solid start. The first batch of participants has been already absorbed in the global immersion programme across 4 different countries. The second batch of "*The Cutting Edge*" will soon start their programme.

To augment talent on the technical side, we have also been hiring, for the first time, a select set of manufacturing professionals directly at the Group level. The first group has already moved into our businesses.

Our in-house learning university 'Gyanodaya' is a globally bench-marked institution. It leverages resources from around the world to meet the development needs of our leadership. Last year, it had 28,000 touch points and partnered with several external institutions and corporations for collaborative learning. More than a 1,000 executives take courses at Gyanodaya each year.

Furthermore, we have institutionalised global career paths—driven both by the individual and the organisation's needs. To a great extent, this allows an individual to 'take charge of his own career'. We leverage vacancies across the Group and stimulate talent mobility by identifying and moving leaders across geographies and functions and into new roles as part of their career development. Development for us, today, means providing people opportunities to learn from their work rather than taking them away from their work to learn.

Let me give you some statistics relating to fast tracking of talent. Since April 2011, from our management cadre, comprising of 37,600 colleagues, 15%, i.e. 5,824 have been promoted; 18% i.e. 6,481 have moved roles; and 12%, i.e. 4,543 have moved location.

Additionally, we seek feedback in an institutionalised way and conduct conversations with our people across the

Group to gauge their engagement with our Group. We call it 'Vibes'. The Vibes survey is carried out by a global reputed external HR research agency. This year, 94% of our 35,000 Executives participated in the Vibes survey, which is an indication of their engagement with the Group. It was very heartening for me to see that 92% of employees have an overwhelming sense of pride in our Group. More than 80% are engaged employees and, again, over 90% say that they understand the connect between their work and goals of business.

Today, we are reckoned as an Employer of Choice that offers a World of Opportunities for talent.

I take great pride in sharing with you that our Group (Aditya Birla Group) has topped Nielsen's Corporate Image Monitor 2012-13. An extract from their media release would interest you –

"Aditya Birla Group has emerged as the Number 1 corporate, the 'Best in Class' across all the six pillars of Corporate Image, according to the annual Corporate Image Monitor 2012-13, conducted by Nielsen, a leading global provider of insights and information into what consumers watch and buy. The six pillars of Corporate Image comprise of Product and Service Quality, Vision and Leadership, Workplace Management, Financial Performance, Operating Style and Social Responsibility.

Nielsen's Corporate Image Monitor measures the reputation of the 40 leading companies in India across sectors and serves as an important indicator of the strength of the corporate brand".

The survey was conducted among policy makers, the financial media, financial analysts, investors, professionals from the corporate sector and the general public across 7 metros. The 40 corporates covered in this survey were selected using *The Economic Times-500* and the *Business*

It was very heartening for me to see that 92% of employees have an overwhelming sense of pride in our Group. More than 80% are engaged employees and, again, over 90% say that they understand the connect between their work and goals of business.

Today, we are reckoned as an Employer of Choice that offers a World of Opportunities for talent.

I take great pride in sharing with you that our Group (Aditya Birla Group) has topped Nielsen's Corporate Image Monitor 2012-13.

Our indomitable strength of running low cost, highly efficient and vastly productive operations, through our embedded culture of continuous improvement and innovation, will see us through good times as well as tough times.

Today-500 list of listed companies. Nielsen is a global market research company, headquartered in New York and operating in 60 countries.

In sum

Let me conclude that we have strong Balance Sheets, robust cash-flows and gearing levels well within reasonable limits. The global presence of our Group and the experience of operating in 36 countries invests us with the strength to acquire assets or grow organically anywhere in the world in different business environments.

And finally, our indomitable strength of running low cost, highly efficient and vastly productive operations, through our embedded culture of continuous improvement and innovation, will see us through good times as well as tough times.

Yours sincerely,



Kumar Mangalam Birla



A premium conglomerate having leadership position across businesses

Aditya Birla Nuvo is a USD 4.75 billion premium conglomerate. It commands leadership position in India across its Financial Services, Fashion & Lifestyle, Telecom, IT-ITeS and Manufacturing businesses. The Company has built many large scale businesses from scratch. Mergers and acquisitions have also played a key role in the Company's transformational journey from a manufacturing company in late nineties to a premium conglomerate today.

During this journey, the consolidated revenue of Aditya Birla Nuvo has risen 20 times to ₹ 25,490 Crore and its market capitalisation has grown 23 times to ₹ 13,000 Crore (USD 2.4 billion)*.

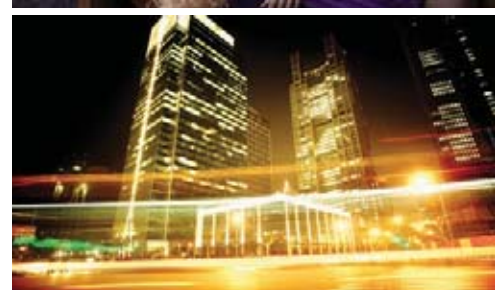
Today, the Company touches lives of about 125 million Indians. It offers varied products and services through more than 30 popular brands to meet their life assurance, investment, consumption, agri and fashion & lifestyle needs. Idea Cellular, Louis Philippe, Van Heusen, Allen Solly, Peter England, Pantaloons, Linen Club, Birla Sun Life Insurance, Birla Sun Life Mutual Fund, Birla Shaktiman are among the most trusted and admired brands in India.

The Company is trusted by more than 146,000 shareholders and is anchored by a talented human asset of over 69,000 employees.

Supported by a strong balance sheet, an experienced management team, salient brand equity and leadership position across the businesses, Aditya Birla Nuvo will continue to tap growth opportunities and create value for all the stakeholders.

Aditya Birla Nuvo is proud to be part of the Aditya Birla Group. A USD 42 billion multinational headquartered in India, Aditya Birla Group's operations are spread over 36 countries across 6 continents.

* As on 29th May 2013





Among the top 5 fund managers

Aditya Birla Financial Services ranks among the top 5 fund managers in India, excluding LIC. With a wide presence across the life insurance, asset management, NBFC, private equity, broking, wealth management and general insurance advisory businesses, it serves the end-to-end financial services needs of its retail and corporate customers.

- Funds under management of ₹ 107,560 Crore (USD 20 billion)
- Lending book of more than ₹ 8,000 Crore (USD 1.5 billion)
- Revenue of ₹ 6,390 Crore (USD 1.2 billion)
- Trusted by about 5 million customers
- A nationwide presence through about 1,550 branches/ touch points and 160,000 agents / channel partners

The largest branded apparel player

Fashion & Lifestyle business of Aditya Birla Nuvo is the largest branded apparel player in India, selling one branded apparel every second and redefining fashion & style quotient of millions of Indians.

- Marquee Brands: Louis Philippe, Van Heusen, Allen Solly, Peter England, Planet Fashion, Collective, People, Pantaloons, Linen Club
- Nationwide presence through 1,443 exclusive brand outlets / stores across 3.7 million sq.ft
- Reaching customers through more than 4,750 multi brand outlets and departmental stores
- Annualised revenue of USD 1 billion

Madura revolutionised India's branded apparel retail market and is synonymous with panache and modernity.

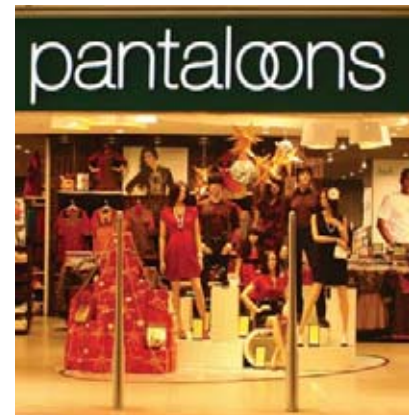
- Louis Philippe and Van Heusen are the best selling brands in India

Focusing on 'Fresh Fashion', Pantaloons has emerged as a strong brand in the fashion industry over past two decades.

- About 4 million loyalty card members - one of the largest in the sector

Jaya Shree Textiles led the successful journey of linen from a commodity product to a lifestyle symbol.

- The largest manufacturer of Linen Yarn and Linen Fabric in India



LOUIS PHILIPPE

VAN HEUSEN

PETER ENGLAND
Beginning Of Good Things

Allen Solly

THE COLLECTIVE

planet Fashion
FASHION UNLIMITED

PEOPLE



The fastest growing telecom major

Idea Cellular, the telecom venture of Aditya Birla Nuvo, is the 3rd largest cellular operator in India with 121.6 million subscribers as on 31st March 2013. It has been the biggest revenue market share gainer in India since past four years.

- Ranks among the top 10 cellular operators in the world with 1.6 billion minutes of voice usage per day
- A USD 8 billion (about ₹ 45,000 Crore as on 29th May 2013) company by market capitalisation
- A USD 4.2 billion (About ₹ 22,400 Crore) company by revenue size
- Commands the highest active subscribers' ratio in the Industry
- Outperforming the industry as a Mobile Number Portability provider
- Holds a 16% stake in Indus towers, the world's largest tower company

A global business solution provider

Aditya Birla Minacs is a business process outsourcing solutions provider that partners with global corporations and works towards enhancing clients' revenue, profitability and quality of customer service.

- Ranks 6th among Indian BPO companies by revenue size
- Revenue reached ₹ 2,500 Crore (USD 457 million) mark
- Serving several Fortune 500 clients
- 20,500 experts delivering superior business value to clients
- Global delivery capabilities across 3 continents and 35 centers spanning Canada, Germany, Hungary, India, Jamaica, Philippines, the UK and the USA





A complete agri-solutions provider

Indo Gulf Fertilisers is a complete agri solutions provider to the farmers offering fertilisers, seeds and agro-chemicals. It is fulfilling aspirations of millions of farmers who reap a rich harvest of crops.

- The 8th largest urea manufacturer in India
- Producing 1.1 million tons of urea per annum
- Birla Shaktiman, the flagship brand, enjoys a leadership position in the Indo-Gangetic plains
- Among the top 2 energy efficient urea plants in India
- Revenue crossed ₹ 2,900 Crore (USD 542 million) mark

The largest Indian VFY exporter

Indian Rayon manufactures Viscose filament yarn (VFY) which is used in georgette and crepe sarees, upholstery, suit linings etc. VFY is made from 100% natural soft wood pulp and offers the comfort of cotton and the sheen of silk.

One of the two largest VFY manufacturers in India

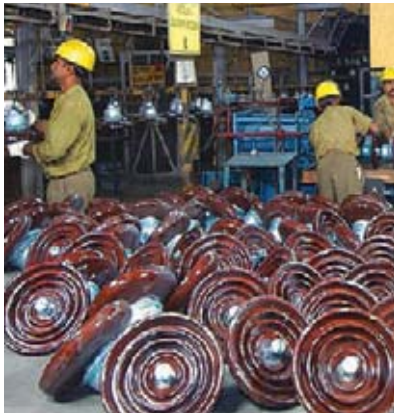
Enjoys a 39% domestic production share

Largest Indian VFY exporter for the past eight years. Contributes to about 48% of exports from India

More than five decades of operational excellence

Integrated facilities with a caustic soda plant and a captive power plant





Largest manufacturer of insulators

Insulators are used in power generation, transmission and distribution. Global clientele of Aditya Birla Insulators include ABB, Areva, Siemens, leading power utilities, Power Grid Corporation of India etc.

- India's largest and World's 4th largest manufacturer of porcelain Insulators
- Delivering world-class quality by leveraging more than four decades of the technical expertise



INTEGRITY
Honesty in every action



COMMITMENT
Deliver on the promise



SEAMLESSNESS
Boundary less in letter and spirit



PASSION
Energized action



SPEED
One Step Ahead Always

Brandscape



Among the top five private life insurers in India



The fourth largest asset management company in India



A leading NBFC in India



India's leading super premium lifestyle brand for men



'Evolve Everyday'
India's #1 premium lifestyle brand for men, women and youth



Famous for creating the concept of "Friday Dressing" and premium casual wear



The largest producer of linen yarn and linen fabric in India



The third largest cellular company in India



Among the top six Indian BPO companies

ADITYA BIRLA



ADITYA BIRLA



PRIVATE EQUITY

Private equity investment
advisor and manager

ADITYA BIRLA



MONEY

A leading broking and
wealth management player in India

ADITYA BIRLA



INSURANCE BROKERS

A leading general insurance
advisory company in India



Beginning Of Good Things

India's most loved menswear brand

THE COLLECTIVE

India's first luxury lifestyle
concept store

pantaloons
FRESH FASHION

Among the top two large format
fashion retailers in India



A complete agri solutions provider
to farmers



RAY ONE

The largest exporter and
second largest manufacturer of
viscose filament yarn in India



Aditya Birla Insulators

India's largest and world's fourth
largest manufacturer of Insulators



Clock-wise:

Mr. Kumar Mangalam Birla - Chairman,
Mrs. Rajashree Birla - Non-Executive Director, **Dr. Rakesh Jain** - Managing Director,
Mr. Lalit Naik - Dy. Managing Director, **Mr. Sushil Agarwal** - Whole - Time Director & CFO
Mr. B. L. Shah - Non-Executive Director, **Mr. G. P. Gupta** - Independent Director,
Ms. Tarjani Vakil - Independent Director, **Mr. P. Murari** - Independent Director,
Mr. S. C. Bhargava - Independent Director, **Mr. T. Chattopadhyay** - Independent (Nominee) Director,
Mr. B. R. Gupta - Independent Director.

SENIOR MANAGEMENT TEAM**MANAGING DIRECTOR**

Dr. Rakesh Jain

DEPUTY MANAGING DIRECTOR

Mr. Lalit Naik

**WHOLE-TIME DIRECTOR &
CHIEF FINANCIAL OFFICER**

Mr. Sushil Agarwal

COMPANY SECRETARYMr. Devendra Bhandari (*upto 31st July, 2013*)Mrs. Hutokshi Wadia (*w.e.f 1st August, 2013*)**ADITYA BIRLA FINANCIAL SERVICES**

Mr. Ajay Srinivasan Chief Executive Officer

Mr. Pankaj Razdan Dy. Chief Executive Officer

RAYON

Mr. Lalit Naik Business Director

Dr. Bir Kapoor President

TELECOM

Mr. Himanshu Kapania Business Head

IT-ITeS

Dr. Rakesh Jain Business Director

Mr. Deepak Patel Chief Executive Officer

FASHION & LIFESTYLEMr. Pranab Barua Business Head
(Branded Apparels)Mr. Ashish Dikshit Chief Executive Officer
(Madura Fashion & Lifestyle)Mr. Shital Mehta Chief Executive Officer
(Pantaloons Fashion)

Mr. Thomas Varghese Business Head (Textiles)

Mr. S. Krishnamoorthy President - Jaya Shree Textiles

AGRI & INSULATORS

Dr. Rakesh Jain Business Director

Mr. Lalit Naik Business Head

Mr. Raj Narayanan Chief Executive Officer

AUDITORS

Khimji Kunverji & Co.

S.R Batliboi & Co. LLP

SOLICITORS

Amarchand & Mangaldas & Suresh A. Shroff & Co.

Mulla & Mulla and Craigie, Blunt & Caroe

OTHER BRANCH AUDITORS

K. S. Aiyar & Co.

Deloitte Haskins & Sells

1	Notice
13	Aditya Birla Nuvo : A Snapshot
18	Financial Highlights
20	Management Discussion and Analysis
50	Directors' Report
65	Business Responsibility Report
73	Corporate Governance Report
83	Shareholders' Information
93	Social Report – Towards Inclusive Growth
97	Environment Report – Sustainable Development
99	Standalone Financial Statements
157	Consolidated Financial Statements
223	Form of Proxy & Attendance Slip

NOTICE is hereby given that the **FIFTY-SIXTH** Annual General Meeting of the Members of **ADITYA BIRLA NUVO LIMITED** will be held at the Registered Office of the Company at Indian Rayon Compound, Veraval - 362 266, Gujarat, on Friday, the 6th September, 2013, at 11.30 a.m. to transact, with or without modification(s), as may be permissible, the following businesses :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss for the year ended 31st March, 2013, and the Report of the Directors and Auditors thereon.
2. To declare dividend on the Equity and Preference Shares of the Company for the year ended on 31st March, 2013.
3. To appoint a Director in place of Mr. Kumar Mangalam Birla, who retires from office by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. G. P. Gupta, who retires from office by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. T. Chattopadhyay, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution** relating to the appointment and remuneration of Statutory Auditors of the Company :

“**RESOLVED THAT** in conformity with the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Khimji Kunverji & Co., Chartered Accountants (Reg. No. 105146W), and M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Reg. No. 301003E), the retiring Auditors, be and are hereby, re-appointed as the Joint Statutory Auditors of the Company, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration to each of them, as may be decided by the Board/Audit Committee of the Board, plus reimbursement of out-of-pocket expenses as may be incurred in the performance of their duties (excluding Service Tax, if any).”
7. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution** relating to the appointment and remuneration of Branch Auditors of the Company :

- (i) “**RESOLVED THAT** pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Khimji Kunverji & Co., Chartered Accountants, (Reg. No. 105146W) the retiring Branch Auditors, be and are hereby, re-appointed as the Branch Auditors of the Company to audit the accounts in respect of the Company’s Hi-Tech Carbon Division, Renukoot, Hi-Tech Carbon Division, Gummidipoondi, Hi-Tech Carbon Division, Patalganga, Aditya Birla Insulators, Rishra, and Aditya Birla Insulators, Halol, to hold office as such from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company, at such remuneration, as may be decided by the Board/Audit Committee of the Board, plus reimbursement of out-of-pocket expenses as may be incurred in the performance of their duties (excluding Service Tax, if any).”
- (ii) “**RESOLVED THAT** pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Khimji Kunverji & Co., Chartered Accountants (Reg. No. 105146 W) and M/s. K.S. Aiyar & Co., Chartered Accountants (Reg. No. 100186 W), the retiring Joint Branch Auditors, be and are hereby, re-appointed as the Joint Branch Auditors of the Company to audit the accounts in respect of the Company’s Indian Rayon Division at Veraval, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration to each of them, as may be decided by the Board/Audit Committee of the Board, plus reimbursement of out-of-pocket expenses as may be incurred in the performance of their duties (excluding Service Tax, if any).”
- (iii) “**RESOLVED THAT** pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Reg. No. 301003E), the retiring Branch Auditors, be and are hereby, re-appointed as Branch Auditors of the Company to audit the accounts in respect of the Company’s Jaya Shree Textiles Division, Rishra, and Indo Gulf Fertilisers,

Jagdishpur, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration, as may be decided by the Board/Audit Committee of the Board, plus reimbursement of out-of-pocket expenses as may be incurred in the performance of their duties (excluding Service Tax, if any).”

- (iv) **“RESOLVED THAT** pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte, Haskins & Sells, Chartered Accountants (Reg. No 008072S), the retiring Branch Auditors, be and are hereby, re-appointed as Branch Auditors of the Company to audit the accounts in respect of the Company’s Madura Fashion & Life Style, Bangalore, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration, as may be decided by the Board/Audit Committee of the Board, plus reimbursement of out-of-pocket expenses as may be incurred in the performance of their duties (excluding Service Tax, if any).”

SPECIAL BUSINESS:

8. To consider and, if though fit, to pass the following resolution as a **Special Resolution:**
“RESOLVED THAT pursuant to the provisions of Section 260 and other applicable provisions of the Companies Act, 1956 (“the Act”), and the Articles of Association of the Company, Mr. Lalit Naik, who was appointed as an Additional Director of the Company by the Board of Directors of the Company and who holds office as such only upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice, in writing along with a deposit of ₹ 500/- pursuant to the provisions of Section 257 of the Act, from a Member signifying his intention to propose Mr. Lalit Naik as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof, for the time being

in force), the relevant provisions of Articles of Association of the Company, consent of the Company be and is hereby accorded to the appointment and terms of remuneration of Mr. Lalit Naik as Whole-time Director of the Company designated as ‘Deputy Managing Director’ of the Company, for a period of five years, with effect from 1st January, 2013, on the terms and conditions set out below:

A. Period : 5 Years w.e.f. 1st January, 2013, with the liberty to either party to terminate the appointment on three months’ notice in writing to the other.

B. Remuneration:

- (a) Basic Salary: ₹ 7,04,340/- (Rupees Seven Lakh Four Thousand Three Hundred Forty Only) per month with such increment(s) as the Board/Chairman may decide from time to time, subject, however, to a ceiling ₹ 12,00,000/- (Rupees Twelve Lakh Only) per month as Basic Salary.
- (b) Special Allowance: ₹ 6,51,580/- (Rupees Six Lakh Fifty-one Thousand Five Hundred Eighty Only) per month with such increment(s) as the Board/Chairman may decide from time to time, subject, however, to a ceiling of ₹ 16,00,000/- (Rupees Sixteen Lakh Only) per month. This allowance, however, will not be taken into account for calculation of benefits such as Provident Fund, Gratuity, Superannuation and Leave Encashment.
- (c) Annual Performance Bonus: Performance Bonus linked to the achievement of targets, as may be decided by the Board/Chairman subject to a maximum of ₹ 1,50,00,000/- (Rupees One Crore and Fifty Lakh Only) per annum.
- (d) Long-term Incentive Compensation (LTIC)/Employee Stock Options as per the plan applicable to the Senior Executives of the Company/Aditya Birla Group including that of any parent/subsidiary company and as may be decided by the Chairman/Board.

C. Perquisites, Allowances and Other Benefits:

- (a) Housing : Free furnished accommodation or HRA in lieu of Company provided accommodation.

- (b) Reimbursement of expenses on actual, pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation.
- (c) Medical Expenses Reimbursement: Reimbursement of all expenses incurred in India for self and family, at actuals (including domiciliary and medical expenses and insurance premium for medical and hospitalisation policy, as applicable).
- (d) Leave Travel Expenses: Leave Travel Expenses for self and family in accordance with the Rules of the Company.
- (e) Club Fees: Fees of one Corporate Club in India (including admission and membership fee).
- (f) Personal Accident Insurance Premium for self and family as per the Rules of the Company.
- (g) Company's Contribution towards Provident Fund and Superannuation Fund, on Basic Salary, as per the Rules of the Company.
- (h) Gratuity calculated on Basic Salary as per the Rules of the Company.
- (i) Two cars for use on Company's Business as per the policy of Aditya Birla Group.
- (j) Leave and Encashment of Leave in accordance with the Rules of the Company.
- (k) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per the Rules of the Company. Travelling expenses of spouse accompanying the 'Deputy Managing Director' on any official overseas or inland trip will be governed as per the Rules of the Company.
- (l) Other Allowances/Benefits, Perquisites: Any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company, and/or which may become applicable in the future, and/or any other allowance, perquisites as the Board from time to time decide.
- (m) Mr. Lalit Naik may get the sitting fees paid/payable to other directors for attending meetings of the Board of Directors/Committee of Subsidiaries of the Company or Companies promoted by Aditya Birla Group.
- D. Subject as aforesaid, the Deputy Managing Director shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.
- E. For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, if any, the services of Mr. Lalit Naik, Deputy Managing Director, will be considered as continuous service with the Company from the date of his joining the Aditya Birla Group.
- F. Minimum Remuneration :
- RESOLVED FURTHER THAT** notwithstanding anything herein above stated, wherein any financial year closing on or after 31st March, 2013, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Lalit Naik, the remuneration by way of salary, perquisites and all other allowances as aforesaid in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to the approval of the Central Government, wherever required.
- RESOLVED FURTHER THAT** the terms and conditions of the appointment and/or remuneration of Mr. Lalit Naik may be altered or varied from time to time by the Board and/or Committee thereof as it may, in its discretion deem fit, or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and Mr. Lalit Naik, subject to such approvals as may be required."
9. To consider and, if thought fit, to pass the following resolution as a **Special Resolution** :
"RESOLVED THAT in accordance with the provisions of Sections 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the Memorandum and Articles of Association of the Company, the

provisions of the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time (the "SEBI Guidelines"), the Listing Agreements entered into by the Company with the stock exchanges where the securities of the Company are listed, any rules, guidelines and regulations issued by the Reserve Bank of India and any other applicable laws for the time being in force and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the ESOS Compensation Committee constituted by the Board to exercise its powers conferred by this Resolution) consent of the Company be and is hereby accorded to introduce and implement the "Aditya Birla Nuvo Limited Employee Stock Options Scheme 2013" (the "Scheme 2013"), the salient features of which are furnished in the explanatory statement to the Notice; consent be and is hereby accorded to the Board to create, grant, offer, issue and allot at any time, in one or more tranches, to or for the benefit of such person(s) who are in permanent employment of the Company in the management cadre, whether working in India or outside India, including any managing or whole-time director(s) of the Company (hereinafter referred to collectively as "employees", selected on the basis of criteria decided by the Board or ESOS Compensation Committee thereof under the Scheme 2013, such number of stock options (comprising of options and/or restricted stock units) exercisable into not more than 3,50,000 equity shares of ₹ 10/- each, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI Guidelines or other provisions of the law as may be prevailing at that time.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any, additional equity shares are issued by the Company for the purpose of making a fair and

reasonable adjustment to the Stock Options granted earlier, the above ceiling of 3,50,000 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either subdivided or consolidated, then the number of equity shares to be issued and allotted on exercise of stock options granted under the Scheme 2013 and the exercise price of stock options granted under the Scheme 2013 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10/- per equity share bears to the revised face value of the equity shares of the Company after such subdivision or consolidation, without affecting any other rights or obligations of the employees who have been granted stock options under the Scheme 2013.

RESOLVED FURTHER THAT without prejudice to the generality of the above but subject to the terms as may be approved by the Members of the Company, the Board is authorised to formulate, evolve, decide upon and implement the Scheme 2013 and determine the detailed terms and conditions of the aforementioned Scheme 2013 and including but not limited to the quantum of the stock options to be granted per employee, the number of stock options to be granted in each tranche, the terms or combination of terms subject to which the said stock options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such stock options shall lapse and to grant such number of stock options, to such employees of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the Scheme 2013 and as the Board may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Board or any committee thereof be and is hereby authorised to issue and allot equity shares upon exercise of stock options from time to time in the manner aforesaid, and such equity shares shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the equity shares allotted under the Scheme 2013 on the stock

exchanges where the securities of the Company are listed in accordance with the provisions of the listing agreement with the concerned stock exchanges, SEBI guidelines and other applicable laws and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the Scheme 2013, as it may deem fit, from time to time or to suspend, withdraw or revive the Scheme 2013 from time to time in conformity with the provisions of the Act, the SEBI Guidelines and other applicable laws unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted stock options under the Scheme 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the Scheme 2013 at any stage including at the time of listing of the equity shares issued herein without requiring Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

10. To consider and, if thought fit, to pass the following resolution as a **Special Resolution** :
"RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time (the "SEBI Guidelines"), the Listing Agreements entered into by the Company with the stock exchanges where securities of the Company are listed, any rules, guidelines and regulations issued by the Reserve Bank of India and any other applicable laws for the time being in force and subject to such approvals, consents, permissions and

sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the ESOS Compensation Committee constituted by the Board to exercise its powers conferred by this Resolution) consent of the Company be and is hereby accorded to the Board, to extend the benefits and coverage of the "Aditya Birla Nuvo Limited Employee Stock Options Scheme 2013" (the "Scheme 2013"), referred to in the Resolution under Item No. 9 of this Notice, also to such persons who are in permanent employment of any present and future holding/subsidiary companies of the Company in the management cadre, whether working in India or outside India, including any managing or whole-time director(s) of the holding/subsidiary companies of the Company under the Scheme 2013 in the manner mentioned in the Resolution under Item No. 9 of this Notice, as may be decided by the Board or ESOS Compensation Committee thereof in accordance with the SEBI Guidelines or other provisions of the law as may be prevailing at that time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in relation to formulation and implementation of the Scheme 2013 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

By Order of the Board



Devendra Bhandari

Jt. President & Company Secretary

Place: Mumbai
 Date: 29th May, 2013

NOTES FOR MEMBERS' ATTENTION :

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 56TH ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Corporate Members, intending to depute their authorised representatives to attend the Meeting, are requested to send to the Company a duly certified true copy of the Board Resolution/Power of Attorney authorising their representatives to attend and vote on their behalf at the Meeting.
3. The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956 ("the Act"), in respect of the business under Item Nos. 8 to 10 of the Notice set out above, is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 31st August, 2013 to Friday, 6th September, 2013 (both days inclusive), for the purpose of payment of dividend, if any, approved by the Members.
5. The Annual Report of the Company for the year 2012-13, circulated to the members of the Company, will be made available on the Company's website (www.adityabirlanuvo.com).
6. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend as recommended by the Board, if declared at the Annual General Meeting, will be paid to those equity shareholders whose names appear:
- (a) As Member in the Register of Members of the Company after giving effect to all valid share transfers in physical form,

which are lodged with the Company, on or before 30th August, 2013; and

- (b) In respect of the shares in electronic form on the basis of beneficial ownership furnished by National Securities Depositories Ltd. (NSDL) and Central Depositories Services (India) Limited (CDSL) for this purpose as at the end of 30th August, 2013.

Dividend will be paid within a period of 30 days from the date of approval by the shareholders in this meeting.

7. In terms of the provisions of the Sections 205A(5) and 205C of the Act, the amount of dividend, which has remained unclaimed and unpaid for a period of 7 years from its due date of payment, is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. No claim by the shareholder shall lie against IEPF or the Company in respect of the said unclaimed or unpaid dividend amount.

The details of unpaid/unclaimed dividend for the year 2005-06 onwards are as under :

Year	Amount	Due Date of Transfer
2005-06	₹ 31,19,985/-	14.09.2013
2006-07	₹ 34,90,294/-	18.04.2014
2007-08	₹ 38,77,012/-	16.08.2015
2008-09	₹ 31,41,924/-	17.08.2016
2009-10	₹ 40,80,940/-	13.09.2017
2010-11	₹ 47,17,977/-	05.10.2018
2011-12	₹ 56,91,192/-	08.09.2019

8. Members holding shares in electronic form are requested to intimate any changes in their address, e-mail id and signature to their respective Depository Participants, with whom they are maintaining their demat accounts. Members holding shares in Physical form are requested to intimate such changes to the Investor Service Centre, Indian Rayon Compound, Veraval - 362 266.
9. Reserve Bank of India has initiated National Electronic Clearing Service (NECS) for credit of

dividend directly to the bank account of Members. Members are requested to register their Bank Account Details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code), in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with the Company.

10. In terms of circulars issued by SEBI, it is now mandatory to quote Permanent Account Number (PAN) for participating in the securities market. Therefore, Members holding shares in dematerialised form are requested to submit the PAN details to their depository Participants, whereas Members holding shares in physical form are requested to submit the PAN details to the Investor Service Centre, Indian Rayon Compound, Veraval - 362 266.

11. Documents referred to in the accompanying Notice and Explanatory Statements are open at the Registered Office of the Company on all working days, except Saturdays, between 10.00 a.m. and 12.00 noon up to the date of the Annual General Meeting.
12. Members/Proxies should bring their Attendance Slip sent herewith, duly filled in, for attending the meeting.

By Order of the Board



Devendra Bhandari

Jt. President & Company Secretary

Place: Mumbai

Date: 29th May, 2013

ANNEXURE TO THE NOTICE

The following Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, set the material facts relating to the business mentioned in Item Nos. 8 to 10 of the accompanied Notice dated 29th May, 2013.

Item No. 8

Mr. Lalit Naik was appointed by the Board of Directors as an Additional Director with effect from 1st January, 2013, and holds office up to the date of this Annual General Meeting. Mr. Lalit Naik is a B.Tech. in Chemical Engineering from the Indian Institute of Technology (IIT), Kanpur, and Master of Business Administration from IIM, Ahmedabad. He has been with the Aditya Birla Group since November 2009, and has more than two and a half decades of rich professional experience and has worked in leadership positions in many companies.

Considering the vast and diverse experience of Mr. Lalit Naik, the Board feels that it is in the interest of the Company to continue to avail of his services as a Director of the Company.

The resolution as set out in Item No. 8 of this Notice is accordingly commended for the approval of the Members.

None of the Directors other than Mr. Naik are interested in the Resolution at Item No. 8.

Item Nos. 9 & 10

Stock options in the hands of the employees have long been recognised as an effective instrument to align the interests of the employees with that of the Company and its shareholdings, providing an opportunity to the employees to share the growth of the Company and to create wealth in the hands of the employees. Accordingly, the Company intends to reward, attract, motivate and retain employees and directors of the Company, its holding and subsidiary companies for their high levels of individual performance, their efforts to improve the financial performance of the Company and their loyalty to the Company, by offering them equity shares by way of an employee stock options scheme. The eligible employees shall be granted employee stock options in the form of Options ("Options") and/or Restricted Stock Units ("RSUs"). Options and RSUs are collectively referred to as "Stock Options", which will be exercisable into equity shares upon such terms and conditions applicable to the Stock Options, as the case may be.

The Board of Directors ("the Board") of the Company at its meeting held on 29th May, 2013, resolved to introduce the 'Aditya Birla Nuvo Limited Employee Stock Options Scheme 2013' (hereinafter referred to as the "Scheme 2013"), subject to the approval of the Members and the provisions of the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as amended from time to time ("the SEBI Guidelines") and authorised the ESOS Compensation Committee to formulate the detailed terms and conditions of the Scheme 2013 and once formulated to administer and implement the Scheme in accordance with the SEBI Guidelines.

The Members are informed that the Company intends to offer not more than 3,50,000 equity shares of ₹ 10/- each under the Scheme 2013 by way of grant of Stock Options.

Your approval is being sought for issue of Stock Options to eligible employees of the Company, including its Managing and/or Whole-time Director(s) and that of its holding and/or subsidiary companies by the introduction of the Scheme 2013.

The Scheme 2013 is being formulated in accordance with the ESOP Guidelines. The salient features of the Scheme 2013 are as follows:

(i) Total number of Stock Options to be granted

The total number of Stock Options (comprising of Options and RSUs) that may in the aggregate be granted shall be such number that will entitle the grantees to acquire, in one or more tranches, such equity shares of the Company not exceeding 3,50,000 equity shares of ₹ 10/- each. The aggregate number of RSUs proposed to be granted under the Scheme 2013 shall not be exercisable into more than 50% of the overall ceiling of equity shares (as stated in Resolution No. 9 & 10 of the Notice) to be issued under the Scheme 2013 (which number shall be adjusted in lieu of adjustments/re-organisation of capital structure of the Company from time to time).

One Stock Option entitles the grantees to one equity share (i.e., one Option will entitle the grantee to one equity share and one RSU will entitle the grantee to one equity share).

In case of any corporate action(s) such as rights issues, bonus issues, merger and sale

of division split or consolidation and others, a fair and reasonable adjustment needs to be made to the Stock Options granted. Accordingly, if any additional equity shares are issued by the Company to the grantees for making such fair and reasonable adjustment, the ceiling of 3,50,000 shall be deemed to be increased to the extent of such additional equity shares issued.

Stock Options not vested due to non-fulfilment of the vesting conditions, vested Stock Options which the grantees expressly refuse to exercise, Stock Options (vested and not exercised and unvested) which have been surrendered and any Stock Options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these Stock Options or the underlying equity shares will be available for grant under the present Scheme 2013 or under a new scheme, subject to compliance with the provisions of the Applicable Law.

(ii) Identification of classes of employees entitled to participate in the Scheme 2013

Persons who are permanent employees of the Company in the management cadre, working out of India, including managing or whole-time director(s) of the Company, and that of the holding and/or subsidiary companies, as may be decided by the Board or the ESOS Compensation Committee, shall be eligible to be granted Stock Options under the Scheme 2013.

The following category of employees/directors shall not be eligible to participate in the Scheme 2013:

- (a) a Promoter or belonging to the promoter group;
- (b) an Independent Director and Non-Executive Director; and
- (c) a Director, who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

(iii) Requirements of vesting and period of vesting

The Board and/or the ESOS Compensation Committee may, at its discretion, lay down certain criteria including, but not limited to, performance metrics on the achievement of which the granted Stock Options would vest.

The detailed terms and conditions relating to such criteria for vesting, the period over which and the proportion in which the Stock Options granted would vest would be subject to the minimum and maximum vesting period as specified below.

- Vesting period for Options:

The Options would vest not earlier than one year and not later than five years from the date of grant of Options or such other period as may be determined by the Board and/or the ESOS Compensation Committee. The vesting schedule (i.e., exact proportion in which and the exact period over which the Options would vest) would be determined by the Board and/or the ESOS Compensation Committee, subject to the minimum vesting period of one year from the date of grant of Options. The Options granted under the Scheme 2013 shall vest in one or more tranches.

- Vesting period for RSUs:

The RSUs would vest not earlier than one year and not later than three years from the date of grant of RSUs or such other period as may be determined by the Board and/or the ESOS Compensation Committee. The vesting schedule (i.e., exact proportion in which and the exact period over which the RSUs would vest) would be determined by the Board and/or the ESOS Compensation Committee, subject to the minimum vesting period of one year from the date of grant of RSUs. The RSUs granted under the Scheme 2013 shall vest in one or more tranches.

(iv) Exercise price or pricing formula

Exercise price for Options: The equity shares may be issued at such price that the Board and/or ESOS Compensation Committee may determine on the date of the grant of Stock Options under the Scheme 2013 and specified in the relevant grant documents provided that the exercise price per Option shall not be less than the face value of the equity share of the Company.

Exercise price for RSUs: The RSUs may be issued at face value or as be determined by the Board and/or the ESOS Compensation Committee.

(v) Exercise period or process of exercise

The Exercise period would commence from the date of vesting and will expire on completion of five years from the date of vesting of Stock Options or such other period as may be determined by the Board and/or the ESOS Compensation Committee.

The Stock Options will be exercisable by the employees by a written application to the Company accompanied by payment of the Exercise Price in such manner and on execution of such documents, as may be prescribed by the Board and/or ESOS Compensation Committee from time to time. The Stock Options will lapse if not exercised within the specified exercise period.

(vi) The Appraisal process for determining the eligibility of employees

The appraisal process for determining the eligibility of the employee will be specified by the Board and/or the ESOS Compensation Committee, and will be based on criteria, such as role/criticality of the employee, length of service with the Company, work performance, technical knowledge, managerial level, future potential and such other criteria that may be determined by the Board and/or ESOS Compensation Committee at its sole discretion.

The Board and/or the ESOS Compensation Committee may decide to extend the benefits of the Scheme to new entrants or to existing employees on such basis as it may deem fit.

(vii) Disclosure and accounting policies

The Company shall comply with such applicable disclosure and accounting policies as prescribed by the SEBI Guidelines and prescribed by the concerned authorities from time to time.

(viii) Maximum number of Stock Options to be issued per employee and in aggregate

The maximum number of Stock Options to be granted to any employee shall be decided by the Board and/or ESOS Compensation Committee. However, the number of Stock Options that may be granted to a single employee under the Scheme 2013 shall not exceed 0.2% of the paid-up equity share

capital at the time of grant of Stock Options (which shall be adjusted in lieu of adjustments/re-organisation of capital structure of the Company from time to time).

The aggregate of all such Stock Options shall not result into more than 3,50,000 equity shares of the Company, which shall be adjusted in lieu of adjustments/re-organisation of capital structure of the Company from time to time.

(ix) Method of Stock Options Valuation

To calculate the employee compensation cost, the Company shall use the Intrinsic Value Method for valuation of the Stock Options. The difference between the employee compensation cost so computed and the cost that shall have been recognised, if it had used the Fair Value of the Stock Options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on Earnings per Share of the Company shall also be disclosed in the Directors' Report.

(x) Transferability of Stock Options

The Stock Options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of a Stock Option holder while in employment, the right to exercise all the Stock Options granted to him till such date shall be transferred to his legal heirs or nominees.

(xi) Other Terms

The Board and/or ESOS Compensation Committee shall have the absolute authority to vary or modify the terms of the Scheme 2013 in accordance with the regulations and guidelines prescribed by Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the employees who have been granted stock options under the Scheme 2013.

As the Scheme would entail issue of further shares to persons other than the existing Members, in terms of Section 81(1A) of the Companies Act, 1956, as amended, consent

of the Members is being sought by passing a special resolution in general meeting. Additionally, in accordance with SEBI Guidelines, a separate resolution is required to be passed as a special resolution by Members of the Company, if benefits of the Scheme 2013, as stated in Resolution No. 9 of this Notice, are being extended to the employees of holding and/or subsidiary companies. Therefore, a separate resolution as stated in Resolution No. 10 is proposed to extend the benefits of the Scheme to the permanent employees (in the management cadre) including managing or whole-time director(s) of the holding and/or subsidiary companies of the Company.

None of the Directors of the Company is in any way, concerned or interested in the resolution, except to the extent of Stock

Options that may be offered to them under the Scheme 2013. The Stock Options to be granted under the Scheme 2013 shall not be treated as an offer or invitation made to the public for subscription in the securities of the Company.

The Board recommends Resolution Nos. 9 and 10 for approval of the Members of the Company.

By Order of the Board



Devendra Bhandari

Jt. President & Company Secretary

Place: Mumbai

Date: 29th May, 2013

**Details of the Directors seeking re-appointment in the Annual General Meeting to be held on
6th of September, 2013**

Name of Director	Mr. Kumar Managalam Birla	Mr. G.P. Gupta	Mr. Tapasendra Chattopadhyay
Date of Birth	14.06.1967	11.01.1941	31.03.1951
Date of Appointment	23.09.1992	27.04.2005	30.05.2011
Qualification	B.Com, A.C.A, M.B.A (London)	M.Com	M.Sc (Chemistry)
Expertise in specific Functional Area	Industrialist	Rich experience in the areas of general management, banking, industrial and financial restructuring.	Former Executive Director of LIC and having rich experience in the field of Insurance.
List of Public Ltd. Companies (in India) in which outside Directorships are held	<ol style="list-style-type: none"> 1. Grasim Industries Limited 2. Hindalco Industries Limited 3. Idea Cellular Limited 4. Birla Sunlife Asset Management Co. Limited 5. Birla Sun Life Insurance Co. Limited 6. Essel Mining and Industries Limited 7. Ultra Tech Cement Limited 8. Century Textiles and Industries Limited 9. Aditya Birla Minacs Worldwide Limited 	<ol style="list-style-type: none"> 1. Birla Sun Life Insurance Co. Limited 2. Swaraj Engines Limited 3. Emkay Global Financial Services Limited 4. Aditya Birla Retail Limited 5. Idea Cellular Limited 6. Landmark Property Development Company Limited 7. Dighi Port Limited 8. Emkay Investment Managers Limited 	<ol style="list-style-type: none"> 1. Orissa Minerals Development Corporation Limited
Chairman/ Member of Committee(s) of Board of Directors of the Company	—	Member of Audit Committee	—
Chairman/ Member of the Committee(s) of Board of Directors of other Companies in which he/she is a Director	—	As a Chairman <ol style="list-style-type: none"> 1. Swaraj Engines Limited 2. Idea Cellular Limited 3. Birla Sun Life Insurance Co Limited 4. Landmark Property Development Co. Limited As a Member <ol style="list-style-type: none"> 1. Emkay Global Financial Services Limited 2. Aditya Birla Retail Limited 	As a Member <ol style="list-style-type: none"> 1. Orissa Minerals Development Corporation Limited
a) Audit Committee	—	—	—
b) Investors Grievance/ Relations Committee	—	—	—

Note: Pursuant to clause 49 of the Listing Agreement, only two committees, viz; Audit Committee and Shareholders /Investor Grievance are considered

ADITYA BIRLA NUVO: VISION & MISSION

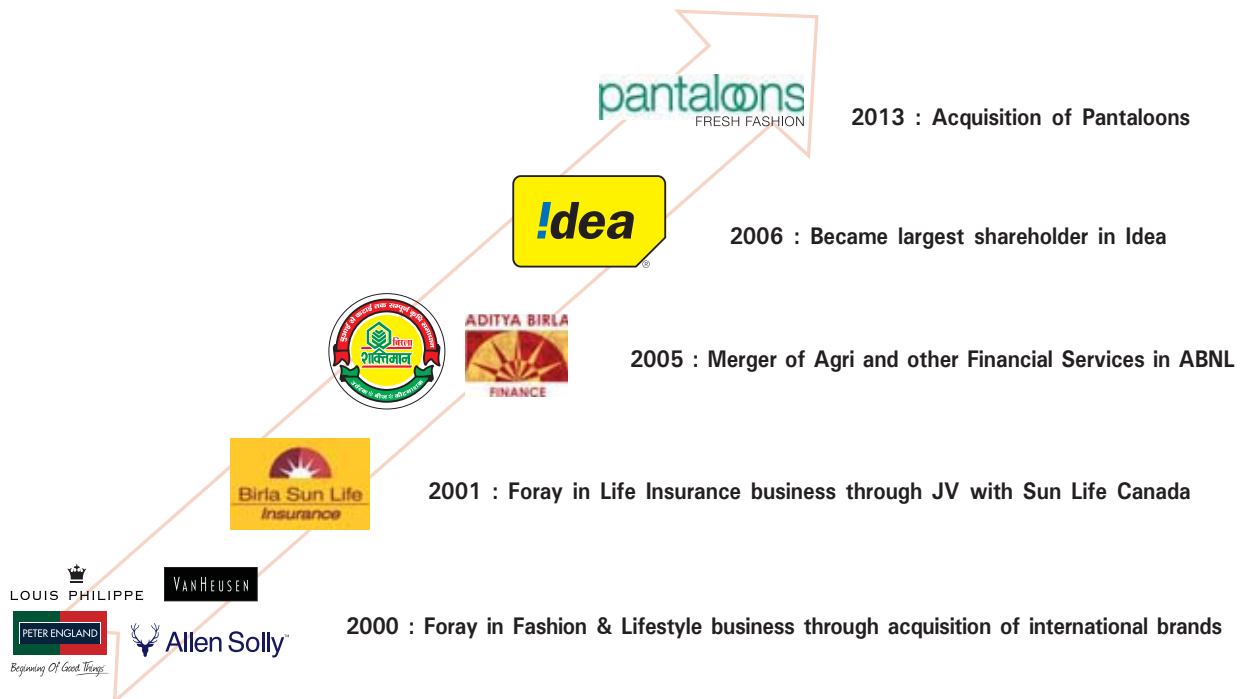
Vision

“To be a premium conglomerate building leadership in businesses and creating value for all the stakeholders”

Mission

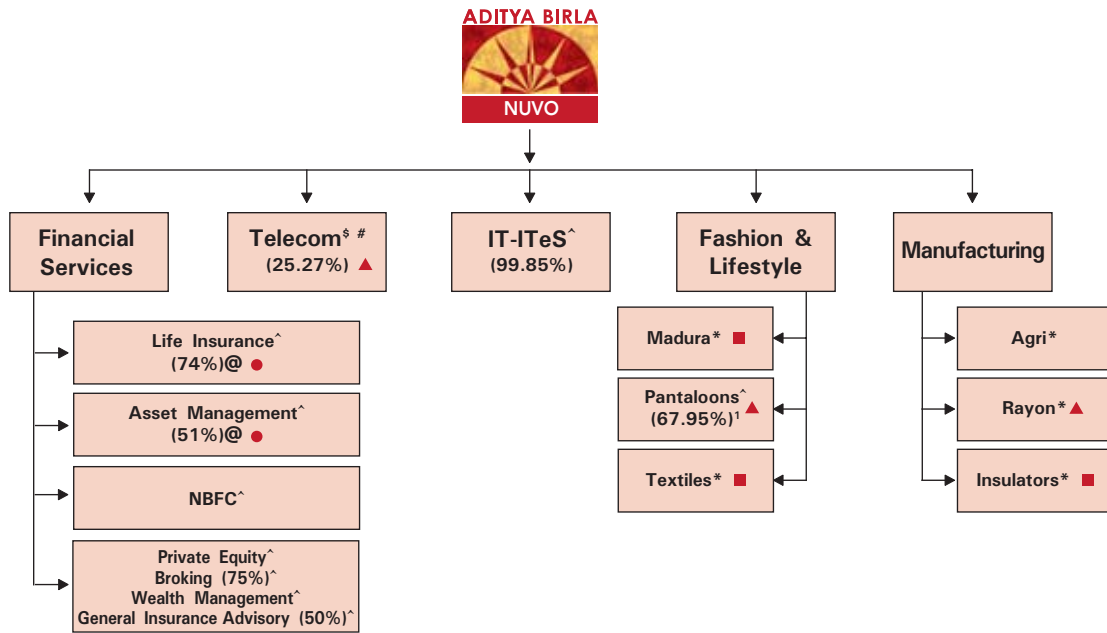
**Investing in the promising sectors
Building leadership in businesses
A platform to drive synergy of resources
Delivering best value to all the stakeholders
To be a responsible corporate citizen**

TRANSFORMATION FROM A MANUFACTURING COMPANY TO A PREMIUM CONGLOMERATE



Invested about USD 1.5 billion over these years to support growth

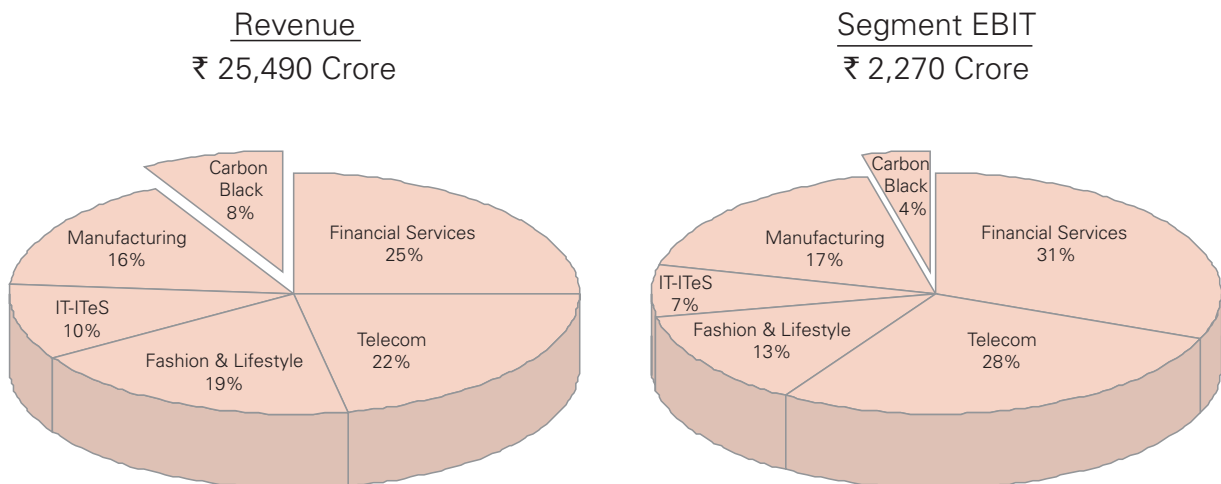
A USD 4.75 BILLION PREMIUM CONGLOMERATE



Leadership position in India ■ Leader ▲ Top 3 ● Top 5

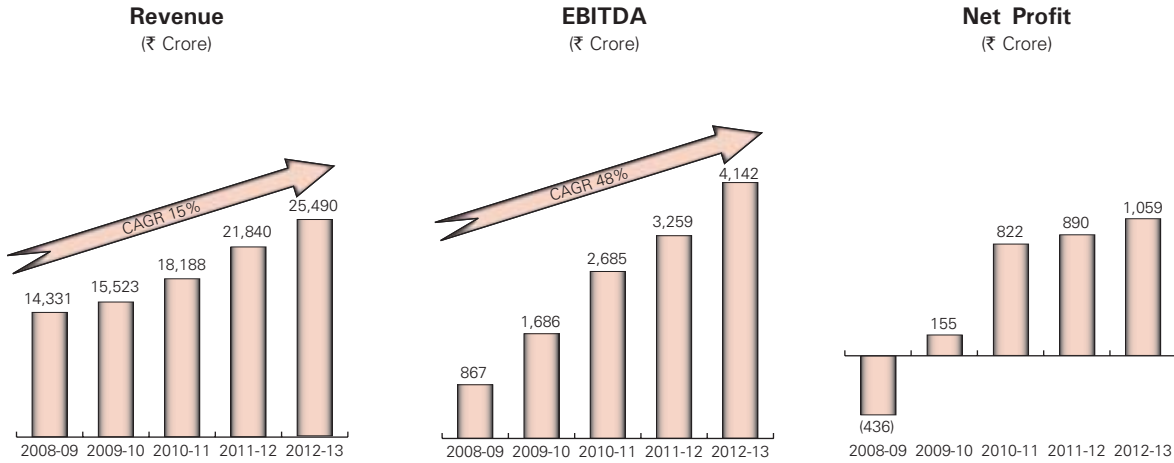
* Represent Divisions; [^]Represent Subsidiaries; [§]Represent Joint Ventures; [@]JV with Sun Life Financial, Canada; [#]Listed, Aditya Birla Group holds 45.88%
 Note 1: Post open offer
 Note: Percentage figures indicated above represent ABNL's shareholding in its subsidiaries / JV's

CONSOLIDATED EARNINGS MIX - 2012-13



Note : Manufacturing includes Agri, Rayon and Insulators businesses. Having received the shareholders' approval, the Company is in the process of divesting the Carbon Black business w.e.f. 1st April 2013

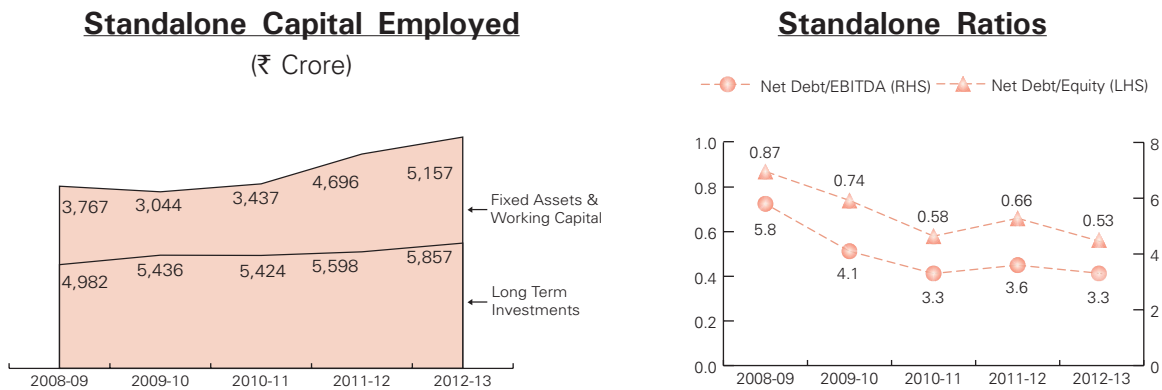
CONSOLIDATED FINANCIAL SNAPSHOT



- Earnings are growing at a robust CAGR
- All the businesses are contributing to the profitable growth

Note: The Profit & Loss Account for 2010-11, 2011-12 and 2012-13 has been prepared as per the revised Schedule VI of the Companies Act, 1956

GROWTH SUPPORTED BY STRONG STANDALONE BALANCE SHEET



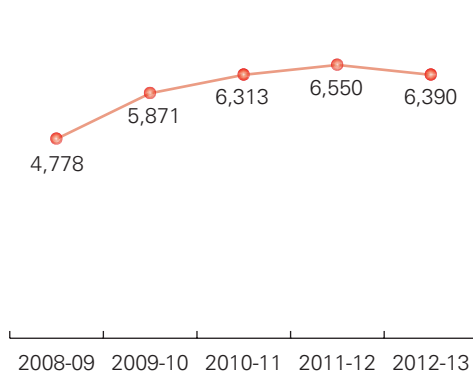
- More than 50% of standalone capital employed is deployed in long term investments. With Idea and Birla Sun Life Insurance declaring dividend, ABNL has started generating return on its long-term investments.
- Going forward, the Company's balance sheet will be further strengthened and growth plans will be supported by:
 - o Proceeds from divestment of Carbon Black business
 - o Balance equity infusion of ₹ 671 Crore by promoters on conversion of remaining 9.82 million warrants
 - o Distribution of dividend by Idea and Birla Sun Life Insurance

ROBUST REVENUE GROWTH ACROSS THE BUSINESSES

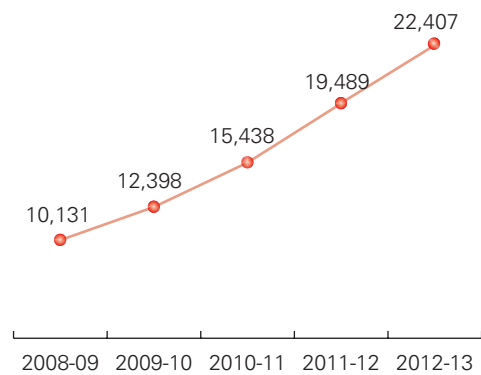
Revenue

(₹Crore)

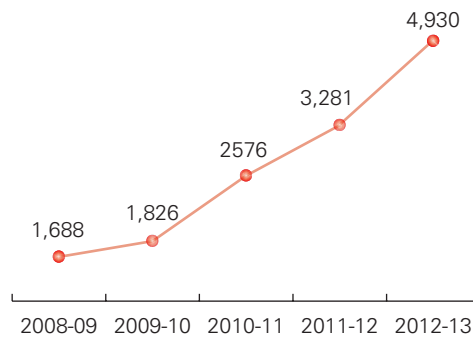
Financial Services¹



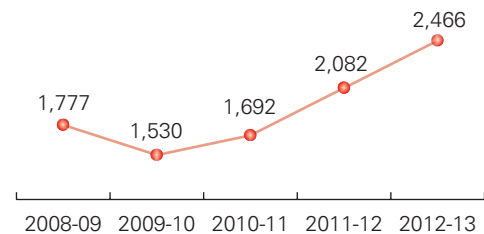
Telecom²



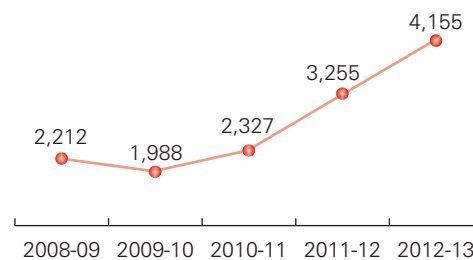
Fashion & Lifestyle³



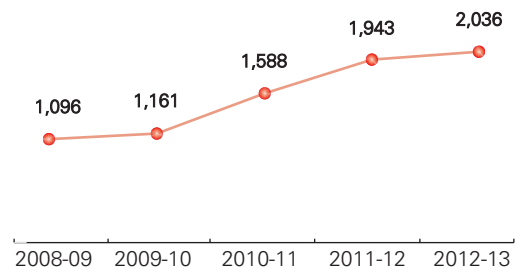
IT-ITeS



Manufacturing⁴



Carbon Black⁵



Note¹ : Including full figures of Asset Management business. As per AS27, Asset Management business has been proportionately consolidated @ 50% in ABNL's financials, being a 50:50 Joint Venture till 9th October 2012. Thereafter it is consolidated as a subsidiary since Aditya Birla Financial Services holds 51% w.e.f. 10th October 2012.

Note² : Full financial numbers of Idea Cellular. Being a Joint Venture, Idea Cellular has been consolidated at 31.78% from 10th March 2007 upto 12th August 2008, at 27.02% upto 1st March 2010 and at ~25.3% thereafter, as per AS27.

Note³ : Represents Branded Apparels & Accessories (Madura Fashion & Lifestyle and Pantaloons Fashion & Retail Ltd.) and Textiles businesses. In 2012-13, nine months financials of Pantaloons are included pursuant to its acquisition w.e.f. appointed date 1st July 2012.

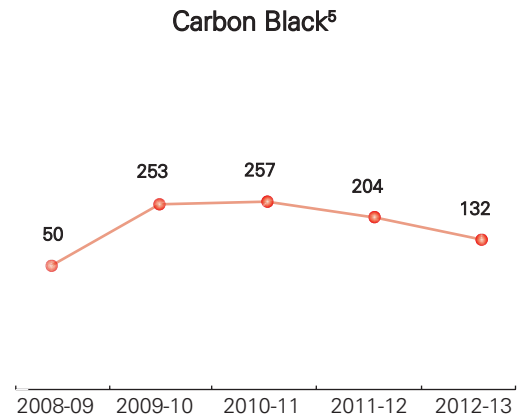
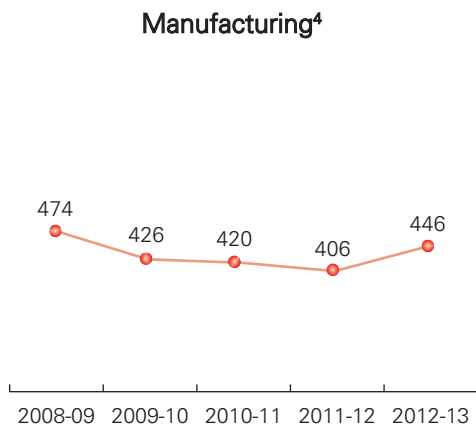
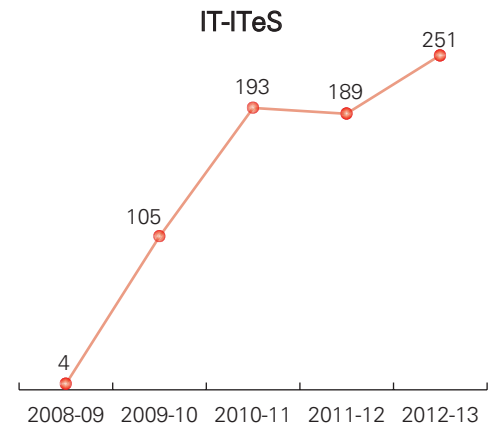
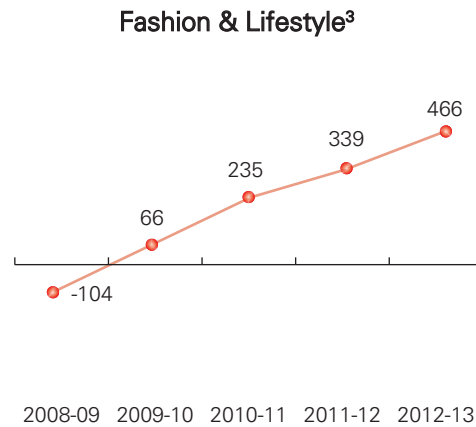
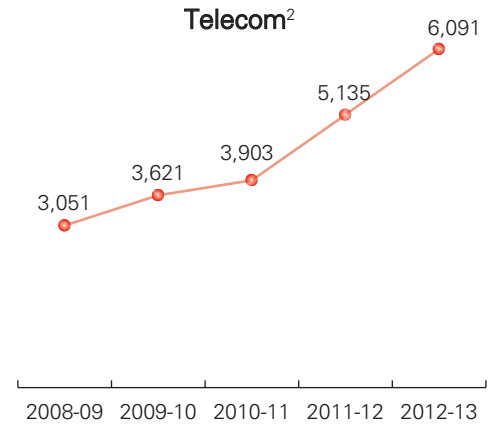
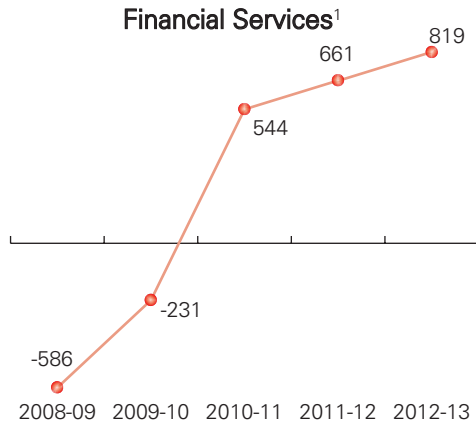
Note⁴ : Represents Agri, Rayon and Insulators businesses.

Note⁵ : Having received the shareholders' approval, the Company is in the process of divesting the Carbon Black business w.e.f. 1st April 2013.

SOUND GROWTH IN PROFITABILITY ACROSS THE BUSINESSES

EBITDA

(₹Crore)



Note¹ : Including full figures of Asset Management business. As per AS27, Asset Management business has been proportionately consolidated @ 50% in ABNL's financials, being a 50:50 Joint Venture till 9th October 2012. Thereafter it is consolidated as a subsidiary since Aditya Birla Financial Services holds 51% w.e.f. 10th October 2012. Interest cost of NBFC business, being an operating expense as per AS17, is deducted from EBITDA.

Note² : Full financial numbers of Idea Cellular. Being a Joint Venture, Idea Cellular has been consolidated at 31.78% from 10th March 2007 upto 12th August 2008, at 27.02% up to 1st March 2010 and at ~ 25.3% thereafter, as per AS27.

Note³ : Represents Branded Apparels & Accessories (Madura Fashion & Lifestyle and Pantaloons Fashion & Retail Ltd.) and Textiles businesses. In 2012-13, nine months financials of Pantaloons are included pursuant to its acquisition w.e.f. appointed date 1st July 2012.

Note⁴ : Represents Agri, Rayon and Insulators businesses.

Note⁵ : Having received the shareholders' approval, the Company is in the process of divesting the Carbon Black business w.e.f. 1st April 2013.

PROFIT AND LOSS ACCOUNT¹

	2012-13		2011-12	2010-11	2009-10	2008-09
	USD Million ⁹	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Financial Services	1,166	6,295	6,392	6,131	5,725	4,679
Life Insurance	933	5,037	5,691	5,534	5,309	4,429
Other Financial Services ²	233	1,258	702	596	416	250
Fashion & Lifestyle	913	4,930	3,281	2,576	1,826	1,688
Branded Apparels & Accessories	704	3,802	2,243	1,811	1,251	1,116
Textiles (Linen Yarn & Fabric, Worsted Yarn & Wool Tops)	212	1,144	1,046	774	577	573
Inter-segment Elimination	(3)	(16)	(8)	(9)	(2)	(1)
Telecom³	1,049	5,662	4,933	3,918	3,331	2,892
IT-ITeS	457	2,466	2,082	1,692	1,530	1,777
Manufacturing	770	4,155	3,255	2,327	1,988	2,212
Agri (Fertilisers, Agro-Chemicals & Seeds)	542	2,924	2,107	1,244	1,022	1,250
Rayon (Viscose Filament Yarn, Caustic Soda and Allied Chemicals)	144	777	680	565	538	537
Insulators	84	454	468	518	428	425
Carbon Black⁴	377	2,036	1,943	1,588	1,161	1,096
Inter-Segment elimination	(10)	(54)	(46)	(44)	(37)	(13)
Revenue	4,720	25,490	21,840	18,188	15,523	14,331
EBITDA	767	4,142	3,259	2,685	1,686	867
Less : Depreciation and Amortisation	240	1,295	1,092	941	866	696
EBIT	527	2,847	2,167	1,745	820	172
Less : Finance Costs related to NBFC	84	456	202	112	80	84
Less : Other Finance Costs	160	865	636	438	582	637
Earnings before Tax and Exceptional Items	283	1,526	1,330	1,195	158	(549)
Add : Exceptional Gain / (Loss)	—	—	(104)	(104)	—	—
Less : Tax Expenses	63	342	216	183	114	81
Net Profit / (Loss) before Minority Interest	219	1,184	1,010	908	44	(630)
Less : Minority Interest and Share in (Profit) / Loss of Associates	23	125	120	86	(111)	(195)
Net Profit / (Loss)	196	1,059	890	822	155	(436)

BALANCE SHEET

	2012-13		2011-12	2010-11	2009-10	2008-09
	USD Million ⁹	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Net Fixed Assets (Including Capital Advances)	1,977	10,677	9,354	8,840	6,942	6,623
Goodwill	894	4,825	3,177	3,042	2,939	3,471
Life Insurance (Policyholders' Investments)	3,992	21,559	20,095	19,063	15,625	8,701
Life Insurance (Shareholders' Investments)	254	1,371	1,015	697	504	467
Other Investments	574	3,097	797	1,039	827	1,914
Total Investments	4,820	26,026	21,907	20,799	16,956	11,082
NBFC Lending	1,481	8,000	3,425	1,850	900	600
Net Working Capital ⁵	278	1,503	2,432	961	1,248	1,926
Total Funds Utilised	9,450	51,031	40,295	35,493	28,985	23,703
Net Worth	1,738	9,384	7,517	6,678	5,475	5,742
Life Insurance Policyholders' Fund ⁶	3,996	21,576	19,964	18,977	15,652	8,726
Total Debt ⁵	2,185	11,799	9,224	7,763	6,710	8,058
NBFC borrowings	1,278	6,903	2,973	1,538	722	778
Minority Interest	174	940	301	278	186	179
Deferred Tax Liabilities (Net)	79	428	317	259	241	220
Total Funds Employed	9,450	51,031	40,295	35,493	28,985	23,703

RATIOS AND STATISTICS

	Unit	2012-13	2011-12	2010-11	2009-10	2008-09
Interest Cover (EBITDA / Finance Costs)	x	3.1	3.9	4.9	2.5	1.2
Net Debt to Equity (Net Debt ⁷ / Net Worth)	x	1.0	1.0	0.9	1.0	0.8
Net Debt to EBITDA (Net Debt ⁷ / EBITDA)	x	2.3	2.3	2.3	3.1	5.5
ROACE (EBIT / Average Capital Employed ⁸)	%	11.4	11.8	11.7	5.8	1.3
ROAE (Net Profit / Average Net Worth)	%	12.5	12.5	13.5	2.8	(8.9)
EPS (Weighted Average)	₹	93.2 (USD 1.7)	78.4	77.6	15.4	(46.3)
Book Value per Equity Share	₹	781 (USD 14.5)	662	586	529	602
No. of Equity Shareholders	Number	146,139	146,636	153,896	158,163	155,497
Closing Share Price as on 31 st March (NSE)	₹	975.6 (USD 18.1)	945	814	906	445
Market Capitalisation (NSE)	₹ Crore	11,727 (USD 2.2 billion)	10,723	9,244	9,336	4,227

Note¹ : The Profit and Loss Account for 2010-11, 2011-12 and 2012-13 has been prepared as per the revised Schedule VI of the Companies Act, 1956

Note² : Include Asset Management, NBFC, Private Equity, Broking, Wealth Management & General Insurance Advisory. Asset Management business has been proportionately consolidated at 50%, being a 50:50 Joint Venture till 9th October 2012 and thereafter consolidated as subsidiary since Aditya Birla Financial Services holds 51% w.e.f. 10th October 2012

Note³ : Represents ABNL's share. Being a joint venture, Idea has been consolidated at 31.78% from 10th March 2007 upto 12th August, 2008, at 27.02% upto 1st March, 2010, and at ~25.3% thereafter, as per AS-27.

Note⁴ : Having received shareholders approval, ABNL is in the process of divesting the Carbon Black business, w.e.f. 1st April 2013

Note⁵ : Total Debt and Net Working Capital are excluding MTM gain of ₹ 22 Crore as on 31st March 2013 and MTM loss of ₹ 104 Crore as on 31st March 2012 w.r.t. fully hedged foreign currency working capital debt

Note⁶ : Including Fund for Future Appropriations

Note⁷ : Total Debt less Cash Surplus¹⁰

Note⁸ : Excluding Life Insurance Policyholders' Fund

Note⁹ : 1 USD = ₹ 54 ; 10 Million = 1 Crore

Note¹⁰ : Cash Surplus including cash, bank balances and current investments

PROFIT AND LOSS ACCOUNT ¹	2012-13		2011-12	2010-11	2009-10	2008-09
	USD Million ⁵	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Revenue	1,806	9,754	8,433	6,447	4,827	4,786
EBITDA	207	1,116	1,050	960	835	619
Less : Finance Costs	67	360	313	271	334	291
Earnings before Depreciation and Tax	140	756	737	689	500	328
Less : Depreciation and Amortisation	41	219	203	194	180	166
Earnings before Tax and Exceptional Items	99	537	534	495	320	162
Add : Exceptional Gain/ (Loss)	—	—	(104)	—	—	—
Earnings before Tax	99	537	430	495	320	162
Less : Tax Expenses	21	114	85	115	37	25
Net Profit	78	423	345	380	283	137
Less : Dividend (Including Corporate Tax on Dividend)	14	78	68	73	59	42
Retained Profit	64	345	277	307	224	95

BALANCE SHEET	2012-13		2011-12	2010-11	2009-10	2008-09
	USD Million ⁵	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Net Fixed Assets (Including Capital Advances)	412	2,226	1,976	1,858	1,815	1,605
Long Term Investments	1,085	5,857	5,598	5,424	5,436	4,982
Current Investments	51	278	—	53	—	730
Total Investments	1,136	6,135	5,598	5,477	5,436	5,712
Net Working Capital ²	491	2,653	2,719	1,526	1,229	1,432
Capital Employed	2,040	11,014	10,294	8,862	8,480	8,750
Share Capital	22	120	114	114	103	95
Share Warrants	41	224	—	—	142	377
Reserves and Surplus	1,206	6,510	5,565	5,287	4,416	3,649
Net Worth	1,269	6,854	5,679	5,401	4,662	4,122
Working Capital Loans ²	372	2,010	1,811	1,102	844	848
Other Loans	369	1,994	2,646	2,185	2,796	3,600
Total Debt	742	4,005	4,457	3,287	3,640	4,448
Deferred Tax Liabilities (Net)	29	155	158	174	178	180
Capital Employed	2,040	11,014	10,294	8,862	8,480	8,750

RATIOS AND STATISTICS	Unit	2012-13	2011-12	2010-11	2009-10	2008-09
Interest Cover (EBITDA / Finance Costs)	x	3.1	3.4	3.5	2.5	2.1
ROACE (EBIT/ Average Capital Employed)	%	8.4	8.8	8.8	7.6	5.8
ROACE ³ (Excluding Long Term Investments)	%	15.1	18.9	23.5	19.0	12.8
ROAE (Net Profit/ Average Net Worth)	%	6.8	6.2	7.5	6.5	3.4
Net Debt to Equity (Net Debt ⁴ / Net Worth)	x	0.53	0.66	0.58	0.74	0.87
Net Debt to EBITDA (Net Debt ⁴ / EBITDA)	x	3.3	3.6	3.3	4.1	5.8
Dividend per Equity Share	₹	6.5 (12 Cents)	6.0	5.5	5.0	4.0
Dividend Payout including Tax (as % to Net Profit)	%	18.5	19.7	19.1	21.0	30.9
EPS (Weighted Average)	₹	37.2 (69 Cents)	30.4	35.8	28.8	14.5
Cash EPS (Weighted Average)	₹	56.3 (USD 1)	47.0	53.7	46.5	29.7
Book Value per Equity Share	₹	570 (USD 10.6)	500	476	453	434
Capital Expenditure (Net)	₹ Crore	449 (USD 83 million)	304	240	256	269

Note¹ : The Profit and Loss Account for 2010-11, 2011-12 and 2012-13 has been prepared as per the revised Schedule VI of the Companies Act, 1956

Note² : Total Debt and Net Working Capital are excluding MTM gain of ₹ 22 Crore as on 31st March 2013 and MTM loss of ₹ 104 Crore as on 31st March 2012 w.r.t. fully hedged foreign currency working capital debt

Note³ : (EBIT excluding Dividend Income) / (Average of Capital Employed less Long Term Investments)

Note⁴ : Total Debt less Cash Surplus⁶

Note⁵ : 1 USD = ₹ 54; 10 Million = 1 Crore

Note⁶ : Cash Surplus including cash, bank balances and current investments

Note : Having received shareholders approval, ABNL is in the process of divesting the Carbon Black business, v.e.f. 1st April 2013

Indian Economy: GDP Growth slows down

The year gone by was challenging for economies across the world. Global GDP growth contracted from 4% in 2011 to 3.2% in 2012. Indian economy was not insulated from the global slowdown. India's GDP growth rate slipped to a decade low of 5% in 2012-13. Reserve Bank of India cut key lending rates thrice during the year to support slowing economy, however, sluggish domestic consumption and slack in investments impacted growth.

While a high Current Account Deficit, which peaked at 6.7% during the year, has been the main driver of slowdown in growth, other factors have also contributed. Fiscal deficit reached to 5.2% in 2012-13 on account of higher imports bill, weakening of Indian Rupee and increased subsidy burden. Persistently high inflation and interest rates affected savings growth, consumption and the investment cycle. Wholesale Price Index-based inflation eased to 4.9% in April 2013. Consumer Price Index-based inflation, though declined from earlier highs, remained high at 9.4% in April 2013.

Going forward, economists are forecasting gradual recovery in the world's economy. Monetary stimulus measures in the advanced as well as emerging economies should help support growth. These positive developments on the global front and policy measures taken by the Government of India are expected to drive improvement in the Indian economy. Inflation and interest rates are also anticipated to ease but the Indian Rupee is expected to weaken further. Falling prices of gold and commodities are likely to tame inflation and reduce Current Account Deficit. Government is also targeting to contain fiscal deficit to below 4.8% in 2013-14 through diesel and petrol price hikes and disinvestment plans.

The long-term growth prospects of the Country remain strong, however, in the short term the economy is expected to witness gradual improvement. India's GDP growth is projected to grow at 6% in 2013-14 (*Source: World Bank*).

Note : USD 1 = ₹ 54; 1 billion = 100 Crore

Note : The financials in the Management Discussion and Analysis have been rounded off to the nearest ₹ 1 Crore

Note : The Profit and Loss Account for 2010-11, 2011-12 and 2012-13 has been prepared as per the revised Schedule VI of the Companies Act, 1956

Aditya Birla Nuvo: Strong earnings growth

Given the testing macro-economic scenario and despite earnings pressure in some of its businesses, Aditya Birla Nuvo ('ABNL' or 'the Company') has posted strong earnings growth. This reflects the strength of its conglomerate model. The Company outperformed the industry and strengthened market positioning in most of the businesses.

The business-wise key achievements and highlights during 2012-13 are as under:

➤ Aditya Birla Financial Services

- Aditya Birla Financial Services (ABFS) ranked among the top 5 fund managers in India, excluding LIC.
- Its funds under management crossed ₹ 100,000 Crore.
- ABFS reported revenue at ₹ 6,390 Crore (USD 1.2 billion).
- It gained market share across most of the businesses.
- Lending book in the NBFC business more than doubled to ₹ 8,000 Crore.
- Life Insurance business recorded strong growth in profit and distributed interim dividend.
- ABFS generated return on average capital employed of 31%.

➤ Fashion & Lifestyle

- ABNL's Fashion & Lifestyle business is the largest branded apparel player in India selling one apparel every second.
- With the acquisition of Pantaloons Fashion business, the annual revenue of Fashion & Lifestyle business reached USD 1 billion.
- The nation-wide reach of Madura, Pantaloons and Jaya Shree Textiles,

combined together, expanded to 1,443 exclusive brand outlets/stores spanning across 3.7 million square feet besides more than 4,750 departmental stores and multi-brand outlets.

- The business generated return on operating capital employed of 25% driven by strong earnings and working capital management.

➤ **Telecom**

- Idea has been the biggest revenue market share gainer since past four years.
- It ranks among the top 10 cellular operators in the world with 1.6 billion minutes of voice usage per day.
- It ranks 3rd in India in terms of revenue market share, which grew from 14.4% to 14.8%¹ in past one year.
- It was serving a large customer base of about 122 million subscribers as on 31st March, 2013.
- Idea is a USD 8 billion company by market cap (as on 29th May, 2013) and USD 4 billion company by revenue size.
- Idea is generating strong cash profit and has a sound balance sheet to support its growth plans.
- The Board of Directors of Idea proposed a maiden dividend.

➤ **IT-ITeS:**

- Aditya Birla Minacs ranks among the top six Indian BPO companies by revenue size (*Source: NASSCOM*).
- During 2012-13, its revenue reached near to ₹ 2,500 Crore mark (USD 457 million). It is generating steady cash profit to fund its capex and working capital requirements.

- Considering the Carbon Black Business scenario, both in the Indian and the global context, ABNL has decided to divest its Carbon Black Business, subject to the requisite approvals, on a going-concern basis, by way of slump sale for a lump sum consideration of ₹ 1,451 Crore as an enterprise value, subject to the adjustment

for net working capital. Having received the shareholders' approval, the Company is in the process of divesting the Carbon Black business, effective from 1st April, 2013. The cash inflow from the divestment will strengthen the Company's balance sheet.

➤ **Manufacturing Businesses:**

- The combined revenue of Agri, Rayon and Insulators businesses rose by 28% to ₹ 4,155 Crore. EBITDA is up by 10% to ₹ 446 Crore despite lower profitability in the Agri business on account of planned maintenance shutdown. Rayon business contributed strongly to the earnings led by higher volumes and improved realisation in both the VFY and Chemicals segments.
- Rayon business has commissioned an additional unit of VFY using Spool Technology imported from ENKA, Germany, at a capex of about ₹ 270 Crore. This will help business to manufacture premium quality yarn especially in the superfine segment. The new VFY plant has been commissioned and is currently under ramp up.

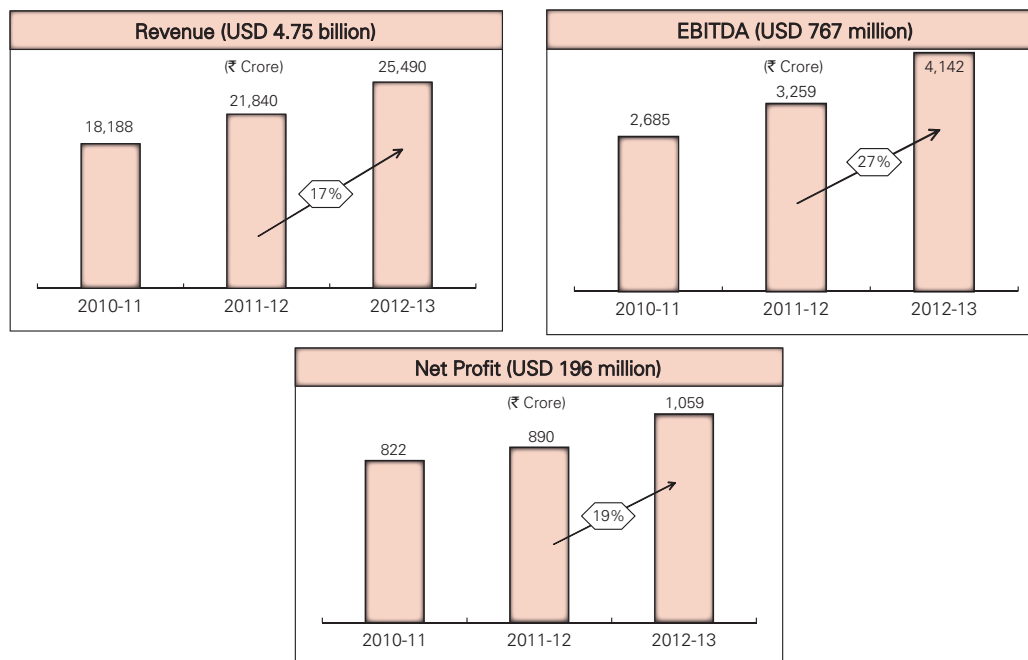
➤ **Capital Infusion:**

Aditya Birla Nuvo, as a premium conglomerate, is progressing well on the growth path to tap sector opportunities. To meet its growth capital requirements, the Company had issued 16.5 million warrants in May 2012 to Promoters/Promoter Group on a preferential basis after being approved by the shareholders. Of the planned equity infusion of about ₹ 1,500 Crore, a sum of ₹ 376 Crore has already been received as 25% application money in May 2012 itself. A sum of ₹ 456 Crore was received towards the balance 75% amount payable on conversion of 6,680,000 warrants, in March 2013. In terms of the Issue, the balance 9,820,000 warrants are to be converted for ₹ 671 Crore on or before 9th November, 2013. The equity infusion will not only strengthen the financial position of the Company but also act as a seed capital for capturing the next level of growth.

Note¹: Based on gross revenue for UAS & Mobile licenses only, for October 2012 - December 2012 quarter, as released by Telecom Regulatory Authority of India ("TRAI")

Delivered robust earnings growth

- Revenue crossed ₹ 25,000 Crore mark
- Posted highest ever EBITDA at ₹ 4,142 Crore – Grew by 27% year on year
- Achieved highest ever Net Profit at ₹ 1,059 Crore – Grew 19% over the previous year.


Consolidated Profit and Loss Account

(₹ Crore)

	2012-13	2011-12
Revenue	25,490	21,840
EBITDA	4,142	3,259
Less: Depreciation and Amortisation	1,295	1,092
Earnings Before Interest and Tax (EBIT)	2,847	2,167
Less: Finance Costs related to NBFC	456	202
Less: Other Finance Costs	865	636
Earnings Before Tax and Exceptional Items	1,526	1,330
Add: Exceptional Gain/(Loss) ¹	–	(104)
Earnings Before Tax	1,526	1,226
Less: Tax Expenses	342	216
Less: Minority Interest and Share of (Profit)/Loss of associates	125	120
Consolidated Net Profit	1,059	890

Note¹ : A provision of ₹ 104 Crore was made during 2011-12 towards entry tax liability (largely related to previous years, earlier recognised as contingent liability) w.r.t. the Carbon Black business; the matter is sub-judice.

Consolidated Revenue of ABNL grew year-on-year by 17% to ₹ 25,490 Crore supported by the top-line growth across the businesses. This is despite the fact that Life Insurance witnessed challenging sector environment.

- During the year, private sector's total new business premium de-grew y-o-y by 4%. Growth was impacted by uncertain equity markets and high interest rates coupled with regulatory changes. Birla Sun Life Insurance (BSLI) reported a lower de-growth at 2% and maintained its 5th rank among private sector players. Its market share improved from 7.8% to 8%. BSLI's revenue de-grew year-on-year by 11% to ₹ 5,037 Crore.
- Revenue of other financial services surged by 79% to ₹ 1,258 Crore led by the NBFC business. The revenue of NBFC business more than doubled to ₹ 713 Crore in line with growth in its lending book.
- Combined revenue of Fashion & Lifestyle business rose by 50% to ₹ 4,930 Crore. Madura Fashion & Lifestyle continued to outperform the industry. Driven by stores expansion and like-to-like stores sales growth, its revenue grew by 15% to reach ₹ 2,500 Crore. Pantaloons Fashion & Retail Ltd. reported revenue of ₹ 1,285 Crore.

It includes nine months financials of Pantaloons business acquired with effect from the appointed date, i.e., 1st July, 2012. Hence, to that extent, performance is not comparable with that of the previous year. Revenue in the Textiles business grew by 9% to ₹ 1,144 Crore led by the volume growth and higher realisation in the linen segment.

- In the Telecom business, strong 17% growth in total minutes on network led to 15% growth in the top-line at ₹ 22,407 Crore (ABNL's share: ₹ 5,662 Crore).
- IT-ITeS business posted 18% revenue growth driven by both existing and new clients and favourable currency movement.
- Combined revenue of the manufacturing businesses (Agri, Rayon and Insulators), grew by 28%. Revenue growth was largely driven by higher trading of imported P&K fertilisers and rise in feed and fuel (natural gas) prices in the Agri-business. Volume growth and higher realisation in the Rayon business also contributed.
- Revenue in the Carbon Black business grew by 5%. Lower sales volumes due to higher imports were offset by increase in realisation on account of higher raw material cost.

Consolidated Revenue - Segmental

(₹ Crore)

	2012-13	2011-12
Financial Services	6,295	6,392
Life Insurance	5,037	5,691
Other Financial Services ¹	1,258	702
Fashion & Lifestyle	4,930	3,281
Branded Apparels and Accessories ²	3,802	2,243
Textiles	1,144	1,046
Inter-segment Elimination	(16)	(8)
Telecom³	5,662	4,933
IT-ITeS	2,466	2,082
Manufacturing⁴	4,155	3,255
Carbon Black	2,036	1,943
Inter-segment Elimination	(54)	(46)
Consolidated Revenue	25,490	21,840

Note¹: Other Financial Services include Asset Management (proportionately consolidated at 50%, being a 50:50 JV till 9th October, 2012, and thereafter consolidated as subsidiary since Aditya Birla Financial Services holds 51% w.e.f. 10th October, 2012), NBFC, Private Equity, Broking, Wealth Management & General Insurance Advisory.

Note²: Represents Madura Fashion & Lifestyle (division of ABNL) and Pantaloons Fashion & Retail Limited (subsidiary of ABNL). In 2012-13, nine months financials of Pantaloons business are included pursuant to its acquisition with effect from the appointed date, i.e., 1st July, 2012.

Note³: Represents ABNL's share in Idea's earnings. Being a joint venture, Idea is consolidated at ~25.3% as per AS-27.

Note⁴: Manufacturing includes Agri, Rayon and Insulators businesses.

Consolidated EBITDA rose by 27% from ₹ 3,259 Crore to ₹ 4,142 Crore. The Financial Services, Fashion & Lifestyle, Telecom, IT-ITeS and Manufacturing businesses (Agri, Rayon and Insulators) posted 24%, 38%, 19%, 33% and 10% growth in EBITDA, respectively.

Consolidated depreciation grew by 19% to ₹ 1,295 Crore largely in the Telecom business on account of 2G and 3G network expansion.

Consolidated EBIT rose by 31% from ₹ 2,167 Crore to ₹ 2,847 Crore.

- In the Life Insurance Business, segment EBIT rose by 18% from ₹ 461 Crore to ₹ 542 Crore.
- Higher profitability in other Financial Services was driven by AUM growth in the Asset Management business and expansion of lending book in the NBFC business.

- In the Fashion & Lifestyle business, strong 22% sales growth in the retail channel of Madura and 20% revenue growth in the linen segment of Jaya Shree Textiles augmented earnings.
- In the Telecom business, segment EBIT grew by 20% to ₹ 2,527 Crore (ABNL's share: ₹ 639 Crore) led by sound growth in total minutes of use on network.
- Revenue growth and favourable forex movement improved profitability in the IT-ITeS business.
- In the manufacturing businesses, segment EBIT of Rayon business grew by 67% to ₹ 153 Crore led by higher volumes and improved realisation in both the VFY and Chemicals segments. Lower profitability in the Agri business was on account of planned annual maintenance shutdown for 20 days.

(₹ Crore)

Segment EBIT as per Accounting Standard ("AS")-17	2012-13	2011-12
Financial Services	706	541
Life Insurance	542	461
Other Financial Services ¹	165	80
Fashion & Lifestyle	299	242
Branded Apparels and Accessories ²	170	125
Textiles	129	117
Telecom³	639	534
IT-ITeS	164	111
Manufacturing⁴	369	329
Carbon Black	93	164
Segment EBIT as per AS-17	2,270	1,921
Add: Unallocated Income/(Expenses) (Net)	8	(7)
Add: Finance Costs related to NBFC ⁵	456	202
Add: Consolidated Interest Income (Excluding Interest Income of NBFC) ⁵	113	51
Consolidated EBIT	2,847	2,167

Note¹: Other Financial Services include Asset Management (proportionately consolidated at 50%, being a 50:50 JV till 9th October, 2012 and thereafter consolidated as subsidiary since Aditya Birla Financial Services holds 51% w.e.f. 10th October, 2012), NBFC, Private Equity, Broking, Wealth Management & General Insurance Advisory. In accordance with AS-17 on 'Segment Reporting', finance cost of NBFC business is reduced from segment EBIT.

Note²: Represents Madura Fashion & Lifestyle (division of ABNL) and Pantaloons Fashion & Retail Limited (subsidiary of ABNL). In 2012-13, nine months financials of Pantaloons business are included pursuant to its acquisition with effect from the appointed date, i.e., 1st July 2012.

Note³: Represents ABNL's share in Idea's earnings. Being a joint venture, Idea is consolidated at ~25.3% as per AS-27.

Note⁴: Manufacturing includes Agri, Rayon and Insulators businesses.

Note⁵: In accordance with AS-17 on 'Segment Reporting', finance cost of NBFC business is reduced from segment EBIT, hence, added back-to-arrive at Consolidated EBIT. In accordance with AS-17, interest income (excluding interest income of NBFC business) is not included in segment EBIT, hence, added back-to-arrive at Consolidated EBIT.

Earnings in the Carbon Black and Insulators businesses were constrained due to cheaper imports.

Finance costs related to NBFC business increased in line with the growth in its lending book. Other finance costs increased mainly due to higher working capital employed in the Agri business on account of increase in subsidy receivable from the Government coupled with consolidation of financials of Pantaloons Business acquired with effect from 1st July, 2012.

Tax expenses increased mainly in the standalone financials, Telecom and NBFC businesses.

ABNL's consolidated net profit grew by 19% from ₹ 890 Crore to ₹ 1,059 Crore.

Consolidated Balance Sheet

Net worth increased by ₹ 1,867 Crore to ₹ 9,384 Crore, led by promoters infusion of ₹ 832 Crore and profit earned during the year.

Net debt³, excluding NBFC borrowings, increased from ₹ 7,491 Crore to ₹ 9,391 Crore, firstly, due

Consolidated Balance Sheet

(₹ Crore)

	March 2013	March 2012
Net Worth	9,384	7,517
Total Debt ¹	11,799	9,224
NBFC Borrowings	6,903	2,973
Minority Interest	940	301
Deferred Tax Liabilities (Net)	428	317
Capital Employed	29,455	20,331
Life Insurance Policyholders' Funds (Including Funds for Future Appropriation)	21,576	19,964
Total Funds Employed	51,031	40,295
Net Fixed Assets (Including Capital Advances)	10,677	9,354
Goodwill	4,825	3,177
Long term Investments	354	319
Life Insurance Investments	22,929	21,110
<i>Policyholders' Investments</i>	<i>21,559</i>	<i>20,095</i>
<i>Shareholders' Investments</i>	<i>1,371</i>	<i>1,015</i>
NBFC Lending	8,000	3,425
Net Working Capital ¹	1,837	1,177
Cash Surplus and Current Investments ²	2,409	1,733
Total Funds Utilised	51,031	40,295
Book Value per Equity Share (₹)	781	662
Net Debt ³ /EBITDA (x)	2.3	2.3
Net Debt ³ /Equity (x)	1.00	1.00

Note¹: Total Debt and Net Working Capital are excluding MTM gain of ₹ 22 Crore as on 31st March, 2013, and MTM loss of ₹ 104 Crore as on 31st March, 2012, w.r.t. fully hedged foreign currency working capital debt.

Note²: Include cash, cheques in hand, remittances in transit, balances with banks, fertilisers bonds and current investments.

Note³: Total Debt less Cash Surplus and Current Investments.

to consolidation of debt of Pantaloons business pursuant to its acquisition with effect from 1st July, 2012, and secondly, on account of investment of ₹ 800 Crore, for acquiring controlling stake in the Pantaloons business. In the IT-ITeS business, net debt reduced by ₹ 129 Crore due to repayment of borrowings out of internal accruals. Borrowings related to NBFC business grew in line with its lending book.

Deferred tax liabilities have increased primarily in the Telecom business.

Minority interest increased from ₹ 301 Crore to ₹ 940 Crore, mainly on account of Asset Management and Pantaloons subsidiaries. Birla Sun Life Asset Management, which was consolidated proportionately as a joint venture till 9th October, 2012, as per AS-27, became subsidiary w.e.f. 10th October, 2012. Pursuant to its acquisition, Pantaloons business was consolidated as subsidiary w.e.f. 1st July, 2012.

Net fixed assets have increased owing to capital expenditure, largely in the Telecom, Manufacturing and Fashion & Lifestyle businesses.

Goodwill has increased mainly on account of acquisition of the Pantaloons business.

Increase in Long term investments represent sponsor commitment of ABNL towards Aditya Birla Private Equity Funds.

Net working capital at ₹ 1,837 Crore has increased, largely due to higher working capital requirement in the Agri business as explained earlier.

NBFC business has more than doubled its lending book to ₹ 8,000 Crore.

Cash Surplus and Current Investments are higher on account of current investment of ₹ 800 Crore lying in books of Pantaloons subsidiary as on 31st March, 2013. Pantaloons utilised these funds to repay its debt, post-effectiveness of scheme, on 8th April, 2013.

Standalone Balance Sheet

ABNL has a strong standalone balance sheet with Net Debt to EBITDA ratio at 3.3 times and Net Debt to Equity ratio at 0.53 times. The Company's standalone balance sheet will be further strengthened by proceeds from divestment of Carbon Black business, balance equity infusion of ₹ 671 Crore by promoters on conversion of remaining 9.82 million warrants, rationalisation of working capital with the realisation of subsidy and dividend inflows from Idea Cellular and Birla Sun Life Insurance.

The business-wise performance and outlook follows.

FINANCIAL SERVICES (ADITYA BIRLA FINANCIAL SERVICES)

The economic environment of the Country during 2012-13 was characterised by persistently high interest rates and inflation, coupled with decline in GDP growth rate. This adversely impacted the demand and growth of the financial services and products in the Country. Lower consumer confidence along with weak financial markets affected the customer's ability to commit for the long term. The volatility in the macro-economic scenario may continue in the short-run. However, long term growth prospects of the financial services sector remain intact.

India has one of the highest household savings rate in the world. Household savings in India as a percentage of GDP have been rising. Over 90% of household savings are invested in bank deposits and only 10% in other financial asset classes. This offers a huge potential market size for non-bank financial services and products. Besides this, favourable demographics, viz., a large growing young population, expanding middle class segment and rising per capita income signals robust long-term growth prospects ahead for Indian financial services sector. The high savings rate of Indian households at over 25% and a low level of financial products penetration, make this vast market for mutual funds, portfolio and wealth management services, insurance and a variety of other products.

Aditya Birla Financial Services ("ABFS") has created a large presence in the Indian financial services industry and is well positioned to tap future sector growth opportunities. Even when it is a non-bank player presently, ABFS ranks among the top 5 fund managers in India, excluding LIC. Its assets under management has surged year-on-year by 22% crossing ₹ 100,000 Crore mark. It is the 5th largest private life insurer in India. Its asset management business is the 4th largest player in the country. It is a large player in the NBFC space having lending book in excess of ₹ 8,000 Crore and growing. Anchored by about 14,750 employees and trusted by about 5 million customers, ABFS has a nation-wide reach through about 1,550 branches and about 160,000 agents / channel partners.

Besides, being equipped with a nation-wide distribution network, a large customer base,

a talented human resource pool, proven track record of product innovation, customer centric approach and superior investment performance, Aditya Birla Financial Services has a strong brand.

During 2012-13, Aditya Birla Financial Services has gained market share in most of its businesses and posted improvement in profitability across all the business lines. Its revenue at USD 1.2 billion (₹ 6,390 Crore) de-grew marginally year-on-year by 2% as premium growth in the Life Insurance business remained subdued. However, NBFC and Asset Management businesses witnessed strong revenue growth.

Earnings before tax of ABFS rose by 27% from ₹ 600 Crore to ₹ 761 Crore. Net profit surged by 25% to ₹ 672 Crore, led by Life Insurance, Asset Management and NBFC businesses. Insurance Advisory and Private Equity businesses also contributed. Driven by revenue growth, losses in Broking and Wealth Management businesses reduced year-on-year.

It generated a healthy 31% return on average capital employed. The Life Insurance business, in particular, posted a strong growth in bottom-line and is returning surplus funds as dividend to the shareholders. This dividend income will support

ABNL's capital commitment towards other financial services businesses.

Online money management platform launched by ABFS in June 2012 – Aditya Birla Money MyUniverse - was voted “Product of the Year, 2012” for innovation in financial services in a survey conducted by Nielson. It is a one stop shop portal for an individual to aid money management and better financial decisions. This unique brand agnostic platform enables customers to aggregate their various financial relationships in a highly secure environment and provides customised and completely automated advice on money management, based on the financial position and risk profile of the customer. The platform also enables users for expense tracking, setting budgets, getting alerts, investment transactions, tax filing and registering for bill payment. MyUniverse has registered more than 250,000 customers on its portal.

As a significant development in the financial services sector, RBI has released guidelines for issue of new banking licenses to private players. It is a welcome step towards further strengthening and broadening the banking sector and bringing it closer to the common man.

(₹ Crore)

Aditya Birla Financial Services¹	2012-13	2011-12
Revenue		
Birla Sun Life Insurance	5,037	5,691
Birla Sun Life Asset Management	405	315
Aditya Birla Finance	713	348
Aditya Birla Money	84	88
Aditya Birla Money Mart	76	60
Aditya Birla Insurance Brokers	57	32
Aditya Birla Capital Advisors	24	21
Others / Elimination	(6)	(5)
Total Revenue	6,390	6,550
EBITDA ²	819	661
Earnings Before Tax	761	600
Net Profit	672	539

Note 1: Above financials include full financial figures of partly owned subsidiaries, viz., Life Insurance, Asset Management, Broking and General Insurance Advisory.

Note 2: Finance cost of NBFC business, being an operating expense as per AS-17, is deducted from EBITDA.

Given expertise of Aditya Birla Financial Services, high corporate governance standards and strong capabilities of the Aditya Birla Group franchise, the Company is keen to enter the banking sector. The Indian Banking sector has grown steadily over the past decade in terms of both top line and bottom line, and this is likely to remain a growth opportunity in India. Banking will be both a contributor and beneficiary of economic growth in India and the Company would like to participate in this process of nation building. Given the current levels of under-penetration of these services in certain sections and the positive long-term macro outlook, banking will provide an opportunity to create a highly successful service institution at scale, like the Company has demonstrated in other businesses. We believe that bank will be a strategic fit for Aditya Birla Financial Services.

We are in the process of preparing and filing the application by 1st July 2013, as per the RBI guidelines.

Life Insurance (Birla Sun Life Insurance Company Limited)

Industry Overview

The Indian Life Insurance industry currently comprises of 23 life insurers and one public sector life insurer – LIC.

In 2012-13, the industry's new business premium¹ de-grew by 15% to ₹ 57,466 Crore. LIC de-grew by 21% while private players contained de-growth to 4%. Consequently, share of private players in total pie increased from 35% to 40%. In terms of Individual Life new business¹, private life insurers posted a positive 2% growth while LIC de-grew by 4%. (Source: IRDA, www.irda.gov.in).

Industry growth was impacted on account of moderation of GDP growth, high inflation, high interest rates and uncertainty on other macro economic and regulatory parameters. Sluggish capital markets and high interest rates affected the consumer's appetite for long-term investment

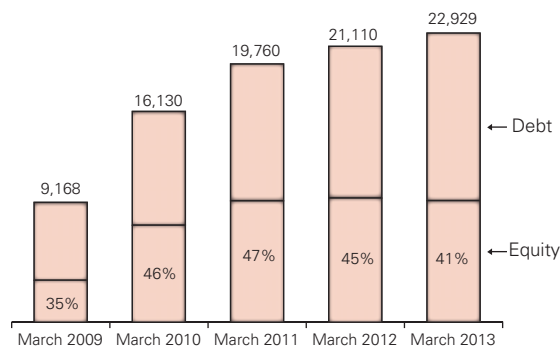
Indian Life Insurance Industry : Growth in new business¹

(₹ Crore)

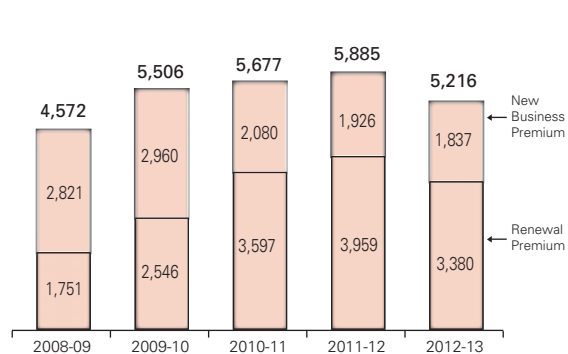
	Individual Life New Business		Total New Business	
	Premium	Y-o-Y Growth	Premium	Y-o-Y Growth
Private Players	17,849	2%	22,780	-4%
LIC	29,171	-4%	34,686	-21%
Total	47,019	-2%	57,466	-15%

Source: IRDA, www.irda.gov.in

Birla Sun Life Insurance: Robust Growth in AUM
(₹ Crore)



Birla Sun Life Insurance: Growth in Premium Income
(₹ Crore)



Note¹: Weighted new business premium = 100% of regular first year premium + 10% of single premium (Source: IRDA, www.irda.gov.in)

	(₹ Crore)	
Birla Sun Life Insurance	2012-13	2011-12
Assets Under Management ("AUM")	22,929	21,110
Individual First Year Premium	1,048	1,250
Group First Year Premium	788	676
First Year Premium	1,837	1,926
Renewal Premium	3,380	3,959
Premium Income (Gross)	5,216	5,885
Less: Reinsurance Ceded and Service Tax	(313)	(261)
Premium Income (Net)	4,903	5,624
Other Operating Income	134	67
Revenue	5,037	5,691
Earnings Before Tax	542	461
Net Profit	542	461
Capital	2,450	2,450
Net Worth	1,248	1,073
ABNL's Investment	1,814	1,814

products, thereby affecting growth of both unit-linked as well as traditional life insurance products.

The top 7 out of 23 private players contributed to 75% of the private sector's total new business premium¹. Individual new business premium growth for non-bank backed life insurers remained affected.

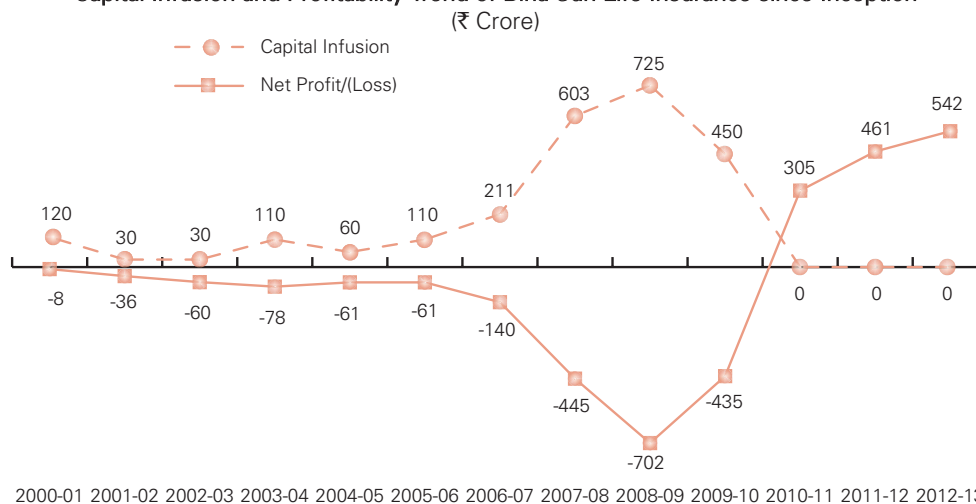
Performance Review

Birla Sun Life Insurance ("BSLI") completed its 13th year of successful operations amidst the challenging sector environment. It ranked 5th

among private players with 8% market share in terms of new business premium¹ for 2012-13 [Source: IRDA, www.irda.gov.in]. As of 31st March, 2013, BSLI's nationwide reach encompassed over 600 branches, an agency force of over 105,000 empanelled agents, tie-ups with more than 150 non-bank corporate agents and brokers, and 4 key bancassurance partners.

BSLI recorded gross premium income at ₹ 5,216 Crore vis-à-vis ₹ 5,885 Crore earned in the previous year. New business premium income de-grew by 5% to ₹ 1,837 Crore. While new

Capital Infusion and Profitability Trend of Birla Sun Life Insurance since Inception



2000-01 2001-02 2002-03 2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13

Note¹: Weighted new business premium = 100% of regular first year premium + 10% of single premium (Source: IRDA, www.irda.gov.in)

business premium income from Group segment witnessed a growth of 17%, individual life segment de-grew by 16%. Renewal premium at ₹ 3,380 Crore de-grew year-on-year by 15%.

BSLI posted a strong growth in profitability. Earnings before tax and Net Profit soared by 18% from ₹ 461 Crore to ₹ 542 Crore. Key drivers of the growth in profitability include strong in-force business, reduction in operating expenses and change in product mix.

Assets under Management grew by 9% to ₹ 22,929 Crore. Equity and Debt assets contributed to 41% and 59% of the total AUM respectively. BSLI continued to deliver superior investment returns to its policyholders.

The 13th month premium persistency ratio as on 31st March, 2013 is 81.3% vis-a-vis 82.1% last year.

For the third year in a row, BSLI has achieved zero percent claim outstanding ratio at the end of the year, a testimony to its continued focus on customer satisfaction.

With the strong emergence of profitability, BSLI is returning surplus funds to the shareholders. It declared an interim dividend amounting to ₹ 197 Crore (Previous Year: ₹ 98.5 Crore) @ 10% of its paid-up capital. Aditya Birla Nuvo received ₹ 146 Crore for its 74% shareholding. BSLI plans to distribute surplus funds of about ₹ 400 Crore in 2013-14.

No capital infusion has been required since past three years as the business is generating adequate internal accruals to fund its requirements.

Post regulatory changes over last couple of years, product mix at industry level has shifted towards non-unit-linked insurance plans (non-ULIPs). In line with the trend in the industry, during the past three years, contribution of non-ULIP portfolio in Individual new business sales of BSLI has increased from about 5% to 56%. During the year under review, BSLI launched several new products to augment its product portfolio.

BSLI has focused on a multi-distribution strategy to offer its wide range of life insurance products to numerous customer segments. Agency continues to be the largest distribution channel for BSLI, contributing to 67% of its individual life new business sales. Over the past few years, a strong franchise network has been created in the Corporate Agent and Broker segment.

Note¹: Average AUM for the fourth quarter ended 31st March of the respective year.

Outlook

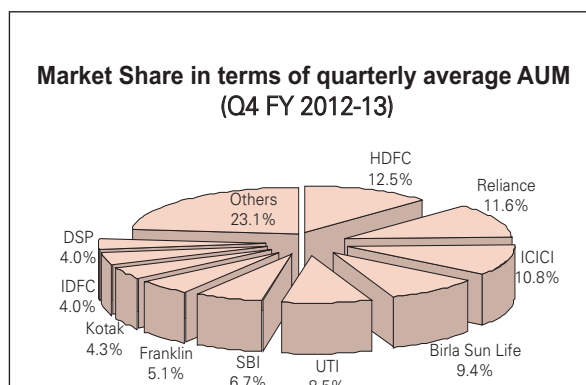
The life insurance industry has been under a changing, volatile and uncertain regulatory and macro-economic environment. However, life insurance will continue to command a large share of financial investment by retail investors and dominate long-tenure investments. Furthermore, the life insurance industry is most likely to benefit from the robust structural and demographical drivers offered by the country in the long-term. BSLI is well positioned to face the challenges and tap the sector growth opportunity. It has identified the following focus areas to strengthen its competitive and financial position in ensuing years.

- Achieving sales growth through balanced channel mix, optimal capacities, complete product range and improved distribution efficiencies.
- Augmenting product offerings and achieving a balanced mix of ULIPs and Non-ULIPs.
- Higher focus on customer satisfaction through need-based selling and better customer service.
- Increasing efforts towards retaining customers and maintaining high persistency.
- Leveraging the full potential of the brand.

Asset Management (Birla Sun Life Asset Management Company Limited)

Industry Overview

The Indian mutual fund industry comprises 43 asset management companies. Top 10 asset management companies command 77% of the industry's domestic AAUM¹. After declining in past two years, the AAUM¹ of mutual fund industry grew strongly by 23% from about ₹ 664,800 Crore (~USD 123 billion) in 2011-12 to around ₹ 8,16,700 Crore (~USD 151 billion) in 2012-13. The growth was largely driven by Debt and Liquid assets which recorded strong inflows and grew by 31% on account of liquidity and high interest rates during the year. Industry's equity AAUM¹ grew by 2.3% to USD 38 billion on account of market action as net sales remained negative. Share of equity AAUM in industry's AAUM de-grew from 30% to 25%. [Source: Association of Mutual Funds in India ("AMFI"), www.amfiindia.com].



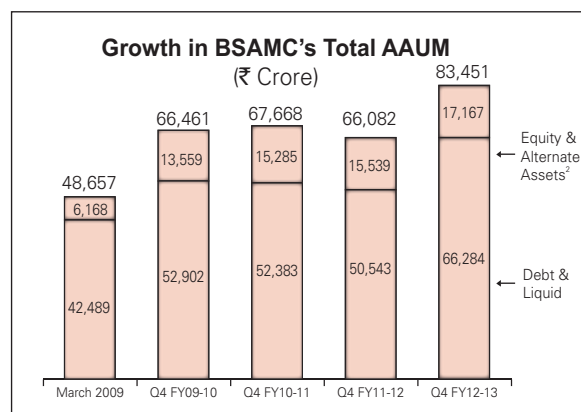
Source: AMFI www.amfindia.com

Performance Review

Birla Sun Life Asset Management Company ("BSAMC") completed 18 years of its journey towards offering wealth creation solutions to its customers. During the year, BSAMC outperformed the industry and registered 26% year on year growth in domestic AAUM¹ - second highest among the top 5 players. This led to market share expansion from 9.2% to 9.4%. BSAMC maintained its market positioning as the 4th largest asset management company in India.

Total AAUM¹ of BSAMC, including domestic, offshore, real estate fund and PMS AUM, surged year-on-year by 26% to reach ₹ 83,451 Crore (USD 15.5 billion). Debt segment was the largest contributor to the growth followed by offshore AAUM. Offshore AAUM is gaining momentum and rose by 37% to over USD 850 million.

Led by strong growth in assets under management, BSAMC posted sound earnings



growth. Revenue grew by 29% from ₹ 315 Crore to ₹ 405 Crore. Earnings before tax rose by 21% from ₹ 89 Crore to ₹ 107 Crore. Net profit surged by 24% to ₹ 73 Crore.

Aditya Birla Financial Services Pvt. Ltd., the wholly owned subsidiary of ABNL, held 50% stake in BSAMC till 9th October, 2012. It acquired an additional 1% holding in BSAMC from Sun Life, raising its holding to 51% effective from 10th October, 2012.

BSAMC is serving its large investor base through a strong distribution network of 95 branches and about 35,700 financial advisors.

The fund performance of BSAMC remained strong across the asset classes. As an acknowledgement of its investment performance and customer service, the following awards and recognitions were conferred on BSAMC at various forums:

(₹ Crore)

Birla Sun Life Asset Management	2012-13	2011-12
Average Assets under Management¹		
Equity	10,860	10,631
Debt and Liquid	66,284	50,543
Domestic	77,144	61,174
Offshore	4,600	3,368
Real Estate Onshore Fund	1,063	1,078
PMS	643	461
Total	83,451	66,082
Revenue	405	315
Earnings Before Tax	107	89
Net Profit	73	59
Net Worth	357	283

Note¹: Average AUM for the fourth quarter ended 31st March of the respective year.

Note²: Equity AAUM (Domestic + Offshore) + PMS + Real Estate Onshore Fund.

- “The Best Debt Fund House of the Year 2012” by CNBC TV 18 – CRISIL, UTV Bloomberg
- “International Service Excellence Award” by Customer Service Institute of Australia
- “Golden Peacock Award, 2012” for Business Excellence.

Outlook

The long-term outlook for the mutual fund industry remains attractive backed by lower mutual fund penetration, growing incomes and savings level. Mutual fund AUM as a percentage of Indian GDP was 14% in 2012-13. Yet, it is very low compared to 50%-90% in the developed countries. With furthermore regulatory changes and an increasing focus of asset management companies on enhancing retail participation in smaller cities will help in higher retail share in the mutual fund industry.

With a target of profitable growth, BSAMC will focus on enhancing distribution capacity and productivity across the channels, improving customer engagement and costs rationalisation. Having a strong brand name, experienced management and proven track record of investment performance, BSAMC is well positioned as a leading player in the Indian mutual fund industry.

NBFC (Aditya Birla Finance Limited)

Industry Overview

The activities of non-banking financial companies (NBFCs) in India have undergone qualitative changes over the years through functional specialisation. The role of NBFCs as effective financial intermediaries has been well recognised as they have inherent ability to take quicker decisions, assume greater risks, and customize their services according to the needs of the clients. While these features, as compared to the banks, have contributed to the proliferation of NBFCs, their flexible structures allow them to unbundle services provided by banks and market the components on a competitive basis.

Aditya Birla Finance Limited (ABFL) is one of the leading NBFCs in India. Incorporated in 1991, ABFL offers specialised solutions in areas of Capital Market, Corporate Finance, Project & Structured

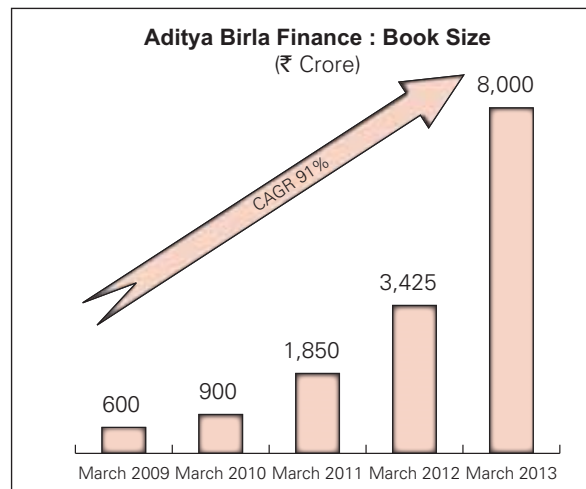
Finance and Mortgages. Headquartered in Mumbai, ABFL has a wide network through its branches and associates across the country.

Performance Review

Lending book portfolio of ABFL more than doubled year-on-year to cross ₹ 8,000 Crore as on 31st March, 2013. All the business segments contributed significantly to the growth. The Capital market book, comprising promoter funding, loan against shares, broker funding, etc., is the largest component of ABFL's lending book. It rose by 70% from ~₹ 1,625 Crore to ~₹ 2,750 Crore. Corporate Finance book has almost doubled to ₹ 1,650 Crore. Infra financing, which was commenced in the previous year, is growing much faster. It reached ₹ 2,100 Crore and became the second largest book in the portfolio. Mortgages book, comprising loan against property and lease rental discounting, was also commenced in the previous year. It has expanded significantly in the past one year from ₹ 65 Crore to ₹ 1,400 Crore. The Syndication team, which was formed in the mid of the year 2012-13, was able to mobilise funds over ₹ 3,000 Crore and contributed to the earnings.

Driven by strong growth in the lending book and fee-based income, revenue of ABFL doubled from ₹ 348 Crore to ₹ 713 Crore. Its earnings before tax rose by 76% to ₹ 147 Crore absorbing the rise in operating costs due to team build-up and addition of new lines of business. Net profit surged by 78% to ₹ 100 Crore.

ABFL received a capital infusion of ₹ 350 Crore during the year. This supported the growth while



(₹ Crore)

Aditya Birla Finance	2012-13	2011-12
Revenue	713	348
Operating Profit ¹	150	86
Earnings before Tax	147	84
Net Profit	100	56
Net Worth	1,079	628

Note¹: EBITDA less Finance cost. Finance cost, being an operating expense for the NBFC business, is deducted from EBITDA to arrive at operating profit.

keeping leverage at optimum levels. Its net worth increased from ₹ 628 Crore to ₹ 1,079 Crore led by capital infusion and internal accruals. The business is growing at a good pace and will require further capital for future growth.

Outlook

The outlook for the NBFC sector remains positive backed by the lower credit penetration and huge capital formation requirement of the country. However, in the short term, the sector may find the macro-economic environment challenging for growing quality book on account of slowing economy, volatile capital markets and high interest rates.

ABFL aims at scaling up its book size in the existing segments as well through extension of portfolio, while keeping risk under control. Strong parent brand and an experienced team having seen more than two decades of business cycles will aid ABFL in reaching towards its goal.

Private Equity (Aditya Birla Private Equity)

Industry Overview

Private Equity ("PE") industry witnessed sluggish activities during the year. The fund-raising during the calendar year (CY) 2012 for investments into India remained depressed due to regulatory uncertainties and depreciating Indian rupee. The total PE investments in India (excluding Realty Funds and Infrastructure Funds) de-grew by about 15% from USD 10.4 billion in CY 2011 to USD 8.9 billion in CY 2012. The industry also witnessed growing trend of secondary deals. [Source: *Venture Intelligence*].

Performance Review

Aditya Birla Private Equity (ABPE) is managing ₹ 1,179 Crore of corpus under two sector-agnostic funds, i.e., Aditya Birla Private Equity – Fund I, (providing growth capital to the established

companies across sectors) and Aditya Birla Private Equity – Sunrise Fund (providing growth capital to emerging companies in sunrise sectors).

ABPE-Fund I, is managing ₹ 881 Crore corpus and has invested in Anupam Industries, Bombay Stock Exchange, Credit Analysis and Research Ltd., GEI Industrial Systems, Alphon India Pvt. Ltd., Trimax IT Infrastructure & Services Ltd. and Ratnakar Bank Ltd.

ABPE-Sunrise Fund, is managing ₹ 299 Crore corpus and has invested in SMS Paryavaran Ltd., Olive Bar and Kitchen Pvt. Ltd. and Tree House Education and Accessories Ltd.

Combined together, both funds have already deployed/committed about 58% of the deployable corpus. Both the funds have strong pipeline of deals to deploy the balance corpus.

Aditya Birla Capital Advisors Private Limited ("ABCAP") provides the investment management and advisory services to Aditya Birla Private Equity Trust, a venture capital fund registered with SEBI. During 2012-13, revenue of ABCAP grew by 11% to ₹ 24 Crore. It posted net profit of ₹ 6 Crore, a 55% rise over the previous year.

Outlook

According to a new study by Venture Intelligence, a leading research firm focused on Private Equity and Mergers & Acquisition activities in India, PE and Venture Capital backed companies are growing significantly faster compared to non-backed peers as well as market indices. This underscores the importance and growth potential of PE industry in India.

Backed by its strong investment management team and salient parentage brand, Aditya Birla Private Equity is well positioned to tap the opportunity offered by the private equity space.

Broking (Aditya Birla Money Limited)

Industry Overview

The Indian retail broking industry is highly fragmented. During 2012-13, the capital markets remained volatile leading to decline in participation of retail investors. The daily cash volumes decreased by 6% year-on-year to ₹ 13,235 Crore while daily Futures & Options (F&O) volumes remained flat at ₹ 128,475 Crore. The product mix in equities market continued to favour low yielding derivative segment. The share of derivatives in exchange volumes is more than 90%. The structural shift from high yield cash

delivery to low yield derivatives market is resulting in prolonged earnings pressure in the broking industry.

The subdued primary market activities and muted retail participation also resulted in slow down in the demat account openings. Only 1 million new demat accounts were added during 2012-13. The Indian commodity markets saw decrease in volumes by about 3%, quite in line with the trends of global commodity markets. The currency futures market did show improvement; however, currently the overall volumes are much lower compared to the equity and commodity markets.

Performance Review

Aditya Birla Money Ltd. (ABML) continued to focus on retail investor segment, cost reduction and improvement in market share. Its market share grew across the segments - from 1.16% to 1.50% in retail cash equity segment, from 0.73% to 0.94% in retail equity F&O segment and from 0.38% to 0.48% in commodity broking segment.

ABML has also launched mobile trading platform and entered into a strategic alliance with Allahabad Bank to offer broking services to their clients.

While ABML has shown improvement in its market share, de-growth in overall market volumes has affected its earnings growth. Revenue of ABML de-grew by 5% to ₹ 84 Crore. Driven by cost rationalisation initiatives, net Loss has reduced year on year from ₹ 18 Crore to ₹ 15 Crore.

Outlook

The overall growth in the market size in short to medium term will be dependent on the direction of the financial markets and confidence in equities as an asset class. This, in turn, is partially going to be dependent on global factors, viz. foreign inflows, liquidity, etc., and partially on corporate earnings. However, the highly under penetrated Indian securities market will provide an ample growth opportunity in the long run.

ABML's thrust is on increasing its market share by creating product and service differentiators across all the segments. Efficient use of technology to become a cost efficient player will also be a key focus area. It will continue to drive client acquisition and cost rationalisation, besides

providing efficient trading tools and value added research advice to its clients.

Wealth Management (Aditya Birla Money Mart Limited)

Industry Overview

While there are a few large wealth management players in India; mutual fund distribution industry is very fragmented. Aditya Birla Money Mart Limited (ABMM) is a significant player in the wealth management space having Assets under Advisory of about ₹ 11,200 Crore as on 31st March, 2013.

Performance Review

During 2012-13, revenue of ABMM grew year on year by 27% from ₹ 60 Crore to ₹ 76 Crore. Net loss significantly reduced from ₹ 21 Crore to ₹ 2 Crore led by revenue growth and cost rationalisation initiatives.

Outlook

High savings growth in India implies a huge opportunity for financial intermediation services. The long-term fundamental growth for the manufacturing and distribution of life insurance, mutual funds and equity broking products and services remains strong. Besides, increasing preference towards investment with the help of professional advisors portrays a positive outlook for the wealth management sector in the longer run.

ABMM's thrust will be to provide quality wealth management solutions to its client through product innovation and technology support.

General Insurance Advisory (Aditya Birla Insurance Brokers Limited)

Industry Overview

Gross premium, underwritten in the general Insurance segment, has grown by 13% from USD 11.2 billion to USD 12.6 billion (*Source: IRDA*). Aditya Birla Insurance Brokers Ltd. ("ABIBL") is one of the leading general insurance brokers in India with a large and diverse client base spread across geographies.

Performance Review

Premium placement by ABIBL more than doubled from ₹ 304 Crore to ₹ 634 Crore. Its market share in non-life industry premium enhanced from ~0.5% to ~0.9%.

Driven by the strong growth in premium placement, ABIBL posted its highest ever earnings. Revenue grew by 77% from ₹ 32 Crore to ₹ 57 Crore, which is far higher than industry growth rates. Earnings before tax rose by 84% from ₹ 9 Crore to ₹ 16 Crore and net profit almost doubled to ₹ 11 Crore, despite intense competition.

Outlook

Lower general insurance penetration in India is likely to boost growth of general insurance industry. ABIBL will focus on reaching a larger customer base in a cost effective way to grow the business.

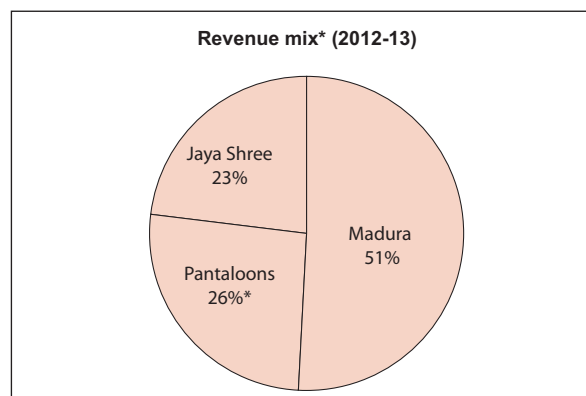
Fashion & Lifestyle (Branded Apparels & Accessories and Textiles)

ABNL's Fashion & Lifestyle business is the largest branded apparel player in India, selling one branded apparel every second. It is also the largest Indian manufacturer in the linen segment.

Its annual revenue size reached USD 1 billion, with the acquisition of Pantaloons. Comprising Madura Fashion & Lifestyle, Pantaloons Fashion & Retail Ltd. and Jaya Shree Textiles, the business has an unparalleled nationwide presence through 1,443 exclusive brand outlets / stores spanning across 3.7 million square feet.

It also reaches customers through more than 4,750 multi brand outlets and departmental stores.

Driven by strong earnings and efficient working capital management, the business reported a notable return on operating capital employed of 25%.



* In 2012-13, nine months financials of Pantaloons business are included pursuant to its acquisition with effect from the appointed date, i.e., 1st July 2012

Fashion & Lifestyle: Retail Presence

Business	EBOs/ Stores	Retail Space (million sq. ft.)
Madura	1,272	1.9
Pantaloons (incl. Factory Outlets)	95	1.7
Jaya Shree Textiles (Linen Club)	76	0.1
	1,443	3.7

Branded Apparels and Accessories

Industry Overview

Apparel Retailing is the second largest contributor to the Indian Retail Market after food and grocery. Interestingly, in the organised sector, apparel retailing is the largest and the most penetrated segment. During, past three years, Indian apparel retail market has grown at a CAGR of 10% to reach ₹ 174,000 Crore in 2012. The urban ready-to-wear segment is growing at a faster rate than overall apparel retail market. Having grown at a strong CAGR of 12% in the past three years, the size of urban ready-to-wear segment is estimated at ₹ 48,000 Crore in 2012 accounting for 28% of the apparel retail market in India. Categorising the urban ready-to-wear sector by gender, Menswear was the largest category with 53% share, followed by womenswear at 23%.

After recording healthy sales growth in fiscal 2010-11 and 2011-12, the industry has witnessed moderated sales growth during 2012-13. Persistently high inflation and slowing economy affected consumers spending on apparels.

Performance Review

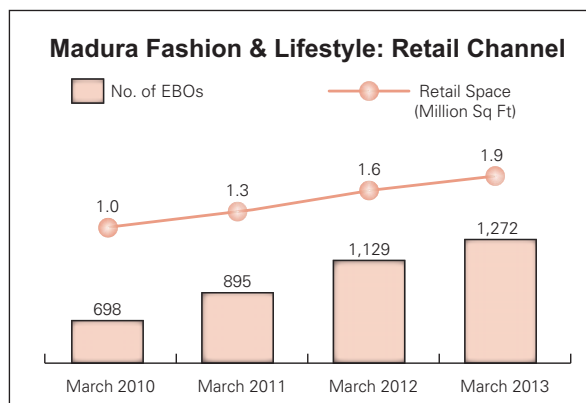
Madura Fashion & Lifestyle

Madura Fashion & Lifestyle ("Madura") is the largest premium branded apparel player in India. Its premium brands – Louis Philippe, Van Heusen, Allen Solly and its popular brand Peter England – are leaders in respective categories. Louis Philippe and Van Heusen are the best selling apparel brands in India. Madura also retails international brands like Armani Collezioni, Hugo Boss, Versace Collection, and many more under one roof 'The Collective', and has also launched Hackett's mono brand stores. Madura has also launched online shopping portal www.TRENDIN.com. It is one-stop shopping destination for Madura brands

catering to both Men and Women. During the year, Madura exited strategic distribution tie up with Esprit and closed all 22 Esprit stores.

Retail channel comprising 1,272 Exclusive Brand Outlets (EBOs) and spanning across 1.9 million square feet, accounts for 46% of Madura's revenue. Besides these EBOs, Madura is reaching customers through more than 1,750 MBOs and Department Stores which account for 37% of Madura's revenue. Balance 17% revenue is contributed by clearance sale and exports segments.

Madura continued to outperform the industry. In 2012-13, it registered 15% growth in revenue (excluding Esprit) to reach ₹ 2,500 Crore revenue mark. Its retail channel posted 22% sales growth led by stores expansion and 4% like-to-like growth. During the year, Madura added 270 new EBOs.



Driven by the strong sales growth across the brands and channels, EBITDA rose by 25% from ₹ 196 Crore to ₹ 245 Crore. EBITDA (excluding Esprit) surged by 32% from ₹ 204 Crore to ₹ 269 Crore. EBITDA margin (excluding Esprit) of the brands enhanced from 10.2% to 11.5%.

Led by sound profitable growth and improved working capital management, return on capital employed grew significantly from 20% to 29%.

(₹ Crore)

Madura Fashion & Lifestyle	2012-13	2011-12
Revenue	2,523	2,239
Revenue (excluding Esprit)	2,483	2,167
EBITDA	245	196
EBITDA (excluding Esprit)	269	204
Segment EBIT	157	123
Capital Employed	479	615
ROACE (%)	29%	20%

Pantaloons Fashion & Retail Limited

ABNL has acquired a controlling stake in Future Group's 'Pantaloons Fashion' business post its demerger from Pantaloon Retail (India) Ltd. (PRIL). The demerged Pantaloons Fashion business got transferred to Peter England Fashions & Retail Limited [renamed as Pantaloons Fashion & Retail Limited (PFRL)], a subsidiary of ABNL. The Appointed Date of transfer is 1st July, 2012. Post-demerger, the holding of ABNL, through its wholly owned subsidiary Indigold Trade and Services Ltd. (ITSL), in PFRL became 50.09%. An open offer, at a predetermined price of ₹ 175 per share, has been made by ITSL to the public shareholders of PFRL. On receipt of necessary approvals, the equity shares of PFRL will be listed on the National Stock Exchange of India and the Stock Exchange, Bombay.

Pantaloons is among the top 2 large format fashion retailers in India. Its acquisition not only expands ABNL's operating market size through extension into womens wear and kidswear, it also compliments ABNL's existing geographical presence and product offerings in the Fashion & Lifestyle business.

Menswear, womenswear, kidswear and Non-apparels account for 35%, 38%, 9% and 18% of Pantaloons' revenue. Private labels and licensed brands contribute to approximately 50% of its sales.

Pantaloons has around 3.8 million loyalty customer base – one of the largest in the country. Pantaloons enjoys a pan India presence across all zones with a strong presence in the Eastern Zone.

As on 31st March, 2013, Pantaloons operated through 70 large format company - owned and company - operated stores and 26 Factory Outlets spanning across 1.7 million square feet.

Financials of Pantaloons Fashion & Retail Ltd. for 2012-13 include nine months financials of Pantaloons business transferred with effect from the appointed date, i.e., 1st July, 2012.

In 2012-13, PFRL reported revenue at ₹ 1,285 Crore and EBITDA (excluding interest income of ₹ 62 Crore on current investments) at ₹ 67 Crore. Gross margin was sustained, however, moderated sales growth and higher retailing costs impacted EBITDA margin. Change in accounting policy also lowered profitability.

(₹ Crore)

Pantaloons Fashion & Retail Ltd.	2012-13
Revenue	1,285
EBITDA@	67
Net Profit/(Loss)	(69)
Goodwill	1,168
Net Fixed Assets	488
Net Working Capital	44
Capital Employed	1,700
Net Worth	770
Net Debt#	931

@ Net of interest income of ₹ 62 Crore on current investments.

Net of current investments of ₹ 800 Crore.

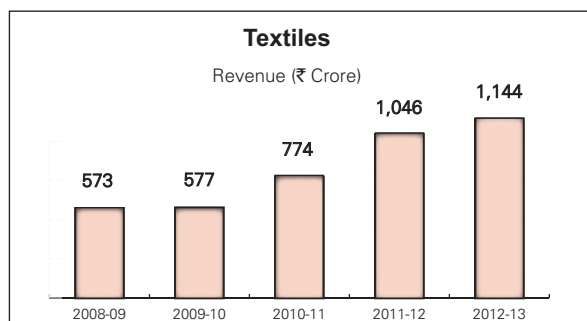
Outlook

Some of the macro-economic challenges, for instance, high inflation, may continue in the near term. However, with the inflation projected to stabilise at lower levels and expected improvement in GDP growth, the customer spending is likely to improve in the medium term. The long - term outlook for domestic apparel industry remains positive on the back of favourable demographics, viz., rising disposable income, burgeoning aspiring middle class segment, large young and working population, and increasing shift towards branded apparels.

Urban ready-to-wear apparel retail market is expected to grow at a CAGR of 13% to reach ₹ 77,000 Crore by 2016. Menswear will continue to dominate the sector, however, womenswear and kidswear are expected to grow faster and enhance their share in overall expanding pie.

Madura's thrust will be on leveraging its brand leadership, expanding retail space and strengthening channel relationships.

Pantaloons growth strategy includes increasing its customer reach, augmenting its merchandise by adding new product categories, expanding brand portfolio and enhancing loyalty customer base.



Textiles (Jaya Shree Textiles)

Industry Overview

Jaya Shree Textiles ("JST") operates in two business segments, i.e., Linen and Wool. Linen industry witnessed strong growth in demand. However, wool industry witnessed weak demand from Europe leading to fall in wool prices.

Performance Review

JST is the largest manufacturer of linen yarn and linen fabric in India with spinning and weaving capacities at 16,408 spindles and 106 looms, respectively. JST retails linen fabric under the well-known brand "Linen Club Fabrics".

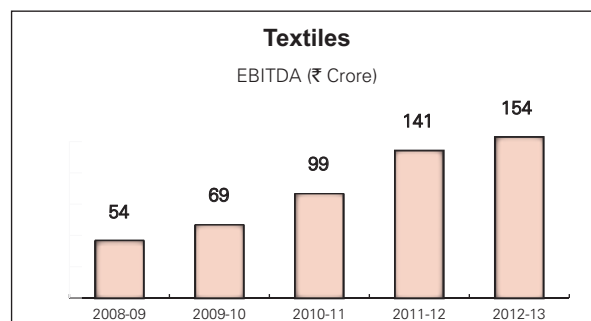
It is a leading manufacturer of wool tops and worsted yarn in India with a capacity of 8 carding machines and 25,984 spindles, respectively.

(₹Crore)

Textiles	2012-13	2011-12
Revenue	1,144	1,046
Linen Segment	499	415
Wool Segment	645	631
EBITDA	154	141
Segment EBIT	129	117
Capital Employed	179	88
ROACE (%)	97%	82%

JST achieved its highest ever earnings, with revenue at ₹ 1,144 Crore and EBITDA at ₹ 154 Crore. Higher volumes and realisation in the linen segment contributed to the earnings growth, absorbing brand promotion costs and lower margin in wool segment.

Linen yarn and linen fabric registered 6% and 11% growth in sales volume, respectively. Revenue from linen segment rose by 20% to ₹ 499 Crore. JST's efforts for increasing awareness for linen in domestic market and



creating a wide distribution channel of wholesalers, multi-brand outlets and EBOs are yielding results.

JST is also focusing on high margin Linen Fabric OTC segment, which accounts for 50% of its total linen fabric sales. JST added 19 new EBOs during the year taking the total to 76. Linen Club is also being retailed through more than 3,000 MBOs.

ROACE at 97% is driven by improved earnings and robust working capital management.

To tap growing demand of Linen, JST is expanding its capacity of linen yarn from 2,300 tons per annum (TPA) to 3,400 TPA and linen fabric processing capacity from 7.3 million metres to 10.1 million meters, at a capex of ₹ 100 Crore. The expansion is targeted to be completed in mid of 2013-14.

Outlook

Increasing awareness about linen coupled with wider usage will drive volume upward in domestic market. Hence, expansion of in-house capacity of yarn, fabric and processing is under implementation in addition to creation of world class design and development facilities for linen fabric. Demand revival is expected in wool segment.

Telecom (Idea Cellular Limited)

Industry Overview

The Indian Telecom sector witnessed easing of competitive intensity post the cancellation of licenses in February 2012 and resulting auction of spectrum in November 2012 and March 2013, which met with muted response. Reflecting its strong commitment towards customers, Idea Cellular won back spectrum for all the 7 service areas where its licenses were cancelled. However, some players have either exited the sector or have curtailed their operations to select service areas. With the rationalisation of competition, health of the industry has improved and is expected to improve further.

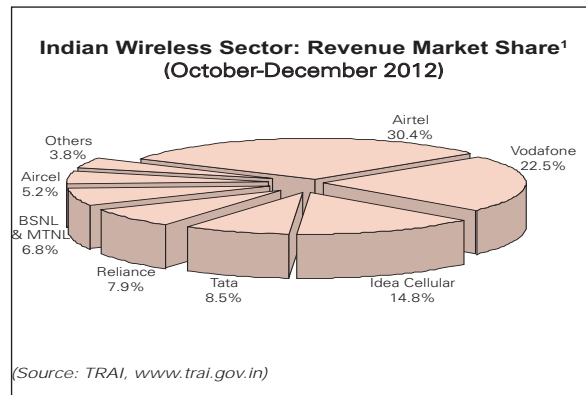
During 12 months ended 31st December, 2012, upto which the latest industry data is available, gross revenue of the Indian wireless sector grew year-on-year by 11% to ₹ 1,476 billion (USD 27.3 billion). Top three cellular operators in India

contributed 68% of the industry's wireless revenue market share¹. (Source: TRAI)

Performance Review

Idea Cellular is among the top 10 cellular operators in the world carrying 1.6 billion minutes of voice usage every day. In India, it is the 3rd largest player serving about 122 million subscribers across more than 4,600 census towns and 300,000 villages.

During 2012-13, Idea Cellular continued its journey as the fastest growing large cellular operator in



the Country. It has been the biggest revenue market share gainer in India since past four years. Its revenue market share¹ has grown to 14.8% compare to 14.4% a year ago. Idea contributed to 20.5% of the industry's incremental mobile revenue during nine months ended 31st December 2012 – growing at one and a half times of the industry growth rate.

Mirroring the brand popularity and quality service experience of its customers, Idea's active subscribers' ratio at 98.4%, as on 28th February, 2013, is the highest in the industry. Idea is the leading net subscribers' gainer in the Mobile Number Portability programme, a strong indicator of the popularity of Idea's mobile services.

Idea generated 532 billion minutes of voice usage during the year, registering a strong 17% year on year growth.

Led by strong growth in minutes of usage, top-line of Idea grew by 15% to USD 4.15 billion (₹ 22,407 Crore) and EBITDA surged by 19% to USD 1.13 billion (₹ 6,091 Crore) during the year. Its net profit rose by 40% from ₹ 723 Crore to ₹ 1,011 Crore.

Note1: Based on gross revenue for UAS and Mobile licenses only, as released by Telecom Regulatory Authority of India ("TRAI").

	(₹ Crore)	
Idea Cellular	2012-13	2011-12
Revenue	22,407	19,489
EBITDA	6,091	5,135
Segment EBIT	2,527	2,111
Net Profit	1,011	723
Cash Surplus	1,171	250
Net Worth	14,305	13,050
Total Debt	14,044	13,337
Capital Employed	28,349	26,387
ABNL's Investment	2,356	2,356
ABNL's shareholding in Idea at the year end (%)	25.27%	25.31%

Idea generated cash profit of ₹ 4,697 Crore (USD 870 million) – recording a 30% growth over previous year. Its standalone Net Debt/EBITDA improved year on year from 2.65 times to 2.16 times and Net Debt/Equity improved from 0.93 times to 0.82 times.

Supported by the free cash flows and strong balance sheet, Idea is well placed to capitalise on future growth opportunities. Idea has proposed its maiden dividend during the year @ 3% of share capital. Overall payout including dividend distribution tax will be ₹ 116 Crore.

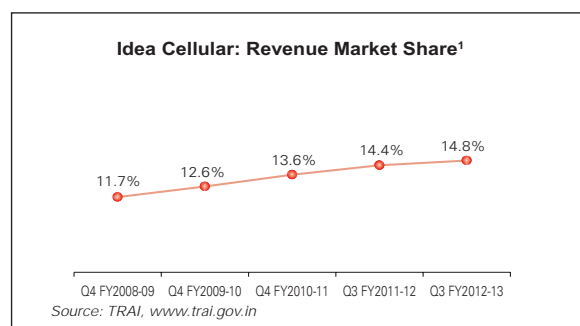
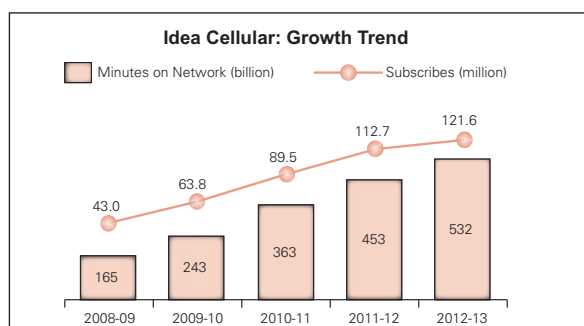
Idea continues to strengthen its competitive standing by investing in long-term value creators. It launched about 7,000 2G cell-sites and about 4,300 3G cell-sites during the year to scale up its network capacity to over 90,000 2G sites and more than 17,000 3G sites. Idea also expanded its optical fibre network to 74,000 km and strengthened its presence in NLD, ILD, ISP, Data Services and Smartphone Device business.

Currently, 26.2 million subscribers of Idea use mobile data services, contributing 6.6% of total service revenue during the fourth quarter ended 31st March, 2013.

Outlook

India is primarily a voice market, and voice will continue to dominate the India mobile sector over next few years. There is still a lot of potential in the voice market as rural penetration is low. Having said that, with the roll of 3G operations, data is growing rapidly and data growth will outpace voice growth in the coming years.

Idea is one of the few companies in the world, which is able to run high quality telecom services at the world's lowest price points and yet deliver stable Cash Profits. The improving capacity utilisation, increasing brand popularity and quality of consumer service with a strong Balance Sheet underscores Idea's ability to benefit from long-term sector opportunities. A large base of about 122 million subscribers provides a huge platform



Note1: Based on gross revenue for UAS & Mobile licenses only, as released by Telecom Regulatory Authority of India ("TRAI")

for upgrading pure voice customers to wireless data services in future.

IT-ITeS (Aditya Birla Minacs Worldwide Limited)

Industry Overview

The global economic conditions in 2012-13, remained challenging, especially in the key markets of the US and the Europe. The IT-ITeS industry did grow and customers did continue to outsource, though at a slower pace. The economic uncertainty has affected the demand for outsourcing, as customers have increased interest in availing broad mix of service delivery options including BPO and ITO, and have increased use of shared services and the e-Cloud as outsourcing alternatives.

Performance Review

Aditya Birla Minacs ranks among the top 6 Indian BPO companies by revenue size (*Source: NASSCOM*). Aditya Birla Minacs is a business process outsourcing solutions provider that partners with global corporations and works towards enhancing clients' revenue, profitability and quality of customer service. It serves several Fortune 500 clients through 20,500 experts. It has global delivery capabilities across 3 continents and 35 centres spanning Canada, Germany, Hungary, India, Jamaica, Philippines, the UK and the US.

(₹ Crore)

Aditya Birla Minacs	2012-13	2011-12
Revenue	2,466	2,082
Operating EBITDA	247	201
Non-recurring Gain/(Loss)	4	(12)
EBITDA	251	189
Segment EBIT	164	111
Net Profit	125	70
Capital Employed	1,449	1,399

Aditya Birla Minacs won 13 new clients during the year and sold new business Total Contract Value ("TCV") of about USD 230 million. It has witnessed slower conversion of the sales pipeline due to the challenging economic conditions in the US and the Europe. The clients located in the US contributed 77% of the revenue, while Canada, Europe and the Asia Pacific contributed 14%, 3% and 6%, respectively.

In 2012-13, revenue grew year on year by 18% to ₹ 2,466 Crore. Growth in existing accounts,

conversion of order book and favourable forex movement contributed to the growth in top-line.

Operating EBITDA grew by 23% to ₹ 247 Crore and EBITDA margin improved from 9.6% to 10%. Net profit surged by 80% from ₹ 70 Crore to ₹ 125 Crore.

On constant currency basis (normalising for translation impact of foreign currency movement between Canadian Dollar and Indian Rupee), revenue and EBITDA rose by 8% and 13%, respectively.

The business is generating steady cash profits to fund its capex and working capital requirements. Its net debt at ₹ 977 Crore stands reduced year on year by ₹ 129 Crore. It generated an ROACE of 11.5%.

Outlook

While the global economic outlook seems to remain challenging, outsourcing contracts are expected to grow at a steady rate. In fact, mid-sized companies, that have been slow adopters of outsourcing, are also expected to enter the market due to cost pressures and their need to access technology and best practices.

Aditya Birla Minacs will endeavour to sustain its sales momentum and optimise operating costs to enhance its margins.

Manufacturing Business

Aditya Birla Nuvo has a strong market positioning across its manufacturing businesses, viz., Agri, Insulators, and Rayon. All the manufacturing businesses are among the leaders in their respective sectors in terms of size as well as profitability. Aditya Birla Nuvo is:

- The second largest producer and largest exporter of Viscose Filament Yarn in India
- Among the top two energy efficient Urea plants in India
- India's largest and world's fourth largest manufacturer of Insulators

They have a consistent track record of generating steady cash flows, healthy operating margins and strong return on capital employed. Cash flows generated by these manufacturing businesses have historically provided cushion to Aditya Birla Nuvo for meeting the funding requirements of services businesses. At the same time, ABNL continued to invest in the capacity expansion of

these manufacturing businesses to tap growth opportunities.

Agri (Indo Gulf Fertilisers)

Industry Overview

Urea consumption in India grew by 2% from 29.5 million metric tons (MT) in 2011-12 to 30.2 million MT in 2012-13. India is heavily dependent on urea imports for meeting the domestic consumption requirements. Urea imports have surged in the past few years leading to rising subsidy burden on the exchequer. In 2012-13, urea imports at ~8 million MT accounted for 26% of total demand in India. No new urea capacity has come up in the past 13 years and the gap between indigenous production and demand continues to widen. To reduce mounting urea subsidy bill in the national interest, the Government of India notified New Investment Policy (NIP) for Urea on 2nd January, 2013. Objective is to cut down urea imports by promoting indigenous capacity expansion. Industry is awaiting approval from the Department of Fertilizers for brown field projects under the new investment policy. During 2012-13, the industry witnessed slower recovery of fertiliser subsidy from the Government due to inadequate budgetary provision. This affected the profitability of the industry due to steep rise in working capital.

Performance Review

Indo Gulf Fertilisers is the 8th largest urea manufacturer in India and has 2nd best energy efficient plant. The goal of the business is to become a *'total agri solutions provider'* offering a full range of agri inputs – fertilisers, seeds,

agrochemicals and specialties from sowing to harvesting.

Birla Shaktiman Urea – Neem-coated and Gold continued to remain the farmers' product of first choice, with market leadership position in the entire zone of Uttar Pradesh, Bihar, Jharkhand and West Bengal, through excellent product quality and customer servicing.

The business continued to expand its product offering to provide a full range of N, P, K fertilisers by offering *'Birla Shaktiman DAP, MOP and SSP'*. This helped the business in promoting balanced use of nutrients and strengthening its trade channel.

The business of *'Birla Shaktiman Seeds, Agrochemicals & Specialties'* continued to have a healthy growth – a reflection of brand equity, good product quality and in-depth trade channel reach.

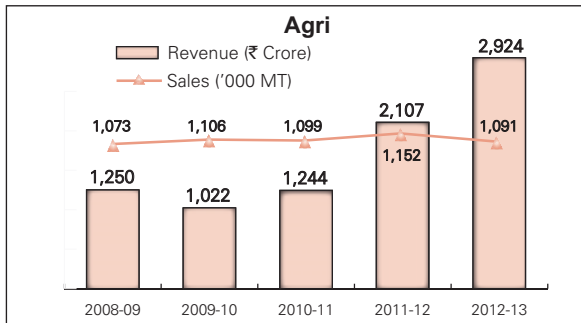
Indo-Gulf's customised fertiliser – *'Birla Shaktiman Vardaan'* – which is manufactured with in-house patented technology, has been successfully test marketed in wheat, paddy, potatoes and sugarcane. The results have been very encouraging and we look forward to build the business volumes in the coming years.

In 2012-13, Indo Gulf achieved an all time high Urea sales of 1.23 million MT, by supplementing its own production with 0.14 million MT of imported urea.

Revenue rose year on year by 39% to ₹ 2,924 Crore. Revenue from manufacturing operations grew by 19% to ₹ 1,859 Crore. Pass through of rise in natural gas prices reflected in higher urea

(₹ Crore)

Agri	2012-13	2011-12
Revamped Capacity (MTPA)	1,072,500	1,072,500
Urea Production (MT)	1,085,358	1,162,819
Urea Sales (MT)	1,090,505	1,151,929
Revenue	2,924	2,107
Manufacturing (Urea, Customised Fertilisers)	1,859	1,563
Trading (Imported Fertilisers, Agri-inputs etc.)	1,065	544
EBITDA	197	211
Segment EBIT	177	192
Capital Employed	1,854	984
ROACE (%)	12%	26%



prices while manufactured urea sales volumes de-grew by 5% due to planned annual maintenance shutdown for 20 days. Trading revenue almost doubled to ₹ 1,065 Crore led by higher sales of imported P&K fertilisers.

EBITDA de-grew by 7% to ₹ 197 Crore. Lower manufactured urea sales volume and higher energy costs on account of shutdown strained profitability.

Capital employed has increased year on year due to higher subsidy outstanding on account of slower recovery, rise in natural gas prices and increase in trading sales of imported P&K fertilisers. Subsidy and receivables stood at ₹ 1,625 Crore as on March 2013. A sum of ₹ 376 Crore has been realised since then.

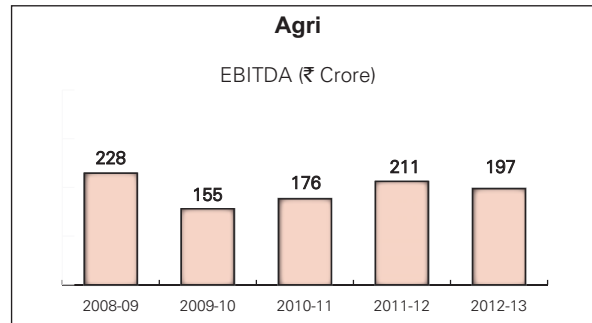
The Board of Directors of ABNL approved proposal for Urea brownfield expansion by 3,850 tons per day under the New Investment Policy subject to requisite Government approvals. Land is available at the existing plant location. The proposed plant will be located in the heart of Indo-Gangetic plains, which gives a logistic advantage. Plant will be strategically located near to the urea deficit North Eastern India region. Birla Shaktiman enjoys top of the mind recall among farmers.

Major regulatory approvals are in place, viz., Environment, Pollution Control, Water Supply, etc. Final approval for setting up of the proposed urea plant is awaited from Department of Fertilisers.

Outlook

Agriculture continues to be a key focus area for the Government. The government has taken several initiatives toward providing food security. This renewed focus on the agri economy has opened new business opportunities.

Indo Gulf's plant is strategically well positioned in the Indo-Gangetic plains – the main agricultural heartland of the country. It is uniquely positioned to take advantage of these opportunities to build



a sustainable agribusiness, by adding value to the farmers and all stakeholders.

Rayon (Indian Rayon)

Industry Overview

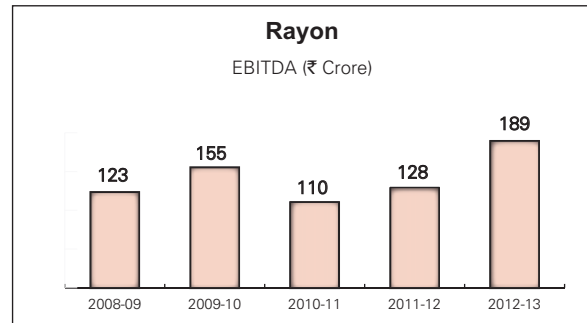
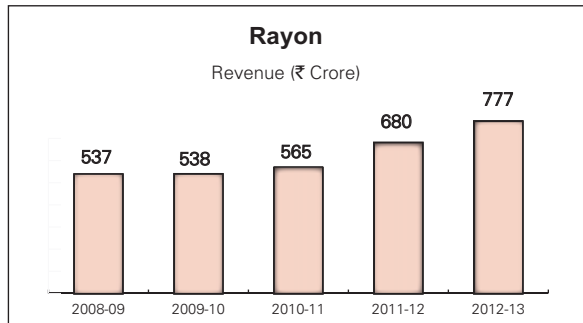
Indian Rayon, a unit of ABNL, manufactures and sells viscose filament yarn, caustic soda and allied chemicals. Viscose filament yarn (" VFY") is a man-made natural filament yarn having comfort of cotton and lustre of silk. It is used in georgette and crepe sarees, home textiles, embroidery, etc. Domestic consumption of VFY de-grew by 2.5% to 55,303 MT in 2012-13. Domestic VFY production has increased by 1% to 42,888 MT. VFY exports grew by 3% to 6,315 MT. Imports decreased by 23% to 17,176 MT owing to extension of anti-dumping duty on VFY imports by Ministry of Finance. In 2012-13, wood-pulp prices softened from the level of USD 1,450/MT to USD 1,220/MT. Lower VFY imports and softening of wood-pulp prices aided domestic Industry. Indian Rayon and Century Textiles & Industries Ltd. are the leading domestic VFY manufacturers.

Caustic Soda is a versatile alkali. Its main uses are in the manufacture of pulp and paper, alumina, soaps and detergents, petroleum products and chemical production. Other applications include water treatment, food, textiles, metal processing, mining, glass making, etc. Caustic Soda production in India witnessed de-growth of around 2% during 2012-13, mainly due to lower consumption of chlorine.

Performance Review

Indian Rayon is the second largest manufacturer of VFY in India with 39% production share. It remained the largest Indian exporter of VFY for the eighth consecutive year with 48% share in VFY exports from India.

Revenue from the VFY segment of Indian Rayon grew by 13% to ₹ 569 Crore. VFY realisation



increased by 5% to ₹ 302 per kg led by product mix. VFY sales volumes grew by 4% to 16,806 MT. Caustic soda sales volumes grew by 6% to 87,565 MT. ECU realisation grew by 12% to ₹ 26,541 per MT. As a result, revenue from Chemicals segment rose by 18% to ₹ 208 Crore.

Total revenue of Indian Rayon grew by 14% to ₹ 777 Crore. EBITDA soared by 48% to ₹ 189 Crore led by increase in VFY and Caustic Soda volumes, coupled with higher realisation for both VFY and Chemicals segments.

(₹ Crore)

Rayon	2012-13	2011-12
VFY		
Capacity (MTPA)	19,800	17,520
Production (MT)	16,621	16,399
Sales Volumes (MT)	16,806	16,183
Realisation (₹/Kg.)	302	288
Revenue	569	504
Chemicals		
Caustic Soda Capacity (MTPA)	91,250	91,250
Caustic Soda Production (MT)	88,334	82,287
Caustic Soda Sales (MT)	87,565	82,289
ECU Realisation (₹/MT)	26,541	23,700
Chemicals Revenue	208	175
Total Revenue	777	680
EBITDA	189	128
Segment EBIT	153	92
Capital Employed	681	515
ROACE (%)	26%	19%
Gross Block (including CWIP and Capital Advance)	1,081	864
VFY #	606	415
Chemicals (including Captive Power Plant)	475	449

Gross block of VFY includes a sum of ₹ 243 Crore incurred on additional unit of Superfine Yarn using Spool technology imported from ENKA, Germany

Increase in capital employed is primarily on account of VFY capacity expansion. Indian Rayon has successfully commissioned an additional unit of Viscose Filament Yarn using Spool Technology imported from ENKA, Germany, in the existing premises at Veraval. Out of the planned investment of ₹ 270 Crore for the additional unit, a sum of ₹ 243 Crore has been spent till 31st March, 2013. The production from the new unit had commenced in the month of March 2013, however, the full benefit shall accrue in the financial year 2013-14. With this, Indian Rayon emphasises its focus on technology upgradation to improve product quality and enhance product range, especially in superfine segment.

Indian Rayon is operating at a sound ROACE of 26%.

Outlook

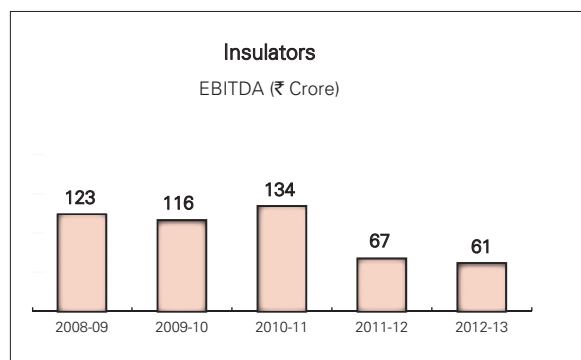
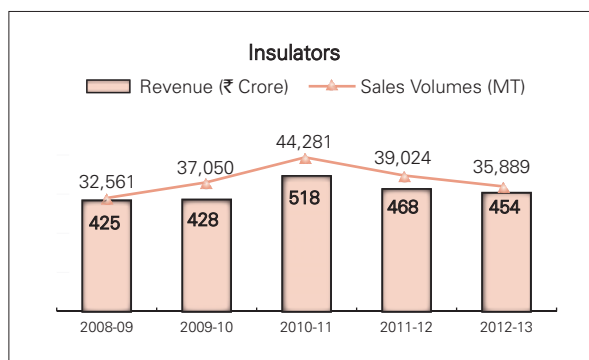
Growth in the domestic VFY market seems to remain stable. With the commissioning of additional unit of VFY, Indian Rayon is well positioned to improve its earnings.

Caustic soda demand in India is expected to grow on back of growth in Alumina capacities in the East and growth in Textiles and fibre capacities in Western India.

Insulators (Aditya Birla Insulators)

Industry Overview

Power generation, transmission and distribution sector is the key growth driver for the insulators industry. Indian power sector has been affected by multiple factors. Deferment of projects and excessive dumping from China has affected the domestic manufacturers by shrinking the market size as well as pressurising the price levels. Imports from China have gone up by 65% from 39,703 MT in 2011-12 to 65,424 MT in 2012-13. Liquidity crunch in the power sectors is also



restricting dispatches. Domestic sales volume of the Indian insulators industry have de-grown year on year by 15% during April 2012- February 2013 (Source: IEEMA). Exports markets have also witnessed sluggish demand due to slowdown in global economies. To create a level playing field for the domestic industry, Finance Ministry has imposed safeguard duty of 35% on imports from China of electrical insulators made of glass, ceramic and porcelain for one year starting 20th December 2012 after which it will be reduced to 25% till 31st December 2013.

Performance Review

Aditya Birla Insulators, the India's largest and the world's fourth largest manufacturer of insulators, contained de-growth in its sales volume to 8% and maintained its domestic market leadership.

Its revenue de-grew year on year by 3% to ₹ 454 Crore. EBITDA de-grew from ₹ 67 Crore to ₹ 61 Crore. Lower capacity utilisation strained profitability. ROACE decreased to 10%.

Outlook

In the short term, investments in the power sector are likely to remain affected owing to liquidity crunch. However, the capacity utilisation and profitability of the domestic manufacturers are likely to improve due to imposition of Safeguard Duty on Chinese imports.

(₹ Crore)

Insulators	2012-13	2011-12
Capacity (MTPA)	45,260	45,260
Production (MT)	36,517	40,270
Sales Volumes (MT)	35,889	39,024
Revenue	454	468
EBITDA	61	67
Segment EBIT	39	46
Capital Employed	395	375
ROACE (%)	10%	12%

Aditya Birla Insulators will continue to focus on yield improvement and cost rationalisation to enhance its cost competitiveness besides exploring new geographies in the exports market.

Carbon Black (Hi-Tech Carbon)

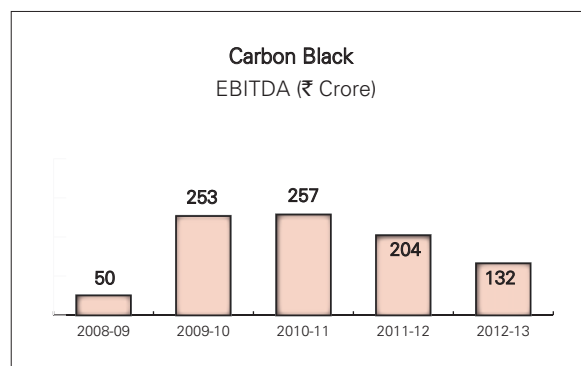
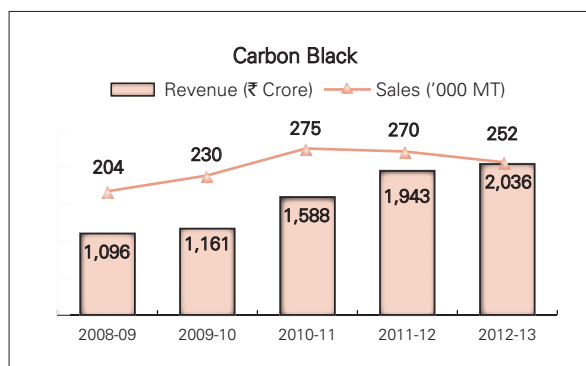
Industry Overview

Carbon Black is used in the tyre industry as well as in the non-tyre sector. It is used as reinforcing filler in rubber products and in the printing inks and paints industry. Carbon Black constitutes ~28% of tyre by weight.

Hi-Tech Carbon and Phillips Carbon Black Ltd. are the leading carbon black manufacturers in India. During 2012-13, steep rise in imports of Carbon Black from China affected the off-take and capacity utilisation of the domestic carbon black manufacturers. Finance Ministry has imposed safeguard duty of 30% minus anti-dumping duty on Carbon Black imports from China for one year starting 5th October, 2012, after which it will be reduced to 25% minus anti-dumping till 31st December, 2013. The duty will apply on carbon black used in rubber applications including tyres.

(₹ Crore)

Carbon Black	2012-13	2011-12
Capacity (MTPA)	314,000	314,000
Production (MT)	252,021	270,953
Sales Volumes (MT)	251,855	270,111
Realisation (₹ / MT)	76,894	68,276
Revenue	2,036	1,943
EBITDA	132	204
Segment EBIT	93	164
Capital Employed	1,249	1,365
ROACE (%)	7%	13%



Performance Review

Sales volume of Hi-Tech Carbon decreased year on year by 7%, mainly due to dumping from China. Despite imposition of safeguard duty on imports of Carbon Black from China w.e.f. 5th October, 2012, total imports remained at high level due to carbon black imports against advance license. Exports sales of Carbon Black were also impacted due to cheaper exports from China.

Despite lower volumes, revenue of Hi-Tech Carbon grew by 5% to ₹ 2,036 Crore due to higher realisation. Carbon Black realisation increased by 13% to ₹ 76,894 per ton on account of rise in raw material costs, which tend to move in line with crude oil prices. Power and Steam sales grew by 2% to ₹ 96 Crore.

EBITDA de-grew from ₹ 204 Crore to ₹ 132 Crore. Cheaper imports and lower off-take from tyre manufacturers constrained sales volume and cost pass through. ROACE de-grew to 7%.

Divestment of the Carbon Black Business

Given that multi-national tyre manufacturers prefer to deal with Carbon Black players having global

delivery capabilities, the scale and global positioning in the Carbon Black sector have become increasingly important. ABNL's Carbon Black business contributes to merely 2% of the global industry capacity. Moreover, in view of ABNL's capital commitments towards other businesses, it is challenging for ABNL to become a global Carbon Black player.

Hence, the Company has decided to divest the Carbon Black business, on a going-concern basis, by way of slump sale to SKI Carbon Black (India) Private Limited, an Aditya Birla Group Company, for a lump sum consideration of ₹ 1,451 Crore as an enterprise value, subject to the adjustment for net working capital. This is on the basis of an independent valuation carried out by M/s. Deloitte Touche Tohmatsu India Private Limited, Mumbai. Having received the shareholders' approval, the Company is in the process of divesting the Carbon Black business w.e.f. 1st April, 2013.

The cash inflow from the divestment of Carbon Black business will reduce the debt and strengthen ABNL's balance sheet. This will support ABNL's growth plans and ensure greater focus in the other businesses of the Company.

Financial Review and Analysis –Standalone Financials

	(₹ Crore)	
Standalone Profit and Loss Account	2012-13	2011-12
Revenue	9,754	8,433
EBITDA	1,116	1,050
Less: Finance Costs	360	313
Earnings before Depreciation and Tax	756	737
Less: Depreciation and Amortisation	219	203
Earnings before Tax and Exceptional Items	537	534
Add: Exceptional Gain/(Loss) ¹	—	(104)
Less: Tax Expenses	114	85
Net Profit	423	345

Note¹: A provision of ₹ 104 Crore was made during 2011-12 towards entry tax liability (largely related to previous years, earlier recognised as contingent liability) w.r.t. the Carbon Black business; the matter is sub-judice.

(₹ Crore)

Standalone Balance Sheet	March 2013	March 2012
Net Worth	6,854	5,679
Total Debt ¹	4,005	4,457
Deferred Tax Liabilities (Net)	155	158
Capital Employed	11,014	10,294
Net Fixed Assets (Including Capital Advances)	2,226	1,976
Long-term Investments	5,857	5,598
Net Working Capital ¹	2,577	2,012
Cash Surplus and Current Investments ²	353	707
Book Value per Equity Share (₹)	570	500
Net Debt ³ /EBITDA (x)	3.3	3.6
Net Debt ³ /Equity (x)	0.53	0.66

Note¹: Total Debt and Net Working Capital are excluding MTM gain of ₹ 22 Crore as on 31st March 2013 and MTM loss of ₹ 104 Crore as on 31st March 2012 w.r.t. fully hedged foreign currency working capital debt.

Note²: Include cash, cheques in hand, remittances in transit, balances with banks, fertilisers bonds and current investments.

Note³: Total Debt less Cash Surplus and Current Investments.

Standalone revenue grew by 16% to ₹ 9,754 Crore. Sales growth in the Fashion & Lifestyle business, higher trading sales of imported P&K fertilisers coupled with higher volumes and realisation in the Linen and VFY segments contributed.

Standalone EBITDA grew by 6% to ₹ 1,116 Crore. While earnings in the Carbon Black and Insulators businesses were constrained due to cheaper imports, volume growth and higher realisation in the linen segment and in the Rayon business supported the earnings growth. Fashion & Lifestyle business also contributed to the profitability. Planned annual maintenance shutdown for 20 days impacted the profitability of the Agri business. Dividend income of ₹ 146 Crore received from Birla Sun Life Insurance added to the bottom-line.

Finance costs increased from ₹ 313 Crore to ₹ 360 Crore due to rise in the working capital requirement, largely on account of slower recovery of subsidy in the Agri business.

Depreciation grew primarily in the Fashion & Lifestyle business with the opening of new stores.

Standalone Net profit grew by 22% to ₹ 423 Crore.

The Board of Directors of the Company have recommended a final equity dividend of 65% (₹ 6.5 per equity share) for the financial year 2012-13 entailing a total outgo of ₹ 78 Crore.

Led by equity infusion by promoters to the tune of ₹ 832 Crore, dividend income and cash flow from operations, standalone Net Worth increased from ₹ 5,679 Crore to ₹ 6,854 and net debt reduced from ₹ 3,750 Crore to ₹ 3,651 Crore. Standalone Net Debt to EBITDA at 3.3 times and Net Debt to Equity at 0.53 times improved year on year.

The Company's standalone balance sheet will be further strengthened by proceeds from divestment of Carbon Black business, balance equity infusion of ₹ 671 Crore by promoters on conversion of remaining 9.82 million warrants, rationalization of working capital with the realisation of subsidy and dividend inflows from Idea Cellular and Birla Sun Life Insurance.

(₹ Crore)	
Standalone Cash Flow	2012-13
Cash Flow from Operations (Net of Tax)	815
(Increase)/Decrease in Net Working Capital	(813)
Net Cash from Operating Activities	2
Capital Expenditure (Net)	(449)
Investments in Subsidiaries/Joint Ventures/Associates (Net)	(259)
(Increase)/Decrease in Inter-Corporate Deposits to Subsidiaries (Net)	145
Interest Received	41
Dividend Received/Profit on Sale of Current Investments	232
Net Cash from/(used in) Investing Activities	(291)
Proceeds from/(Repayment of) Borrowings (Net)	(452)
Proceeds from Issue of Equity Shares/Warrants	833
Dividend Paid	(68)
Interest Paid	(379)
Net Cash from/(used in) Financing Activities	(65)
Increase/(Decrease) in Cash Surplus and Current Investments¹	(354)
Opening Cash Surplus and Current Investments	707
Closing Cash Surplus and Current Investments	353

Note¹: Include cash, cheques in hand, remittances in transit, balances with banks, fertilisers bonds and current investments.

Net Cash from Operating Activities

Cash Flow from Operations

Net cash flow from operations stood at ₹ 815 Crore. The Fashion & Lifestyle business was the largest contributor followed by Agri, Rayon and Textiles businesses.

Working Capital

Net working capital stands increased by ₹ 813 Crore. Debtors and other trade receivables increased by ₹ 1,122 Crore mainly due to slower recovery of outstanding subsidies in the Agri business. Inventory increased by ₹ 73 Crore primarily in the Carbon Black business due to rise in raw material prices. Trade Payables increased by ₹ 300 Crore, largely in the Carbon Black business owing to rise in raw material prices and in the Fashion & Lifestyle business in line with sales growth.

Net Cash from/(used in) Investing Activities

Capital Expenditure

Capex of ₹ 449 Crore was spent during the year. Project capex includes expansion of VFY capacity, scaling up of retail channel in the Fashion & Lifestyle business through opening up of exclusive brand outlets, capacity expansion in the linen

segment, etc. The balance capital expenditure was incurred on debottlenecking, upgradation, modernisation and maintenance of plants and retail stores across the businesses.

Investments

ABNL invested a sum of ₹ 280 Crore in its wholly owned subsidiary, Aditya Birla Financial Services Private Ltd., towards capital requirement of NBFC business, for acquisition of 1% stake in Birla Sun Life Asset Management and towards sponsor commitment in Aditya Birla Private Equity funds.

Net Cash from/(used in) Financing Activities

Proceeds from/(Repayment) of borrowings

ABNL raised term loans aggregating to ₹ 162 Crore by way of foreign currency borrowings and ₹ 35 Crore by way of Rupee term loan to fund capital expenditure commitments. ABNL also raised Non-Convertible Debentures (NCDs) worth ₹ 300 Crore. Working capital borrowings aggregating to ₹ 199 Crore (net) were also raised during the year.

Term Loans aggregating to ₹ 293 Crore and NCDs of ₹ 200 Crore were repaid during the year. Commercial paper and other short-term debt of ₹ 655 Crore (net) were repaid during the year.

Risk Management

Governance, Risk Management and Compliance processes form an integral part of the Company's planning and review mechanism. The Company's risk management framework establishes risk management processes at each business, helping in identifying, assessing and mitigating risks that could materially impact the Company's performance in achieving its stated objectives. The components of risk management are different for different businesses and are defined by various factors including the business model, business strategy, organisational structure, risk appetite and available dedicated resources.

The Company's structured Risk Management process provides confidence to the stakeholders that the Company's risks are known and well managed. The risk management framework ensures compliance with the requirements of amended Clause 49 of Listing Agreement.

Since the Company is a diversified conglomerate, the risk events are identified, assessed, mitigated and monitored for each business separately.

The risk management approach comprises three key components:

- (1) **Risk identification:** External and internal risk events, which could affect the profitability, competitiveness, brand value, reputation and/or image of the Company, are identified in the context of the strategy and specific objectives of each individual business.
- (2) **Risk assessment and mitigation:** The identified risks are further evaluated by the senior management team of the respective business to assess the potential severity of their impact and the probability of occurrence. Based on the assessment, they develop and deploy mitigation strategies.
- (3) **Risk monitoring and assurance:** The Risk Management Committee ("RMC") is the apex body taking all the decisions regarding risk management activities. The overall role of RMC is to review risk management process and implementation and effectiveness of risk mitigation plans. The committee comprises of three independent directors, the whole-time directors and the business heads. The proceedings of meetings of RMC are discussed at the

meetings of the Board of Directors from time to time.

Business Risks

Business risks are classified into Strategic, Operations, Financial and Knowledge risks, which are further drilled down to market structure, process, systems, legal compliance, corporate governance and people culture.

Apart from the internal business risks, the Company is exposed to external risks on account of interest rate, foreign exchange, commodity pricing and regulatory changes, which are being effectively monitored and mitigated.

Foreign Exchange Risk

The Company is exposed to fluctuations in exchange rates of various foreign currencies due to revenue earned or expenditure incurred in such currencies. Additionally, the debt portfolio of the Company includes a mix of foreign currency loans, which carry risk of movements in exchange rates of foreign currencies against Indian Rupee. The Company uses appropriate hedging tools such as forward contracts, currency swap, etc., to hedge foreign exchange risk in accordance with its foreign exchange risk management policy.

Interest Rate Risk

The Company has a mixed basket of fixed and floating rate borrowings. It continuously monitors its interest rate exposure to have a proper mix of fixed and floating rate borrowings in order to mitigate interest rate risk. The Company also uses interest rate swap in case of foreign currency borrowings having floating interest rates.

Commodity Price Risk

The Company is exposed to the risk of fluctuation in prices of raw materials as well as finished goods in all its products. However, the risk is mitigated well considering the inventory levels and normal correlation in the prices of raw materials and finished goods.

Environment, Health and Safety ("EHS")

The Company is conscious of its strong corporate reputation and the positive role it can play by focusing on EHS. Towards this, the Company has set very exacting standards in EHS management. The Company recognises the importance of EHS issues in its operations and has established

comprehensive indicators to track performance in these areas. The Company values the safety of its employees and constantly raises the bar in ensuring a safe work place.

Internal Control System

The Company has adequate internal control systems for business processes across various profit and cost centres, with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations, etc. The internal control system is supplemented by extensive audits conducted by the Corporate Audit Cell.

Clearly defined roles and responsibilities for all managerial positions have been institutionalised. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements.

The Management Information System is the backbone of the Company's control mechanism. All operating parameters are monitored and controlled regularly. Any material change in the business outlook is reported to the Board of Directors. Material deviations from the annual planning and budgeting, if any, are reported on a quarterly basis to the Board of Directors. An effective budgetary control on all capital

expenditure ensures that actual spending is in line with the capital budget.

Human Resource Management

The Company had about 19,000 employees on its rolls as on 31st March, 2013. Including its subsidiaries and joint ventures, the manpower strength is about 69,000 employees. This intellectual resource is integral to the Company's ongoing operations and enables it to deliver superior performance year after year. Human Resource processes of the Company have been covered in depth in the Directors' Report.

To Sum up

Aditya Birla Nuvo has posted robust earnings growth amidst challenging business environment. This is an outcome of enhanced focus on profitable growth across the businesses. With a leadership position across its businesses that mirrors the growing sectors of the Indian Economy, ABNL is a uniquely positioned conglomerate. ABNL remains focused to capture opportunities across the businesses to achieve the next level of growth. A strong balance sheet, an experienced and focused management team, salient brand equity, leadership positions across businesses and a talented human asset are the key drivers which will support future growth of ABNL and create value for all the stakeholders.

Disclaimer

Certain statements in this "Management's Discussion and Analysis" may not be based on historical information or facts, and may be "forward looking statements" within the meaning of applicable securities laws and regulations, including, but not limited to, those relating to general business plans and strategy of the Company, its future outlook and growth prospects, future developments in its businesses, its competitive and regulatory environment, and management's current views and assumptions, which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, competitors actions, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any statement, on the basis of any subsequent development, information or events, or otherwise. This "Management's Discussion and Analysis" does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares, and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's shares. The financial figures have been rounded off to the nearest Rupee one crore. For currency conversion, one USD is considered to be equal to ₹ 54.

Dear Shareholders,

We are pleased to present the 56th Annual Report together with the Audited Accounts of your Company for the financial year ended 31st March, 2013.

MACRO-ECONOMIC SCENARIO

During the financial year 2012-13, India's GDP growth slipped to the decade's low of 5%. High current account deficit (CAD), fiscal deficit and persistently high inflation affected savings growth, domestic consumption and investment cycle. Going forward, inflation and CAD are expected to decline on account of falling prices of gold and commodities. Government is also targeting reduction in fiscal deficit through diesel price hikes and disinvestment plans. These developments coupled with expected normal monsoon, signals an improvement in economy as we progress ahead.

CONSOLIDATED FINANCIAL PERFORMANCE

During the year under review, your Company posted strong earnings growth, despite some of the businesses being affected due to testing macro-economic environment. Consolidated revenue grew by 17% to ₹ 25,490 Crore. EBITDA surged by 27% to ₹ 4,142 Crore. Net Profit rose by 19% to ₹ 1,059 Crore. Financial Services businesses led the growth in profitability, followed by Telecom and Fashion & Lifestyle businesses.

Pursuant to the acquisition of controlling stake in 'Pantaloons Fashion' business, its financials have been consolidated w.e.f. the Appointed Date, i.e., 1st July, 2012.

Key Highlights:

- a) Aditya Birla Financial Services gained market share across most of its businesses. Its assets under the management grew to USD 20 billion. Lending book in the NBFC business expanded to more than ₹ 8,000 Crore. Birla Sun Life Insurance distributed interim dividend @ 10% to its shareholders.
- b) Since past 4 years, Idea Cellular has remained the biggest revenue market share gainer in India. Having a strong balance sheet and free cash flow generation, the Board of Directors of Idea has recommended maiden dividend.
- c) The Fashion & Lifestyle business is generating combined annualised revenue of USD 1 billion. Its operating market size got enlarged with

the acquisition of Pantaloons. Its retail presence stands expanded to 1,443 exclusive brand outlets/stores spanning across 3.7 million square feet.

- d) IT-ITeS business reached ₹ 2,500 Crore revenue mark. It is generating steady cash profit to fund its capital expenditure and working capital requirements.
- e) Having received the approval of the shareholders, your Company is in the process of divesting its Carbon Black Business w.e.f. 1st April, 2013. The cash inflow from the divestment will reduce debt and strengthen your Company's balance sheet. This will support growth plans of your Company and ensure greater focus on the other businesses.
- f) EBITDA from manufacturing operations (Agri, Rayon and Insulators) grew year on year by 10% to ₹ 446 Crore. New Viscose Filament Yarn plant has been commissioned and it is currently under ramp up.

STANDALONE FINANCIAL PERFORMANCE

Revenue grew by 16% to ₹ 9,754 Crore and EBITDA grew by 6% to ₹ 1,116 Crore. While earnings in the Carbon Black and Insulators businesses were constrained due to cheaper imports, volume growth and higher realisation in the linen segment and in the Rayon business supported the earnings growth. Profitability in the Agri-Business was impacted due to planned maintenance shutdown for 20 days. Dividend income of ₹ 146 Crore received from Birla Sun Life Insurance also added to the bottom-line. Net profit surged by 22% to ₹ 423 Crore.

NEW INITIATIVES/MAJOR ACTIVITIES❖ **Brownfield Expansion****A. Viscose Filament Yarn (VFY)**

Indian Rayon has commissioned its additional unit of Viscose Filament Yarn using Spool technology imported from ENKA, Germany in the existing premises at Veraval at a capex of about ₹ 270 Crore. This will help Indian Rayon to manufacture premium quality yarn, especially in the superfine segment.

B. Fertilisers

In January 2013, the Board of Directors of your Company approved brownfield expansion of Urea capacity by 3,850 tons per day at the existing fertiliser complex in Jagdishpur, U.P. Your Company is

awaiting requisite approvals from the Government.

❖ **Preferential Allotment**

The shareholders in their meeting, held on 25th April, 2012 approved the issue of 16,500,000 warrants to the Promoters/Promoter Group in accordance with the relevant SEBI guidelines for an aggregate sum of about ₹ 1,500 Crore. In terms of the relevant SEBI guidelines, 25% of the aggregate amount, i.e., ₹ 376 Crore was received in May 2012 and ₹ 456 Crore was received towards the balance 75% amount payable on conversion of 6,680,000 warrants, in March 2013. Consequently, 6,680,000 warrants were converted into equal number of shares and were allotted to the Promoters/Promoter Group. In terms of the Issue, the balance 9,820,000 warrants are to be converted on or before 9th November, 2013.

This equity infusion and remaining capital infusion of about ₹ 671 Crore will not only strengthen the financial position of your Company but also act as a seed capital for capturing the next level of growth.

❖ **Acquisition of Future Group's Pantaloons Fashion Business**

To meet your Company's strategic intent to be on the top of the league in the Country through an extension into the value segment, your Company has acquired controlling stake in Future Group's 'Pantaloons Fashion' business post its demerger from Pantaloon Retail (India) Ltd. (PRIL), through its subsidiary Peter England Fashions and Retail Limited [now name changed to Pantaloons Fashion &

Retail Limited (PFRL)]. This acquisition will not only expand your company's operating market size but will also strengthen its leadership position in the branded apparels sector. Post approval of the shareholders of PRIL, the Bombay High Court sanctioned the Scheme of Arrangement (Scheme) on 1st March, 2013. On the Scheme becoming effective on 8th April, 2013, all the net assets and operations pertaining to the 'Pantaloons Fashion' business have been transferred, on a going-concern basis, along with debt to PFRL. The Appointed Date of transfer is 1st July, 2012. Post demerger, the holding of your Company, through its wholly owned subsidiary Indigold Trade and Services Ltd. (ITSL), in PFRL became 50.09%. An open offer at a pre-determined price of ₹ 175/- per share has been made by ITSL to the public shareholders of PFRL. On receipt of necessary approvals, the equity shares of PFRL will be listed on the National Stock Exchange of India Limited and BSE Ltd.

❖ **Divestment of Carbon Black Business**

Considering the Carbon Black Business scenario, both in the Indian and the global context, your Company has, subject to the requisite approvals, decided to divest your Company's Carbon Black Business, on a going-concern basis, by way of slump sale to SKI Carbon Black (India) Private Limited, an Aditya Birla Group Company, for a lump sum consideration of ₹ 1,451 Crore as an enterprise value, subject to the adjustment for net working capital. Subsequent to the approval of the shareholders, your Company is in the process of divesting the Carbon Black Business.

FINANCIAL PERFORMANCE

(₹ Crore)

	Consolidated		Standalone	
	2012-13	2011-12	2012-13	2011-12
Profit Before Depreciation/Amortisation, Interest and Tax	4,142.32	3,259.46	1,116.07	1,050.06
Depreciation and Amortisation Expenses	1,295.49	1,092.33	219.18	203.06
Finance Costs	1321.16	837.09	360.00	312.82
Profit Before Exceptional Items and Tax	1,525.67	1,330.04	536.89	534.18
Exceptional Items	—	(103.88)	—	(103.88)
Profit Before Tax	1,525.67	1,226.16	536.89	430.30
Tax Expenses	341.78	216.01	113.84	84.91

(₹ Crore)

	Consolidated		Standalone	
	2012-13	2011-12	2012-13	2011-12
Profit Before Minority Interest	1,183.89	1,010.15	423.05	345.39
Minority Interest	125.00	120.02	—	—
Profit for the Year	1,058.89	890.13	423.05	345.39
Opening Balance as per last audited financial statement	(298.69)	(839.33)	51.33	28.19
Amount Transferred on Stake Change/ Amalgamation of Subsidiaries/Joint Venture	(0.44)	(2.70)	—	—
Demerger Expenses	(8.98)	—	—	—
Minority Interest Adjustment of Demerger Expenses	4.48	—	—	—
Profit available for Appropriation	755.26	48.10	474.38	373.58
Appropriations:				
Debenture Redemption Reserve	44.70	54.13	28.89	54.13
Special Reserve	20.50	11.63	—	—
General Reserve	249.65	200.70	200.00	200.00
Capital Fund	—	0.01	—	—
Corporate Tax on Interim Dividend	29.97	11.81	—	—
Proposed Dividend on Preference Shares	0.01	0.01	0.01	0.01
Proposed Dividend on Equity Shares	78.14	68.11	78.14	68.11
Corporate Tax on Proposed Dividend	19.50	0.39	—	—
Surplus/(Deficit) in the Statement of Profit and Loss	312.79	(298.69)	167.34	51.33

DIVIDEND

For the financial year ended on 31st March, 2013, your Directors recommend for your consideration, a dividend of:

- ₹ 6.50/- per Equity Share of ₹ 10/- each (last year ₹ 6/- per Equity Share); and
- ₹ 6.00/- per Preference Share of ₹ 100/- each (last year ₹ 6/- per Preference Share).

The said dividend, if approved by the Members, would involve cash outflow of ₹ 78.15 Crore (including Corporate Tax on Proposed Dividend of ₹ NIL) compared to ₹ 68.12 Crore (including Corporate Tax on Proposed Dividend of ₹ NIL) paid for the year 2011-12.

FINANCE

During the year 2012-13, your Company,

- Raised long-term loans, aggregating to ₹ 161.64 Crore by way of foreign currency borrowings, ₹ 35 Crore by way of Rupee Term

Loan and ₹ 300 Crore by way of issue of Non-Convertible Debentures (NCD).

- Repaid term loans aggregating to ₹ 292.64 Crore and NCDs of ₹ 200 Crore.

HUMAN RESOURCE

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

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India (SEBI), and has complied with all mandatory provisions of Clause 49 of the Listing Agreement.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

Statutory Auditors' Certificate, confirming compliance with Clause 49 of the Listing Agreement with Stock Exchanges, is annexed to (*Annexure A*) and forms part of the Directors' Report.

Business Responsibility Report

SEBI, vide its Circular CIR/CFD/DIL/8/2012 dated 13th August, 2012, has mandated inclusion of Business Responsibility Report (BRR) as part of the Annual Report for certain listed entities describing the initiatives taken by the Company from Environmental, Social and Governance perspective. Accordingly, BRR is attached and forms part of the Annual Report.

217(2AA) STATEMENT BY DIRECTORS

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts on a 'going-concern basis'.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL RESULTS

During the year, the following changes have taken place in the Subsidiary Companies:

- Aditya Birla Financial Services Private Limited (ABFSPL), a subsidiary company, has been classified as a "Core Investment Company" instead of NBFC as hitherto, by the Reserve Bank of India vide its approval, dated 11th April, 2012.
- As part of internal restructuring, Company transferred its majority stake in :

- Peter England Fashions & Retail Limited to Indigold Trade & Services Limited, a subsidiary company, on 1st June, 2012. On 23rd April, 2013, the name of Peter England Fashions & Retail Limited was changed to Pantaloons Fashion & Retail Limited.
- LIL Investment Limited to Aditya Birla Financial Services Private Limited, a subsidiary company, on 31st December, 2012. On 10th January, 2013, the name of LIL Investment Limited was changed to Aditya Birla Housing Finance Limited (ABHFL).
- Aditya Birla Minacs Worldwide Limited, a subsidiary company, to ABNL IT & ITES Limited, a subsidiary company, on 25th March, 2013.

- The Company through its subsidiary, ABFSPL, acquired 1% stake each in Birla Sun Life Asset Management Company Limited (BSLAMC) and Birla Sun Life Trustee Company Private Limited (BSTCL) [earlier Joint Venture Companies with Sun Life (India) AMC Investments Inc. ("Sun Life")] on 10th October, 2012, from Sun Life. Consequent to the said acquisition BSLAMC and BSTCL have become subsidiaries of ABFSPL.

- In order to improve operational efficiency, Aditya Birla Minacs Worldwide Limited, a subsidiary company, undertook re-structuring of its holding in its subsidiaries. As a result, Aditya Birla Minacs BPO Private Limited, earlier a subsidiary of Aditya Birla Minacs BPO Limited, UK, is now a direct subsidiary of Aditya Birla Minacs Worldwide Limited.

Consolidated Financial Statements, pursuant to Clause 41 of the Listing Agreement, entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, are attached for your reference.

In line with the General Exemption granted by the Ministry of Corporate Affairs, vide Circular 2/2011, dated 8th February, 2011, for not attaching the Balance Sheet of subsidiaries subject to certain conditions, the Balance Sheet, the Statement of Profit and Loss, Report of the Board of Directors and Report of the Auditors of the subsidiary companies have not been attached to the Balance Sheet of the Company as at 31st March, 2013.

The annual accounts of the subsidiary companies and the related detailed information are available to Shareholders of the Holding and Subsidiary Companies. The annual accounts of the subsidiary companies are kept open for inspection by any Shareholder, at the Registered Office of the Company and of the concerned Subsidiary Companies. Any Shareholder, who desires to obtain a copy of the said documents of any of the Subsidiary Companies, may send a request in writing to the Company Secretary at the Registered Office of the Company, so that the needful can be done.

EMPLOYEE STOCK OPTIONS SCHEME (ESOS)-2006

Details of the stock options issued under ESOS-2006 up to 31st March, 2013, as also the disclosures in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI Guidelines"), are set out in the *Annexure B* to this Report.

A certificate from the Auditors of the Company, confirming that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders, shall be placed at the Annual General Meeting for inspection by members.

EMPLOYEE STOCK OPTIONS SCHEME (ESOS) - 2013 – ESOP

Your Directors appreciate the critical role of the employees in your Company's growth. To share the value created by employees and to promote the culture of employee ownership in your Company, the Directors have subject to the approval of the shareholders, introduced the "Employee Stock Options Scheme-2013" (ESOS-2013). This is in accordance with the provisions of Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.

The resolution, seeking approval to the ESOS-2013, has been included in the Notice of the ensuing Annual General Meeting together with brief details of the Scheme. Your Directors commend the resolution for your approval.

FIXED DEPOSITS

Your Company was accepting fixed deposits from the employees. Acceptance of such fixed deposits had been discontinued from January

2009, onwards. As on 31st March, 2013, there are no outstanding fixed deposits.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

The Information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 217(1)(e) of the Companies Act, 1956, is set out in a separate statement attached to this Report (*Annexure C*) and forms part of it.

In accordance with the provisions of Section 217(2A) read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are to be set out in the Directors' Report, as an addendum thereto. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and accounts as therein set out are being sent to all members of the Company excluding the aforesaid information about the employees. Any member, who is interested in obtaining such particulars about employees, may write to the Company Secretary at the Registered Office of the Company.

DIRECTORS

During the year, following were the changes in directorship of the Company:

- Mr. Pranab Barua resigned as Whole-time Director of the Company in May 2012.
- Subject to the approval of the Shareholders, Mr. Lalit Naik has been appointed as Deputy Managing Director of the Company w.e.f. 1st January, 2013. The resolution, seeking Mr. Naik's appointment, has been included in the Notice of the ensuing Annual General Meeting together with his brief details. Your Directors commend the resolution for your approval.

Following Directors of the Company retire from office by rotation and, being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting:

- Mr. Kumar Mangalam Birla
- Mr. G.P. Gupta
- Mr. T. Chattopadhyay

Resolutions seeking their appointment have been included in the Notice of the ensuing Annual General Meeting together with their brief details.

AWARDS AND RECOGNITION

Your Company has been the proud recipient of the following awards and recognitions:

- **INDIAN RAYON DIVISION**
 - Environment Excellence Award-2012 in Chemical Sector, Awarded by Greentech Foundation, New Delhi.
 - 11th Greentech Safety Award-2012, Awarded by Greentech Foundation, New Delhi.
 - 2nd Annual Greentech CSR Award-2012 in Chemical Sector, Awarded by Greentech Foundation, New Delhi.
- **JAYA SHREE TEXTILE DIVISION**
 - CII (ER) Quality Award for most significant improvement in TQM category.
 - CII (ER) Productivity Award for Sustained Level of High Productivity Category.
 - Linen Fabric Division - IR & HRD, received the 3-Star Outstanding Award in the International Convention of Quality Circle Concept held at Kuala Lumpur, Malaysia, in October 2012.
 - Wool Combing Division - IR & HRD, received the 3-Star Outstanding Award in the International Convention of Quality Circle Concept held at Kuala Lumpur, Malaysia, in October 2012.
- **CARBON BLACK DIVISION, Gummidipoondi**
 - "Best Supplier – 2012" from Fenner India Ltd. (customer).
- **CARBON BLACK DIVISION, Patalganga**
 - Patalganga Unit has been selected for Certificate of Appreciation for CSR in Chemical Sector by Greentech Foundation, New Delhi.
 - Certificate of Appreciation by Jan Shikshan Sanstha Raigad for Tribal Livelihood of Tribes.
- **MADURA FASHION AND LIFESTYLE**
 - Peter England - The winner of IAA Olive Crown Awards 2013 (GOLD) Promoting Water Conservation through PE Oxygens.

- **ADITYA BIRLA INSULATORS – RISHRA DIVISION**

- Performance Excellence Trophy-2011 from IMC RAMKRISHNA BAJAJ NATIONAL QUALITY AWARD.

AUDITORS

The observations made in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

M/s. Khimji Kunverji & Co. and M/s. S. R. Batliboi & Co. LLP (earlier known as M/s. S. R. Batliboi & Co.), Jt. Statutory Auditors of the Company, retire and, being eligible, offer themselves for re-appointment, to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. Your Directors recommend their appointment, as set out in the accompanying Notice of the Annual General Meeting. A Certificate from them confirming compliance of Section 224(1B) of the Companies Act, 1956, has also been received by the Company.

APPRECIATION

Your Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation extended by the shareholders, customers, suppliers, bankers and other business associates. Your Directors gratefully acknowledge the on-going co-operation and support provided by Central and State Governments and all Regulatory bodies.

Your Directors place on record their deep appreciation for the exemplary contribution made by employees at all levels. Their dedicated efforts and enthusiasm have been pivotal to your Company's growth.

For and on behalf of the Board



Mumbai
29th May, 2013

Kumar Mangalam Birla
Chairman

Auditor's Certificate on Corporate Governance

To

The Members of Aditya Birla Nuvo Limited

1. We have examined the compliance of conditions of corporate governance by Aditya Birla Nuvo Limited ('the Company'), for the year ended on March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

Khimji Kunverji & Co.

Chartered Accountants

ICAI Firm Registration Number: 105146W

Per Shivji K. Vikamsey

Partner

Membership No. 2242

Mumbai

Date: May 29, 2013

For and on behalf of

S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E

Per Vijay Maniar

Partner

Membership No. 36738

Mumbai

Date: May 29, 2013

**Disclosure pursuant to the provisions of the Securities and Exchange Board of India
(Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999**

Particulars	Details of Employee Stock Options as on March 31, 2013				
	Tranche 1 (23 rd August, 2007)	Tranche 2 (25 th January, 2008)	Tranche 3 (20 th August, 2010)	Tranche 4 (8 th September, 2010)	Tranche 5 (7 th June, 2011)
a) Number of Stock Options Granted	1,63,280	1,66,093	17,174	11,952	3,370
b) The Pricing Formula	The exercise price was determined by averaging the daily closing price of the Company's equity shares during 7 days immediately preceding the date of grant and discounting it by 10%.	The exercise price was the closing market price, prior to the date of grant.	The exercise price was determined by averaging the closing price of the Company's equity shares, for the immediately preceding 7 days from the date of issue, and discounting it by 15%.	The exercise price was determined by averaging the closing price of the Company's equity shares, for the immediately preceding 7 days from the date of issue, and discounting it by 15%.	The exercise price was determined by averaging the closing price of the Company's equity shares, for the immediately preceding 7 days from the date of issue, and discounting it by 15%.
c) Options Vested	In accordance with the approval of the Board of Directors and the Shareholders of the Company, the ESOS Compensation Committee had re-priced the options from ₹ 1,180 to ₹ 687 per option on 20 th August, 2010.	In accordance with the approval of the Board of Directors and the Shareholders of the Company, the ESOS Compensation Committee had re-priced the options from ₹ 1,802 to ₹ 687 per option on 20 th August, 2010.	Exercise Price: ₹ 687 per option.	Exercise Price: ₹ 697 per option.	Exercise Price: ₹ 748 per option.
d) Options Exercised	18,338	54,355	7,577	5,976	842
e) The total number of shares arising as a result of exercise of options	18,338	NIL	3,537	NIL	NIL
f) Options Forfeited/Cancelled/Lapsed	56,382	NIL	3,537	NIL	NIL
g) Variation in terms of options	NIL	1,11,738	3,033	NIL	NIL
h) Money realised by exercise of options	₹ 1,25,98,206	NIL	NIL	NIL	NIL
i) Total number of options in force	88,560	54,355	₹ 24,29,919	11,952	3,370
j) Employee-wise details of options granted					
i) Senior Managerial Personnel	Mr. K.K. Maheshwari*: 20,200 Dr. Bharat K. Singh*: 20,200 Mr. Adesh Gupta*: 8,420 Mr. Vikram Rao*: 20,200 Dr. Rakesh Jain: 13,470 Mr. Sushil Agarwal: 4,040	Mr. Vikram Rao*: 43,400 Mr. K.K. Maheshwari*: 43,400	NIL	Dr. Rakesh Jain: 6,730 Mr. Sushil Agarwal: 5,222	NIL
ii) Any other employee who received a grant in any one year of option amounting to 5% or more of options granted during that year.	NIL	Mr. Ashish Dikshit: 23,863 Mr. Vishak Kumar*: 17,354 Mr. Satyajit R.: 17,354 Mr. Shital Mehta: 17,354	Mr. Rahul Mohnot: 4,044 Mr. J. C. Ladhha: 5,050 Mr. S. Visvanathan: 4,040 Mr. Surendra Goyal: 4,040	NIL	Dr. Bir Kapoor: 3,370
iii) Identified employees who were granted options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NIL	NIL	NIL	NIL	NIL

		Details of Employee Stock Options as on March 31, 2013				
Particulars		Tranche 1 (23 rd August, 2007)	Tranche 2 (25 th January, 2008)	Tranche 3 (20 th August, 2010)	Tranche 4 (8 th September, 2010)	Tranche 5 (7 th June, 2011)
k) Diluted earnings per share		₹ 36.56				
l) Difference between the employee compensation cost, computed using the intrinsic value of the stock options, and the employee compensation cost that shall have been recognised if the fair value of the options was used.		₹ 0.25 Crore				
The impact of this difference on profits and on EPS of the Company.		The effect of adopting the fair value on the net income and earnings per share for 2012-13 is as presented below:				
		₹ in Crore				
Particulars						
Net Profit after Tax but before exceptional items		423.05				
Add: Intrinsic Value Compensation Cost		0.02				
Less: Fair Value Compensation Cost		0.27				
Adjusted Net Income		422.80				
Earnings per Share (₹)		BASIC		DILUTED		
As reported		37.23		36.56		
As adjusted		37.21		36.54		
m) (i) Weighted-average exercise prices and weighted-average fair values of options whose exercise price equals the market price of the stock.		NA				
(ii) Weighted-average exercise prices and weighted-average fair values of options whose exercise price is less than the market price of the stock.		Weighted-average exercise price: ₹ 687	Weighted-average exercise price: ₹ 687	Weighted-average exercise price: ₹ 687	Weighted-average exercise price: ₹ 697	Weighted-average exercise price: ₹ 748
		Weighted-average fair value of options: ₹ 385.12	Weighted-average fair value of options: ₹ 471.44	Weighted-average fair value of options: ₹ 486.82	Weighted-average fair value of options: ₹ 486.82	Weighted-average fair value of options: ₹ 443.49
(iii) Weighted-average exercise prices and weighted-average fair values of options whose exercise exceeds the market price of the stock.		NA				
n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:		Black - Scholes Merton Formula				
On the Date of Grant						
(i) Risk-Free Interest Rate (%)	7.78	7.78	8.09	8.09	8.09	8.09
(ii) Expected Life (No. of Years)	5	5	5	5	5	5
(iii) Expected Volatility (%)	38	38	54.04	53.88	34.05	34.05
(iv) Dividend Yield (%)	0.52	0.52	0.86	0.86	0.57	0.57
(v) The Price of the underlying share in market at the time of grant of options	₹ 1,283	₹ 1,948.7	₹ 816.85	₹ 839.8	₹ 905.10	₹ 905.10
On the Date of Re-pricing						
(i) Risk-Free Interest Rate (%)	8.09	8.09	8.09	8.09	8.09	8.09
(ii) Expected Life (No. of Years)	2	3	3	3	3	3
(iii) Expected Volatility (%)	54.04	54.04	54.04	54.04	54.04	54.04
(iv) Dividend Yield (%)	0.36	0.50	0.50	0.50	0.50	0.50
(v) The Price of the underlying share in market at the time of Re-pricing of options	₹ 816.85	₹ 816.85	₹ 816.85	₹ 839.8	₹ 905.10	₹ 905.10

* Ceased to be in employment of the Company.

Information Under Section 217 (1) (e) of the Companies' Act, 1956 read with Companies (Disclosure of particulars in the Report of the Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2013.

A. CONSERVATION OF ENERGY

a) Energy Conservation Measures Taken :

In line with the Company's declared commitment towards conservation of natural resources, all business units have continued with their efforts to improve energy usage efficiencies.

The Company is engaged in the continuous process of energy conservation through improved operational and maintenance practices.

Steps taken by various divisions of the Company in the direction are as under:

i) **Rayon Division**

- Reduced power consumption by adopting module wise light.
- Reduced power consumption in new and old acid plant by introducing energy efficient (6 nos.) Boiler Feed Water Pumps.
- Replaced existing 5 nos. high pressure pump of RO plant with energy efficient medium pressure pumps.
- Replaced 4 nos. of old less efficient pump by energy efficient pump.

ii) **Carbon Black Division, Renukoot**

- Installed VFD for CT Fan S-2 and Air Automization Compressor 'G'.
- Replaced DC motor of PAB with AC motor.
- Replacement of old inefficient motor with high efficiency motors.

iii) **Carbon Black Division, Gummidipoondi**

- Installed VFD for Raw Water Pump-C.
- Installed VFD for WHB-B & D.
- Installed P-20 for MB Lighting.

iv) **Carbon Black, Patalganga**

- Installed Energy Saving Light Transformer.
- Installed VFD for CT Fan & Air Compressor.

- Installed censor based lighting.
- Service water pumps modification in 4" tapping from PSF pump discharge header to 3" Service water discharge header.
- Removed all 500W halogen lights and replaced the same with low consuming lights.

v) **Textiles Division**

- Transformer replacement of 10 MVA, 132 / 33 kv due to low efficiency from 97.67 to 99.33 (100% load).
- Reduction in the use of unburnt coal (%) from 12 % to 5.0 %.

vi) **Fertilisers Division**

- Replacement of Package AC units in Administrative Building with energy efficient star rated AC units.
- Replacement of Urea Process Condensate Pump P-950 A/B (2 nos.) with energy efficient pump.
- Replacement of old window AC with energy efficient star rated window AC in phase manner (24 nos.).
- Replacement of existing degassed water pump P-915 A (350m³/hr capacity) with energy efficient pump.
- Replacement of 30 nos. 80 watt HPMV lamps in Plant areas with 20 watt flame proof CFL.
- Installation of new capacitor banks with detunes filters to reduce the power losses in distribution system.

vii) **Insulator Division**

a. **Rishra**

- Installation of 84 nos. 18 W LED tube-lights to replace 40 W tube-lights in the plant.
- Installation of 7% detuned harmonic filters directly with LT feeders of high harmonic

distortion and low power factor and reduction of line loss in harmonic rich environment.

- Installation of PD Blower (with 18.5 KW motor) in K-3 to eliminate compressed air in Kiln Burners. (1 compressor of 75 KW motor will stop), which reduces power consumption.

b. Halol

- Conversion of Brick Pillars of Kiln-4 and Klin-6 to Silicon Carbide Pillars.
- Reduction in cycle time in small category items by 18%.
- Installation of A.C. Drive in willet pumps 8 to 11.
- Installation of A.C. Drive in Compressor # 7.

b) Additional Investments and Proposals, if any being implemented for reduction of Consumption of Energy:

i. Rayon Division

- Installation of Light Emitting Diode (LED) based light fittings in place of tube-lights for reduction in power consumption.
- Installation of solar water heater system and solar street light system in plant and colony.

ii. Carbon Black Division, Renukoot

- Installation of efficient lights and separate lighting transformer.
- Installation of VFD for PAB Motor.
- Installation of VFD for PGB/CAB.
- To replace DC motor of PAB with AC motor.

iii. Carbon Black Division, Gummidipoondi

- Proposed to install VFD for stand by Boiler Feed Water Pump – T2, B, D.
- Proposed to install VFD for Boiler-1 and 3 DM transfer pump.
- Proposed to install VFD for TG-2 and 3 Condensate Extraction pump.
- Proposed to install energy efficient lighting in plant areas.

iv. Carbon Black Division, Patalganga

- Installation of VFD product conveyers & Bucket Elevator.
- Installation of VFD for Boiler Feed Water Pump.
- Installation of VFD for CAB Motor.
- Installation of VFD for Rotary Dryer.
- Procure 5 star Rating Equipment for energy saving.

v. Textile Division

- Installation of LED (15watt) tube-light in place of conventional 36 watt tube-light.
- Installation of variable frequency drives for humidification tower fans.
- Replacement of 130 TR A.C plant.
- Replacement of 130 TR A.C plant as KW/ TR was 0.93 KW against 0.73.
- Replacement of Boiler to reduce the steam cost / kg as to stop running of Oil Fired Boiler.
- Heat recovery from the discharge of effluent from Dye House Steam saving - 7.9 ton/day or 2300 ton/year at 290 days working.

vi. Fertilisers Division

- Replacement of existing one no. 210 KW HT motor of Clear water pump in Sapthin plant by new 55 kW energy efficient LT motor.
- Recovery of MEA solution from Reclaimer waste in CDR Plant.
- Replacement of 5 nos. of Geyser with Solar Water Heater for Central Canteen.

vii. Insulators Division

- Conversion of Brick lining to Fibre lining in Shuttle Kiln-5.
- Installation of recuperate in Kiln-2.

c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The energy conservation measures taken in **Rayon Division** have resulted/will result in energy saving and consequent decrease in the cost of production.

The energy conservation measures taken in the **Carbon Black Division, Renukoot**, have resulted in energy saving of 5140 KWH per day, and in the **Carbon Black Division, Patalganga**, have resulted in energy saving of 4372 KWH per day.

Energy conservation measures taken in the **Fertiliser Division** have resulted in reducing the energy consumption in the fertiliser complex and reduction in consumption of fossil fuel (natural gas / naphtha) and consequential reduction in CO₂ gas emission, a greenhouse gas, thus abating global warming.

d) Total Energy Consumption and Energy Consumption per unit of Production as per prescribed Form – A:

As per annexure attached.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption – as per Form B given below :

Form – B

1. RESEARCH AND DEVELOPMENT

a) Specific areas in which Research and Development (R&D) is being carried out:

i. Rayon Division

- Developed yarn range like 50/24 and 60/24 in super fine deniers in PSY.
- Produced coarser denier with low dpf (denier per filament) to enhance the silky feel of the yarn.
- Low temperature drying trials taken for super fine deniers in CSY.
- Benchmarking process carried out with ENKA and Chinese yarns to identify the improvement areas.
- Process trials carried out to optimize spinning machine configuration for various deniers

ii. Fertilisers Division

- The thrust areas for R&D are in new product and process improvement. The specific areas are development of process and product for customised fertilisers and specialty fertilisers as per FCO order.

b) Benefits derived as a result of the above R&D:

The research and development activities carried out in **Rayon Division** have resulted in :

- Improvement in process and productive capacity.
- Better quality and marketability of products.
- Development of new range of products.
- Value addition in the existing products.
- Enhancement of product range.
- Development of eco friendly products and reduction of cost of production.

The research and development activities carried out in **Fertilisers Division** have resulted in :

- Production of 3.85 Lacs MT of value added product "Neem Coated Urea" for the farmers under the brand name "KRISHIDEV".
- The process patent has been obtained for the in-house developed technology. In a very short time the said product has become the preferred choice of farmers.
- Customised Fertiliser was successfully launched in 9 districts of UP. The usage by farmers in these districts showed an improvement in yield for Paddy and Wheat by an average 15% and for Potato Crop by approximately 20%. Based on the initial success, approval for additional 23 districts and for additional sugarcane crop has been obtained from the Ministry of Fertiliser for UP.

c) Future Plan of action:

i. Rayon Division

- Introducing our yarn in new segments and markets.
- Development of specialty yarn viz. slub yarn, thick-thin yarn, yarn with fragrance, antimicrobial yarn and flame retardant yarn, etc.
- Enhance colour yarn quality.
- Improvement in intrinsic quality of yarn.

- New application development to introduce VFY in knit domestic market.
- Efforts towards reduction in energy consumption.

ii. Fertiliser Division

- Production facility of 100 TPD capacities has been set up at Jagdishpur and the commissioning activity is in progress.
- Technology for the manufacture of specialty fertilizer such as Bentonite Sulphur, Water Soluble Fertilizer and Soil adjuvant such as Zyme has been developed.
- The Unit is also evaluating setting of smaller customised fertiliser plants.

d) Expenditure on R&D

	(₹ in Lakhs)
(i) Capital Expenditure	- 105.44
(ii) Recurring Expenditure	- 957.03
(iii) Total	- 1062.47
(iv) Total Expenditure as a % of turnover	- 0.11%

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a) Efforts in brief, made towards technology absorption, adaptation and innovation:

i. Rayon Division

- ENKA plant and machinery relocated. Team is being trained to absorb SSY (Spool Spun Yarn) technology.
- Various other initiatives taken, viz.
 - a) Installation of Mist condensers in spin bath area.
 - b) Optimization of dehumidifiers in drying section of After Treatment Department.
 - c) Installation of energy efficient pumps and low pressure membranes in RO plant.
 - d) Installation of energy recovery turbine for energy saving in RO plant.
 - e) Recycling of yarn wash water in After Treatment Department for reducing water consumption.
 - f) Installed linear speed SSM make winding machine in textile department for uniform winding tension and pressure.

- Development of new shades for customers in premium segment.
- Trials carried out with various pulp blends in viscose pilot plant for optimizing yarn properties.
- Installed 66 KV grid line for power stability.
- Joint projects with customers carried out for yarn dyeing.

ii. Fertilisers Division

- Continuous efforts are made to prepare steam, power and material balances and to check on the actual performance against design. These measures have helped in increasing the productivity and reduction in overall energy consumption.
- Efforts are being made along with technology suppliers and technological institutes like IIT, Kanpur etc. for exploring the possibility of recovering low grade heat. This would lead to reduction in energy consumption and consequently reduction in CO₂ gas emissions, a green house gas, thus abating global warming.

iii. Insulator Division

a. Rishra

- New Mixing System for ceramic body making technology is envisaged and under installation.

b) Benefits derived as a result of above efforts

Quality improvement in existing range, development of new market segments, improvement in process, productivity and cost control, increase in customer base and yield, improvement in energy consumption and energy efficiency and reduction in input material consumption.

c) Information regarding Technology imported during the last years

i. Indian Rayon

- Spool Spun Yarn technology from ENKA, Germany.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on foreign exchange earnings and outgo is contained in Notes to accounts as Note Nos. 29, 30 and 33.

Form-A

Form for disclosure of particulars with respect to conservation of energy.

(A) Power and Fuel Consumption:

	Units	Current Year	Previous Year
1 Electricity			
(A) Purchased - Units	KWH in Lacs	1411.50	1358.29
Total Amount	₹ in Lacs	8801.17	7581.40
Rate per Unit	₹	6.24	5.58
(B) Own Generation			
(i) Through Diesel Generator - Units	KWH in Lacs	81.70	109.07
Unit Per Ltr. of Diesel Oil	Units/Ltr.	3.63	3.72
Cost Per Unit	₹	14.98	12.11
(ii) Through Steam Turbine/Generator - Units	KWH in Lacs	6594.66	6712.02
Unit Per Tonne of Steam Coal	Units/Tonne	409.02	365.88
Cost Per Unit	₹	2.30	2.10
(iii) Through Gas Turbine	MWH	176987.60	174797.98
Natural Gas + Naphtha	KWH/MCAL	542.52	552.03
Cost Per Unit	₹/KWH	7.90	6.65
2 Coal (Grade B, C and D) (used in Boilers)			
Quantity	000 Tonnes	319.30	332.11
Total Cost	₹ in Lacs	13190.74	12686.32
Average Rate	₹/Tonne	4131.17	3819.87
3 Furnace Oil			
Quantity	K.Ltrs.	3720.48	3809.82
Total Amount	₹ in Lacs	1479.18	1292.21
Average Rate	₹/K.Ltr.	39757.77	33917.89
4 SKO/CP/PX Slop			
Quantity	K.Ltrs.	3645.88	5223.95
Total Amount	₹ in Lacs	1752.26	2321.71
Average Rate	₹/K.Ltr.	48061.37	44443.57
5 Natural Gas (includes NGAPM/JVPMT/RLNG/SPOT)			
Quantity	000 Sm ³	198254.86	174957.22
Total Amount	₹ in Lacs	57109.62	48143.55
Average Rate	₹/1000 Sm ³	28806.16	27517.33
6 LPG			
Quantity	MT	2808.16	2291.00
Total Amount	₹ in Lacs	1785.32	1199.94
Average Rate	₹/MT	63576.15	52376.25

(B) Consumption Per Unit of Production:

	Units	Current Year	Previous Year
1 Electricity (KWH)			
Viscose Filament Rayon Yarn	MT	5030.00	4647.00
Other Yarns	MT	7035.60	6828.00
Caustic Soda	MT	2339.00	2326.00
Fabrics	000 Mtr.	1520.40	1462.20
Carbon Black	MT	484.00	465.16
Urea	MT	165.69	154.34
Insulators	MT	862.88	845.17
2 Coal (Grade B, C and D)			
Viscose Filament Rayon Yarn (MT)	MT	4.30	4.67
Other Yarns (KG)	KG	1.21	1.00
3 Furnace Oil (Kilo Ltr.)			
Viscose Filament Rayon Yarn	MT	0.12	0.16
Other Yarns	MT	37.80	27.50
4 SKO/C9/PX Slop (Kilo Ltr.)			
Insulators	MT	0.14	0.13
5 Natural Gas (Sm³)			
Insulators	MT	661.25	727.00
Urea	MT	141.90	141.61
6 LPG			
Insulators	MT	0.12	0.09

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L17199GJ1956PLC001107			
2. Name of the Company	Aditya Birla Nuvo Limited			
3. Registered Address	Indian Rayon Compound, Veraval, Gujarat – 362 266, India			
4. Website	www.adityabirlanuvo.com			
5. E-mail id	abnlsecretarial@adityabirla.com nuvo-investors@adityabirla.com			
6. Financial Year Reported	1 st April, 2012 to 31 st March, 2013			
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Name of the Sector	Code		
	Rayon Textiles Carbon Black* Fertilisers (Agri Business) Insulators (Power & Energy) Garments (Fashion & Lifestyle)	540341 0105 28030010 UREA – 31021000 Liquid Argon - 28042100 Liquid Ammonia – 28141000 8546 0199		
	*Proposed to be divested to SKI Carbon Black (India) Private Limited w.e.f. the Appointed Date, i.e., 1 st April, 2013.			
8. List three key products/services that the Company manufactures/provides (as in the Balance Sheet):	(i) Agri Business (Fertiliser, Agro Chemicals and Seeds) (ii) Fashion and Lifestyle (Garments) (iii) Rayon Yarn			
9. Total number of locations where business activity is undertaken by the Company	i. Number of International Locations (Provide details of major 5): One ii. Number of National Locations: 47			
10. Markets Served by the Company	Local	State	National	International
	✓	✓	✓	✓

Section B: Financial Details of the Company

1. Paid-up Capital (INR)	₹ 12,021.32 lakhs
2. Total Turnover (INR)	₹ 9,75,450 lakhs
3. Total Profit After Tax (INR)	₹ 42,305 lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	The Company's total spending on CSR is 1.91% of the average profit after taxes in the previous three financial years.
5. List of Activities in which expenditure in 4 above has been incurred	Education, Healthcare, Sustainable Livelihood, Women Empowerment and Infrastructure Development.

Section C: Other Details

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

Yes, the Company has 40 (forty) Subsidiaries — 25 (twenty-five) domestic and 15 (fifteen) foreign.

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

The Company encourages its subsidiary companies to participate in the community projects/ programmes carried out under the aegis of the Aditya Birla Centre for Community Initiatives and Rural Development.

3. Do any other entity/entities (e.g., suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

Other entities, viz., suppliers, distributors, etc., with whom the Company does business, do not participate in the Business Responsibility initiatives of the Company.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR Policy/Policies

DIN Number : 00020425
 Name : Dr. Rakesh Jain
 Designation : Managing Director

b) Details of the BR Head

Sr. No.	Particulars	Details						
1.	DIN Number (if applicable)	NA						
2.	Units	Indian Rayon, Veraval	Jaya Shree Textiles, Rishra	Hi-Tech Carbon, Renukoot	Hi-Tech Carbon, Gummidipoondi	Hi-Tech Carbon, Patalganga	Madura Fashion & Lifestyle	Insulators (Halol and Rishra) & Fertilisers, Jagdishpur
	Name	Mr. Bir Kapoor	Mr. S. Krishnamoorthy	Mr. S.S. Rathi			Mr. Ashish Dikshit	Mr. Raj Narayanan
3.	Designation	Unit Head						
4.	Telephone Number	02867248401	03326001200	04427989243-47			08067 271600/ 2600	Fertiliser, Jagdishpur - 05361270032-39 Insulator Halol - 02676221002 Insulator Rishra - 03326723535
5.	E-mail ID	bir.kapoor@adityabirla.com	s.krishnamoorthy@adityabirla.com	s.rathi@adityabirla.com			ashish.dikshit@madura.adityabirla.com	raj.narayanan@adityabirla.com

2. Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)

		Business Ethics	Product Responsibility	Well-being of Employee	Stakeholders Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
Sr.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	—								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Yes, Signed by the MD.								
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	view restricted to employees.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are communicated to key internal stakeholders.								
8.	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Internal Auditors of the Company from time to time review implementation of these Policies.								

2 a. If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance Related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year**

The Management of the Company periodically assesses the BR performance of the Company.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

1. Social Report: on Inclusive Growth, and
2. Synergizing Growth with responsibility (Sustainable Development)

This is included in the Annual Report Chapters.

Section E: Principle-wise Performance

Aditya Birla Nuvo Limited (ABNL) is a part of the Aditya Birla Group, which has long standing policies on various aspects of doing business and managing its external interface.

Principle 1: Business Ethics (Businesses should conduct and govern themselves with Ethics, Transparency and Accountability).

1. **Does the policy relating to ethics, bribery and corruption cover only the Company?**

Yes/No. Does it extend to the Group/Joint Venture/ Suppliers/Contractors/NGOs/ Others?

The Company's governance structure guides the organisation keeping in mind the core values of Integrity, Commitment, Passion, Seamlessness and Speed. The Corporate Principles and Code of Conduct cover the Company and its subsidiaries and are applicable to all the employees of the Company and subsidiary companies.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.**

No complaints were received during the year.

Principle 2: Product Responsibility (Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle).

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is a responsible corporate citizen and is committed to sustainable development and looks at ways to preserve the environment and manage resources responsibly. Being aware of its obligations relating to social and environmental concerns, and risks its Customised Fertiliser plant is designed for zero effluent. At various stages, emission control

measures have been incorporated to keep environmental emission below the environmental norms. Our products Woollen Yarn, Wool Tops, Linen Yarn and Linen Fabric are made of natural fibre. To stop accidents due to speed or to avoid any environmental release in the atmosphere we have installed GPS (Global Positioning System) in the trucks carrying hazardous gases.

2. For each such product, provide following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):

(i) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

The Company's endeavours towards cost optimization, optimization of logistics, reduction in input consumption ratio in the process have lowered the consumption of major inputs including energy, water, etc., through adoption of new techniques and alternate methods.

(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The details of reduction during usage by the consumers are not available with the Company.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(i) If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.

The Company has built up highly integrated horizontal and vertical integration processes in its operations. The major input under the Company's control are sourced sustainably. At Indo Gulf Fertilisers (IGF), a Unit of the Company there are inbuilt processes to treat process condensate generated in manufacturing and 96% of condensate generated is recycled/reused. Besides this, we utilise about 55% of total treated effluent water for irrigation before its disposal. Natural Gas is used as major raw material for Ammonia/Urea manufacturing, and 100% of Natural Gas is sourced on sustainable basis.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Company gives priority to procure goods and services from local suppliers and service providers. To support the Local/Small Producers, first preference is given to local suppliers over outside suppliers. Periodical meetings are held with the Vendors so as to guide, train and provide them with technical support towards their capacity building for improved and enhanced supplies from them. Implementing standards enables demonstrating their credentials to customers, employees and stakeholders and showcase their commitment to sustainable development.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also provide details thereof in 50 words or so.

The Company believes in 3-R Principles (Reduce, Recycle and Reuse). At Hi-Tech Carbon, a Unit of the Company, waste water, which is generated from process and off specification Carbon Black generated in manufacturing process, is recycled. Recycling of Water >10%, Carbon Black <5%. 100% of Sewage Treatment Plant (STP) water is used for gardening. Ammonia/Urea manufacturing process at IGF is based on total recycling process, and adequate measures are incorporated from the design stage to recycle 100% of the unfinished/unconverted components back to process.

Principle 3: Well-being of Employees (Businesses should promote the well-being of all employees).

1. Please indicate the Total number of employees.

19,175 as on 31st March, 2013.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

5,560.

3. Please indicate the Number of permanent women employees.
2,563.

4. Please indicate the Number of permanent employees with disabilities.
77.

5. Do you have an employee association that is recognised by the management?
Yes, we have recognized trade unions constituted in terms of the Trade Union Act at the Company's manufacturing Units.

6. What percentage of your permanent employees is members of this recognised employee association?
Practically all the non-supervisory permanent employees at manufacturing locations are members of recognised employee association.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as at end of the financial year
1.	Child labour/forced Labour/involuntary labour	NIL	NA
2.	Sexual harassment	NIL	NA
3.	Discriminatory employment	NIL	NA

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

Sr. No.	Category of Employees	Safety Training*	Skill Up gradation
1.	Permanent Employees	100%	64.81%
2.	Permanent Women Employees	100%	79.60%
3.	Casual/Temporary/Contractual Employees	100%	76.66%
4.	Employees with Disabilities	100%	79.57%

*100% Safety Training is imparted at the time of joining.

Principle 4: Stakeholders Engagement (Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised).

1. Has the Company mapped its internal and external stakeholders? Yes/No
Yes.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?
Yes.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof in 50 words or so.

The Company's endeavors to bring in inclusive growth are channelised through the Aditya Birla Centre for Community Initiatives and Rural Development. Several initiatives for differently-abled people and the marginalised among the local communities at various plant locations includes :

- Engaging with the local communities and underprivileged people, surrounding the plant locations, through Development projects aimed at making a qualitative difference to their lives, forms an integral part of our activities.
- Health Camps, Community Health Care Centres, Hospitals – attending to health needs at the rural roots.
Undertaking specific health interventions in villages, along with Reputed Hospitals, NGOs, Rotaries and Local Bodies.
- Education through supporting balwadis, adult education centres, scholarships,
 - Education for women and children through VIDYA VIKAS Programmes.
 - Promoting education of girls through enlisting them at the Kasturba Gandhi Bahka Vidyalayas.
- Providing means of eking out a livelihood through Vocational Training Centres, tailoring centres, farmer training programmes and other skills development programmes.

Tailoring Training Classes for the rural women in co-ordination with IGNOU and Local NGOs.

The safety of the workers is of utmost importance and a culture of safety is brought in not just for Company's staff but also for the contract workers, etc., through the training programmes.

Principle 5: Human Rights (Businesses should respect and promote human rights).

1. Does the policy of the Company on Human Rights cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The Company has put in place a Human Rights Policy which extends to Units and Subsidiaries of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints were received during the year.

Principle 6: Environment (Businesses should respect, protect, and make efforts to restore the environment).

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The Company's Safety Health and Environment Policy cover its Units and Subsidiaries.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage, etc.

Yes, the Company is committed to addressing issues of global warming and reduction of emission. Please refer to Environment Report of the Annual Report for environmental initiatives taken.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. If Yes, whether any environmental compliance report is filed?

Yes, the Company's Hi-Tech Carbon Black Units has 3 ongoing projects under Clean Development Mechanism. A project is registered under the Waste Heat Recovery category, it is going through periodic monitoring and validations. Two projects on waste heat recovery and fuel switch (from Liquid fuel to Natural Gas), in the project registration stage.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page, etc.

The Company has taken several initiatives on clean technology, energy efficiency and renewable energy. Please refer to Annexure C to the Directors Report of the Annual Report for energy conservation initiatives.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the Emissions/Waste generated by the Company are within the permissible limits given by CPCB/SPCB, and are reported.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of the Financial Year.

A show cause is pending as on 31st March, 2013, pertaining to the Carbon Black Unit at Patalganga.

Principle 7: Public Policy (Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner).

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a Member of Association of several associations, viz.

- Federation of Indian Chamber of Commerce & Industry
- Associated Chambers of Commerce and Industry of India
- Confederation of Indian Industry
- Indian Merchants Chamber
- Association of Man Made Fibre Industry

- Alkali Manufacturing Association
- National Safety Council
- Bengal Chamber of Commerce
- Bharat Chamber of Commerce
- Hooghly Chamber of Commerce

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Yes, the broad areas are Water, Environment and Energy Issues and Sustainable Business.

Principle 8: CSR (Businesses should support inclusive growth and equitable development).

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes, the Company has formulated a well-defined CSR Policy, which focuses on making a difference to the marginalised through our engagement in 5 focus areas :

- Health
- Education
- Sustainable Livelihood Development
- Infrastructure Support
- Social Reforms

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

The programmes/projects are undertaken through in- house teams/our foundation as well as in partnership with non-governmental organisations (NGOs) and governmental institutions.

3. Have you done any impact assessment of your initiative?

Yes, the Company has conducted impact assessment of its CSR initiatives and has seen positive outcomes and a difference for the better in the life of the people in and around in the Company's plants, and elsewhere.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Company has invested ₹ 641.30 lakh on CSR activities on Education, Healthcare, Sustainable Livelihood, Women Empowerment and Infrastructure Development.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Yes, the Company has taken steps to ensure that the Community Initiatives benefit the Community. Projects evolve out of the felt needs of the communities and they are engaged intensely in all of these.

Principle 9: Customer Relations (Businesses should engage with and provide value to their customers and consumers in a responsible manner).

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

As at 31st March, 2013, of the customer complaints/consumer complaints received during financial year 2012-13, 95% were resolved.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

The Company displays product information as mandated in line with local laws.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

NIL.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

Yes, Consumer Satisfaction Surveys are being conducted periodically to assess the consumer satisfaction.

Governance Philosophy

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

In line with this philosophy, **Aditya Birla Nuvo Limited**, one of the flagship Companies of the

Aditya Birla Group, is striving for excellence through adoption of best governance and disclosure practices. The Company, as a continuous process, strengthens the quality of disclosures, on the Board composition and its functioning, remunerations paid and level of compliance with various Corporate Governance Codes.

Compliance with Corporate Governance Guidelines

Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement and is committed to ensure compliance with any of the proposals for modifications well ahead of their implementation timelines. Your Company's compliance with requirements is presented in the subsequent section of this Report.

I. BOARD OF DIRECTORS

(A) Composition of the Board:

The Company has a balanced Board, comprising of Executive and Non-Executive Directors, which includes independent professionals. Your Company's Board comprises of 6 Independent Directors, 3 Non-Executive Directors and 3 Executive Directors. Mr. Pranab Barua, Whole-time Director of the Company resigned from the Board on 7th May, 2012, which was accepted by the Board in its meeting held on 15th May, 2012. During the year, Mr. Lalit Naik was appointed as an Additional and Dy. Managing Director by the Board with effect from 1st January, 2013.

None of the Directors is a Director in more than 15 Companies and member of more than 10 Committees or act as Chairman of more than five Committees across all Companies in which they are Directors. The Non-Executive Directors are appointed or re-appointed with the approval of shareholders. All the Directors are liable to retire by rotation except the Whole-time Director, Managing Director and Dy. Managing Director whose term has been determined pursuant to the terms and conditions of their appointment. The Non-Executive Directors including Independent Directors on the Board are experienced, competent and highly renowned persons in their respective fields.

The details of the Directors with regards to the other directorships (other than Section 25 Companies), positions in either Audit Committee or Shareholder's/Investor's Grievance Committee as well as attendance at the Board Meeting/Annual General Meeting are as follows:

Director	Category	No. of Outside Directorship(s) in other Public Companies ¹	Outside Committee Positions Held ²		No. of Board Meetings		Attended Last AGM
			Member	Chairman/Chairperson	Held	Attended	
Mr. Kumar Mangalam Birla	Non-Executive	9	—	—	6	6	No
Mrs. Rajashree Birla	Non-Executive	6	—	—	6	4	No
Mr. B.L. Shah	Non-Executive	3	—	—	6	6	No
Mr. P. Murari	Independent	9	3	3	6	3	No
Mr. B.R. Gupta	Independent	3	—	5	6	6	No
Ms. Tarjani Vakil	Independent	5	2	2	6	6	Yes
Mr. S.C. Bhargava	Independent	9	4	1	6	5	No

Director	Category	No. of Outside Directorship(s) in other Public Companies ¹	Outside Committee Positions Held ²		No. of Board Meetings		Attended Last AGM
			Member	Chairman/Chairperson	Held	Attended	
Mr. G.P. Gupta	Independent	8	2	4	6	5	No
Dr. Rakesh Jain	Managing Director	5	—	—	6	6	Yes
Mr. Lalit Naik [#]	Dy. Managing Director	3	—	—	2	2	No
Mr. Pranab Barua [§]	Whole-time Director	NA	NA	NA	1	—	No
Mr. Sushil Agarwal	Whole-time Director	9	2	—	6	6	Yes
Mr. T. Chattopadhyay	Independent	1	1	—	6	5	No

[#] Appointed as an Additional and Deputy Managing Director of the Company w.e.f. 1st January, 2013.

[§] Resigned as a Whole-time Director of the Company w.e.f. 15th May, 2012.

Notes:

1. Excluding Directorships held in Private Companies, foreign companies and companies under Section 25 of the Companies Act, 1956.
2. Only Two Committees, viz., Audit Committee and Shareholder's /Investor's Grievance Committee are considered.
3. Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla are related as Son and Mother, respectively. No other Director is related to any other Director on the Board.

(B) Non-Executive Directors' Compensation and Disclosure:

Sitting fees for attending meeting of the Board/Committee is paid as per the provisions of Articles of Association of the Company/Companies Act, 1956. Commission paid to the Non-Executive Directors is decided by the Board of Directors within the limits approved by the shareholders.

Details of sitting fees/compensation paid to such Directors are given separately in this section of the Annual Report.

(C) Board's Functioning and Procedure:

The Company's Board of Directors play primary role in ensuring good governance and functioning of the Company. The Board's role, functions, responsibility and accountability are well defined. All relevant information is regularly placed before the Board. The Board reviews compliance reports of all laws as applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion. The details of the Board meetings held during FY 2012-13 are as outlined below:

Date of Board Meeting	City	No. of Directors Present
30 th April, 2012	Mumbai	8 out of 12
15 th May, 2012	Mumbai	11 out of 12
6 th August, 2012	Mumbai	9 out of 11
8 th November, 2012	Mumbai	10 out of 11
30 th January, 2013	Mumbai	11 out of 12
14 th February, 2013	Mumbai	11 out of 12

(D) Code of Conduct:

The Board of Directors have laid down a Code of Conduct (copy available on Company's website), applicable to all Board Members and Senior Executives of the Company. All the Board Members and Senior Management Personnel have confirmed compliance with the Code. A declaration by the Managing Director, affirming the compliance of the Code of Conduct by Board Members and Senior Management Executives is annexed at the end of the Report.

II. AUDIT COMMITTEE**(A) Qualified Independent Audit Committee:**

Your Company has an Audit Committee at the Board level with the powers and the role that are in accordance with Clause 49 of the Listing Agreement.

The Committee acts as a link between the management, the Statutory and Internal

auditors and the Board of Directors and oversees the financial reporting process. All the members of the Company's Audit Committee are Independent Directors.

(B) Meetings of Audit Committee:

The Managing Director and the Whole-time Director & CFO of the Company are permanent invitees to the meetings of the Committee. The Statutory as well as Internal Auditors of the Company are also invited to the Audit Committee Meetings. The representatives of the Cost Auditors are invited to the Audit Committee Meetings whenever matters relating to Cost Audit are considered. The Company Secretary acts as Secretary to the Committee.

During the year, the Audit Committee met 7 times to deliberate on various matters and details of the attendance of the Committee members are as follows:

Name of Director	Served in past as:	No. of Meetings Held	No. of Meetings Attended
Ms. Tarjani Vakil, Chairperson	Chairperson and Managing Director of Exim Bank.	7	7
Mr. P. Murari	Secretary to the President of India before retiring from service in September, 1992. He has held several key positions in various institutions and professional bodies.	7	4
Mr. B.R. Gupta	Executive Director (Investments) of Life Insurance Corporation of India.	7	7
Mr. G.P. Gupta	Chairman of Industrial Development Bank of India and Former Chairman of Unit Trust of India.	7	6

The Scope of the Audit Committee is to review, from time to time, the internal control procedures, the accounting policies of the Company, oversight of the Company's financial reporting process to ensure that the financial statements are correct, sufficient and credible and also such other functions as may be recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 1956, which *inter alia* include the following:

1. Management Discussion and Analysis of financial condition and

- results of operations;
- Statement of significant related party transactions submitted by the management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and the appointment, removal and terms of remuneration of the Chief Internal Auditor; and
 - Risk Framework.

Other Board Committees:

Names of the other Committee(s), brief terms of reference and number of meetings held during the FY 2012-13 are as under:

Name of the Committee	Members	Terms of Reference	No. of Meetings Held in 2012-13
Risk Management Committee	Ms. Tarjani Vakil Mr. G.P. Gupta Dr. Rakesh Jain Mr. Ajay Srinivasan Dr. Santrupt Misra Mr. Pranab Barua Mr. Lalit Naik Mr. Sushil Agarwal Mr. S.C. Bhargava	To review and reassess the risks of the businesses on an annual basis and to develop an effective risk mitigation plan.	Held on 7 th March, 2013
ESOP Compensation Committee	Mr. Kumar Mangalam Birla Mr. B.R. Gupta Mr. G.P. Gupta	Formulating ESOS Scheme, its implementation, administration and supervision and formulating detailed terms and conditions in accordance with relevant SEBI Guidelines.	No Meeting held during the year
Pantaloon Business Committee	Ms. Tarjani Vakil Mr. G.P. Gupta Dr. Rakesh Jain	To review, oversee, direct and guide the acquisition of Pantaloon Format Business of Pantaloon Retail (India) Limited.	Held on 6 th August, 2012, 9 th September, 2012 and 17 th October, 2012
Carbon Black Business Committee	Ms. Tarjani Vakil Mr. B.R. Gupta Mr. S.C. Bhargava Dr. Rakesh Jain Mr. Sushil Agarwal	To review, evaluate, oversee and guide the divestment/restructuring/demerger/transfer or sale of Carbon Black business.	Held on 15 th November, 2012 and 14 th February, 2013

III. SUBSIDIARY COMPANIES

The Company has one material non-listed Indian Subsidiary Company namely Birla Sun Life Insurance Company Limited (BSLICL). The Audit Committee reviews the financial statements and investments made by unlisted subsidiary companies. The minutes of the Board meeting as well as statements of all significant transactions of the unlisted subsidiary companies are placed regularly before the Board of Directors for their review.

Mr. G.P. Gupta and Ms. Tarjani Vakil, Independent Directors of the Company are also Directors of BSLICL.

IV. DISCLOSURES**(A) Basis of Related Party Transactions:**

All the related party transactions are strictly done on arm's length basis. The Company places all the relevant details relating to related party transactions before the Audit Committee from time to time. Particulars of related party transactions are listed out in Note No. 44 to the Balance Sheet forming part of the Annual Report.

(B) Disclosure of Accounting Treatment:

The Company has followed all relevant Accounting Standards while preparing the financial statements.

(C) Risk Management:

The Company has developed comprehensive risk management policy and it is reviewed by the Audit Committee, which, in turn, informs the Board about the risk assessment and minimisation procedures.

With a view to strengthen the risk management framework and to continuously review and reassess the risk that the businesses of the Company are confronted with, the Company has constituted a Risk Management Committee comprising of all the Whole-time Directors including the Managing Director, Business Heads and three Independent Directors, viz., Ms. Tarjani Vakil, Mr. G.P. Gupta and Mr. S.C. Bhargava. The Committee reviews the risk management process and implementation of risk mitigation plans. The process is improved year after year.

(D) Proceeds from Public Issues, Rights Issues, Preferential Issues, etc.:

The Company discloses to the Audit Committee, the uses/applications of proceeds/funds raised from rights issue, preferential issue, etc., as part of quarterly review of financial results.

(E) Remuneration of Directors:

The Company has a system where all the Directors or Senior Management of the Company are required to disclose all pecuniary relationship or transactions with the Company. No significant material transactions have been made with the Non-Executive Directors vis-à-vis the Company.

Besides sitting fees @ ₹ 20,000/- per meeting of the Board or Committee

thereof, the Company also pays commission to the Non-Executive Directors.

For FY 2012-13, considering the financial performance of the Company the Board has decided to pay commission of ₹ 4 Crore (Previous Year : ₹ 2 Crore) to the Non-Executive Directors of the Company which is not exceeding 1% of the net profits of the Company and pursuant to the authority given by the Shareholders at the Annual General Meeting of the Company held on 9th August, 2012. The amount of commission payable is determined after assigning weightage to attendance, type of meeting and preparations required, time spent etc.

The Details of remuneration paid to the Directors for/in the FY 2012-13 are as follows:

Name of Director	Salary, Allowance, Perquisites and Other Benefits (₹)	Performance-linked Income/Bonus Paid/ Commission Payable (₹)	Sitting Fees Paid (₹)
Whole-time Directors			
Dr. Rakesh Jain	5,33,87,082	1,15,14,023	—
Mr. Sushil Agarwal	1,60,70,693	47,23,493	—
Mr. Pranab Barua #	71,30,529	24,53,569	—
Mr. Lalit Naik #	55,00,490	—	—
Others			
Mr. Kumar Mangalam Birla	—	3,66,06,000	1,20,000
Mrs. Rajashree Birla	—	13,10,000	80,000
Mr. B.L. Shah	—	2,12,000	1,60,000
Mr. P. Murari	—	2,07,000	1,60,000
Mr. B.R. Gupta	—	3,86,000	2,80,000
Ms. Tarjani Vakil	—	4,18,000	3,80,000
Mr. S.C. Bhargava	—	1,84,000	1,40,000
Mr. G.P. Gupta	—	5,09,000	3,00,000
Mr. T. Chattopadhyay	—	1,68,000	1,00,000

Remuneration relates to the part of the year.

Notes:

- No Director is related to any other Director on the Board, except for Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, who are son and mother, respectively.
- The Company has a policy of not advancing any loans to its Directors except to Executive Directors in the course of normal employment.
- The appointment of Whole-time Directors is subject to termination by three months notice in writing by either side.
- Details of Stock Options granted to the Whole-time Directors during the year are set out below as also in Annexure to the Directors' Report.
- No severance fees are paid to any Director of the Company.
- The Performance Review System is primarily based on competencies and values. The Company closely monitors growth and development of top talent in the Company to align personal aspiration with the organisation's purpose.

Employee Stock Options Scheme–2006

In accordance with applicable SEBI Guidelines, ESOS Compensation Committee of the Board of Directors of the Company, has granted

- 1,63,280 Stock Options on 23rd August, 2007, at a price of ₹ 1,180/- per share (1st Tranche).
- 1,66,093 Stock Options on 25th January, 2008, at a price of ₹ 1,802/- per share (2nd Tranche).

In accordance with the approval of the Board of Directors and Shareholders of the Company, the ESOS Compensation Committee has repriced the Stock Options under Tranche 1 and 2 from ₹ 1,180/- and ₹ 1,802/- to ₹ 687/- per option on 20th August, 2010.

- 17,174 Stock Options on 20th August, 2010, at a price of ₹ 687/- (3rd Tranche).
- 11,952 Stock Options on 8th September, 2010, at a price of ₹ 697/- (4th Tranche) to eligible employees including Whole-time Directors.
- 3,370 Stock Options on 7th June, 2011, at a price of ₹ 748/- (5th Tranche) to the eligible employees.

Each option is converted into one equity share of the Company upon exercise. The exercise price of the option has been determined in accordance with relevant SEBI guidelines. (refer to Annexure 'B' to the Directors' Report)

Details of Stock Options granted to the Directors are as under:

Name of the Director	1 st Tranche			4 th Tranche		
	No. of Options Granted	Vesting Date/%	Exercise Period (within)	No. of Options Granted	Vesting Date/%	Exercise Period (within)
Dr. Rakesh Jain	13,470	23.08.08 (25%)	22.08.13	6,730	08.09.11 (25%)	07.09.16
		23.08.09 (25%)	22.08.14		08.09.12 (25%)	07.09.17
		23.08.10 (25%)	22.08.15			
		23.08.11 (25%)	22.08.16			
Mr. Sushil Agarwal	4,040	23.08.08 (25%)	22.08.13	5,222	08.09.11 (25%)	07.09.16
		23.08.09 (25%)	22.08.14		08.09.12 (25%)	07.09.17
		23.08.10 (25%)	22.08.15			
		23.08.11 (25%)	22.08.16			

During the year, none of the Directors have exercised their options which have been vested under the terms of grant of options.

Details of shareholding of Non-Executive Directors in the Company as on 31st March, 2013, is as follows:

Director	No. of Shares Held [@]
Mr. Kumar Mangalam Birla*	4,609
Mrs. Rajashree Birla	127,634
Ms. Tarjani Vakil	177
Mr. S.C. Bhargava	233
Mr. G.P. Gupta	339

* Excluding 150 shares held as Karta of H.U.F.

[@] Considered only shares held singly or as first shareholder.

(F) Management

The Management Discussion and Analysis Report is prepared in accordance with the requirements laid out in Clause 49 of the Listing Agreement and forms part of this Annual Report.

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

(G) Shareholders:

The Company has provided the details of new Directors and Directors seeking re-appointment in the Annual General Meeting's Notice attached with this Annual Report.

Quarterly Presentations on the Company results are available on the website of the Company (www.adityabirlanuvo.com/www.adityabirlanuvo.co.in) and the Aditya Birla Group website (www.adityabirla.com). The Company also sends quarterly results and press - release by e-mail (wherever available) to shareholders immediately after the announcement of results. The hard and soft copies are also sent to concerned stock exchanges simultaneously so as to enable them to put them on their notice board/website.

Shareholder's Grievances Committee:

Your Company has an "Investor Relations and Finance Committee" comprising of Mr. P. Murari, Mr. B.L. Shah and Dr. Rakesh Jain as members. Mr. P. Murari is the Chairman of the Committee. The Committee looks into various issues relating to shareholders including transfer and transmission of shares as well as non-receipt of dividend, Annual Report, shares after transfers and delays in transfer of shares. In addition, the Committee looks into other issues including status of dematerialisation/rematerialisation of shares as well as systems and procedures followed to track investor complaints and suggests measures for improvement from time to time.

During the year under review, the Committee met twice to deliberate on various matters referred above. Details of attendance of Directors for the Committee meeting are as follows:-

Name of Director	Non-Executive/Independent	No. of Meetings	
		Held	Attended
Mr. P. Murari	Independent	2	1
Mr. B.L. Shah	Non-Executive	2	2
Dr. Rakesh Jain	Executive	2	2

The Company Secretary acts as Secretary to the Committee. He is the Compliance Officer of the Company and also responsible for redressal of investor complaints.

The Company's shares are compulsorily traded and delivered in the dematerialised form in all Stock Exchanges. To expedite the transfer in the physical segment, necessary authority has been delegated to officers, to transfer upto 5,000 shares under one transfer deed. Details of share transfers/transmission approved by the officers are placed before the Committee from time to time.

Details of complaints received, number of shares transferred during the year, time taken for effecting these transfers and the number of share transfers are given in the 'Shareholder Information' section of this Annual Report.

V. CEO/ CFO CERTIFICATION

The CEO and CFO certification of the financial statements and the cash flow statement for the year is enclosed separately at the end of this Report.

VI. REPORT ON CORPORATE GOVERNANCE

A separate section on Corporate Governance forms part of the Annual Report. Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges in India also forms part of this Annual Report.

VII. GENERAL BODY MEETINGS:

Details of Annual General Meetings:

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

Financial Year	AGM/EOGM	Location	Date	Time
2011-12	AGM	Regd. Office, Veraval, Gujarat	9 th August, 2012	11:30 A.M.
2011-12	EOGM	Regd. Office, Veraval, Gujarat	25 th April, 2012	11:30 A.M.
2010-11	AGM	Regd. Office, Veraval, Gujarat	28 th September, 2011	11:00 A.M.
2009-10	AGM	Regd. Office, Veraval, Gujarat	6 th August, 2010	11:00 A.M.

All the following special resolutions set out in the respective Notices for AGMs and EOGMs held in the last three years and were passed by the Shareholders:

Date of AGM	Section	Particulars of Special Resolution
6 th August, 2010	—	Seeking consent of the Company for sale and transfer of shares held by the Company in the Equity Capital of Birla Sun Life Insurance Company Limited to Aditya Birla Financial Services Private Ltd.
6 th August, 2010	—	Re-pricing the stock options granted by ESOS Compensation Committee on 23 rd August, 2007 and 25 th January, 2008.
28 th September, 2011	198,269, 309 and 310 read with Schedule XIII	Approving revision in limits of remuneration of Dr. Rakesh Jain, Managing Director.
28 th September, 2011	198,269, 309 and 310 read with Schedule XIII	Approving revision in limits of remuneration of Mr. Pranab Barua, Whole-time Director.
28 th September, 2011	198, 269, 309 and 310 read with Schedule XIII	Appointment of Mr. Sushil Agarwal as Whole-time Director of the Company.
25 th April, 2012	81 (1A)	Approving the issue and allotment of 1,65,00,000 Warrants to Promoter and/or Promoter Group of the Company on a preferential basis.
9 th August, 2012	198,309	Approving the payment of commission to Non-Executive Directors upto 1% of net profits for a period of 5 year commencing from 1 st April, 2012.

Postal Ballot

During the year, no resolution has been passed through postal ballot of Shareholders.

Any special resolutions, which are required to be conducted through postal ballot, will be conducted as per prevailing law.

VIII. MEANS OF COMMUNICATION**Quarterly Results:****Newspaper in which normally financial results are published in:**

Newspaper	Cities of Publication
Business Standard	All Editions
Economic Times	English (Ahmedabad)
Economic Times	Gujarati (Ahmedabad + Mumbai)

Website, where displayed the information	:	www.adityabirlanuvo.com www.adityabirlanuvo.co.in www.adityabirla.com
Whether it also displays official news releases	:	Yes
Presentations made to investors/analysts	:	Yes
General Shareholder Information	:	Published as a separate section in this Report.

Status of Compliance of Non-Mandatory Requirement

- 1) The Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance are made available to enable him to discharge his responsibilities effectively.
- 2) The Company does not have a Remuneration Committee except for ESOP. The remuneration of the Managing/Whole-time Directors is fixed by the Board of Directors and the Shareholders.
- 3) Performance update consisting of financial and operational performance for the first six months of the financial year is being sent to the shareholders.
- 4) During the period under review, there is no audit qualification in the financial statement. The Company continues to adopt best practices to ensure unqualified financial statements.
- 5) The Company has established a policy for employees to report to the management, concerns about unethical behaviours, actual or suspected fraud or violation of the Company's Code of Conduct or ethics.

Voluntary Guidelines – 2009:

The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on 'Corporate Governance' and 'Corporate Social Responsibility' in December 2009. These guidelines are expected to serve as a benchmark for the Corporate Sector and also help them in achieving the highest standard of corporate governance.

Some of the provisions of these guidelines are already in place as reported elsewhere in this Report. The other provisions of these guidelines are being evaluated and your Company will strive to adopt the same in a phased manner.

CEO/CFO CERTIFICATION

To,
The Board of Directors
Aditya Birla Nuvo Limited

1. We have reviewed the financial results of Aditya Birla Nuvo Limited for the year ended 31st March, 2013, and to the best of their knowledge and belief:
 - (i) these statements do not contain any material untrue statement or omit any material fact or contain any statement that might be misleading; and
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. To the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls and they have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting, and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in the Company's internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: 29th May, 2013

Sushil Agarwal
(Chief Financial Officer)

Dr. Rakesh Jain
(Managing Director)

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange(s), I hereby declare that all the Board of Directors and Senior Management Personnel of the Company have affirmed the Compliance with the Code of Conduct for the year ended 31st March, 2013.

Place: Mumbai
Date: 29th May, 2013

Dr. Rakesh Jain
(Managing Director)

1. Annual General Meeting

Date and Time	: 6 th September, 2013 at 11:30 a.m.
Venue	: Registered Office Indian Rayon Compound Veraval - 362 266 Gujarat, India

2. Financial Calendar for Reporting

Financial reporting for the quarter ending June 30, 2013	: August 2013
Financial reporting for the half year ending September 30, 2013	: October/November 2013
Financial reporting for the quarter ending December 31, 2013	: January/February 2014
Financial reporting for the year ending March 31, 2014	: April/May 2014
Annual General Meeting for the year ended March 31, 2014	: July/August 2014

3. Dates of Book Closure

: 31st August, 2013 to
6th September, 2013
(both days inclusive)

4. Dividend Payment Date

: On or after 6th September, 2013

5(a) Registered Office and Investor Service Centre

: Indian Rayon Compound
Veraval - 362 266
Gujarat, India
Phone: (02876) 245711/248401
Fax: (02876) 243220
E-mail: abnlsecretarial@adityabirla.com

5(b) Website

: <http://www.adityabirlanuvo.com>
<http://www.adityabirla.com>

6(a) Listing on Stock Exchanges at

Equity Shares and Debentures* (refer Note 2)	Global Depository Receipts (GDRs)
a) BSE Limited Phiroze Jeejeebhoy Tower Dalal Street Mumbai - 400 001	Luxembourg Stock Exchange Societe de la Bourse de Luxembourg Societe Anonyme, R.C.B 6222, B.P 165 L-2011, Luxembourg
b) National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G- Block Bandra-Kurla Complex, Bandra (East) Mumbai - 400 051	

Notes: 1. Listing Fee for the year 2013-14 has been paid to BSE Limited and National Stock Exchange of India Ltd. Listing Fee for the GDRs has been paid to Luxembourg Stock Exchange for the calendar year 2013.

2. Debentures are listed at BSE Limited (BSE) only.

6(b) Stock Code

	Stock Code	Reuters	Bloomberg
Stock Exchange, Mumbai	500303	ABRL.BO	ABNL IB
			ABNL IN
National Stock Exchange	ABIRLANUVO	ABRL.NS	IRIG LX
Global Depository Receipts (GDRs)		IRYN.LU	
ISIN No. of Equity Shares	INE069A01017		
ISIN No. of GDRs	US0070271137		

6(c) Overseas Depository for GDRs

Citibank N.A., Depository Receipts
388 Greenwich Street, New York, NY – 10013, USA
Phone: 001212-657-8782, Fax: 212/825-5398

6(d) Domestic Custodian of GDRs

ICICI Bank Limited
Securities Market Services
F7/E7 1st Floor, Empire Complex
414, Senapati Bapat Marg, Lower Parel
Mumbai - 400 013

6(e) Debt Securities

Phone: (+91 022) 66672000, Fax: (+91 022) 66672779/40
The Wholesale Debt Market (WDM) segment of BSE

6(f) Debenture Trustees

IDBI Trusteeship Services Limited (for 29th and 30th Series of Debentures) Asian Building,
Ground Floor, 17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001
Phone: (+91 022) 40807000 Fax: (+91 022) 40807080
E-mail: itsl@idbitrustee.com

7. Stock Price Data

Year/Month	Bombay Stock Exchange Limited				National Stock Exchange				Luxembourg Stock Exchange		
	High	Low	Close	Av. Volume	High	Low	Close	Av. Volume	High	Low	Close
	(In ₹)			(In Nos.)	(In ₹)			(In Nos.)	(In US\$)		
Apr-12	1028.50	920.50	927.20	16051.75	1,028.90	912.00	927.20	90404.85	19.73	17.66	17.71
May-12	950.00	731.05	749.50	14917.77	950.00	730.00	750.95	114809.23	17.58	13.32	13.37
Jun-12	868.00	726.00	806.75	13470.71	812.00	710.00	806.95	92449.76	14.52	13.31	14.52
Jul-12	832.50	766.25	786.70	36869.09	833.00	766.30	785.40	106236.00	14.91	13.82	14.16
Aug-12	818.90	742.15	754.55	14540.29	817.50	739.00	744.60	108990.76	14.55	13.59	13.59
Sep-12	933.50	738.15	897.35	22803.75	932.80	737.30	897.95	170803.05	17.16	13.39	16.98
Oct-12	983.95	886.10	908.20	31940.95	983.40	885.55	908.85	199915.57	18.38	16.49	16.88
Nov-12	1082.50	905.00	1064.70	65712.15	1,081.95	903.25	1,065.40	253537.80	19.62	16.82	19.62
Dec-12	1143.15	1056.00	1094.80	31683.70	1,142.75	1,052.00	1,095.70	238886.95	20.65	19.29	19.92
Jan-13	1190.95	1099.00	1137.75	28817.96	1,190.65	1,100.00	1,135.70	239930.91	21.95	20.15	21.36
Feb-13	1149.20	990.90	1006.90	19465.35	1,149.00	985.20	1,004.45	151060.10	21.24	18.52	18.52
Mar-13	1084.45	952.65	978.80	39000.58	1,084.00	950.45	975.55	158238.53	19.75	17.69	18.03

8. Stock Performance

Month	ABNL	NSE	BSE	ABNL	NSE	BSE
	NSE Closing Prices	CNX Nifty	S&P Sensex	Indexed	Indexed	Indexed
Apr-12	927.20	5248.15	17318.81	100.00	100.00	100.00
May-12	750.95	4924.25	16218.53	80.99	93.83	93.65
Jun-12	806.95	5278.90	17429.98	87.03	100.59	100.64
Jul-12	785.40	5229.00	17236.18	84.71	99.64	99.52
Aug-12	744.60	5258.50	17429.56	80.31	100.20	100.64
Sep-12	897.95	5703.30	18762.74	96.85	108.67	108.34
Oct-12	908.85	5619.70	18505.38	98.02	107.08	106.85
Nov-12	1,065.40	5879.85	19339.90	114.91	112.04	111.67
Dec-12	1,095.70	5905.10	19426.71	118.17	112.52	112.17
Jan-13	1,135.70	6034.75	19894.98	122.49	114.99	114.87
Feb-13	1,004.45	5693.05	18861.54	108.33	108.48	108.91
Mar-13	975.55	5682.55	18835.77	105.21	108.28	108.76

9. Stock Performance and Returns over past few years

Absolute Return (In %)	1 Year	3 Years
Aditya Birla Nuvo	3.28%	7.64%
BSE Sensex	8.23%	7.46%
NSE Nifty	7.31%	8.26%

Annualised Returns (In %)	1 Year	3 Years
Aditya Birla Nuvo	3.28%	2.48%
BSE Sensex	8.23%	2.43%
NSE Nifty	7.31%	2.68%

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

10. Registrar and Transfer Agents

(For share transfers and other communication relating to share certificates, dividend and change of address, etc.)

In-house Share Transfer
Registered with SEBI as Category II - Share Transfer Agent (Registration No. INR 000001815)

Investor Service Centre

Registered Office:
Indian Rayon Compound
Veraval - 362 266, Gujarat, India
Phone: (02876) 245711, 248495
Fax: (02876) 243220
E-mail: abnlsecretarial@adityabirla.com

11. Share Transfer System

Share transfers in physical form are registered normally within 10 days from the date of receipt, provided that the documents are complete in all respects. Investor Relations and Finance Committee of the Board considers and approves transfers above 5,000 shares under one transfer deed. Further, certain officers of the Company have been authorised to approve transfers up to 5,000 shares under one transfer deed.

The total number of shares transferred in physical form during the year were 20,203 (Previous Year: 37,353). Majority of transfers were completed within 5 days from the date of receipt.

Details of Share Transfer during the Financial Year 2012-13				
Transfer Period (in Days)	No. of Transfers	No. of Shares	%	Cumulative Total %
1 – 5	439	12,654	70.92	70.92
6 – 15	140	6,386	22.62	93.54
16 – 30	40	1,163	6.46	100
Total	619	20,203	100	

No transfer of share was pending as on 31st March, 2013.

12. Investor Services

- (a) The Investor and Secretarial services of the Company has been accredited with ISO 9001:2008 Certification for providing Investor and Secretarial Services by Intertek Systems Certifications, Ahmedabad. The certification has been further renewed with effect from August 23, 2010, for a period of three years.
- (b) Complaints received during the year:

Sl. No.	Nature of Complaints	2012-13	
		Received	Cleared
1	Relating to Transfer, Transmission, Duplicate	5	5
2.	Non-receipt of Dividend	14	14
3.	Annual Report	52	52
4.	Demat-Remat	1	1
5	Non-receipt of Shares of IGFL, BGFL	4	4
6.	Others	1	0
	Total	77	76

13. Distribution of Shareholding as on 31st March, 2013

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 - 100	116820	79.94	2912720	2.42
101 - 200	14459	9.89	2064307	1.72
201 - 500	9539	6.53	2970325	2.47
501 - 1000	3000	2.05	2116000	1.76
1001 - 5000	1840	1.26	3545302	2.95
5001 - 10000	163	0.11	1135942	0.94
10001 and above	318	0.22	105468591	87.74
Total	146139	100.00	120213187	100.00

14. Categories of Shareholding as on 31st March, 2013

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
Promoters and Promoter Group	21	0.01	64624697	53.76
Banks, Mutual Funds, Financial Institutions and Insurance Companies				
UTI and other Mutual Funds	136	0.05	7210027	6.00
Banks, Financial Institutions and Insurance Companies	70	0.04	8083788	6.72
Foreign Investors				
FII's	290	0.18	18647913	15.51
NRIs/OCBs	5260	3.60	1107144	0.92
GDRs	4	0.00	3182052*	2.65
Corporates	1842	1.17	4138616	3.44
Others - Individuals	138516	94.95	13218950	11.00
Total	146139	100.00	120213187	100.00

* GDR includes 14,25,000 GDRs held by Promoter/Promoter Group

- 15. Dematerialisation of Shares and Liquidity** : Shares of the Company are required to be compulsorily traded in the dematerialised form. The Shares of the Company are admitted for trading under both the Depository Systems in India - NSDL and CDSL. A total of 11,049,1819 Shares (excluding allotment of 66,80,000 Shares allotted to Promoter Group, which is pending credit to their demat accounts as on 31.03.2013) of the Company constituting 91.91% of the Issued and Subscribed Share Capital were dematerialised as on 31st March, 2013.
- 16. Details on use of public funds obtained in the last three years** : No public funds have been obtained in the last 3 years.
- 17. Outstanding GDRs/Warrants and Convertible Bonds, Conversion date and likely impact on Equity** : Outstanding GDRs as on 31st March, 2013, are 3,182,052 amounting to 2.65% of outstanding paid-up equity capital of the Company. Each GDR represents one underlying equity share.
Shareholders have approved the issue of 16,500,000 warrants on preferential basis to Promoter and/or Promoter Group. in the Extraordinary General Meeting of the Company held on 25th April, 2012. These warrants, entitled the holder thereof to apply for and obtain allotment of one equity share of the face value of ₹ 10/- within a period of 18 months from the date of allotment. On receipt of the upfront payment of 25% of the issue price, Investor Relations and Finance Committee (IRFC) of the Board have allotted these warrants to Promoter Group Companies on 10th May, 2012. Further, pursuant to exercise of option of conversion of 66,80,000 warrants into equity shares and on receipt of balance application/allotment money of 75% of issue price, the IRFC Committee of the Board has allotted 66,80,000 Equity Shares to the Promoter Group Companies on 26th March, 2013. As at 31st March, 2013, out of 16,500,000 warrants 98,20,000 warrants are outstanding/pending for conversion on or before 9th November, 2013.
- 18. Secretarial Audit** : As stipulated by Securities and Exchange Board of India (SEBI), a firm of qualified Practising Company Secretaries carries out the Secretarial Audit (now Reconciliation of Share Capital Audit Report) to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL, and is also placed before the Board of Directors.

19. Plant Locations:**Garment Division:****Madura Fashion & Lifestyle**

Plot No. 5B, Regent Gateway
Doddanakundi Village
KIADB Industrial Area
ITPL Road
Bangalore - 560 048.
Phone: (080) 67271600
Fax: (080) 67272444
Website: www.maduragarments.com

Textile Division:**Jaya Shree Textiles**

P.O. Prabhas Nagar - 712 249
Dist. Hooghly, West Bengal.
Phone: (033) 26001200
Fax: (033) 26721683/26722626
Website: www.jayashree-abnl.com
www.linenclub.com

Rayon Division:**Indian Rayon**

Veraval - 362 266 Gujarat.
Phone: (02876) 245711/248401
Fax: (02876) 243220

Fertiliser Division:**Indo Gulf Fertilisers**

P.O. Jagdishpur Industrial Area
Dist. CMS Nagar - 227 817
Uttar Pradesh, India.
Phone: (05361) 270032-38
Fax: (05361) 270165 and 270595
E-mail: igfl@adityabirla.com
Website: birlashaktiman.in

Insulator Divisions:**Aditya Birla Insulators, Halol**

P.O. Meghasar Taluka, Halol
Dist. Panchmahal, Gujarat - 389330.
Phone: (02676) 221002
Fax: (02676) 223375
E-mail: abi@adityabirla.com

Aditya Birla Insulators, Rishra

P.O. Prabhas Nagar, Rishra
Dist. Hooghly - 712 249, West Bengal.
Phone: (033) 26723535
Fax: (033) 26722705
E-mail: abi@adityabirla.com
Website: www.adityabirlainsulators.com

Carbon Black Divisions*:**Hi-Tech Carbon, Renukoot**

Murdhwa Industrial Area
P.O. Renukoot - 231 217
Dist. Sonbhadra
Uttar Pradesh.
Phone: (05446) 252387 to 391
Fax: (05446) 252502/252858
E-mail: hitechr@adityabirla.com
Website: www.birlacarbon.com

Hitech Carbon, Gummidipoondi

K-16, Phase II, SIPCOT Industrial Complex
P.O. Gummidipoondi - 601 201
Dist. Tiruvallur, Tamil Nadu.
Phone: (044) 27989233 to 36
Fax: (044) 27989129/27989116
E-mail: htcgmpd@vsnl.com
Website: www.birlacarbon.com

Hi-Tech Carbon, Patalganga

Village: Lohop, Talavali, Patalganga
Taluka: Khalapur, Dist. Raigad - 410 207
Maharashtra.
Website: www.birlacarbon.com

* Having received shareholders' approval, the Company is in the process of divesting the Carbon Black Business w.e.f. 1st April 2013.

20. Investor Correspondence

Other than Secretarial Matters

Chief Financial Officer

Aditya Birla Nuvo Limited
Corporate Finance Division
A-4, Aditya Birla Centre, 4th Floor
S.K. Ahire Marg, Worli, Mumbai - 400 030.
Phone: (022) 6652 5000/2499 5000
Fax: (022) 6652 5821/2499 5821
E-mail: nuvo.cfd@adityabirla.com
nuvo-investors@adityabirla.com

On Secretarial and Investor
Grievances Matters

Company Secretary

Aditya Birla Nuvo Limited
Registered Office:
Investor Service Centre
Indian Rayon Compound
Veraval - 362 266, Gujarat, India.
E-mail: abnlsecretarial@adityabirla.com

Corporate Office:

A-4, Aditya Birla Centre
S.K. Ahire Marg, Worli, Mumbai - 400 030.
Phone: (022) 6652 5585
Fax: (022) 6652 5821/2499 5821
E-mail: abnlsecretarial@adityabirla.com

21. Per Share Data

	2012-13	2011-12	2010-11	2009-10	2008-09
Net Earnings (₹ Crore)	423.05	345.39	379.69	283.40	137.43
Cash Earnings (₹ Crore)	639.69	533.06	568.88	457.20	282.34
EPS (₹)	37.23	30.43	35.84	28.81	14.46
Cash EPS (₹)	56.30	46.96	53.70	46.48	29.72
Dividend Per Equity Share (₹)	@ 6.50	6.00	5.50	5.00	4.00
Dividend Payout (on Net Earnings) (%)	18.47	19.72	19.11	20.98	30.87
Book Value Per Equity Share (₹)	570.11	500.24	475.79	452.52	433.82

@ Recommended by the Board for approval of shareholders at the ensuing AGM.

22. Investor Services

- Equity shares of the Company are under compulsory demat trading by all investors, with effect from 5th April, 1999. Considering the advantages of scripless trading, shareholders are requested in their own interest to consider dematerialisation of their shareholding so as to avoid inconvenience in future.
- Non-Resident Shareholders:
Non-resident members are requested to immediately notify the following to the Company in respect of shares held in physical form and to their DPs in respect of shares held in dematerialised form:
 - Indian address for sending all communications, if not provided earlier;
 - Change in their residential status on return to India for permanent settlement;

- Particulars of the Bank Account maintained with a bank in India, if not furnished earlier;
- E-mail ID and Fax No.(s), if any.
- RBI permission with date to facilitate prompt credit of dividend in their Bank Accounts.

23. General Information

- Shareholders holding shares in physical form are requested to notify to the Company, change in their address/Pin Code number with proof of address and Bank Account details promptly by written request. Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, bank details, nomination, power of attorney, etc., directly to their DP.
- To prevent fraudulent encashment of dividend warrants, members are requested to provide their Bank Account

- details (if not provided earlier) to the Company (if shares are held in physical form) or to DP (if shares are held in demat form) as the case may be, for printing of the same on their dividend warrants.
- c. In case of loss/misplacement of shares, investors should immediately lodge FIR/Complaint with the Police and inform to the Company along with original or certified copy of the FIR/Acknowledged copy of Police complaint.
 - d. For expeditious transfer of shares in physical form, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.
 - e. Shareholders are requested to keep record of their specimen signature before lodgement of shares with the Company to obviate the possibility of difference in signature at a later date.
 - f. Shareholders of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s) in physical form are requested to apply for consolidation of such Folio(s) and sent the relevant Share Certificates to the Company.
 - g. Section 109 A of the Companies Act, 1956, extends nomination facility to individuals holding shares in physical form in companies. Shareholders, in particular, those holding shares in single name, may avail the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form, which can be downloaded from the website of the Company or obtained from the Share Department of the Company by sending written request through any mode including E-mail on abnlsecretarial@adityabirla.com
 - h. Shareholders are requested to visit the Company's website www.adityabirlanuvo.com for
 - Information on investor services offered by the Company.
 - Downloading of various forms/formats, viz., Nomination form, ECS Mandate form, Indemnity, Affidavits, etc.
 - Registering your e-mail ID with the Company to receive Notice of General Meetings, Audited Financial Statement, Directors' Report, Auditors' Report, etc., henceforth electronically.
- i. **NECS Facility:**
In terms of a notification issued by the Reserve Bank of India, with effect from 1st October, 2009, remittance of Dividend through ECS is replaced by National Electronic Clearing Service (NECS). Banks have been instructed to move to the NECS platform. The advantages of NECS over ECS include faster credit of remittance to the beneficiary's account, coverage of more bank branches and ease of operations. NECS essentially operates on the new and unique bank account number, allotted by bank post-implementation of Core Banking System of inward instructions and efficiency in handling bulk transactions.
To enable remittance of dividend through NECS, Members are requested to provide their new account number allotted to them by their respective banks after implementation of Core Banking Solution. The account number must be provided to the Company in respect of shares held in physical form and to the depository participants in respect of shares held in electronic form.
 - j. **Updation of Permanent Account Number (PAN):**
As per Circular No. MRD/DoP/Cir-05/2009 dated May 20, 2009, issued by Securities and Exchange Board of India (SEBI), it is mandatory to quote Permanent Account Number (PAN) for participating in the securities market. Therefore, Members, holding shares in dematerialised form, are requested to submit the PAN details to their depository Participants, whereas Members, holding shares in physical form, are requested to submit the PAN details to the Investor Service Centre, Indian Rayon Compound, Veraval - 362 266.

k. Correspondence with the Company:

Shareholders/Beneficial Owners are requested to quote their Folio No./DP and Client ID Nos., as the case may be, in all correspondence with the Company. All correspondence regarding shares of the Company should be addressed to the Investor Service Centre of the Company at its Registered Office at Indian Rayon Compound, Veraval. Company has also designated an exclusive E-mail ID, abnlsecretarial@adityabirla.com, for effective investor's services where they can register their complaints/queries to facilitate speedy and prompt redressal.

l. Cost Audit Reports:

Ministry of Corporate Affairs (MCA), vide its General Circular No. 8/2012 dated 10th May, 2012, as amended on 9th June, 2012 has mandated that all the Cost Auditors and their concerned companies shall file their Cost Audit Reports and Compliance Reports for the

year 2011-12 onwards (including the overdue reports relating to any previous year) in XBRL mode. For this purpose, the applicable taxonomy, business rules, validation tools, etc., and also the Product Group classification required for preparing the Cost Audit Report and compliance reports as per the notified Cost Accounting Records Rules, 2011, and Cost Audit Report Rules, 2011, have been prescribed.

Further, MCA vide its Circular No. 02/2013 dated 31st January, 2013, has allowed to file the Cost Audit Report or Compliance Report for the year 2011-12 in XBRL mode within 180 days of close of financial year to which the report related or February 28, 2013, whichever is later.

Accordingly and in compliance with the above circular, the Company has filed the Cost Audit Report and Compliance Report in XBRL mode on 30.01.2013, vide SRN No.S20095386 and SRN No. S20075115, respectively.

The details of product filed under the Cost Audit Report for the year 2011-12 is tabled below:

Name and Address of Auditor	Product	Date of Filing
M/s. Ashwin Solanki & Associates D/104, Koyna, Shantivan, Near National Park, Borivali-East, Mumbai - 400066. Reg M. No.20602	Rayon & Chemical Viscose Filament Yarn, Caustic Soda, Sulphuric Acid, Carbon Black Units – Renukoot, Gummidipoondi & Patalganga Carbon Black & Electricity.	30 th January, 2013
M/s. K.G. Goyal & Associates, 8 Chitragupt, Jyoti Nagar Railway Crossing Jaipur - 302 005 Reg. M. No.10884	Fertiliser Urea, Customized Fertilizers & Electricity.	30 th January, 2013
M/s. R. Chakraborty & Co., 18, N.S. Road, 3rd Floor, Room No.10 Kolkata - 700 001. Reg. M. No.24403	Textile Flax Yarn, Fabrics & Worsted Yarn,	30 th January, 2013

The Cost Audit Report for the Financial Year 2012-13 is required to be filed within 180 days from the close of the Company's financial year as per the Rules 4 and 5 of the Cost Audit (Report) Rules 2001 and Section 233B(4) of the Companies Act 1956.

m. Unclaimed Shares in Physical Form:

Clause 5A(II) of the Listing Agreement provides the manner of dealing with the shares issued in physical form pursuant to a public issue or any other issue and

which remains unclaimed with the Company. In compliance with the provisions of the said Clause, the Company had sent three reminders under Registered Post to the Shareholders

whose share certificates were returned undelivered and are lying unclaimed so far.

In terms of Clause 5A(11) of the Listing Agreement, your Company will initiate appropriate steps on unclaimed shares by transferring and dematerialising them into one folio in the name of " Aditya Birla Nuvo Limited Unclaimed Share Suspense Account". In case your shares are lying unclaimed with the Company, you are requested to claim the same. Upon transfer and dematerialisation to the suspense account, the voting rights on the said shares shall remain frozen till the rightful owner of such shares claims the shares.

n. **Green Initiative in Corporate Governance:**

In order to conserve paper and save environment, the Ministry of Corporate Affairs ("MCA"), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies vide circular dated April 21, 2011 and April 29, 2011, in terms of which a company would have ensured compliance with the provisions of Section 53 of the Act, if service of documents have been made through electronic mode.

Environment conservation and sustainable development are continuously on your Company's radar and, therefore, your Company supports MCA in this initiative. Keeping in view of the aforesaid Green Initiative of MCA, your Company shall send the Annual Report to its shareholders in electronic form, at the E-mail address provided by them, and made available to it by the Depositories. In case of any change in your E-mail address, you are requested to please inform the same to your Depository.

Shareholders can avail e- communication facility by registering their E-mail address

Link for Green Initiative:

http://www.adityabirlanuvo.com/investors/downloads/request_annual_report.aspx

Link for Investor Feedback:

http://www.adityabirlanuvo.com/investors/investor_centre/investor_feedback_form.aspx

with the Company through any of the following options:

Company's Website: By visiting the following link on the home page: Important message to Shareholders:

Green Initiative (*Refer Link below*)

or

E-mail: By sending an e-mail to **abnlsecretarial@adityabirla.com** and mentioning the Name(s) and Folio Number/DPID and Client ID.

You will avail the following benefits by registering your e-mail address with the Company for availing e-communication:

- Enable you to receive communication promptly;
- Avoid loss of documents in postal transit; and
- Help in eliminating wastages of paper, reduce paper consumption and, in turn, save trees.

Your Company will make available the said documents on its website www.adityabirlanuvo.com Please note that physical copies of the above documents shall also be made available for inspection, during office hours, at the Registered Office of the Company at Indian Rayon Compound, Veraval - 362 266, Gujarat.

In case you wish to receive the same in physical form, please write to our Investor Service Centre or send us an e-mail at **abnlsecretarial@adityabirla.com** Upon receipt of a request from you, physical copy shall be provided to you free of cost.

o. **Feedback:**

Members are requested to give us their valuable suggestions for improvement of our investor services to our Investor Service Centre or by visiting the website (*Refer Link below*)

“What is our definition of Inclusive Growth?”

An India, free from poverty. An India, of inclusive growth. An India, where every person realises his or her optimal potential. An India, where every human being lives a life of dignity. An India, that can hold her head high in the hegemony of nations

– Mrs. Rajashree Birla,

Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development

This vision of your Director underlines all of your Companies CSR activities.

Your Company's CSR Report has been framed on the lines of the Companies Bill 2012, which has been cleared by the Lok Sabha in December 2012. As stipulated, your Company has constituted a CSR Committee at the Board level with – Mrs. Rajashree Birla, Chairperson, Dr. Rakesh Jain, Managing Director, Mrs. Tarjani Vakil, Independent Director and Dr. (Mrs.) Pragnya Ram, Group Executive President, Corporate Communications and CSR, who has been inducted as a permanent invitee.

Your Company's Corporate Social Responsibility policy was featured in your Company's Annual Report 2009-10. It conforms to the CSR guidelines stipulated in the Companies Bill and has been approved by your Board.

Your Company's CSR activities are carried out under the umbrella of the Aditya Birla Centre for Community Initiatives and Rural Development, which is led by your Director, Mrs. Rajashree Birla.

Your Company works in 231 villages reaching out to a populace of 8,50,680 in proximity to our plants at Indo Gulf Fertilisers

(Jagdishpur, Uttar Pradesh), Indian Rayon (Veraval, Gujarat), Jaya Shree Textiles (Rishra, Kolkata), Hi Tech Carbon (Renukoot, Uttar Pradesh, Gummidipoondi, Tamil Nadu and Patalganga, Maharashtra) and Aditya Birla Insulators (Halol, Gujarat).

Through our focused endeavours in – healthcare, education, sustainable livelihood, infrastructure support and social causes, we work towards alleviating poverty.

Healthcare

Through 600 medical camps and mobile medical van services, we reached out to 25,584 villagers. We conducted general health checkups for them and accorded treatment wherever needed.



The little ones at an Anganwadi supported by us in Veraval.

At the 28 eye camps organised by us at Veraval, Rishra, Bangalore, Renukoot, Bhiwani, Patalganga and Jagdishpur, 6,211 patients were treated. Of these, 1,388 were operated for cataract and 893 persons were provided with spectacles for better

Here 640 pre-schoolers take their first steps in learning absolutely elementary alphabets and numbers. At the Aditya Birla Primary School at Renukoot, we teach 201 tribal children.



The making of finest women tailors at our centre.

Our talent search programme drew 1,712 students from different schools at Jagdishpur and Malanpur. We provided 15,161 students of various schools with uniforms, school bags, notebooks and stationery at Bangalore, Gummidipoondi, Veraval, Malanpur, Patalganga, Bhiwani and Rishra.

Under the Sarva Shiksha Abhiyan and the Rashtrya Madhyamik Shiksha Abhiyans - Kasturba Gandhi Balika Vidyalayas (KGBV), we were able to enlist 1,521 rural girls who were school dropouts. Furthermore, at the KGBVs, we conduct awareness sessions on health and hygiene, provided water purifiers, additional uniforms, library books at Veraval, Jagdishpur, Bangalore, Cuddalore, Renukoot, Halol, Bhiwani and Malanpur.

sight. At our Skin Care Centre in Jagdishpur 16,338 patients received medical treatment for dermatological problems. Awareness sessions on HIV/AIDS at Veraval, Renukoot and Bhiwani, were attended by more than 1,548 truck drivers, their helpers and migrant workers.

At Bangalore and Renukoot, 314 students were trained in Office Applications (MS Office and Tally) through digital literacy programmes run by us.

Mother and Child Health Care

Through our Scholarships, we rewarded 156 deserving students at Gumudipondi, Veraval, Bangalore, Malanpur and Patalganga.

In collaboration with the district health department, over 8 lakh children were immunized against polio and 4,478 children for diphtheria, typhoid and hepatitis-B. Our CSR teams managed 2,121 polio booths. We conducted 113 immunisation camps for children.

In schools at Veraval, Jagdishpur and Bhiwani, we built a total of 125 classrooms where 17,174 students study. In Bhiwani our unit is supporting a Primary School with basic facilities, inclusive of the building, drinking water and electricity. The school has 300 students, mostly from underprivileged families.

Alongside, 1,348 women took advantage of the Pre and Postnatal Care at Veraval, Renukoot and Bhiwani. Again as a result of our intensive motivation drive towards responsible family raising, 608 couples opted for planned families at Veraval and Renukoot.

The installation of 197 solar lamps at houses in Renukoot has been a boon to tribal students. At Rishra, we installed 6 solar lights at Bani Bharti School benefiting 1,200 students.

Education

Our 9 Adult Education Centres at Renukoot, Veraval and Jagdishpur provide informal education to 639 adult women.

We support 21 balwadis at Jagdishpur, Gummidipoondi, Renukoot, Veraval and Patalganga.

Safe Drinking Water and Sanitation

The installation of hand pumps and running other drinking water projects has had a salutary impact on the villagers. To provide water to the villagers, over 71 new hand pumps were installed and 468 hand pumps were repaired. Consequently, 1,26,548 villagers have access to safe drinking water at Jagdishpur, Renukoot, Veraval and Malanpur.

Supporting the Nirmal Gram Yojana, we have facilitated the construction of 370 individual toilets in villages around Veraval, Renukoot, Jagdishpur, rural Bangalore, Patalganga and Gummidipoondi and a community toilet block at Jagdishpur. We have constructed 241 sanitation blocks at Veraval. These helped dignify 841 households.

Sustainable Livelihood

Our vocational training project conceptualised in partnership with the Confederation of Indian Industry (CII), the European Union (EU), British Council along with City and Guilds, UK is on track. In this 3 year project our objective is to provide vocational training to 11,000 underprivileged youngsters in Sirsa (Haryana) and Sitapur (Uttar Pradesh). Up until now, we have successfully completed training 2,301 youngsters. Of these, 1,291 have been already placed in various industries. They have been trained in skills such as auto repair and maintenance service, basic agriculture and allied service, hospitality/ housekeeping and soft skills such as gaining proficiency in the English language.

Our Birla Shaktiman Vocational Training Centre at Jagdishpur is growing from strength to strength. Up until now, 2,870 youngsters from the hinterland have been trained by our team, largely in electrical, electronics and automobiles repair, besides designing garments. This year, 73 students graduated from its portal. In the recent past, we have been encouraging residents from the nearby villages and townships to bring their cars, electronic white goods and electrical appliances to our Centre, both for repairing and servicing. This helps our learners practise their skills.



Cattle care.

It would interest you to learn that trainees are given a stipend, which is banked and at the end of their training, the stipend (Rs.3,000/- per trainee) is used to equip them with the tool kit that will help them take off and start practising their learnings.

The Integrated Livestock Development project at Veraval, evolved with BAIF, has made good progress. Our intent is to help produce better cattle breed through artificial insemination and cattle care. Being implemented in 12 villages in Veraval, in its first phase, we organised 15 veterinary camps where 4,281 cattle were treated, benefitting 1,081 farmers.

In collaboration with NABARD and to bolster farm income, we have formed 491 farmer clubs at Veraval, Jagdishpur, Renukoot and Gummidipoondi. A large number of its 6,152 members have been trained in contemporary agriculture and soil conservation methods.

Women Empowerment Projects, Self Help Groups & Income Generation

The IGNOU Learning Centre run by us at Bangalore has met with encouraging response. In the 7 batches conducted so far 121 women tailors successfully made the grade. Of these, 85 ladies have already been placed.

The ANYA Project, at Gummidipoondi, run in collaboration with NABARD is progressing well. The first phase of the project entailing setting up 5 production centres for training in tailoring/

garments stitching, embroidery, floriculture and phenol/ soap oil making, is now complete. The project will go live with the first batch of 50 women from 5 villages joining in.

At Veraval 396 women have been trained. Through the Mahila Arthik Vikas Nigam, IRDP and other Government Schemes, we facilitated their getting sewing machines as well as aree machines (mirror work) at their homes.

Our projects with the Jan Shiksha Samsthan and National Jute Board enabled train a 100 rural women at Patalganga and Rishra in jute craft-cum-fabrics. We are pleased to share with you that jute bags made by these ladies are being used and marketed by our Retail Business.

Across your Company, 525 Self Help Groups empower 5,639 households financially and socially. Most of the SHGs have been linked with the economic schemes of NABARD and the District Industries Centre.

Infrastructure Development

To conserve water and to support agriculture, 148 ponds, check dams and bore-wells were constructed. These were a boon for 31,386 people through minor irrigation facilities.

We facilitated the construction of 429 houses at Jagdishpur and Malanpur, home now to 3,746 people. This was done under the Government's Indira Awas Yojana Scheme.

Espousing Social Causes

Our units are working very closely with the communities in which they are operating. Through our innovative interventions we try to address various social ills. These include child labour, illiteracy, child marriages, marginalisation of the girl child, women abuse and maintaining poor hygiene.

Our Investments

For the year 2012-13, ABNL's CSR spend was ₹ 641.30 Lakhs which is 0.91% of the average net profit for the last 3 years. In addition, we mobilised ₹ 34.29 crores through various schemes of the Government, acting as catalysts for the community.

In sum

Through our intense involvement with the underprivileged sections of the community, in our own humble way, we have helped lower the level of poverty in the villages and the urban slums, in proximity to our plants.



Synergizing growth with responsibility

“As a Group on the sustainability journey, our thrust is on the three critical dimensions of **people, planet and profit.**”

We have always looked upon our people as the single most important asset of our extended Aditya Birla family. Looking outside the organization, for us, the welfare of the communities in which we operate continues to be our priority. This is manifest in the various CSR projects that we run, providing the less fortunate strata of society with education, healthcare, sustainable livelihood and infrastructure support.

On the profit dimension, i.e. economic value added, our journey is well known. In the past 17 years, we have grown 20 times in revenue. During the last one decade, the CAGR in EBITDA has been 19%.

Our Group’s Sustainability Vision is:

“By 2017, the Aditya Birla Group endeavours to become the leading Indian conglomerate for sustainable business practices across its global operations, balancing its economic growth with environmental and societal interests”.

This vision provides a common guiding principle as well as an operating framework for all our businesses”.

– Kumar Mangalam Birla, Chairman
Aditya Birla Group

In line with your Chairman’s vision, your Company’s management has continued to move forward by taking positive steps to raise the standards of stewardship of your company’s operations towards environment conservation – synergizing growth with responsibility. One key focus area this year has been governance and assurance.

At your Indian Rayon factory an Environment, Health and Safety Management committee has been set up to plan, monitor, execute and ensure environment and safety compliance. It is a system oriented plant and certified to the ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, and SA 8000:2008 standards. The Company is committed to environmental conservation and sustainable development, and for that purpose it has trained twenty five Internal Auditors for auditing its environmental management system. Marine

monitoring is being carried out by the National Institute of Oceanography based in Mumbai.

The Indo Gulf Fertilizer Company has implemented various environmental improvement schemes in line with its ISO-14001 accreditation which has been extended until 2015 by the French Certification body, AFNOR certification.

At Jaya Shree Textiles, environmental aspects and impacts have been identified and evaluated through a risk priority process. The company is certified to meet the ISO 14001:2004 standard by Bureau Veritas.

In our operations, we have very positive progress to report from a number of key focus areas.

Waste Management

At our Indian Rayon plant, a new process has been adopted to create a uniform composition briquette powder from process sludge, cellulose waste, charcoal and coal ash. The gross calorific value of the briquette powder is in the range of 3800 to 4400 KCal/Kg, equivalent to lignite. The briquette powder is used in boilers and in the cement kiln at the Aditya Birla Group Ultratech cement plant at Rajula. Indian Rayon has also signed a memorandum of understanding with Ultratech Cement for the incineration of additional cellulose waste and fly ash is being turned into bricks to be used locally.

Water

Your insulator plant at Rishra has installed a new 100 litre/minute cooling tower to allow recirculation of the cooling water through heat exchangers in the slip house and the shaping department and the business has a plan to install a new filtration plant to filter the effluent treatment plant discharge. The treated effluent water will be collected in a reservoir prior to filtration through a two stage filtration unit. A tertiary filtration unit using an

activated carbon filter will complete the process. The water will be used for toilet flushing, gardening and concrete production reducing the need to bring water into the plant.

At Indo Gulf Fertilizers, we have developed and commissioned a recharge pond for rain water harvesting, a scheme which is designed to store the rain water for recharging the local aquifer following the monsoon.

Climate change

Aditya Birla Nuvo through its telecom arm, Idea Cellular Ltd., has launched a new initiative to reduce CO₂ emissions. Thirty fuel cell systems have been installed to provide an uninterrupted 2kW back up power supply to the Company's telecom towers. The fuel cells use hydrogen generated as a by-product at the Aditya Birla Group's chlor-alkali business and have replaced the need for diesel generators to provide back up in the absence of the grid supply. Fuel cell power generation is reliable and efficient and a cost effective substitute for fossil fuel and this project is the first of its kind in India.

Greenbelt

During the year, all your operations have continued to develop their greenbelt and so enhance their surrounding area.

Jaya Shree Textiles celebrated the 5th of June, World Environment Day, by planting 26,000 trees within the company premises while Indian Rayon has developed a green belt of more than 11.23 ha around the plant. Indian Rayon continues to plant 6,000 trees per year and has achieved an 80% survival rate and this year, they have created a mangrove plantation covering 50 hectares on the Gujarat coastline close to Kodinar.

Your Board and Management teams across all the operations remain committed to a sustainable future.

FINANCIAL STATEMENTS

STANDALONE
FINANCIAL STATEMENTS

**To
The Members of
Aditya Birla Nuvo Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Nuvo Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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 financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. The Branch Auditors' Reports have been forwarded to us and have been appropriately dealt with in this report;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the audited financial statements received from the Branches;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the Act.

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants
ICAI Firm Registration Number: 105146W

Per Shivji K. Vikamsey
Partner
Membership No. 2242
Mumbai
Date: May 29, 2013

For and on behalf of
S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

Per Vijay Maniar
Partner
Membership No. 36738
Mumbai
Date: May 29, 2013

Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has phased programme for physical verification of all its fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of Clauses 4(iii) (b) to (d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of Clauses 4(iii) (f) to (g) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets, and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act. Accordingly, the provisions of Clause 4(v) (b) of the Order are not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account, maintained by the Company, pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Act, in respect of the Company's products to which the said rules are made applicable, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Tax Demand, Short payment of TDS	0.30	AY 1996-97 & 1997-98	Assessing Officer
		7.50	2007-08, 2009-10 & 2010-11	CIT (A)
Customs Act, 1975	Tax Demand, Interest and Penalty	0.21	2003-04, 2004-05, 2007-08, 2009-10	CESTAT
		0.39	1975-76, 1976-97, 1986-87, 2001-02	High Court
Central Excise Act, 1944	Excise Duty, Interest and Penalty	0.87	1985-86, 1991-92, 1994-95, 1995-96, 1999-00, 2003-04, 2008-09	CESTAT
		13.06	1983-84 to 2011-12	Commissioner
		5.92	1977 to 1978 & 1996-97 to 2011-12	High Court
		2.03	2001-02 to 2002-03	Appellate Tribunal
		0.78	1998-99	CIT (A)
		0.02	2010-11 to 2011-12	Superintendent
Sales Tax Act	Entry Tax	55.99	2003-04 to 2012-13	Supreme Court of India
		0.02	2002-03 to 2004-05	Commissioner
	Sales Tax, Value Added Tax, Central Sales Tax, Non-submission of forms, Purchase Tax, Trade Tax including Interest	1.05	2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09	High Court
		0.09	2002-03, 2004-05 to 2006-07	Tribunal
		0.74	2002-03 to 2003-04	Assessing Authorities
		13.25	2001-02, 2002-03, 2006-07 to 2009-10	Commissioner
		6.46	1995-96 to 1997-98, 1999-00, 2003-04 to 2009-10	Revisonal Board
		0.07	2001-02	CIT (A)
		Finance Act, 1994 (Service Tax)	Service Tax including Interest and Penalty	0.32
0.76	2003-04 to 2004-05			CESTAT
0.80	2002-03 to 2007-08			Commissioner
Textile Committee Act	Textile Cess	0.63	1981-82 to 1998-99	Textile Committee Cess Appellate Tribunal, Mumbai
		0.65	1999-00 to 2004-05	Assessing Authorities

- (x) The Company has no accumulated losses at the end of the financial year, and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by its subsidiaries from banks or financial institutions, the terms and conditions whereof, in our opinion, are not prima facie prejudicial to the interest of the Company.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company has unsecured debentures outstanding during the year, on which no security or charge is required to be created.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
KHIMJI KUNVERJI & CO.
 Chartered Accountants
 ICAI Firm Registration Number: 105146W

Per Shivji K. Vikamsey
 Partner
 Membership No. 2242
 Mumbai
 Date: May 29, 2013

For and on behalf of
S.R. BATLIBOI & CO. LLP
 Chartered Accountants
 ICAI Firm Registration Number: 301003E

Per Vijay Maniar
 Partner
 Membership No. 36738
 Mumbai
 Date: May 29, 2013

₹ in Crore

	Note No.	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	2	120.31	113.62
Reserves and Surplus	3	6,509.69	5,564.97
Money Received against Share Warrants	46	223.62	—
	Sub-Total - (A)	6,853.62	5,678.59
(B) Non-Current Liabilities			
Long-term Borrowings	4A	1,417.91	1,406.42
Deferred Tax Liabilities (Net)	5	155.33	158.22
Other Long-term Liabilities	6A	85.49	69.04
Long-term Provisions	7A	5.36	5.58
	Sub-Total - (B)	1,664.09	1,639.26
(C) Current Liabilities			
Short-term Borrowings	4B	2,088.39	2,670.38
Trade Payables	8	1,526.28	1,227.29
Other Current Liabilities	6B	892.96	812.95
Short-term Provisions	7B	190.23	157.70
	Sub-Total - (C)	4,697.86	4,868.32
	TOTAL (A) + (B) + (C)	13,215.57	12,186.17
ASSETS			
(D) Non-Current Assets			
Fixed Assets			
Tangible Assets	9A	1,913.49	1,711.99
Intangible Assets	9B	53.04	35.18
Capital Work-in-Progress		209.66	200.87
Intangible Assets under Development		1.03	0.15
		2,177.22	1,948.19
Non-Current Investments	10A	5,856.66	5,597.95
Long-term Loans and Advances	11A	286.32	410.21
Other Non-Current Assets	12A	0.81	1.21
	Sub-Total - (D)	8,321.01	7,957.56
(E) Current Assets			
Current Investments	10B	278.00	—
Inventories	13	1,393.28	1,320.69
Trade Receivables	14	2,807.26	1,689.88
Cash and Bank Balances	15	55.52	596.95
Short-term Loans and Advances	11B	289.70	370.42
Other Current Assets	12B	70.80	250.67
	Sub-Total - (E)	4,894.56	4,228.61
	TOTAL (D) + (E)	13,215.57	12,186.17

Significant Accounting Policies

1

The accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date

For and on behalf of the Board of Directors

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

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants

DR. RAKESH JAIN
Managing Director

TARJANI VAKIL
G.P. GUPTA
B.R. GUPTA
Directors

SUSHIL AGARWAL
Whole-time Director & CFO

Per SHIVJI K. VIKAMSEY
Partner
Membership No. 2242
Mumbai, May 29, 2013

Per VIJAY MANIAR
Partner
Membership No. 36738

DEVENDRA BHANDARI
Company Secretary

Mumbai, May 29, 2013

		₹ in Crore	
	Note No.	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Revenue from Operations	16	10,267.97	8,855.67
Less: Excise Duty		(513.47)	(422.19)
Net Revenue from Operations		9,754.50	8,433.48
Other Income	17	209.25	189.54
Total Revenue		9,963.75	8,623.02
Expenses			
Cost of Materials Consumed	18	4,327.50	3,982.64
Purchase of Stock-in-Trade	19	1,636.25	1,108.41
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	(12.34)	(92.54)
Employee Benefits Expenses	21	596.73	545.57
Other Expenses	22	2,299.54	2,028.88
Total Expenses		8,847.68	7,572.96
Profit Before Depreciation/Amortisation, Interest and Tax (PBDIT)		1,116.07	1,050.06
Depreciation and Amortisation Expenses	23	219.18	203.06
Finance Cost	24	360.00	312.82
Profit Before Exceptional Item and Tax		536.89	534.18
Exceptional Items	27	—	(103.88)
Profit Before Tax		536.89	430.30
Tax Expenses			
Current Tax		116.38	122.98
Write Back of Excess Provision for Tax/Income Tax Refund Related to Earlier Years (Net)		—	(22.68)
Deferred Tax		(2.54)	(15.39)
Profit for the Year		423.05	345.39
Basic Earnings per Share (₹)	}	37.23	30.43
Diluted Earnings per Share (₹) (Face Value of ₹ 10/- each)		38	36.56
Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date

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

Per SHIVJI K. VIKAMSEY
Partner
Membership No. 2242
Mumbai, May 29, 2013

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants

Per VIJAY MANIAR
Partner
Membership No. 36738

For and on behalf of the Board of Directors

DR. RAKESH JAIN
Managing Director

TARJANI VAKIL
G.P. GUPTA
B.R. GUPTA
Directors

SUSHIL AGARWAL
Whole-time Director & CFO

DEVENDRA BHANDARI
Company Secretary

Mumbai, May 29, 2013

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2013**

Aditya Birla Nuvo Limited

₹ in Crore

PARTICULARS	2012-13	2011-12
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before tax	536.89	430.30
Adjustments for:		
Exceptional item (Refer Note: 27)	—	103.88
Depreciation/Amortisation	219.18	203.06
Provision for Bad and Doubtful Debt, Advances and Other Assets	3.96	3.99
Reversal of Diminution in value of fertiliser bonds	(0.61)	(0.10)
Employee Stock Options Expenses	0.02	0.18
Unrealised (Gain)/Loss on Foreign Exchange	4.43	8.75
Finance Costs	360.00	312.82
Interest Income	(36.49)	(41.27)
(Profit)/Loss on Fixed Assets Sold	3.02	(0.09)
(Profit)/Loss on Sale of Investments	(7.63)	(5.58)
Dividend Income	(151.05)	(77.90)
	<u>349.83</u>	<u>507.74</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	931.72	938.04
Adjustments for:		
Decrease/(Increase) in Trade Receivables	(1,121.74)	(581.89)
Decrease/(Increase) in Loans and Advances	0.11	(94.06)
Decrease/(Increase) in Other Assets	(4.41)	19.43
Decrease/(Increase) in Inventories	(72.59)	(117.46)
Increase/(Decrease) in Trade Payables	299.58	269.72
Increase/(Decrease) in Other Liabilities	70.99	52.29
Increase/(Decrease) in Provisions	14.63	9.90
	<u>(813.43)</u>	<u>(442.07)</u>
CASH GENERATED FROM OPERATIONS	118.29	495.97
Income Taxes Refund/(Paid)	(116.43)	(89.32)
NET CASH FROM OPERATING ACTIVITIES	1.86	406.65
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(456.58)	(312.83)
Sale of Fixed Assets	7.22	8.42
Acquisition of Additional Shares/Investment in Subsidiary	(703.12)	(173.60)
Sale of Investment in Subsidiary	444.45	0.05
Sale/(Purchase) of Current Investments (Net)	(270.41)	58.58
Inter-Corporate Deposits to Subsidiary - Given	(1,953.80)	(996.55)
Inter-Corporate Deposits to Subsidiary - Received Back	2,189.29	758.14
Other Bank Deposits (Original Maturity more than three months) - Matured	374.76	62.00
Other Bank Deposits (Original Maturity more than three months) - Placed	(146.44)	(290.00)
Interest Received	40.71	36.70
Dividend Received	223.93	5.03
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(249.99)	(844.06)

₹ in Crore

PARTICULARS	2012-13	2011-12
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares (including Securities Premium)	609.70	0.40
Proceeds from Issue of Share Warrants	223.62	—
Repayment of Borrowings	(948.76)	(781.48)
Proceeds from Borrowings	496.63	1,956.68
Dividends Paid	(68.12)	(62.44)
Dividends Distribution Tax Paid	—	(10.13)
Interest Paid	(378.57)	(317.92)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(65.50)	785.11
NET INCREASE IN CASH AND EQUIVALENTS	(313.63)	347.70
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	365.90	18.20
CASH AND CASH EQUIVALENTS (CLOSING BALANCE) (Refer Note 15)	52.27	365.90

Significant Accounting Policies Refer Note: 1

The accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date

For KHIMJI KUNVERJI & CO.
ICAI Firm Registration No. 105146W
Chartered AccountantsFor S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No. 301003E
Chartered AccountantsPer SHIVJI K. VIKAMSEY
Partner
Membership No. 2242
Mumbai, May 29, 2013Per VIJAY MANIAR
Partner
Membership No. 36738

For and on behalf of the Board of Directors

DR. RAKESH JAIN
Managing DirectorTARJANI VAKIL
G. P. GUPTA
B. R. GUPTA
DirectorsSUSHIL AGARWAL
Whole-time Director & CFODEVENDRA BHANDARI
Company Secretary

Mumbai, May 29, 2013

NOTE: 1

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

ACCOUNTING CONVENTION

I. BASIS OF PREPARATION

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by the Companies Accounting Standard Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for those disclosed in Paragraph II given below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

II. CHANGE IN ACCOUNTING POLICY

- (a) Effective from 1st April, 2012, the Company has applied hedge accounting principles in respect of forward exchange contracts taken to hedge the foreign currency risk of firm commitments and highly probable forecast transactions as set out in the Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement. Accordingly, all such contracts that are designated as hedging instruments to hedge the foreign currency risk of firm commitments and highly probable forecast transactions, are marked to market, and loss (net) aggregating to ₹ 2.43 Crore has been recognised in the Hedging Reserve Account. Had the Company continued to follow the earlier accounting policy, this loss (net) would have been recognised in the Statement of Profit and Loss.
- (b) Effective from 1st April, 2012, the Company has accounted for Certified Emission Reductions (CERs) accounting based on the Guidance Note on Accounting for self-generated Certified Emission Reductions, issued by The Institute of Chartered Accountants of India. Accordingly, income from CERs is recognised on sale of CERs, and CERs are shown as inventory at lower of cost or net realisable value. Further, CER as on 1st April, 2012, has been recognised at lower of cost or Net realisable value based on Transitional provision of the Guidance Note and differential amount of ₹ 0.74 Crore (net of taxes) has been adjusted against General Reserves as per the Guidance Note.

III. USE OF ESTIMATES

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

IV. TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on Tangible Fixed Assets is provided on Straight Line Method at the rates and in the manner prescribed under the Schedule XIV of the Companies Act, 1956, except in the case of followings, where depreciation is equally charged over the estimated useful lives of the assets, which is higher than the rates prescribed under the Schedule XIV of the Companies Act, 1956.

<u>Assets</u>	<u>Estimated Useful Life</u>
Office Computers and Electronic Equipments	4 years
Vehicles	5 years
Assets at Showrooms	5 years
Furniture & Fixtures, and Other Office Equipment	7 years
Leasehold Land/Improvements	Over the period of the lease
Catalyst (Included in Plant and Machinery)	On the estimated life as technically assessed (ranging from 1.5 to 3 years)

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

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

“Continuous process plants” are classified based on technical assessment and depreciation is provided accordingly.

V. INTANGIBLE ASSETS AND AMORTISATION

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

<u>Assets</u>	<u>Estimated Useful Life</u>
Brands/Trademarks	10 years
Computer Software	3 years
Goodwill	Not being amortised (Tested for Impairment)

VI. IMPAIRMENT OF ASSETS

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

VII. BORROWING COSTS

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

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

VIII. TRANSLATION OF FOREIGN CURRENCY ITEMS

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

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

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

IX. DERIVATIVE INSTRUMENTS

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

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

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

The Company uses derivative financial instruments such as currency swap and interest rate swaps to hedge its risks associated with foreign currency fluctuations and interest rate. As per The Institute of Chartered Accountants of India (ICAI) announcement regarding accounting for derivative contracts, other than covered under AS - 11 and foreign exchange contracts to hedge highly probable forecast transactions and firm commitments described above, these are mark to market on the portfolio basis and net loss after considering the offsetting effect on the underlying hedged item is charged to the income statement. Net gains are ignored.

X. INVESTMENTS

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

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

XI. INVENTORIES

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

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

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

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

XII. GOVERNMENT GRANTS

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

XIII. REVENUE RECOGNITION

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

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

Sale of power is recognised based on power off-take by the customer.

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

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

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

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

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

XIV. RETIREMENT AND OTHER EMPLOYEE BENEFITS

(a) Defined Contribution Plan

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

(b) Defined Benefit Plan

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

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

XV. EMPLOYEE STOCK OPTIONS

The stock options granted are accounted for as per the accounting treatment prescribed by Employee Stock Options Scheme, Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI, whereby the intrinsic value of the option is recognised as deferred employee compensation. The deferred employee compensation is charged to the Statement of Profit and Loss on the straight-line basis over the vesting period of the option.

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

The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of the value of lapsed portion and credit to deferred employee compensation expense equal to the unamortised portion.

XVI. TAXATION

Tax expense comprises of current and deferred tax.

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

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

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

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

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

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

XVII. RESEARCH AND DEVELOPMENT

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

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

- a) The technical feasibility of completing the asset so that it can be made available for use or sell.

- b) The Company has intention to complete the asset and use or sell it.
- c) The Company has the ability to sell the asset.
- d) The Future economic benefits are probable.
- e) The Company has the ability to measure the expenditure attributable to the asset during its development reliably.

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

XVIII. OPERATING LEASES

(a) As a Lessee:

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

(b) As a Lessor:

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

XIX. CASH AND CASH EQUIVALENTS

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

XX. MEASUREMENT OF PROFIT BEFORE DEPRECIATION/AMORTISATION, INTEREST AND TAX (PBDIT)

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present PBDIT as a separate line item on the face of the Statement of Profit and Loss. The Company measures PBDIT on the basis of profit/loss from continuing operations. In its measurement, the Company does not include depreciation and amortisation expenses, finance costs and tax expenses.

XXI. CASH FLOW STATEMENT

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

XXII. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted-average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted-average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

XXIII. CONTINGENT LIABILITIES AND PROVISIONS

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

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

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

NOTE: 2	Numbers	₹ in Crore	
		As at 31st March, 2013	As at 31st March, 2012
SHARE CAPITAL			
Authorised:			
Equity Shares of ₹ 10/- each	175,000,000 (175,000,000)	175.00	175.00
Redeemable Preference Shares of ₹ 100/- each	500,000 (500,000)	5.00	5.00
		180.00	180.00
Issued:			
EQUITY SHARE CAPITAL			
Equity shares of ₹ 10/- each	120,254,529 (113,556,765)	120.25	113.56
		120.25	113.56
Subscribed and Paid-up:			
EQUITY SHARE CAPITAL			
Equity Shares of ₹ 10/- each, fully paid-up	120,213,187 (113,515,242)	120.21	113.52
		120.21	113.52
Issued, Subscribed and Paid-up:			
PREFERENCE SHARE CAPITAL			
6% Redeemable Cumulative Preference Shares of ₹ 100/- each, fully paid-up	10,000 (10,000)	0.10	0.10
		0.10	0.10
		120.31	113.62

1 Reconciliation of the number of Shares Outstanding at the beginning and at the end of the period

S. No.	Description	As at 31st March, 2013		As at 31st March, 2012	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No. of Shares Outstanding at the beginning of the period @ ₹ 10/- each	113,515,242	10,000	113,509,729	10,000
2	Allotment of Right Shares kept in abeyance on Various dates @ ₹ 10/- each	181	—	1,402	—
3	Allotment of Shares on exercise of option by employee under ESOS-2006	17,764	—	4,111	—
4	Conversion of Warrants into Equity Shares by the Promoter Group	6,680,000	—	—	—
5	No. of Shares Outstanding at the end of the period @ ₹ 10/- each	120,213,187	10,000	113,515,242	10,000

2 Term/Right attached to Equity Shares

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

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

3 Term of Conversion/Redemption of Preference Shares

In accordance with the Composite Scheme of Arrangement, 10,000 6% Redeemable Cumulative Preference Shares of ₹ 100/- each, fully paid-up (Previous Year: 10,000), were issued to preference shareholders (other than the Company) of Pantaloons Fashion & Retail Limited (Formerly Peter England Fashions and Retail Limited).

Preference Shares carry cumulative dividend @ 6% p.a. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

These preference shares are redeemable by the Company at any time after completion of one year and on or before completion of five years from the 1st January, 2010, at the face value. In the event of liquidation of the Company before conversion/redemption of preference shares, the holders of Preference Shares will have priority over Equity Shares in the payment of dividend and repayment of capital.

- 4 The Company does not have any holding Company.
- 5 Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of shares held are as under:

i) Equity Shares

S. No.	Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	No. of Shares Held	% of Total Paid-up Equity Share Capital
1	TGS Investment and Trade Private Limited	13,506,736	11.24%	13,506,736	11.90%
2	Trapti Trading & Investments Private Limited	9,423,935	7.84%	9,423,935	8.30%
3	IGH Holdings Pvt. Limited	9,132,102	7.60%	2,952,102	2.60%
4	Hindalco Industries Limited	8,650,412	7.20%	8,650,412	7.62%
5	Mangalam Services Limited	7,546,111	6.28%	7,546,111	6.65%
6	Turquoise Investment & Finance Private Limited	6,441,092	5.36%	6,441,092	5.67%
7	Life Insurance Corporation of India.	6,146,744	5.11%	8,803,295	7.76%
8	HSBC Global Investment Funds A/c HSBC Global Investment Funds Mauritius Limited	4,552,368	3.79%	8,565,822	7.55%

ii) Preference Shares

S. No.	Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
		No. of Shares Held	% of Total Paid-up Preference Share Capital	No. of Shares Held	% of Total Paid-up Preference Share Capital
1	Naman Finance and Investment Private Limited	5,000	50.00%	5,000	50.00%
2	Infocyper (India) Private Limited	5,000	50.00%	5,000	50.00%

- 6 **Share reserved for issue under options and contracts, including the terms and amounts:**
For details of Shares reserved for issue under the Employee Stock Options Plan (ESOP) of the Company refer Note 43.
- 7 There are no Equity and Preference Shares issued as fully paid-up pursuant to any contract in consideration of other than cash or bought back during the preceding last five years except issue of 10,000 6% Redeemable Cumulative Preference Shares of ₹ 100/- each pursuant to a Scheme of Composite Arrangement to shareholders of Pantaloons Fashion & Retail Limited (Formerly Peter England Fashions and Retail Limited).
- 8 Pursuant to the provisions of Section 206A of Companies Act, 1956, the issue of following Equity Shares are kept in abeyance

S. No.	Particulars	No. of Shares	
		As at 31st March, 2013	As at 31st March, 2012
1	Rights Issue (1994)	12,575	12,635
2	Bonus Share on above	6,288	6,318
3	Rights Issue (2007)	22,479	22,570

- 9 In the year 1997, the Company had forfeited 4,487 shares held by 299 holders on account of non-payment of call money with interest on shares issued against each detachable warrant.
- 10 3,182,052 Equity Shares (Previous Year: 3,191,794) are represented by Global Depository Receipts.
- 11 During the last five years preceding 31st March, 2013, there were 420 Bonus Shares (Previous Year: 1,048 Bonus Shares) issued out of shares kept in abeyance.
- 12 Figures in brackets represent the corresponding number of shares for previous year.

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 3		
RESERVES AND SURPLUS		
1) Capital Reserves	266.62	266.62
2) Capital Redemption Reserve	8.46	8.46
3) Securities Premium Account		
Opening Balance as per last audited Financial Statement	2,486.36	2,485.89
Addition:		
Allotment of Rights Issue	0.01	0.11
Addition on ESOP Exercised	1.23	0.27
Transfer from Stock Options Outstanding	0.38	0.09
Conversion of Share Warrants	601.77	—
	3,089.75	2,486.36
4) Debenture Redemption Reserve		
Opening Balance as per last audited Financial Statement	72.21	115.58
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	28.89	54.13
Deduction:		
Transfer to General Reserve on redemption of Debentures	50.00	97.50
	51.10	72.21
5) Share Options Outstanding Account		
Opening Balance as per last audited Financial Statement	4.23	4.14
Addition:		
Charge for the Year	0.02	0.18
Deduction:		
Transfer to Securities Premium on exercise of options	0.38	0.09
	3.87	4.23
6) Other Reserves		
i) General Reserve*		
Opening Balance as per last audited Financial Statement	2,675.76	2,358.31
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	200.00	200.00
Transfer from Debenture Redemption Reserve	50.00	97.50
Transfer from Investment Reserve	—	19.95
Deduction:		
Others (Refer Note 1(II)(b))	0.74	—
	2,925.02	2,675.76
ii) Investment Reserve		
Opening Balance as per last audited Financial Statement	—	19.95
Deduction:		
Transfer to General Reserve	—	19.95
	—	—
iii) Hedging Reserve**		
Opening Balance as per last audited Financial Statement	—	—
Addition:		
Gain or (Loss) recognised during the year (Net)	16.74	—
Deduction:		
Gain or (Loss) recycled during the year (Net)	19.21	—
	(2.47)	—
Total Other Reserve	2,922.55	2,675.76

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
7) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance as per last audited Financial Statement	51.33	28.19
Addition:		
Profit for the Year	423.05	345.39
Less: Appropriations		
Transfer to Debenture Redemption Reserve	28.89	54.13
Transfer to General Reserve	200.00	200.00
Proposed Dividend on (Refer Note 28)		
Equity	78.14	68.11
Preference	0.01	0.01
Corporate Tax on Proposed Dividend***	—	—
	167.34	51.33
	6,509.69	5,564.97

* General Reserve is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with regulations in this regard. The General Reserve is a free reserve and can be utilised in accordance with the provisions of the Companies Act, 1956.

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

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

NOTE: 4A**LONG-TERM BORROWINGS****SECURED**

Rupee Term Loans from		
Banks	76.24	52.77
Financial Institutions	143.93	206.61
Foreign Currency Loans from		
Banks	544.61	570.83
Deferred Sales Tax Liabilities	49.30	53.49
	814.08	883.70

UNSECURED

Debentures	300.00	200.00
Foreign Currency Loans from Banks	303.83	322.72
	603.83	522.72
	1,417.91	1,406.42

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

Loan Repayable on Demand from Banks	168.26	168.51
	168.26	168.51

UNSECURED

Loan Repayable on Demand from Banks	1,820.63	2,153.71
Other Loans and Advances		
Commercial Papers*	99.50	348.16
	1,920.13	2,501.87
	2,088.39	2,670.38

*Maximum balance outstanding during the year

NOTE: 4A and 4B

₹ in Crore

		As at 31st March, 2013		As at 31st March, 2012	
		Current	Non-Current	Current	Non-Current
(I)	SECURED LONG-TERM BORROWINGS:				
A)	Rupee Term Loans from Banks				
i)	Term loan secured by way of first pari passu charge created by mortgage of the immovable properties of the Company situated at Veraval, Rishra (Textile Division), Renukoot, and hypothecation of movables (save and except books debts) situated at these locations, subject to prior charge(s) created on certain assets in favour of a Financial Institution and on Bankers Goods in favour of the Company's Bankers for working capital borrowings. Repayment Terms: 17 half-yearly instalments from 1st July, 2007. 1st four instalments of ₹ 0.25 Crore each, next 4 instalments of ₹ 0.50 Crore each, next 4 instalments of ₹ 1.50 Crore each and next 5 instalments of ₹ 3.20 Crore each	6.40	9.60	3.00	16.00
ii)	Term loan secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Garment Export Plants at Kasaba Hobli, Karnataka, and hypothecation of movable fixed assets of the Company at these plants. Repayment Terms: 17 half-yearly instalments from 29th December, 2008. 1st four instalments of ₹ 0.16 Crore each, next 4 instalments of ₹ 0.32 Crore each, next 4 instalments of ₹ 0.96 Crore each and next 5 instalments of ₹ 2.05 Crore each.	1.92	11.20	1.27	13.12
iii)	Term loan secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Garment Export Plants at Kasaba Hobli, Karnataka, and hypothecation of movable fixed assets of the Company at these plants. Repayment Terms: 9 equal half-yearly instalments of ₹ 2.22 Crore each from 29th December, 2008.	—	—	4.44	—
iv)	Term loan secured by way of first pari passu charge created by hypothecation of movable fixed assets of the Company's Madura Garment Export Plant at Kasaba Hobli, Karnataka. Repayment Terms: 32 quarterly instalments from 1st January, 2010. 1st instalment of ₹ 0.16 Crore, next four instalments of ₹ 0.04 Crore each, next 8 instalments of ₹ 0.08 Crore each, next 8 instalments of ₹ 0.24 Crore each, next 8 instalments of ₹ 0.5125 Crore each and next 3 instalments of ₹ 0.34 Crore each.	0.72	6.08	0.48	6.80
v)	Term loan secured by way of first pari passu charge created by hypothecation of movable fixed assets of the Company's Madura Garment Export Plant at Kasaba Hobli, Ramanagaram, Bangalore. Repayment Terms: 1st instalment of ₹ 1.80 Crore paid on 1st January, 2009, and the balance amount in 17 equal quarterly instalments of ₹ 0.60 Crore each from 1st April, 2009.	—	—	2.40	—

₹ in Crore

		As at 31st March, 2013		As at 31st March, 2012	
		Current	Non-Current	Current	Non-Current
vi)	Term loan secured by way of first pari passu charge created by hypothecation of movable plant and machinery of the Company's Madura Clothing Plant at Marasur Village, Karnataka. Repayment Terms: 16 equal quarterly instalments of ₹ 0.18 Crore each from 27th September, 2008.	—	—	0.19	—
vii)	Term loan secured by way of first pari passu charge created by hypothecation of movable plant and machinery of the Company's Madura Clothing Plant at Marasur Village, Karnataka. Repayment Terms: 16 half-yearly instalments from 27th September, 2009. 1st four instalments of ₹ 0.04 Crore each, next 4 instalments of ₹ 0.08 Crore each, next 4 instalments of ₹ 0.24 Crore each and next 4 instalments of ₹ 0.64 Crore each.	0.48	3.04	0.16	3.52
viii)	Term loan secured by way of first pari passu charge created by hypothecation of movable plant and machinery of the Company's Madura Clothing Plant at Marasur Village, Karnataka. Repayment Terms: 17 half-yearly instalments from 4th September, 2010. 1st four instalments of ₹ 0.12 Crore each, next 4 instalments of ₹ 0.24 Crore each, next 4 instalments of ₹ 0.72 Crore each and next 5 instalments of ₹ 1.536 Crore each.	0.48	10.56	0.48	11.04
ix)	Term loan secured by way of first pari passu charge created by hypothecation of movable plant and machinery of the Company's Madura Clothing Plant at Marasur Village, Karnataka. Repayment Terms: 21 equal quarterly instalments of ₹ 0.38 Crore each from 4th September, 2009.	1.52	0.76	1.52	2.29
x)	Term loan to be secured by way of first pari passu charge created by hypothecation of the entire movable properties (save and except current assets and assets on which an exclusive charge has been created in favour of Exim Bank) of the Company's Rayon Division Plant at Veraval, Carbon Black division plant at Renukoot and Textile Division plant at Prabhasnagar. Repayment Terms: 3 equal half-yearly instalments of ₹ 0.40 Crore each from 31st May, 2014, 3 equal half-yearly instalments of ₹ 0.80 Crore each from 30th November, 2015, and 4 equal half-yearly instalments of ₹ 7.85 Crore each from 31st May, 2017.	—	35.00	—	—
	Total Rupee Term Loans from Banks (A)	11.52	76.24	13.94	52.77
– Effective cost for the above loans are in the range of 4.7% to 7.33% per annum.					

₹ in Crore

		As at 31st March, 2013		As at 31st March, 2012	
		Current	Non-Current	Current	Non-Current
B)	Rupee Term Loans from Financial Institutions				
i)	Term loan secured by way of first pari passu charge created by mortgage of the immovable properties of the Company situated at Veraval, Rishra (Textile Division), Renukoot, and hypothecation of movables (save and except books debts) situated at these locations, subject to prior charge(s) created on certain assets in favour of a Financial Institution and on Bankers Goods in favour of the Company's Bankers for working capital borrowings. Repayment Terms: 16 equal half-yearly instalments of ₹ 1.88 Crore each from 1st April, 2006.	1.88	—	3.44	2.19
ii)	Term loan secured by way of first pari passu charge created by mortgage of the immovable properties of the Company situated at Veraval, Rishra (Textile Division), Renukoot, and hypothecation of movables (save and except books debts) situated at these locations, subject to prior charge(s) created on certain assets in favour of a Financial Institution and on Bankers Goods in favour of the Company's Bankers for working capital borrowings. Repayment Terms: 16 half-yearly instalments from 1st October, 2006. 1st four instalments of ₹ 0.50 Crore each, next 4 instalments of ₹ 1.00 Crore each, next 4 instalments of ₹ 3.00 Crore each and next 4 instalments of ₹ 8.00 Crore each.	8.00	8.00	8.00	24.00
iii)	Term loan secured by way of first pari passu charge created by mortgage of the immovable properties of the Company situated at Veraval, Rishra (Textile Division), Renukoot, and hypothecation of movables (save and except books debts) situated at these locations, subject to prior charge(s) created on certain assets in favour of a Financial Institution and on Bankers Goods in favour of the Company's Bankers for working capital borrowings. Repayment Terms: 17 half-yearly instalments from 10th August, 2007. 1st four instalments of ₹ 1.00 Crore each, next 4 instalments of ₹ 2.00 Crore each, next 4 instalments of ₹ 6.00 Crore each and next 5 instalments of ₹ 12.80 Crore each.	25.60	38.40	12.00	64.00
iv)	Term loan secured by way of first pari passu charge created by mortgage of the immovable properties of the Company situated at Veraval, Rishra (Textile Division), Renukoot, and hypothecation of movables (save and except current assets) situated at these locations, subject to prior charge(s) created on certain assets in favour of a Financial Institution. Repayment Terms: 17 half-yearly instalments from 3rd January, 2009. 1st four instalments of ₹ 0.95 Crore each, next 4 instalments of ₹ 1.90 Crore each, next 4 instalments of ₹ 5.70 Crore each and next 5 instalments of ₹ 12.16 Crore each.	11.40	66.50	7.60	77.90
v)	Term loan secured by way of exclusive first charge created on assets acquired there-against. Repayment Terms: 16 equal half-yearly instalments of ₹ 0.43 Crore each from 20th June, 2006.	0.85	—	0.85	0.85

₹ in Crore

		As at 31st March, 2013		As at 31st March, 2012	
		Current	Non-Current	Current	Non-Current
vi)	Term loan secured by way of first pari passu charge created by hypothecation of movable fixed assets situated at Veraval, Rishra (Textile Division) and Renukoot. Repayment Terms: 17 half-yearly instalments from 20th March, 2010. 1st four instalments of ₹ 0.35 Crore each, next 4 instalments of ₹ 0.70 Crore each, next 4 instalments of ₹ 2.10 Crore each and next 5 instalments of ₹ 4.48 Crore each.	2.80	28.70	1.40	31.50
vii)	Term loan secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Garment Export Plants at Parappana Agrahara, Karnataka, and hypothecation of movable fixed assets of the Company at these plants. Repayment Terms: 16 equal half-yearly instalments of ₹ 0.38 Crore from 20th September, 2006.	0.75	—	0.75	0.75
viii)	Term loan secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Garment Export Plants at Parappana Agrahara, Karnataka, and hypothecation of movable fixed assets of the Company at these plants. Repayment Terms: 16 equal half-yearly instalments of ₹ 0.42 Crore from 20th December, 2006.	0.84	0.42	0.84	1.26
ix)	Term loan secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Garment Export Plants at Parappana Agrahara, Karnataka, and hypothecation of movable fixed assets of the Company at these plants. Repayment Terms: 16 equal half-yearly instalments of ₹ 0.33 Crore from 20th March, 2008.	0.67	1.00	0.67	1.67
x)	Term loan secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Clothing Plant at Marasur Village, Karnataka, and hypothecation of movable fixed assets of the Unit at these plants. Repayment Terms: 16 equal half-yearly instalments of ₹ 0.25 Crore each from 9th February, 2006.	0.25	—	0.50	0.25
xi)	Term loan secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Clothing Plant at Marasur Village, Karnataka, and hypothecation of movable fixed assets of the Unit at these plants. Repayment Terms: 16 equal half yearly instalment of ₹ 0.44 Crore each from 20th September, 2006.	0.88	—	0.88	0.88
xii)	Term loan secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Clothing Plant at Marasur Village, Karnataka, and hypothecation of movable fixed assets of the Unit at these plants. Repayment Terms: 16 equal half yearly instalments of ₹ 0.23 Crore each from 20th September, 2008.	0.46	0.91	0.47	1.36
	Total Rupee Term Loans from Financial Institutions (B)	54.38	143.93	37.40	206.61
– Effective cost for the above loans are in the range of 2% to 6.75% per annum.					

₹ in Crore

		As at 31st March, 2013		As at 31st March, 2012	
		Current	Non-Current	Current	Non-Current
C)	Foreign Currency Term Loans from Banks				
i)	Foreign Currency Loans secured by way of first pari passu charge created by hypothecation of entire plant and machinery (fixed and movable), machinery spares, tools and accessories (save and except current assets) of the Carbon Black plant of the Company situated at Patalganga. Repayment Terms: 3 equal instalments of USD 0.50 Crore each from 11th November, 2013 and 3 equal instalments of USD 0.50 Crore each from 25th February, 2014.	46.62	93.24	—	139.86
ii)	Foreign Currency Loan secured by way of first pari passu charge created by hypothecation of movable properties of the Company's Rayon division at Veraval, Textile Plant at Rishra, and Carbon Black Plant at Renukoot. Repayment Terms: Bullet payment on 30th November, 2013 (Prepaid on 20th February, 2013).	—	—	—	97.53
iii)	Foreign Currency Loan secured by way of first pari passu charge created by hypothecation of movable properties of the Company's Rayon division at Veraval, Textile Plant at Rishra, and Carbon Black Plant at Renukoot, and by way of first pari passu charge created by hypothecation of movable properties (save and except current assets) of the Carbon Black Plant of the Company situated at Patalganga. Repayment Terms: 3 equal instalments of ₹ 33.33 Crore each on the date falling 48, 60 and 72 months from 21st November, 2008.	33.33	33.33	33.33	66.67
iv)	Foreign Currency Loan secured by way of first pari passu charge created by hypothecation of movable fixed assets situated at Insulator Division at Halol and Rishra. Repayment Terms: 6 equal half-yearly instalments of ₹ 10.38 Crore on the dates falling 24,30,36,42,48, and 54 months from 15th January, 2009.	10.38	—	20.76	10.38
v)	Foreign Currency Loan secured by way of first charge created by hypothecation of all movable properties (excluding current assets and investments) of the Company's Garment division (Madura Garments), including brand rights and goodwill but excluding all movable properties relating to Madura Garments Exports Plants at Kasaba Hobli, Karnataka, Madura Clothing Plant at Marasur Village, Karnataka and Madura Garments Export Plants at Parappana Agrahar, Karnataka. Repayment Terms: 3 equal instalments of ₹ 32.76 Crore each on the date falling on 36, 42 and 48 months from 29th September, 2011.	—	98.28	—	98.28
vi)	Foreign Currency Loan secured by way of first pari passu charge created by hypothecation on all movable Fixed Assets (save and except current assets and investments) of the Carbon Black Division situated at Gummidipoondi, Tamilnadu. Repayment Terms: 3 equal instalments of ₹ 52.71 Crore each on the date falling on 4th ,5th and 6th year from 11th January, 2012.	—	158.12	—	158.11

₹ in Crore

		As at 31st March, 2013		As at 31st March, 2012	
		Current	Non-Current	Current	Non-Current
vii)	Foreign Currency Loan secured by way of first pari passu charge created by hypothecation on all movable Fixed Assets of the Indo Gulf Fertiliser Division (excluding Argon gas plant) situated at Jagdishpur, Uttarpradesh and immovable property at Carbon black Division, Patalganga, Maharashtra. Repayment Terms: Bullet payment on 16th May, 2017.	—	161.64	—	—
Total Foreign Term Currency Loans from Banks (C)		90.33	544.61	54.09	570.83
<p>– Effective cost for the above loans are in the range of 5.5% to 9.10% per annum.</p> <p>– Foreign Currency Loans have been fully hedged for foreign exchange and interest rate fluctuation by way of Currency and Interest Rate swaps, Interest swaps and Long-Term Forward Contracts.</p>					

		As at 31st March, 2013		As at 31st March, 2012	
		Current	Non-Current	Current	Non-Current
D)	Deferred Sales Tax Loans				
i)	0% Deferred sales tax loan for the Caustic Soda Unit at Veraval to be secured by first pari passu charge over the fixed assets of Caustic Soda Unit of the Company at Veraval and for Carbon Black Plant at Gummidipoondi to be secured by second pari passu charge over the fixed assets of the respective plant. Repayment Terms: 6 yearly equal instalments of ₹ 5.11 Crore from 30th May, 2007.	—	—	5.03	—
ii)	0% Deferred sales tax loan for the Carbon Black Plant at Gummidipoondi to be secured by first pari passu charge over the fixed assets of Carbon Black Plant at Gummidipoondi to be secured by second pari passu charge over the fixed asset. Repayment Terms: The total outstanding as on 31st March, 2013, to be repayable in 68 instalments as per the Sales Tax Deferral Scheme of SIPCOT.	4.19	49.30	3.60	53.49
Total Deferred Sales Tax loans (D)		4.19	49.30	8.63	53.49
(II)	UNSECURED LONG-TERM BORROWINGS:				
i)	8.40% 27th Series Non-Convertible Debentures Repayment Terms: Redeemable at par on 23rd November, 2012.	—	—	200.00	—
	7.90% 28 th Series Non-Convertible Debentures (Out of the above, ₹ 25 Crore is held by Birla Sunlife Insurance Company Limited.) Repayment Terms: Redeemable at par on 11th May, 2013.	200.00	—	—	200.00
	8.99% 29th Series Non-Convertible Debentures Repayment Terms: Redeemable at par on 29th January, 2018.	—	300.00	—	—
Total Debentures		200.00	300.00	200.00	200.00

₹ in Crore

		As at 31st March, 2013		As at 31st March, 2012	
		Current	Non-Current	Current	Non-Current
ii)	Foreign Currency Loan from Bank Repayment Terms: 3 instalments of ₹ 9.45 Crore, ₹ 9.45 Crore and ₹ 28.33 Crore each on the date falling on 3rd, 4th & 5th year from 1st June, 2010.	9.45	37.78	—	47.23
	Foreign Currency Loan from Bank Repayment Terms: 3 instalments of ₹ 9.45 Crore, ₹ 9.45 Crore and ₹ 28.34 Crore each on the date falling on 3rd, 4th & 5th year from 26th July, 2010.	9.45	37.80	—	47.24
	Foreign Currency Loan from Bank Repayment Terms: Bullet payment on 30th November, 2013.	97.52	—	—	—
	Foreign Currency Loan from Bank Repayment Terms: Bullet payment on 24th August, 2016.	—	228.25	—	228.25
	Foreign Currency Loan from Bank Repayment Terms: Bullet payment from May 2012 to December, 2012.	—	—	170.26	—
	Total Foreign Currency Loans from Banks	116.42	303.83	170.26	322.72
– Effective cost for the above loans are in the range of 6% to 9% per annum.					
	Total Unsecured Long-Term Loans	316.42	603.83	370.26	522.72

(III)	SECURED SHORT-TERM BORROWINGS:	As at 31st March, 2013	As at 31st March 2012
i)	Working Capital Borrowings are secured by hypothecation of inventories, book debts and other movables, both present and future, held as current assets.	56.87	168.51
ii)	Loan from SBI consortium banks has been availed by the Unit under Special Banking Arrangement (SBA) of Department of Fertilizer, Government of India and has been secured against subsidy recoverable from Government of India. As per arrangement, the loan will be repaid directly by Government of India to the Bank and corresponding adjustments will be made in Subsidies recoverable. Further, the loan carries the interest @ 10.25% per annum out of which interest @ 8% per annum will be reimbursed by Government of India.	111.39	—
	Total	168.26	168.51
– Effective cost for the above loans are in the range of 2.25% to 14% per annum.			

– Effective cost has been calculated with hedged cost in terms of foreign currency loan and net of interest subsidy in case of TUF loans.

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 5		
DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities at the year end comprise timing differences on account of:		
Depreciation	226.21	216.94
	<u>226.21</u>	<u>216.94</u>
DEFERRED TAX ASSETS		
Deferred Tax Assets at the year end comprise timing differences on account of		
Expenditure/Provisions allowable on payment basis	59.00	48.35
Others	11.88	10.37
	<u>70.88</u>	<u>58.72</u>
Net Deferred Tax Liabilities	<u>155.33</u>	<u>158.22</u>
NOTE: 6A		
OTHER LONG-TERM LIABILITIES		
Deposits	50.90	44.04
Payables for Capital Expenditure	10.40	—
Others	24.19	25.00
	<u>85.49</u>	<u>69.04</u>
NOTE: 6B		
OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Borrowings (Refer Note 4A and 4B)	476.84	484.32
Interest Accrued but Not Due on Borrowings	61.61	67.41
Investors' Education and Protection Fund to be credited as and when due		
Unpaid Dividend	2.81	2.58
Securities Application Money Received and Due for Refund	0.04	0.06
Money Due for Refund for Fractional Shares	0.29	0.29
Other Payables		
Advance from Customers	36.25	37.74
Payables for Capital Expenditure	22.62	23.20
Statutory Dues	190.92	163.25
Deposits	39.14	29.91
Derivative Liability (Net) *	31.98	—
Others	30.46	4.19
	<u>892.96</u>	<u>812.95</u>
* This represents Mark-to-Market on Derivative Contract taken for the purpose of hedging.		
NOTE: 7A		
LONG-TERM PROVISIONS		
Provisions for:		
Employee Benefits	5.36	5.58
	<u>5.36</u>	<u>5.58</u>

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 7B		
SHORT-TERM PROVISIONS		
Provisions for:		
Employee Benefits	79.89	70.21
Others		
Taxation (Net of Advance Tax ₹ 338.64 Crore (Previous Year: ₹ 291.26 Crore))	26.15	18.50
Proposed Dividend (Refer Note 28)		
Equity	78.14	68.11
Preference	0.01	0.01
Other Short-term Provisions##	6.04	0.87
	190.23	157.70

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

A. Warranty

Opening Balance	0.87	0.84
Arising during the year	—	0.07
Unused Amounts Reversed	(0.12)	(0.04)
Closing Balance	0.75	0.87

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

B. Customer Relationship Management Loyalty Programme

Opening Balance	—	—
Arising during the year	16.63	—
Utilised	(11.34)	—
Closing Balance	5.29	—

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

NOTE: 8

TRADE PAYABLES

Trade Payables	1,526.28	1,227.29
	1,526.28	1,227.29

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2013, and no interest payment made during the year to any Micro, Small and Medium Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE: 9A

TANGIBLE ASSETS

₹ in Crore

	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Leasehold Improve-ments	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Railway Sidings	TOTAL
Gross Block											
As at 1st April, 2011	27.08	33.13	336.28	2.83	9.34	3,037.97	206.24	42.21	27.39	5.84	3,728.31
Additions	—	—	11.97	0.66	—	120.98	38.02	5.68	6.17	—	183.48
Deletions	0.14	0.02	0.69	—	—	7.89	5.23	0.93	4.19	—	19.09
As at 31st March, 2012	26.94	33.11	347.56	3.49	9.34	3,151.06	239.03	46.96	29.37	5.84	3,892.70
Additions	18.41	—	41.67	1.76	—	308.55	40.92	5.12	5.75	—	422.18
Deletions	—	—	—	0.41	—	35.63	22.38	1.92	10.94	—	71.28
As at 31st March, 2013	45.35	33.11	389.23	4.84	9.34	3,423.98	257.57	50.16	24.18	5.84	4,243.60
Accumulated Depreciation											
As at 1st April, 2011	—	2.22	85.13	1.13	3.51	1,725.36	130.45	33.02	13.44	5.55	1,999.81
For the year	—	0.30	9.33	0.45	1.11	138.88	32.75	5.07	3.77	—	191.66
Deletions	—	—	0.19	—	—	3.24	3.35	0.73	3.25	—	10.76
As at 31st March, 2012	—	2.52	94.27	1.58	4.62	1,861.00	159.85	37.36	13.96	5.55	2,180.71
For the year	—	0.30	9.27	0.52	1.11	141.82	50.24	3.07	4.11	—	210.44
Deletions	—	—	—	0.30	—	31.19	20.99	1.89	6.67	—	61.04
As at 31st March, 2013	—	2.82	103.54	1.80	5.73	1,971.63	189.10	38.54	11.40	5.55	2,330.11
Net Block as at											
31st March, 2012	26.94	30.59	253.29	1.91	4.72	1,290.06	79.18	9.60	15.41	0.29	1,711.99
Net Block as at											
31st March, 2013	45.35	30.29	285.69	3.04	3.61	1,452.35	68.47	11.62	12.78	0.29	1,913.49

Notes:

A. Gross Block of Tangible Assets Includes:

- i) The Company's share in assets held under co-ownership - Leasehold Land ₹ 19.54 Crore (Previous Year: ₹ 19.54 Crore), Buildings ₹ 23.85 Crore (Previous Year: ₹ 23.85 Crore), Furniture and Fixtures ₹ 2.65 Crore (Previous Year: ₹ 2.61 Crore), Office Equipment ₹ 5.68 Crore (Previous Year: ₹ 5.33 Crore) and Vehicles ₹ Nil (Previous Year: ₹ 6.83 Crore).
- ii) Buildings include ₹ 8.19 Crore (Previous Year: ₹ 8.19 Crore) being cost of Debentures and Shares in a company entitling the right of exclusive occupancy and use of certain premises.

B. For Assets given on Operating Lease - Refer to Note: 41.

NOTE: 9B**INTANGIBLE ASSETS**

₹ in Crore

	Goodwill	Brands/ Trademarks	Computer Software	TOTAL
Gross Block				
As at 1st April, 2011	20.41	173.87	29.88	224.16
Additions	—	—	5.50	5.50
Deletions	—	—	0.03	0.03
As at 31st March, 2012	20.41	173.87	35.35	229.63
Additions	—	19.85	6.75	26.60
As at 31st March, 2013	20.41	193.72	42.10	256.23
Accumulated Amortisation				
As at 1st April, 2011	—	158.44	24.64	183.08
For the year	—	5.31	6.09	11.40
Deletions	—	—	0.03	0.03
As at 31st March, 2012	—	163.75	30.70	194.45
For the year	—	5.32	3.42	8.74
As at 31st March, 2013	—	169.07	34.12	203.19
Net Block as at 31st March, 2012	20.41	10.12	4.65	35.18
Net Block as at 31st March, 2013	20.41	24.65	7.98	53.04

All Intangible Assets are other than internally generated.

* The balance amortisation period of material intangible assets-Brand/Trademark for gross block amounting to ₹ 173.87 Crore is 6 months (Previous Year: 18 months) and gross block amounting to ₹19.85 Crore is 10 years (Previous Year: Nil).

₹ in Crore

NOTE: 9A & 9B

During the year, the Company has capitalised the following expenses to cost of Fixed Assets/Capital Work-in-Progress

	As at 31st March, 2013	As at 31st March, 2012
Raw Materials Consumed	0.14	0.09
Salaries and Wages	3.29	0.60
Contribution to Provident and Other Funds	0.31	0.05
Staff Welfare Expenses	0.14	—
Power and Fuel	0.79	—
Rent	0.06	—
Insurance	—	0.19
Legal and Professional Expenses	16.88	2.99
Travelling and Conveyance	1.26	0.15
Interest Expenses	12.77	4.70
Miscellaneous Expenses	2.11	—
Total	37.75	8.77
Add: Brought forward from previous year	8.93	0.26
Less: Capitalised during the year	32.70	0.10
Balance Pending Allocation included in Capital Work-in-Progress	13.98	8.93

	Face Value	Number	As at 31st March, 2013	Number	₹ in Crore As at 31st March, 2012
NOTE: 10A					
NON-CURRENT INVESTMENTS					
Trade Investments valued at cost, except otherwise stated					
Investments in					
Equity Instruments					
Quoted					
Joint Venture					
IDEA Cellular Limited*	10	837,526,221	2,355.81	837,526,221	2,355.81
			2,355.81		2,355.81
Unquoted					
Subsidiaries					
Aditya Vikram Global Trading House Limited, Mauritius	US\$ 1	150,000	0.65	150,000	0.65
Aditya Birla Minacs Worldwide Limited*	1	—	—	25,662,266	443.52
Aditya Birla Financial Services Private Limited	10	110,000,000	110.00	110,000,000	110.00
Birla Sun Life Insurance Company Limited*	10	1,457,430,000	1,814.13	1,457,430,000	1,814.13
ABNL Investment Limited	10	21,000,000	21.00	21,000,000	21.00
Aditya Birla Housing Finance Limited (Formerly known as LIL Investment Limited)	10	—	—	389,500	0.39
Indigold Trade and Services Limited	10	4,700,000	49.25	999,997	1.00
Indigold Trade and Services Limited (₹ 4.30/- paid-up)	10	2,900,000	21.82	—	—
Madura Garments Lifestyle Retail Company Limited	10	98,838,896	362.94	9,950,006	9.95
Pantaloons Fashion & Retail Limited (Formerly Peter England Fashions and Retail Limited)	10	—	—	500,000	0.50
ABNL IT & ITES Limited	10	47,500	0.05	—	—
Shaktiman Mega Food Park Private Limited	10	9,400	0.01	9,400	0.01
			2,379.85		2,401.15
Associate					
Birla Securities Limited	10	495,800	2.53	495,800	2.53
Less: Provision			(2.52)		(2.52)
			0.01		0.01
Others					
Aditya Birla Science & Technology Limited	10	2,400,000	2.40	2,400,000	2.40
Birla Management Centre Services Limited	10	7,000	0.01	7,000	0.01
Aditya Birla Port Limited	10	100,000	0.10	100,000	0.10
			2.51		2.51
Preference Shares					
Unquoted					
Subsidiaries					
7.00% Cumulative and Redeemable Preference Shares of Aditya Birla Minacs Worldwide Limited	100	1,500,000	15.00	1,500,000	15.00
8.00% Cumulative and Redeemable Preference Shares of Pantaloons Fashion & Retail Limited (Formerly Peter England Fashions and Retail Limited).	10	500,000	0.50	500,000	0.50
8.00% Cumulative and Redeemable Preference Shares of Madura Garments Lifestyle Retail Company Limited	10	10,000,000	10.00	10,000,000	10.00
0.01% Compulsory Convertible Preference Shares of Aditya Birla Financial Services Private Limited	10	876,500,000	876.50	596,500,000	596.50
			902.00		622.00

	Face Value	Number	As at 31st March, 2013	Number	₹ in Crore As at 31st March, 2012
Others					
3.50% Cumulative and Redeemable Preference Shares of Aditya Birla Health Services Limited#	100	1,500,000	15.00	1,500,000	15.00
8% Preference Shares of Birla Management Centre Services Limited	10	200	₹	200	₹
			15.00		15.00
Non-Trade Investments valued at cost					
Quoted					
Investment in Equity Instruments					
Hindalco Industries Limited	1	33,506,337	201.48	33,506,337	201.48
Unquoted					
Investments in Government Securities			₹		₹
			201.48		201.48
TOTAL NON-CURRENT INVESTMENTS			5,856.66		5,597.95
* Refer Note 26(e)					
# Each Preference Share is optionally convertible in 10 Equity Shares of ₹ 10/- each, fully paid-up on the expiry of a period of 15 years from the date of allotment.					
Notes:					
1. All shares are fully paid-up, unless otherwise stated					
2. Aggregate Amount of Quoted Investments			2,557.29		2,557.29
3. Market Value of Quoted Investments			9,846.34		8,708.33
4. Aggregate Amount of Unquoted Investments			3,299.37		3,040.66
5. Aggregate Provision of Diminution in Value of Investments			2.52		2.52
NOTE: 10B					
CURRENT INVESTMENTS					
(Valued at lower of Cost and Fair Value)					
Unquoted, Fully Paid-up					
Units of Mutual Fund					
Birla Sun Life Cash Plus - Institutional Premium Plan Growth	100	11,347,938	213.00		—
SBI Ultra Short-term Debt Fund - Regular Plan Growth	1000	431,837	65.00		—
TOTAL CURRENT INVESTMENTS			278.00		—
NOTE: 11A					
LONG-TERM LOANS AND ADVANCES					
(Unsecured, Considered Good, except otherwise stated)					
Capital Advance					
Considered Good			48.98		28.26
Considered Doubtful			0.05		—
Less: Provision for Doubtful			(0.05)		—
Security Deposits#					
Considered Good			151.16		141.19
Considered Doubtful			0.62		0.80
Less: Provision for Doubtful			(0.62)		(0.80)
Other Loans and Advances					
Inter-Corporate Deposits			7.53		9.27
Loans and Advances to Related Parties (Refer Note 44)			52.43		206.72
VAT, Other taxes Recoverable, Statutory Deposits and Dues from Government			0.41		0.30
Prepaid Expenses			16.59		15.55
Advance for Expenses, Materials and Employees			9.22		8.92
			286.32		410.21
# Includes amount due from Directors or other officers of Company			—		3.00

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 11B		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Security Deposits++		
Considered Good	24.66	20.59
Considered Doubtful	0.41	0.41
Less: Provision for Doubtful	(0.41)	(0.41)
Loans and Advances to Related Parties (Refer Note: 44)	9.51	97.46
Inter-Corporate Deposits	6.66	4.92
VAT, Other taxes Recoverable, Statutory Deposits and Dues from Government		
Considered Good	117.67	103.31
Considered Doubtful	0.64	0.64
Less: Provision for Doubtful	(0.64)	(0.64)
Advance Tax (Net of Provision ₹ 9.49 Crore (Previous Year: ₹ 5.81 Crore))	16.41	8.70
Prepaid Expenses	17.18	17.56
Advance for Expenses, Materials and Employees		
Considered Good	97.61	117.88
Considered Doubtful	1.85	1.65
Less: Provision for Doubtful	(1.85)	(1.65)
	289.70	370.42

++ The Company is one of the Promoter members of Aditya Birla Management Corporation Pvt. Limited, a Company limited by guarantee, which has been formed to provide a common pool of facilities and resources to its members, with a view to optimise the benefits of specialisation and minimise cost to each member. The Company's share of expenses, under the common pool, has been accounted for under the appropriate heads. Total Amount of Deposit Outstanding as on 31st March, 2013, is ₹ 4.02 Crore (Previous Year: ₹ 3.82 Crore).

Disclosure as per Clause 32 of Listing Agreement

₹ in Crore					
(i)	Loans and Advances in the nature of Loans given to Subsidiaries (including Interest Accrued)	Balance as on 31st March, 2013	Balance as on 31st March, 2012	Maximum Amount Due at any time During the year ended 31st March, 2013	Maximum Amount Due at any time During the year ended 31st March, 2012
	Indigold Trade and Services Ltd.	—	—	800.00	1.14
	Aditya Birla Minacs Worldwide Ltd.	—	8.50	52.50	62.81
	ABNL Investment Ltd.	2.90	54.21	61.73	62.38
	Aditya Birla Money Mart Ltd.	42.43	42.43	42.43	42.43
	Aditya Birla Money Insurance Advisory Services Ltd.	—	3.24	3.24	3.24
	Aditya Birla Finance Ltd.	—	37.00	205.00	185.00
	Aditya Birla Customer Services Pvt. Ltd.	10.00	2.15	21.05	2.15
	Pantaloons Fashion & Retail Ltd. (Formerly Peter England Fashions and Retail Ltd.)	6.49	—	6.49	—
	Madura Garments Life Style Retail Company Ltd.	—	150.45	156.90	150.59

₹ in Crore					
(ii)	Loans and Advances in the nature of Loans given to Employees	Balance as on 31st March, 2013	Balance as on 31st March, 2012	Maximum Amount Due at any time During the year ended 31st March, 2013	Maximum Amount Due at any time During the year ended 31st March, 2012
	Employee Loan given in the ordinary course of the business and as per the service rules of the Company				
	- no repayment schedule or repayment beyond seven years	1.86	1.82	1.98	2.47
	- no interest or at an interest rate below which is specified in Section 372A of the Companies Act, 1956	11.78	9.70	14.12	11.37

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 12A		
OTHER NON-CURRENT ASSETS		
Other Bank Balances*		
Bank Deposits with more than twelve months maturity	0.10	0.41
Government Grant Receivable	0.71	0.80
	<u>0.81</u>	<u>1.21</u>
*Amount held as Margin Money under lien to bank for issuing guarantee	0.10	0.41

NOTE: 12B**OTHER CURRENT ASSETS**

Fertiliser Bonds #	10.48	9.87
Derivative Assets (Net) ^	—	104.31
Government Grant Receivable ##	30.37	23.36
Export Incentive Receivable	24.49	28.94
Less: Provision for Export Incentive Receivable	(0.06)	(0.08)
Interim Dividend Receivable from Subsidiaries	—	72.87
Others*	5.52	11.40
	<u>70.80</u>	<u>250.67</u>
* Includes dues from subsidiaries	0.33	1.00

The Company had received fertiliser bonds in the earlier years of ₹65.50 Crore, from the Ministry of Fertiliser, Government of India, against the outstanding amount of subsidy receivable, out of which bonds amounting to ₹11.58 Crore (Previous Year: ₹11.58 Crore) are outstanding at the year end. The market value of the above bonds are lower than book value, therefore the diminution in the value of above bonds has been accounted.

^ This represents Mark-to-Market on Derivative Contract taken for the purpose of hedging.

Includes interest reimbursement receivable from Department of Fertilizer ₹ 1.40 Crore (Previous Year: ₹ Nil).

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 13		
INVENTORIES (Lower of Cost and Net Realisable Value)		
Raw Materials	652.18	591.47
(Includes Goods-in-Transit ₹ 252.48 Crore (Previous Year: ₹ 147.28 Crore))		
Work-in-Progress	76.67	66.92
Finished Goods	369.79	326.86
Stock-in-Trade	187.10	225.61
Stores and Spares	98.64	102.69
(Include Goods-in-Transit ₹ 0.50 Crore (Previous Year: ₹ 0.90 Crore))		
Waste Scrap	0.15	0.14
Packing Materials	8.57	7.00
CER	0.18	—
	<u>1,393.28</u>	<u>1,320.69</u>

₹ in Crore

	As at 31st March, 2013	As at 31st March, 2012
NOTE: 14		
TRADE RECEIVABLES		
Due for period exceeding Six months from the due date of payment		
Secured, Considered Good	0.01	0.01
Unsecured, Considered Good	70.50	54.95
Unsecured, Considered Doubtful	14.09	10.20
Less: Provision for Doubtful	(14.09)	(10.20)
Others #		
Secured, Considered Good	41.81	25.23
Unsecured, Considered Good	2,694.94	1,609.69
	2,807.26	1,689.88
# Includes subsidy receivable from Government of India	1,440.62	675.97

NOTE: 15**CASH AND BANK BALANCES****Cash and Cash Equivalents**

Balances with Banks		
Current Accounts	22.10	301.27
Deposit Accounts (with original maturity period of three months or less)	25.00	57.00
Cash on Hand	1.53	1.38
Cheques/Drafts on Hand	3.64	6.25
	(A) 52.27	365.90

Other Bank Balances

Deposit Accounts (with original maturity period of more than three months)	0.21	228.53
Others		
Unclaimed Dividend	2.81	2.58
Securities Application Money Received and Due for Refund	0.04	0.06
Money Due for Refund on Fraction Shares	0.29	0.29
	(B) 3.35	231.46
	(A) + (B) 55.62	597.36

Less: Bank Deposits with more than twelve months maturity
(transferred to Other Non-Current Assets)

0.10	0.41
55.52	596.95

	Year Ended 31st March, 2013	₹ in Crore Year Ended 31st March, 2012
NOTE: 16		
REVENUE FROM OPERATIONS		
A. SALE OF PRODUCTS		
Manufactured	7,776.20	6,934.35
Traded	2,318.37	1,728.75
	10,094.57	8,663.10
B. SALE OF SERVICES		
	14.13	12.24
C. OTHER OPERATING INCOME		
Scrap Sales	11.57	18.19
Export Incentives	45.94	59.85
License Fees and Royalties	2.83	2.78
Sales Tax Subsidy	2.72	3.42
Power and Steam Sales	96.21	94.33
Certified Emission Reductions	—	1.59
Miscellaneous Other Operating Income	—	0.17
	159.27	180.33
Total A + B + C	10,267.97	8,855.67
Details of Sale Value of Goods Manufactured under broad heads		
Ammonia	43.81	49.57
Carbon Black	2,152.39	1,991.10
Caustic Soda	227.42	177.63
Garments	1,323.75	1,128.77
Insulators	480.47	494.50
Linen Fabric	230.27	199.05
Liquid Argon	3.77	6.16
Sulphuric Acid and Allied Chemicals	35.87	30.82
Urea	1,816.07	1,515.46
Viscose Filament Rayon Yarn	552.97	505.86
Wool Top	330.51	306.20
Yarn Linen	268.87	219.86
Yarn Worsted	291.18	294.44
Others	18.85	14.93
	7,776.20	6,934.35
Sale Value of Traded Goods under broad heads		
Agro Chemicals	77.64	58.33
Bulk Fertilisers	869.23	399.26
Garments	1,223.27	1,176.96
Seeds	68.12	56.68
Specialty Fertilisers	50.35	30.04
Viscose Filament Rayon Yarn	19.31	—
Others	10.45	7.48
	2,318.37	1,728.75

₹ in Crore

NOTE: 17**OTHER INCOME**

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Interest Income	36.49	41.27
Dividends Income		
Long-term Investments	5.19	5.03
Dividends from Subsidiary Company	145.86	72.87
Net Gain on Sale of Investments		
Current	7.59	5.58
Long-term	0.04	—
Other Non-Operating Income		
Foreign Exchange Gain (Net)	—	48.15
Profit on Sale of Fixed Assets	—	0.09
Miscellaneous Other Operating Income	14.08	16.55
	209.25	189.54

NOTE: 18**COST OF MATERIALS CONSUMED**

Raw Materials Consumed	4,194.58	3,856.25
Packing Materials Consumed	132.92	126.39
	4,327.50	3,982.64

Details of Raw Materials Consumed under broad heads is as follows:

Alumina	23.48	23.81
Carbon Black Feed Stock and Coal Tar	1,687.99	1,535.27
Clays	22.37	25.26
Cotton Staple and Synthetic Yarn	181.16	148.48
Fabric	275.40	265.39
Flax Fibre	56.35	45.77
Metal Parts	108.96	129.91
Natural Gas	1,012.87	790.63
Staple and Synthetic Fibre	12.88	11.55
Wool Fibre	474.46	481.85
Wood Pulp	150.96	178.41
Others	187.70	219.92
	4,194.58	3,856.25

NOTE: 19**PURCHASE OF STOCK-IN-TRADE**

Purchase of Finished Goods	1,636.25	1,108.41
	1,636.25	1,108.41

Details of Purchases of Finished Goods under broad head is as follows:

Agro Chemicals	75.80	50.78
Bulk Fertilisers	799.25	384.63
Garments	631.08	597.10
Seeds	55.56	45.83
Specialty Fertilisers	41.02	24.91
Viscose Filament Rayon Yarn	25.20	—
Others	8.34	5.16
	1,636.25	1,108.41

	Year Ended 31st March, 2013	₹ in Crore Year Ended 31st March, 2012
NOTE: 20		
CHANGES IN INENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stocks		
Finished Goods	326.86	270.92
Stock-in-Trade	225.59	170.44
Work-in-Process	66.92	81.87
Waste/Scrap	0.14	0.08
CER (Refer Note 1(II)(b))	0.37	—
	619.88	523.31
Closing Stocks		
Finished Goods	369.79	326.86
Stock-in-Trade	187.10	225.59
Work-in-Process	76.67	66.92
Waste/Scrap	0.15	0.14
CER	0.18	—
	633.89	619.51
Add:		
Increase/(Decrease) in Excise Duty on Stocks	1.67	3.66
(Increase)/Decrease	(12.34)	(92.54)
Details of Inventories:		
Manufactured Goods		
Carbon Black	69.22	53.46
Garments	154.15	123.04
Caustic Soda	2.01	0.92
Insulators	35.72	34.20
Linen Fabric	14.94	20.41
Liquid Argon	0.35	0.25
Sulphuric Acid and Allied Chemicals	0.65	0.78
Urea	16.88	18.79
Viscose Filament Rayon Yarn	9.73	14.64
Yarn Linen	12.54	16.57
Yarn Worsted	47.16	42.90
Others	6.44	0.90
	369.79	326.86
Traded Goods		
Agro Chemicals	11.55	1.63
Bulk Fertilisers Traded	1.10	0.81
Garments	164.61	221.02
Seeds	1.23	1.64
Viscose Filament Rayon Yarn	7.51	—
Others	1.10	0.49
	187.10	225.59
Work-in-Progress		
Ammonia	1.27	1.49
Garments	19.66	17.29
Insulators	15.75	16.35
Linen Fabric	15.64	6.45
Viscose Filament Rayon Yarn	7.59	5.86
Wool Top	0.13	0.12
Yarn Linen	2.90	4.53
Yarn Worsted	13.73	14.83
	76.67	66.92

NOTE: 21

EMPLOYEE BENEFITS EXPENSES

	Year Ended 31st March, 2013	₹ in Crore Year Ended 31st March, 2012
Salaries and Wages	511.83	466.18
Contribution to Provident and Other Funds (Refer Note: 42)	49.89	44.25
Expense on Employee Stock Options Scheme (Refer Note: 43)	0.02	0.18
Staff Welfare Expenses	34.99	34.96
	596.73	545.57

NOTE: 22

OTHER EXPENSES

Consumption of Stores	87.61	83.38
Consumption of Spares	52.12	57.51
Power and Fuel	868.50	755.64
Rent	241.90	200.39
Repairs and Maintenance of:		
Buildings	12.29	13.79
Plant and Machinery	38.66	38.57
Others	47.08	39.61
Insurance	13.51	10.36
Rates and Taxes	46.52	21.81
Processing Charges	53.29	52.00
Commission to Selling Agents	197.85	178.94
Brokerage and Discounts	23.60	19.50
Advertisement	103.24	91.84
Transportation and Handling Charges	80.28	74.30
Other Selling Expenses	109.21	87.15
Legal and Professional Expenses	42.45	43.51
Provision for Bad and Doubtful Debts and Advances	3.96	3.99
Bad Debts Written Off	—	0.04
Travelling and Conveyance	44.53	36.27
Loss on Sale/Discard of Fixed Assets (Net)	3.02	—
Bank Charges	12.23	11.99
Directors' Sitting Fees	0.18	0.14
Directors' Commission	4.00	2.00
Foreign Exchange Loss (Net)	5.90	—
Contribution to Research and Development Institution	2.32	3.31
Information Technology Expenses	11.91	6.17
Miscellaneous Expenses	193.38	196.67
	2,299.54	2,028.88

NOTE: 23

DEPRECIATION AND AMORTISATION EXPENSES

Depreciation of Tangible Assets	210.44	191.66
Amortisation of Intangible Assets	8.74	11.40
	219.18	203.06

NOTE: 24

FINANCE COST

Interest Expenses*	288.70	275.63
Other Borrowing Costs	71.30	37.19
	360.00	312.82

*Net of Interest Rebate Subsidy from Department of Fertiliser	0.30	—
*Net of Interest Rebate Subsidy from Technology Upgradation Fund	13.35	14.04
*Net of Interest Capitalised	12.77	4.70

NOTE: 25**CONTINGENT LIABILITIES NOT PROVIDED FOR:**

₹ in Crore

a) Claims against the Company not acknowledged as debts

Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March, 2013	As at 31st March, 2012
Excise Duty, Central Excise Act, 1944	Department issued show cause-cum-demand notice for simultaneous availment of C.E. Not. 29/04 & 30/04 date 09.07.2004 for the period 2004-05 to 2006-07. The matter is pending before the Commissioner of Central Excise, LTU, Mumbai	10.88	10.88
	Demand for reversal of cenvat credit on CBFS and other inputs allegedly to be used for manufacturing of electricity sold outside for the period 2006 to Sept. 2011. The matter is pending before the Deputy Commissioner of Central Excise, LTU, Mumbai.	35.96	32.04
	Demand of duty for alleged wrong availment of benefit of exemption under Notification 38/2003-CE in respect of readymade garments procured from job workers.	26.05	8.25
	Various other cases demanding on removal of refinished imported goods, inclusion of test charges in assessable value and reversal of credit on inputs used for manufacturing dutiable and exempted goods, etc.	25.40	18.37
Service Tax, Finance Act, 1994	Various cases pertaining to disallowance of cenvat credit of Service Tax on commission paid to overseas agents, on GTA services for outward transportation and other services alleging not be classified as input services for availment of cenvat credit.	9.72	6.83
Customs Duty, Customs Act, 1942	Departmental appeal against CESTAT order for deleting demand of payment of duty for non-fulfillment of provision of EXIM policy related to Advance License obtained by Madura Coats Ltd.	11.38	2.04
	Various other cases pertaining to demand of countervailing duty and additional duties on imports, Supplementary Drawback claim.	0.35	0.32
Sales Tax, Commercial Tax Act	Non-receipt of C & F Forms, disallowance of Input Tax Credit (ITC) on purchases by Power Plant, reversal of ITC, for AY 2006-07. Pending before the Joint Commissioner of Sales Tax (Appeals) Rajkot.	9.98	10.68
	Demand against issue of Form C against supply of Natural Gas during the FY 2009-10, FY 2010-11 and FY 2011-12. The Hon'ble Lucknow High Court decided the case in favour of the Company.	—	74.69
	Various other cases in respect of short of Form H, I and C, disallowance of input tax credit, tax demand on freight charges and on exports to Nepal.	10.43	9.57
Income-tax Act, 1961	Various Dept. Appeal in ITAT, High Court on various matters.	37.70	52.22
	Cases pertaining to demand in tax assessment for various years.	4.31	1.85
Other Statutes	Demand letter issued by UPSIDC for making payment of maintenance charges on land allotted in 1983. The matter is currently pending before the High Court, Lucknow.	15.26	11.17
	Demand of water drawl charges by irrigation department. Matter pending before the High Court, Gujarat.	61.02	50.59
	Various other cases pertaining to Industrial Disputes, Railways license fee demand, Textile Cess on ready-made garments and Civil cases.	34.41	29.55
Grand Total		292.85	319.05
b)	Bills Discounted with Banks	75.86	124.02
c)	Corporate Guarantees given to Banks for loans taken by Subsidiaries	1,928.79	930.82
d)	Corporate Guarantees given in connection with performance obligation of the Subsidiaries	106.86	99.76
e)	Under the Jute Packaging Material (Compulsory use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched was required to be supplied in jute bags up to 31st August, 2001. The Company made conscious efforts to use jute packaging material as required under the said Act. However, due to non-availability of material as per the Company's product specifications as well as due to strong customer resistance to use of jute bags, the specific percentage could not be adhered to. The Company has received a show cause notice, against which a writ petition has been filed with the Hon'ble High Court, which is awaiting for hearing. The Jute Commissioner, Kolkata, had filed transfer petition, various writ petitions have been filed in different High Courts by other aggrieved parties, including the Company, before the Hon'ble Supreme Court of India, praying for consolidation of all cases at one Court. The transfer petition is pending before the Hon'ble Supreme Court. The Company has been advised that the said levy is bad in law.		

NOTES:

₹ in Crore

	As at 31st March, 2013	As at 31st March, 2012
26 Capital and Other Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	202.68	207.94
b) Customs duty on capital goods and raw materials imported under advance licensing/EPCG scheme, against which export obligation is to be fulfilled	169.94	96.16
c) For commitment under derivative contract Refer Note 45.		
d) For commitment under lease contract Refer Note 40.		
e) Transfer of investments in IDEA Cellular Ltd. (IDEA) and Birla Sun Life Insurance Co. Ltd. is restricted by the terms contained in their respective joint venture agreements. Non-disposal undertakings for IDEA, Aditya Birla Minacs Worldwide Ltd., Aditya Birla Finance Limited and Madura Garments Lifestyle Retail Company Limited investments have also been provided to certain Banks for respective credit facilities extended by them. Pursuant to the Shareholders' Agreement entered into with the Joint Venture partner, the Company has, in respect of Birla Sun Life Insurance Company Limited, agreed to infuse its share of capital from time to time to meet the solvency requirement prescribed by the regulatory authority.		
f) Aditya Birla Minacs Worldwide Ltd. (ABMWL), a subsidiary of the Company, has issued Zero Coupon Compulsorily Convertible Debentures (CCD) aggregating ₹ 250 Crore to be converted into Equity of ABMWL on the expiry of a period of 60 months from the date of allotment of such CCD. The Company has entered into an option agreement with the holders of such CCD pursuant to which the holders has put option on the Company, and the Company has call option on the holders at any time between 15th November, 2012 and 31st December, 2014, at a pre-agreed price. Further, on happening of certain events, the put option can also be exercised by the holders on the Company on any other date on happening of such events.		
g) Madura Garments Lifestyle Retail Company Limited. (MGLRCL), a subsidiary of the Company, has issued Zero Coupon Non-Convertible Debenture (NCD) aggregating ₹ 300 Crore. The Company has entered into an option agreement with the holders of such NCD pursuant to which the holders has put option on the Company and the Company has call option on the holders on expiry of 24 months from the date of allotment of NCD, at a pre agreed price. Further, on happening of certain events, the put option can also be exercised by the holders on the Company on any other date on happening of such events.		
h) Aditya Birla Finance Limited (ABFL), a subsidiary of the Company, has issued 10.20% Non-Convertible sub-ordinate Debenture (NCD) aggregating ₹ 300 Crore. The Company has entered into an option agreement with the holders of such NCD pursuant to which the holders has put option on the Company, and the Company has call option on the holders on expiry of 36 months from the date of allotment of NCD. Further, on happening of certain events, the put option can also be exercised by the holders on the Company on any other date on happening of such events.		
i) The Company has uncalled commitments in respect of investments in shares of Indigold Trade and Services Limited amounting to ₹ 28.93 Crore (Previous Year: ₹ Nil).		
27 The Hon'ble High Court of Allahabad, vide its order dated December 23, 2011, has upheld the constitutional validity and retrospective application of entry tax under UP Tax on Entry of Goods into Local Area Act, 2007, in response to a writ petition filed by the Company earlier. On further appeal, the Hon'ble Supreme Court, vide its order dated January 10, 2012, had granted stay on the said order subject to certain conditions, accordingly, the Company had paid ₹ 47.88 Crore under protest and submitted bank guarantee aggregating ₹ 42.90 Crore. Considering the complexities involved and pending final hearing before the Hon'ble Supreme Court, the Company, in the Previous year, had made provision for entry tax aggregating ₹ 103.88 Crore, and the same was considered as an exceptional item.		

₹ in Crore

	As at 31st March, 2013	As at 31st March, 2012
28 Proposed Dividend		
The final dividend proposed by the Company for the year is as follows:		
a) On Preference Shares of ₹ 100/- each		
Amount of Dividend Proposed	0.01	0.01
Dividend per Preference Share	₹ 6 per Share	₹ 6 per Share
b) On Equity Shares of ₹ 10/- each		
Amount of Dividend Proposed	78.14	68.11
Dividend per Equity Share	₹ 6.5 per Share	₹ 6 per Share
There are no arrears of Dividends relating to Preference Shares		

	₹ in Crore			
	<u>Year Ended 31st March, 2013</u>	<u>Year Ended 31st March, 2012</u>		
29 Value of Imports Calculated on C.I.F Basis				
Raw Materials	2,375.46	2,461.65		
Stores and Spares	19.62	24.21		
Capital Goods	105.50	72.40		
Purchase of Finished Goods	726.76	400.33		
30 Expenditure in Foreign Currency (on Accrual Basis):				
Advertisement	0.78	1.05		
Technical Assistance Fees/Royalties	1.32	2.26		
Interest and Commitment Charges*	84.74	84.49		
Professional Charges	4.95	5.92		
Travelling	1.80	1.12		
Commission	11.72	11.74		
Selling Expenses	1.22	1.13		
Technical Know-how	29.81	—		
Brand/Trademark	19.85	—		
Others	3.66	4.30		
* Interest expenditure in Foreign Currency includes interest on External Commercial Borrowing (ECB) which are fully hedged.				
31 Value of Imported and Indigenous Raw Materials and Spare Parts Consumed and percentage thereof to the total consumption:				
	Percentage	Year Ended 31st March, 2013	Percentage	Year Ended 31st March, 2012
Raw Materials:				
Imported	57.77%	2,423.36	63.09%	2,432.98
Indigenous	42.23%	1,771.22	36.91%	1,423.27
		4,194.58		3,856.25
Spare Parts:				
Imported	18.46%	9.62	19.68%	11.32
Indigenous	81.54%	42.50	80.32%	46.19
		52.12		57.51
32 Amount Remitted in Foreign Currency on Account:				
		In respect of Accounting Year		
		2011-12	2010-11	
No. of Shareholders		534	492	
No. of Equity Shares		130,283	130,510	
Dividend Remitted in Foreign Currency		0.08	0.07	
		Year Ended 31st March, 2013	Year Ended 31st March, 2012	
33 Earnings in Foreign Currency (on Accrual Basis):				
On Export of Goods (F.O.B. Basis)		883.40	1,033.29	
Sale of Certified Emission Reduction		—	1.59	
Service Charge		—	0.02	

	Year Ended 31st March, 2013	₹ in Crore Year Ended 31st March, 2012
34 The following are included under other heads of expenses in the Statement of Profit and Loss:		
Particulars	Head under which it is clubbed	
i) Consumption of Stores	Repairs and Maintenance	13.76
ii) Insurance	Staff Welfare Expenses	1.17
		14.36
		1.12
35 Details of Auditors' Remuneration:		
Payments to Statutory Auditor:		
As Auditors		
For Audit Fees (Including Limited Review Fees)	1.06	1.06
For Tax Audit	0.15	0.15
In Other Capacity		
For Other Services	0.30	0.20
For Reimbursement of Expenses	0.12	0.12
	1.63	1.53
Payments to Branch Auditor:		
As Audit Fees (Including Limited Review Fees)	0.34	0.34
As Tax Audit	0.03	0.03
For Reimbursement of Expenses	0.07	0.09
	0.44	0.46
Payments to Cost Auditor:		
For Audit Fees	0.05	0.03
For Reimbursement of Expenses	0.01	0.01
	0.06	0.04
	2.13	2.03
36 Details of expenditure incurred in in-house Research & Development (R&D) facilities approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, under Section 35 of Income tax Act, 1961.		
i) Capital Expenditure		
Capital Equipment	1.05	3.20
ii) Revenue Expenditure		
Salaries and Wages	4.98	5.72
Material Consumables/Spares	0.02	—
Other Expenditures directly related to R&D	2.73	2.27
iii) Total R&D Expenditure on approved R&D Facilities (Total i) and ii)	8.78	11.19
iv) Less: Amount Received by R&D Facilities	—	—
v) Net Amount of R&D Expenditure	8.78	11.19
37 Disclosure in respect of self-generated CERs		
No. of CERs held as inventory (Units)	115,706	30,494
No. of CERs under certification (Units)	46,553	31,526

		As at 31st March, 2013	₹ in Crore As at 31st March, 2012
38 Disclosure pursuant to Accounting Standard-20 - Earnings Per Share			
Earnings per Share (EPS) is calculated as under:			
Net Profit as per the Statement of Profit and Loss		423.05	345.39
Less: Preference Dividend and Tax thereon		0.01	0.01
Net Profit for EPS	(A)	423.04	345.38
Weighted-average Number of Equity Shares for calculation of Basic EPS	(B)	113,634,808	113,511,645
Basic EPS (₹)	(A/B)	37.23	30.43
Weighted-average Number of Equity Shares Outstanding		113,634,808	113,511,645
Add: Shares Held in Abeyance		41,342	41,523
Add: Dilutive impact of Employee Stock Options		56,837	38,415
Add: Potential Equity Shares Due to Share Warrants		1,990,156	—
Weighted-average Number of Equity Shares for calculation of Diluted EPS	(C)	115,723,143	113,591,583
Diluted EPS (₹)	(A/C)	36.56	30.41
Nominal Value of Shares (₹)		10.00	10.00

39 Disclosure in respect of the Company's Joint Ventures in India pursuant to Accounting Standard 27 - 'Financial Reporting of Interest in Joint Ventures':

a) Name of the Venture	Country of Incorporation	Proportion of Ownership Interest	
		As at 31st March, 2013	As at 31st March, 2012
1. IDEA Cellular Limited	India	25.27%	25.31%
The aggregate of Company's share in the above venture is :			
Non-Current Assets		8,361.57	7,575.77
Current Assets		831.14	684.76
Non-Current Liabilities		3,545.76	2,770.95
Current Liabilities		2,032.01	2,186.33
Total Revenue		5,695.44	4,956.99
Expenses (Including Depreciation and Taxation)		5,439.98	4,773.99
Contingent Liabilities		2,187.62	639.63
Capital Commitments		1,448.95	994.28
2. Birla Sun Life Asset Management Company Limited [JV of Subsidiary Company (ABFSPL)]#	India	N.A.	49.99%
The aggregate of Company's Share in the above venture is :			
Non-Current Assets		—	83.41
Current Assets		—	105.23
Non-Current Liabilities		—	5.37
Current Liabilities		—	41.70
Total Revenue		105.07	174.07
Expenses (Including Depreciation and Taxation)		86.04	144.67
Contingent Liabilities		—	42.54
Capital Commitments		—	0.03

		As at 31st March, 2013	₹ in Crore As at 31st March, 2012
3. Birla Sun Life Trustee Company Private Limited (JV of Subsidiary Company (ABFSPL))#	India	N.A.	49.85%

The aggregate of Company's Share in the above Venture is:

Non-Current Assets	—	0.01
Current Assets	—	0.14
Non-Current Liabilities	—	₹
Current Liabilities	—	₹
Total Revenue	0.01	0.03
Expenses (Including Depreciation and Taxation)	₹	0.01
Contingent Liabilities	—	—
Capital Commitments	—	—

Birla Sun Life Asset Management Company Limited and Birla Sun Life Trustee Company Private Limited (earlier joint ventures of the Company) have become subsidiaries of the Company with effect from 10th October, 2012.

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
40 Disclosure pursuant to Accounting Standard-19 - Leases is as under:		
i) Operating Lease payment recognised in the Statement of Profit and Loss		
Minimum Lease Rent	232.42	190.83
Contingent Lease Rent	9.10	8.52
	<u>241.52</u>	<u>199.35</u>
ii) The Company has taken certain Office Premises, Showrooms and Residential Houses on non-cancellable/cancellable operating lease.		
The future minimum rental payable in respect of non-cancellable operating lease are as follows:		
Not later than one year	68.95	52.04
Later than one year and not later than five years	82.67	26.19
Later than five years	—	—
	<u>151.62</u>	<u>78.23</u>

41 The Company has given certain Plant and Machinery (Storage Tank) on non-cancellable operating lease.

The gross carrying amount of the above referred assets	4.90	4.90
The accumulated depreciation for the above assets	2.52	2.29
The depreciation for the above assets for the year	0.23	0.23

The future minimum lease rental in respect of above Storage Tank lease is as follows:

- Not later than one year	0.31	1.64
- Later than one year and not later than five years	—	0.08
- Later than five years	—	—

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
42 Retirement Benefits		
Disclosure in respect of Employee Benefits pursuant to Accounting Standard 15 (Revised)		
a) The details of the Company's Defined Benefit Plans in respect of Gratuity (funded by the Company):		
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the funded Defined Benefit Obligation at the end of the year	114.81	101.02
Fair Value of the Plan Assets	112.28	97.70
Net Liability/(Asset)	2.53	3.32
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost	8.13	7.77
Interest on Defined Benefit Obligations	7.97	7.11
Expected Return on Plan Assets	(8.09)	(6.80)
Net Actuarial (Gain)/Loss recognised during the year	5.22	1.98
Net Gratuity Cost	13.23	10.06
Actual Return on Plan Assets:		
Expected Return on Plan Assets	8.09	6.80
Actuarial Gain/(Loss) on Plan Assets	3.18	(1.52)
Actual Return on Plan Assets	11.27	5.28
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:		
Change in Present Value of the Obligation:		
Opening Defined Benefit Obligation	101.02	92.42
Current Service Cost	8.13	7.77
Interest Cost	7.97	7.11
Actuarial (Gain)/Loss	8.40	0.46
Benefits Paid	(10.69)	(6.74)
Closing Defined Benefit Obligation	114.83	101.02
Change in Fair Value of the Plan Assets:		
Opening Fair Value of the Plan Assets	97.71	86.21
Expected Return on Plan Assets	8.09	6.80
Actuarial Gain/(Loss)	3.18	(1.52)
Contributions by the Employer	13.99	12.95
Benefits Paid	(10.69)	(6.74)
Closing Fair Value of the Plan Assets	112.28	97.70
Investment Details of the Plan Assets		
Government of India Securities	22%	25%
Corporate Bonds	1%	1%
Insurer Managed Fund	58%	60%
Special Deposit Scheme	4%	2%
Others	15%	12%
Total	100%	100%

Experience Adjustment	₹ in Crore				
	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Defined Benefit Obligation	114.81	101.02	92.43	80.08	75.30
Plan Assets	112.28	97.70	86.22	78.16	77.30
Surplus/(Deficit)	(2.53)	(3.32)	(6.21)	(1.92)	2.00
Experience Adjustment on Plan Liabilities	3.84	3.01	6.62	1.16	4.73
Experience Adjustment on Plan Assets	3.18	(1.52)	(0.08)	(3.32)	8.55

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

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

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

General Description of the Plan

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

	As at 31st March, 2013	As at 31st March, 2012
--	---------------------------	---------------------------

Principal Actuarial Assumptions at the Balance Sheet Date

Discount Rate	7.90%	8.40%
Estimated rate of Return on Plan Assets	8.50%	8.50%

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

Estimated amount of contribution expected to be paid to the fund during the annual period being after the Balance Sheet date is ₹ 7.00 Crore (Previous Year: ₹ 7.00) Crore.

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

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Contribution to the Company Owned Employees' Provident Fund Trust	11.70	9.38

(Excluding amount capitalised amounting to ₹ 0.25 Crore (Previous Year: ₹ Nil)

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

The actuary has accordingly provided for a valuation and based on the below provided assumptions there is no shortfall as at 31st March, 2013 and 31st March, 2012.

The details of plan assets position as under :

	As at 31st March, 2013	As at 31st March, 2012
Plan Assets at Fair Value	341.97	274.10
Liability Recognised in the Balance Sheet	Nil	Nil
Assumption used in determining the present value obligation of interest rate guarantee under the Deterministic Approach		
Discount Rate for the term of the Obligation	8.05%	8.35%
Discount Rate for the remaining term of maturity of investment portfolio	7.97%	8.32%
Guaranteed Interest Rate	8.50%	8.25%

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
c) The details of the Company's Defined Benefit Plans in respect of Pension for its employees are given below:		
Amounts recognised in the Balance Sheet in respect of Pension (unfunded by the Company):		
Present Value of Unfunded Obligation at the end of the period	6.39	6.46
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Pension (unfunded by the Company):		
Interest on Defined Benefit Obligations	0.50	0.52
Net Actuarial (Gain)/Loss recognised during the period	0.49	0.03
Net Pension Cost	0.99	0.55
Reconciliation of Present Value of the Obligation:		
Opening Defined Benefit Obligation	6.46	6.93
Current Service Cost	—	—
Interest Cost	0.50	0.52
Actuarial (Gain)/Loss	0.49	0.03
Liability Assumed on Amalgamation	—	—
Benefits Paid	(1.06)	(1.02)
Closing Defined Benefit Obligation	6.39	6.46
Financial Assumptions at the Valuation Date		
Discount Rate	7.90%	8.40%

	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	₹ in Crore 31st March, 2009
Experience Adjustment					
Defined Benefit Obligation	6.39	6.46	6.93	7.20	7.49
Surplus/(Deficit)	(6.39)	(6.46)	(6.93)	(7.20)	(7.49)
Experience Adjustment on Plan Liabilities	0.37	0.13	0.05	0.55	0.31

General Description of the Plan

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

	Year Ended 31st March, 2013	₹ in Crore Year Ended 31st March, 2012
d) Defined Contribution Plans –		
Amount recognised as an expense and included in the Note 21 as "Contribution to Provident and Other Funds"	24.96	24.81

43 Disclosure under Employee Stock Options Scheme

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

(A) Employees Stock Options Scheme:

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

(B) Movement of Options Granted:

Particulars	Year Ended 31st March, 2013 Price	Weighted- average Exercise	Year Ended 31st March, 2012 Price	Weighted- average Exercise
Options Outstanding at the beginning of the year	189,975	688.71	195,426	687.61
Granted during the year	—	—	3,370	748.00
Exercised during the year	17,764	687.00	4,111	687.00
Lapsed during the year	3,370	687.00	4,710	687.00
Options Outstanding at the end of the year	168,841	688.93	189,975	688.71
Options Unvested at the end of the year	15,068	—	18,813	—
Options Exercisable at the end of the year	153,773	687.72	171,162	687.17

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

The ESOP compensation cost is amortised on a straight line basis over the total vesting period of the options. Accordingly ₹ 0.02 Crore (net of recovery of ₹ Nil from the subsidiaries) (Previous Year: ₹ 0.18 Crore net of recovery of ₹ 6 from the subsidiaries) has been charged to the current year Statement of Profit and Loss.

For the option exercised during the period, the weighted-average share price at the exercise date was ₹ 915.92 per share (Previous Year: ₹ 927.92).

The weighted – average remaining contractual life for the stock options outstanding as at 31st March, 2013, is 2.43 years (Previous Year: 3.35 years).

(C) Fair Valuation:

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

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

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

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

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

₹ in Crore

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Net Profit	423.05	345.39
Add: Compensation Cost as per Intrinsic Value	0.02	0.18
Less: Compensation Cost as per Fair Value	0.27	1.51
Adjusted Net Income	422.80	344.06
Weighted-average Number of Basic Equity Shares Outstanding (In Nos.)	113,634,808	113,511,645
Weighted-average Number of Diluted Equity Shares Outstanding (In Nos.)	115,723,143	113,591,583
Face Value of the Equity Share (In ₹)	10	10
Reported Earnings Per Share (EPS)		
- Basic EPS (₹)	37.23	30.43
- Diluted EPS (₹)	36.56	30.41
Proforma Earnings Per Share (EPS)		
- Basic EPS (₹)	37.21	30.31
- Diluted EPS (₹)	36.54	30.29

44 List of Related Parties:**PARTIES WHERE CONTROL EXIST****SUBSIDIARIES**

Aditya Birla Financial Services Private Limited (ABFSPL) (100% Subsidiary)

Aditya Birla Capital Advisors Private Limited (ABCAPL) (100% Subsidiary of ABFSPL)

Aditya Birla Customer Services Private Limited (ABC SPL) (100% Subsidiary of ABFSPL)

Aditya Birla Trustee Company Private Limited (ABTCPL) (100% Subsidiary of ABFSPL)

Aditya Birla Money Limited (ABML) (75% Subsidiary of ABFSPL)

Aditya Birla Commodities Broking Limited (ABCBL) (100% Subsidiary of ABML)

Aditya Birla Financial Shared Services Limited (ABFSSL) (100% Subsidiary of ABFSPL)

Aditya Birla Finance Limited (ABFL) (100% Subsidiary of ABFSPL)

Aditya Birla Securities Private Limited (ABSPL) (100% Subsidiary of ABFL)

Aditya Birla Insurance Brokers Limited (ABIBL) (50.01% Subsidiary of ABFSPL)

Birla Sun Life Asset Management Company Limited (BSAMC) (51% Subsidiary of ABFSPL) (w.e.f. 10th Oct., 2012, earlier was a Joint Venture)

Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of BSAMC)

Aditya Birla Sun Life AMC Ltd., Dubai (100% Subsidiary of BSAMC)

Aditya Birla Sun Life AMC Pte. Ltd., Singapore (100% Subsidiary of BSAMC)

India Advantage Fund Ltd. (Subsidiary of BSAMC)

Birla Sun Life Trustee Company Private Limited (BSTPL) (50.85% Subsidiary of ABFSPL) (w.e.f. 10th Oct., 2012, earlier was a Joint Venture)

Aditya Birla Housing Finance Ltd. (ABHFL) (100% Subsidiary of ABFSPL) (formerly known as LIL Investment Limited)

Aditya Birla Money Mart Limited (ABMML) (100% Subsidiary of ABFSPL)

Aditya Birla Money Insurance Advisory Services Limited (ABMIASL) (100% Subsidiary of ABMML)

ABNL IT & ITES Limited (IT&ITES) (100% Subsidiary)

Aditya Birla Minacs Worldwide Limited (ABMWL) (99.85% Subsidiary of IT&ITES)

Aditya Birla Minacs Philippines Inc. (ABMPI) (100% Subsidiary of ABMWL)

Aditya Birla Minacs BPO Private Limited (ABMBPL) (100% Subsidiary of ABMWL)

AV TransWorks Limited. (AVTL) (100% Subsidiary of ABMWL)

Aditya Birla Minacs Worldwide Inc. (ABMWI) (100% Subsidiary of AVTL)

Aditya Birla Minacs BPO Limited (ABMBL) (100% Subsidiary of ABMWI)

Minacs Worldwide SA de CV (MWSC) (100% Subsidiary of ABMWI)

The Minacs Group (USA) Inc.(MGI) (100% Subsidiary of ABMWI)
 Bureau of Collections Recovery, LLC (BCR) (100% Subsidiary of ABMWI)
 Bureau of Collections Recovery (BCR) Inc. (100% Subsidiary of ABMWI)
 Minacs Limited (ML) (100% Subsidiary of ABMWI)
 Minacs Worldwide GmbH (MWGH) (100% Subsidiary of ABMWI)

Minacs Kft. (100% Subsidiary of MWGH)

Aditya Vikram Global Trading House Limited (AVGTHL) (100% Subsidiary)

Birla Sun Life Insurance Company Limited (BSLICL) (74% Subsidiary)

ABNL Investment Limited (ABNLInv) (100% Subsidiary)

Shaktiman Mega Food Park Private Limited (94% Subsidiary)

Madura Garments Lifestyle Retail Company Limited. (MGLRCL) (100% Subsidiary)

Indigold Trade and Services Limited (ITSL) (100% Subsidiary)

Pantaloons Fashion & Retail Limited (Formerly Peter England Fashions and Retail Limited) (PFRL) (50.09% Subsidiary of ITSL)

OTHER RELATED PARTIES

JOINT VENTURES

IDEA Cellular Limited (IDEA)

Birla Sun Life Asset Management Company Limited (BSAMC) (ceased to be a joint venture from 10th Oct., 2012 on becoming Subsidiaries)

Birla Sun Life Trustee Company Private Limited (BSTPL) (ceased to be a joint venture from 10th Oct., 2012 on becoming Subsidiaries)

ASSOCIATES

Birla Securities Limited. (BSL)

Key Management Personnel

Dr. Rakesh Jain – Managing Director

Mr. Pranab Barua – Whole-time Director (up to 15th May, 2012)

Mr. Sushil Agarwal – Whole-time Director (w.e.f. 01st June, 2011)

Mr. Lalit Naik – Deputy Managing Director (w.e.f. 01st January, 2013)

Relatives of Key Management Personnel

Mrs. Anita Agarwal (Wife of Mr. Sushil Agarwal)

Disclosure in respect of Related Parties pursuant to Accounting Standard 18

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

₹ in Crore

Transaction/Nature of Relationship	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Relatives of Key Management Personnel	Grand Total
Purchase of Goods and Services						
ABMWL	1.19 (0.69)	— —	— —	— —	— —	1.19 (0.69)
BSLICL	0.50 (0.82)	— —	— —	— —	— —	0.50 (0.82)
IDEA	— —	2.83 (2.40)	— —	— —	— —	2.83 (2.40)
TOTAL	1.69 (1.51)	2.83 (2.40)	— —	— —	— —	4.52 (3.91)
Rent Expense						
Mrs. Anita Agarwal	— —	— —	— —	— —	0.03 (0.06)	0.03 (0.06)
TOTAL	— —	— —	— —	— —	0.03 (0.06)	0.03 (0.06)
Sales of Goods and Services						
PFRL	5.81 (14.30)	— —	— —	— —	— —	5.81 (14.30)
MGLRCL	165.94 (18.49)	— —	— —	— —	— —	165.94 (18.49)
ABIB	0.02 —	— —	— —	— —	— —	0.02 —
ABMML	— (0.04)	— —	— —	— —	— —	— (0.04)
IDEA	— —	0.01 (0.01)	— —	— —	— —	0.01 (0.01)
TOTAL	171.77 (32.83)	0.01 (0.01)	— —	— —	— —	171.78 (32.84)
Interest Received						
ABNL Inv	1.84 (1.10)	— —	— —	— —	— —	1.84 (1.10)
ABCSP	0.06 —	— —	— —	— —	— —	0.06 —
ABMWL	2.52 (4.05)	— —	— —	— —	— —	2.52 (4.05)
ABFL	1.46 (1.13)	— —	— —	— —	— —	1.46 (1.13)
MGLRCL	— (0.04)	— —	— —	— —	— —	— (0.04)
PFRL	0.09 —	— —	— —	— —	— —	0.09 —
ITSL	0.02 (0.01)	— —	— —	— —	— —	0.02 (0.01)
TOTAL	5.99 (6.33)	— —	— —	— —	— —	5.99 (6.33)
Dividend Received						
BSLICL	145.74 (72.87)	— —	— —	— —	— —	145.74 (72.87)
PFRL	0.12 —	— —	— —	— —	— —	0.12 —
TOTAL	145.86 (72.87)	— —	— —	— —	— —	145.86 (72.87)
Reimbursement of Expenditure						
PFRL	0.07 (0.07)	— —	— —	— —	— —	0.07 (0.07)
MGLRCL	1.17 (0.11)	— —	— —	— —	— —	1.17 (0.11)
IDEA	— —	0.02 —	— —	— —	— —	0.02 —
TOTAL	1.24 (0.18)	0.02 —	— —	— —	— —	1.26 (0.18)

₹ in Crore

Transaction/Nature of Relationship	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Relatives of Key Management Personnel	Grand Total
Purchase of Fixed Assets						
ABFSPL	0.04 —	— —	— —	— —	— —	0.04 —
TOTAL	0.04 —	— —	— —	— —	— —	0.04 —
Interest Expenses						
BSLICL	2.58 (6.85)	— —	— —	— —	— —	2.58 (6.85)
MGLRCL	0.70 —	— —	— —	— —	— —	0.70 —
ABFL	0.09 —	— —	— —	— —	— —	0.09 —
ABNL Inv	0.07 —	— —	— —	— —	— —	0.07 —
TOTAL	3.44 (6.85)	— —	— —	— —	— —	3.44 (6.85)
Managerial Remuneration Paid *						
Dr. Rakesh Jain	— —	— —	— —	6.49 (6.14)	— —	6.49 (6.14)
Mr. Pranab Barua	— —	— —	— —	0.96 (4.31)	— —	0.96 (4.31)
Mr. Sushil Agarwal	— —	— —	— —	2.07 (1.77)	— —	2.07 (1.77)
Mr. Lalit Naik	— —	— —	— —	0.55 —	— —	0.55 —
TOTAL	— —	— —	— —	10.07 (12.22)	— —	10.07 (12.22)
Fresh Investment Made						
ITSL	70.07 —	— —	— —	— —	— —	70.07 —
ABMWL	— (117.10)	— —	— —	— —	— —	— (117.10)
ABFSPL	280.00 (56.50)	— —	— —	— —	— —	280.00 (56.50)
MGLRCL	353.00 —	— —	— —	— —	— —	353.00 —
IT&ITES	0.05 —	— —	— —	— —	— —	0.05 —
TOTAL	703.12 (173.60)	— —	— —	— —	— —	703.12 (173.60)
Sale of Investment						
ITSL	0.50 —	— —	— —	— —	— —	0.50 —
ABNL Inv	— (0.05)	— —	— —	— —	— —	— (0.05)
ABFL	0.43 —	— —	— —	— —	— —	0.43 —
IT&ITES	443.52 —	— —	— —	— —	— —	443.52 —
TOTAL	444.45 (0.05)	— —	— —	— —	— —	444.45 (0.05)
Loans/Deposits Granted (including Inter-Corporate Deposits)						
ABNL Inv	95.44 (61.41)	— —	— —	— —	— —	95.44 (61.41)
ABMWL	97.41 (55.00)	— —	— —	— —	— —	97.41 (55.00)
ABFL	920.00 (706.00)	— —	— —	— —	— —	920.00 (706.00)
PFRL	8.15 —	— —	— —	— —	— —	8.15 —
MGLRCL	7.50 (148.45)	— —	— —	— —	— —	7.50 (148.45)

₹ in Crore

Transaction/Nature of Relationship	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Relatives of Key Management Personnel	Grand Total
ITSL	801.40 —	— —	— —	— —	— —	801.40 —
ABCSP	23.90 (2.15)	— —	— —	— —	— —	23.90 (2.15)
ABMML	— (23.54)	— —	— —	— —	— —	— (23.54)
TOTAL	1,953.80 (996.55)	— —	— —	— —	— —	1,953.80 (996.55)
Deposit Received						
ITSL	— (1.25)	— —	— —	— —	— —	— (1.25)
ABHFL	— (1.25)	— —	— —	— —	— —	— (1.25)
TOTAL	— (2.50)	— —	— —	— —	— —	— (2.50)
Deposit Repaid						
ITSL	1.25 —	— —	— —	— —	— —	1.25 —
ABHFL	1.25 —	— —	— —	— —	— —	1.25 —
TOTAL	2.50 —	— —	— —	— —	— —	2.50 —
Loans Granted Received Back (including Inter-Corporate Deposits)						
ABNL Inv	146.13 (24.97)	— —	— —	— —	— —	146.13 (24.97)
ITSL	801.40 (1.04)	— —	— —	— —	— —	801.40 (1.04)
ABMWL	105.91 (62.50)	— —	— —	— —	— —	105.91 (62.50)
ABFL	957.00 (669.00)	— —	— —	— —	— —	957.00 (669.00)
PFRL	1.67 —	— —	— —	— —	— —	1.67 —
MGLRCL	157.90 (0.65)	— —	— —	— —	— —	157.90 (0.65)
ABCSP	16.05 —	— —	— —	— —	— —	16.05 —
ABMIASL	3.24 —	— —	— —	— —	— —	3.24 —
TOTAL	2,189.30 (758.16)	— —	— —	— —	— —	2,189.30 (758.16)
Loans Taken (including Inter-Corporate Deposits)						
BSLCL	25.00 —	— —	— —	— —	— —	25.00 —
ABNL Inv	10.00 —	— —	— —	— —	— —	10.00 —
ABFL	25.00 —	— —	— —	— —	— —	25.00 —
MGLRCL	59.00 —	— —	— —	— —	— —	59.00 —
TOTAL	119.00 —	— —	— —	— —	— —	119.00 —
Deposits Paid, Received Back						
Mrs. Anita Agarwal	— —	— —	— —	— —	4.60 —	4.60 —
TOTAL	— —	— —	— —	— —	4.60 —	4.60 —

₹ in Crore

Transaction/Nature of Relationship	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Relatives of Key Management Personnel	Grand Total
Loans Repaid (including Inter-Corporate Deposits)						
BSLICL	25.00	—	—	—	—	25.00
ABNL Inv	10.00	—	—	—	—	10.00
ABFL	25.00	—	—	—	—	25.00
MGLRCL	59.00	—	—	—	—	59.00
TOTAL	119.00	—	—	—	—	119.00
Guarantees Given during the year						
MGLRCL	5.00	—	—	—	—	5.00
The Minacs Group (USA) Inc.	(102.30)	—	—	—	—	(102.30)
IT&ITES	250.00	—	—	—	—	250.00
ABMWI	135.30 (437.50)	—	—	—	—	135.30 (437.50)
ITSL	800.00	—	—	—	—	800.00
TOTAL	1,190.30 (539.80)	—	—	—	—	1,190.30 (539.80)
Outstanding Balances as on 31st March, 2013						
Loan/Deposit Granted Outstanding Balances	61.82 (297.31)	—	—	— (3.00)	— (4.60)	61.82 (304.91)
Debentures Held By	25.00 (25.00)	—	—	—	—	25.00 (25.00)
Interest Accrued on Loans Granted	— (0.67)	—	—	—	—	— (0.67)
Amount Receivable	22.71 (80.04)	0.01 (0.03)	—	—	—	22.72 (80.07)
Amounts Payable	1.45 (1.32)	0.06 (0.04)	—	—	—	1.51 (1.36)
Performance Guarantees Outstanding For	106.86 (99.76)	—	—	—	—	106.86 (99.76)
Corporate Guarantees Outstanding For	1,928.79 (930.82)	—	—	—	—	1,928.79 (930.82)
Deposits Payable	— (2.50)	—	—	—	—	— (2.50)
Investments Outstanding	3,281.85 (3,023.15)	2,355.81 (2,355.81)	0.01 (0.01)	—	—	5,637.67 (5,378.97)

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

₹ in Crore

*Remuneration to Key Personnel	Current Year	Previous Year
Salary	9.19	11.35
ESOP	0.71	0.73
Contribution to Provident and Other Funds	0.09	0.10
Other Perquisites	0.08	0.04
	10.07	12.22

- Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year and accordingly have not been considered in the above information.

45 Statement of Derivatives - Outstanding at the Balance Sheet Date

a) Derivatives: Outstanding at the Balance Sheet Date

Nature of Contract	Foreign	Option Currency	Amount in Foreign Currency		Purpose
			As at 31st March, 2013	As at 31st March, 2012	
Currency and Interest Rate Swap	USD	Buy	135,000,000	105,000,000	Hedging of Loan
Currency and Interest Rate Swap	Jyen	Buy	5,791,700,000	11,480,350,000	Hedging of Loan
Forward Contracts	USD	Buy Sell	401,254,886 16,117,500	239,401,554 27,359,619	Hedging Purpose
Forward Contracts	EUR	Buy Sell	18,651,896 4,525,422	10,187,725 5,716,462	Hedging Purpose
Forward Contracts	GBP	Sell	1,156,740	2,161,682	Hedging Purpose
Forward Contracts	AUD	Buy Sell	— —	600,000 83,630	Hedging Purpose
Forward Contracts	CHF	Buy	55,600	—	Hedging Purpose
Forward Contracts and Interest Rate Swap	USD	Buy	15,000,000	15,000,000	Hedging of Loan

b) Foreign Currency Exposure which are not hedged

As at 31st March, 2013

Particulars	Currency	Foreign Currency	₹ in Crore
Trade Receivables	USD	9,107,506	49.54
	EUR	1,146,566	7.97
	GBP	75,042	0.62
Loans and Advances	USD	350,224	1.90
	EUR	525	₹
	JPY	191,000	0.01
Other Current Liabilities	USD	1,922,476	10.46
	EUR	133,550	0.93
	GBP	6,735	0.06
Borrowings	USD	5,079,000	27.62
	EUR	931,000	6.47
Trade Payables	USD	9,418,528	51.23

As at 31st March, 2012

Particulars	Currency	Foreign Currency	₹ in Crore
Trade Receivables	USD	8,630,578	44.15
	EUR	396,522	2.71
Other Current Liabilities	USD	1,828,372	9.37
	EUR	77,462	0.53
	GBP	56,894	0.47
Borrowings	USD	5,854,000	29.95
	EUR	1,651,453	11.29
Trade Payables	USD	12,071,174	61.75

- 46** In accordance with approval of the shareholders in the extraordinary general meeting of the Company held on 25th April, 2012, the Company has on preferential basis, issued 1.65 Crore warrants of ₹ 10 each to the Promoters and/ or Promoter Group at a price of ₹ 910.86. The holder of each warrant is entitled to apply for and obtain allotment of 1 equity share against each warrant at any time after the date of allotment but on or before the expiry of 18 months from the allotment in one or more tranches. The Company has received an amount of ₹ 375.73 Crore equivalent to 25% of the price and ₹ 456.34 Crore (excluding receipt of ₹ 152.11 Crore received on allotment of warrant) on exercise of 66.80 Lakh warrants of ₹ 10 each by the Promoter Group. The total amount of ₹ 832.08 Crore received from the preferential allotment of the warrants has been fully utilised.
- 47** The Company has presented segment information in its Consolidated Financial Statements, which are part of the same annual report. Accordingly, in terms of provisions of Accounting Standard on Segment Reporting (AS-17) no disclosure related to the segment are presented in the Standalone Financial Statements.
- 48** The Company, in its Committee of Directors meeting held on 6th April, 2013, has decided to divest the Carbon Black business with effect from 1st April, 2013 at an Enterprise Value of ₹ 1,451 Crore, subject to adjustment for net working capital. The Carbon Black business is being transferred, on a going concern basis, by way of a slump sale, to SKI Carbon Black (India) Private Limited. The transaction is expected to be consummated during the current financial year subject to necessary approvals.
- 49** Pursuant to the Scheme of Arrangement (the 'Scheme') under Sections 391 to 394 of the Companies Act, 1956, the fashion retail business called the 'Pantaloon Format' of Pantaloon Retail (India) Limited, sanctioned by the Hon'ble High Court of Bombay, vide its order dated 1st March, 2013, has been transferred by way of demerger to Pantaloons Fashion & Retail Limited (Formerly Peter England Fashions and Retail Limited), a subsidiary of the Company, on a going concern basis with effect from 8th April, 2013. The Scheme is operative from the appointed date, i.e., 1st July, 2012.
- 50** Figures of ₹ 50,000 or less have been denoted by '₹'.
- 51** Previous Year's figures have been regrouped/rearranged, wherever necessary.

As per our attached Report of even date

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

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants

Per SHIVJI K. VIKAMSEY
Partner
Membership No. 2242
Mumbai, May 29, 2013

Per VIJAY MANIAR
Partner
Membership No. 36738

For and on behalf of the Board of Directors

DR. RAKESH JAIN
Managing Director

TARJANI VAKIL
G.P. GUPTA
B.R. GUPTA
Directors

SUSHIL AGARWAL
Whole-time Director & CFO

DEVENDRA BHANDARI
Company Secretary
Mumbai, May 29, 2013

CONSOLIDATED
FINANCIAL STATEMENTS

To the Board of Directors of Aditya Birla Nuvo Limited

We have audited the accompanying Consolidated Financial Statements of Aditya Birla Nuvo Limited ('the Company'), its subsidiaries, joint ventures and associate (together, 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended collectively referred to as ('Consolidated Financial Statements'), and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements 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 accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the 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 disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and on consolidation of reports of other auditors on separate financial statements and on the other financial information of the Components and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

1. The auditors of Pantaloon Fashion & Retail Limited ('PFRL'), a subsidiary of the Company, without qualifying their opinion have drawn attention to:
 - (a) Note No. 41(v) to the Consolidated Financial Statements, that PFRL has accounted for the demerger expenses which, though, not in compliance with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended), is in accordance with the scheme of arrangement approved by the Hon'ble Bombay High Court.
2. The auditors of Idea Cellular Limited ('Idea'), a jointly controlled entity of the Company, without qualifying their opinion on the Consolidated Financial Statements of Idea have drawn attention to:
 - (a) Note No. 42(iv) (B) to the Consolidated Financial Statements, that The Division Bench of the Hon'ble High Court of Delhi, on July 13, 2012, has reaffirmed High Court order dated February 05, 2010 and July 04, 2011, sanctioning the Scheme of Amalgamation of Spice Communications Limited (Spice) with Idea. Further, the Division Bench of the Hon'ble High Court of Delhi has also pronounced that the Department of Telecommunications (DoT) has to take decision regarding transfer of licenses held by erstwhile Spice to Idea arising out of amalgamation within a period of three months (which had been extended to January 5, 2013, vide order dated December 11, 2012) and dispute, if any, between Idea and DoT related to transfer of licenses should be referred to Hon'ble TDSAT for resolution.

The impact, if any, on Idea is dependent upon the steps to be taken by DoT in this regard.

- (b) Note No. 28(f) to the Consolidated Financial Statements, that the DoT has issued demand notices dated January 8, 2013, towards one-time spectrum charges for spectrum held by Idea beyond 6.2 Mhz for the period from July 1, 2008 to December 31, 2012, amounting to the Group's share of ₹ 93.28 crore and beyond 4.4 Mhz for the period from January 1, 2013, till the expiry of the license amounting to the Group's share of ₹ 440.80 crore in the respective telecom service areas. In the opinion of Idea, inter alia, the above demand amounts to alteration of financial terms of the licenses issued in the past. Idea, therefore, filed a petition before the Hon'ble High Court of Bombay, which directed DoT to respond and not to take any coercive action until next date of hearing.

The financial impact of the above mentioned matter is dependent upon the outcome of the petition filed by Idea in the Hon'ble High Court of Bombay and, therefore, no effect for the one-time spectrum has been given in these Consolidated Financial Statements.

As a result of above paragraphs 2(a) and 2(b), we are also unable to comment on the consequential impact, if any, on the attached Consolidated Financial Statements.

Other Matters

- The auditors of Aditya Birla Minacs Worldwide Limited ('ABMWL'), a subsidiary company, has reported that they did not audit the financial statements of Aditya Birla Minacs Worldwide Inc. (Consolidated) ('MWI') and Aditya Birla Minacs Philippines, Inc. ('MPI'), subsidiary companies of ABMWL, whose financial statements reflect total assets of ₹ 884.55 crore as at March 31, 2013, and total revenue of ₹ 2,174.39 crore and net cash inflows amounting to ₹ 28.14 crore for the year then ended. The financial statements and other financial information of MWI and MPI have been audited by other auditors as per the requirement of Canadian Generally Accepted Accounting Principles (GAAP) and Philippines GAAP, respectively. These have been converted as per the requirements of Indian GAAP by the management of ABMWL, and the conversion has been audited by the auditors of ABMWL. Our opinion, in so far it relates to the amounts included in respect of MWI and MPI and its conversion into Indian GAAP as stated above, is based solely on the report of auditors of ABMWL.
- The auditors of Birla Sun Life Insurance Company Limited ('BSLI'), a subsidiary company, have reported that the actuarial valuation of liabilities of BSLI for policies in force is the responsibility of BSLI's Appointed Actuary ('the appointed actuary'). The actuarial valuation of liabilities for policies in force has been duly certified by the appointed actuary. The appointed actuary has certified to BSLI that the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority (IRDA) and the Actuarial Society of India in concurrence with IRDA. BSLI auditors have relied on the appointed actuary's certificate in this regard for forming their opinion on the valuation of liabilities for life policies in force and for policies, in respect of which premium has been discontinued but liability exists on financial statements of BSLI. Further, BSLI auditors have relied on the certificate from the appointed actuary for current and non-current classification of policy liabilities.
- We did not audit total assets of ₹ 40,590 crore as at March 31, 2013, total revenues of ₹ 12,269 crore and net cash inflows amounting to ₹ 17 crore for the year then ended, included in the accompanying Consolidated Financial Statements in respect of eighteen subsidiaries, one joint venture and one associate, whose financial statements and other financial information have not been jointly audited by us. These have been audited either singly or jointly with others or by other auditors, whose reports have been furnished to us and in our opinion, in so far as it relates to the amounts included in respect of these entities, are based solely on the report of those respective auditors.

For and on behalf of
S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

Per Vijay Maniar
Partner
Membership No. 036738

Mumbai
Date: May 29, 2013

For and on behalf of
KHIMJI KUNVERJI & CO.
Chartered Accountants
ICAI Firm Registration No. 105146W

Per Shivji K. Vikamsey
Partner
Membership No. 2242

Mumbai
Date: May 29, 2013

**CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2013**

Aditya Birla Nuvo Limited

₹ in Crore

	Note No.	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	2A	120.31	113.62
Reserves and Surplus	3	9,039.87	7,402.98
Money Received against Share Warrants	42 (i)	223.62	—
Sub-Total - (A)		9,383.80	7,516.60
(B) Preference Shares issued by Subsidiary and Joint Venture Companies			
	2B	0.49	0.49
(C) Minority Interest			
		940.43	300.93
(D) Non-Current Liabilities			
Long-term Borrowings	4A	8,895.71	5,283.54
Deferred Tax Liabilities (Net)	5	449.54	332.54
Other Long-term Liabilities	6A	512.05	358.03
Long-term Provisions	7A	126.14	75.77
Policyholders' Fund		21,074.73	19,230.28
Fund for Future Appropriations		66.77	177.59
Sub-Total - (D)		31,124.94	25,457.75
(E) Current Liabilities			
Short-term Borrowings	4B	7,193.92	5,684.88
Trade Payables	8	3,172.93	2,351.38
Other Current Liabilities	6B	4,575.77	3,052.13
Short-term Provisions	7B	276.14	236.68
Policyholders' Fund		292.01	337.86
Fund for Future Appropriations		142.80	218.30
Sub-Total - (E)		15,653.57	11,881.23
TOTAL (A) + (B) + (C) + (D) + (E)		57,103.23	45,157.00
ASSETS			
(F) Non-Current Assets			
Fixed Assets			
Tangible Assets	9A	7,897.17	7,096.72
Intangible Assets	9B	7,044.07	4,984.07
Capital Work-in-Progress		456.07	381.30
Intangible Assets under Development		46.78	28.54
		15,444.09	12,490.63
Non-Current Investments			
Investments of Life Insurance Business	10A	2,889.36	2,162.47
Other Investments	11A	783.74	451.84
Assets Held to Cover Linked Liabilities of Life Insurance Business	12A	16,215.71	15,158.58
Deferred Tax Assets (Net)	5	21.25	15.95
Long-term Loans and Advances	13A	4,316.29	1,551.33
Other Non-Current Assets	14A	4.57	8.24
Sub-Total - (F)		39,675.01	31,839.04
(G) Current Assets			
Current Investments			
Investments of Life Insurance Business	10B	702.79	811.17
Other Investments	11B	2,313.20	345.01
Assets Held to Cover Linked Liabilities of Life Insurance Business	12B	3,121.36	2,977.84
Inventories	15	1,815.03	1,364.90
Trade Receivables	16	3,364.58	2,220.68
Cash and Bank Balances	17	824.39	1,415.91
Short-term Loans and Advances	13B	4,596.68	3,529.11
Other Current Assets	14B	690.19	653.34
Sub-Total - (G)		17,428.22	13,317.96
TOTAL (F) + (G)		57,103.23	45,157.00

Significant Accounting Policies

1

The accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date

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

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants

For and on behalf of the Board of Directors

DR. RAKESH JAIN
Managing Director

TARJANI VAKIL
G.P. GUPTA
B.R. GUPTA
Directors

SUSHIL AGARWAL
Whole-time Director & CFO

Per SHIVJI K. VIKAMSEY
Partner
Membership No. 2242

Per VIJAY MANIAR
Partner
Membership No. 36738

DEVENDRA BHANDARI
Company Secretary

Mumbai, May 29, 2013

Mumbai, May 29, 2013

		₹ in Crore	
	Note No.	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Revenue from Operations	18	26,003.67	22,262.48
Less: Excise Duty		(513.47)	(422.19)
Net Revenue from Operations		25,490.20	21,840.29
Other Income	19	360.62	308.87
Total Revenue		25,850.82	22,149.16
Expenses			
Cost of Materials Consumed	20	4,327.50	3,982.64
Purchase of Stock-in-Trade	21	2,486.96	1,179.26
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	22	(41.52)	(105.98)
Employee Benefits Expenses	23	3,413.61	2,947.02
Benefits Paid (Life Insurance Business)		3,658.64	2,704.62
Change in Valuation of Liability in respect of Life Insurance Policies in Force	24	(323.98)	1,216.96
Other Expenses	25	8,187.29	6,965.18
Total Expenses		21,708.50	18,889.70
Profit Before Depreciation/Amortisation, Interest and Tax (PBDIT)		4,142.32	3,259.46
Depreciation and Amortisation Expenses	26	1,295.49	1,092.33
Finance Cost	27	1,321.16	837.09
Profit Before Exceptional Item and Tax		1,525.67	1,330.04
Exceptional Items	30	—	(103.88)
Profit Before Tax		1,525.67	1,226.16
Tax Expenses			
- Current Tax		298.80	234.67
- MAT Credit		(69.50)	(52.60)
- Write Back of Excess Provision for Tax/ Income Tax Refund Related to Earlier Years (Net)		(0.60)	(22.72)
- Deferred Tax		113.08	56.66
Profit Before Minority Interest		1,183.89	1,010.15
Minority Interest		125.00	120.02
Profit for the Year		1,058.89	890.13
Basic Earnings per Share (₹)		93.18	78.42
Diluted Earnings per Share (₹) (Face Value of ₹ 10/- each)	32	91.50	78.36
Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date

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

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants

Per SHIVJI K. VIKAMSEY
Partner
Membership No. 2242

Mumbai, May 29, 2013

Per VIJAY MANIAR
Partner
Membership No. 36738

For and on behalf of the Board of Directors

DR. RAKESH JAIN
Managing Director

SUSHIL AGARWAL
Whole-time Director & CFO

DEVENDRA BHANDARI
Company Secretary

Mumbai, May 29, 2013

TARJANI VAKIL
G.P. GUPTA
B.R. GUPTA
Directors

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2013**

Aditya Birla Nuvo Limited

₹ in Crore

PARTICULARS	2012-13	2011-12
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	1,525.67	1,226.16
Adjustments for:		
Exceptional Item (Refer Note: 30)	—	103.88
Depreciation/Amortisation	1,295.49	1,092.33
Change in Valuation of Liabilities in respect of life policies	(323.98)	1,216.96
Reversal of Diminution in Value of Fertiliser Bonds	(0.61)	(0.10)
Provision for Bad and Doubtful Debts, Advances and Other Assets	54.89	38.37
Employee Stock Options Expenses	(4.05)	3.04
Unrealised (Gain)/Loss on Foreign Exchange	(3.39)	(11.34)
Interest Expenses	868.36	638.20
Interest Income	(116.81)	(51.50)
(Profit)/Loss on Fixed Assets Sold	12.47	4.38
(Profit)/Loss on Sale of Investments	(36.92)	(19.67)
Dividend Income	(10.94)	(7.87)
Change in Carrying Value of Current Investments	4.83	—
Demerger Expenses (Refer Note: 41)	(9.10)	—
	1,730.24	3,006.68
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,255.91	4,232.84
Adjustments for:		
Decrease/(Increase) in Trade Receivables, Loans and Advances and Other Assets	(4,964.00)	(2,928.08)
Decrease/(Increase) in Inventories	(107.66)	(131.06)
Decrease/(Increase) in Investments of Life Insurance Policyholders	472.45	(1,262.14)
Increase/(Decrease) in Trade Payables, Other Liabilities and Provisions	696.90	494.03
	(3,902.31)	(3,827.25)
CASH GENERATED FROM OPERATIONS	(646.40)	405.59
Income Taxes Refund/(Paid)	(327.73)	(252.12)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(974.13)	153.47
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,660.86)	(1,670.11)
Sale of Fixed Assets	23.68	63.49
Acquisition of Additional Shares / Investment in Subsidiary (Net of Cash)	(11.03)	(152.75)
Purchase of Long-term Investments	(407.82)	(501.05)
Sale of Long-term Investments	65.98	9.16
Sale/(Purchase) of Current Investments (Net)	(2,194.18)	435.89
Inter-Corporate Deposits - Received Back	74.46	3.00
Inter-Corporate Deposits - Given	—	(1.65)
Interest Received	120.25	47.40
Other Bank Deposits (Original Maturity more than three months) - Placed	(205.59)	(529.55)
Other Bank Deposits (Original Maturity more than three months) - Matured	473.24	173.47
Dividend Received	10.94	7.87
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(3,710.93)	(2,114.83)

₹ in Crore

PARTICULARS	2012-13	2011-12
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares (including Securities Premium)	610.99	6.38
Share Warrants	223.62	—
Repayment of Borrowings	(3,385.44)	(2,059.61)
Proceeds from Borrowings	7,948.73	4,947.10
Dividend Paid (including Dividend Distribution Tax)	(186.18)	(88.54)
Interest Paid	(855.74)	(635.60)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	4,355.98	2,169.73
Foreign Exchange difference on Translation of Foreign Currency Cash and Cash Equivalents	1.63	2.33
NET INCREASE IN CASH AND EQUIVALENTS	(327.45)	210.70
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	1,012.00	801.30
CASH AND CASH EQUIVALENTS (CASH TAKEN OVER ON DEMERGER) (Refer Note: 41)	3.21	—
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	687.76	1,012.00

For Significant Accounting Policies Refer Note: 1

The accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date

For KHIMJI KUNVERJI & CO.
ICAI Firm Registration No. 105146W
Chartered AccountantsFor S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No. 301003E
Chartered AccountantsPer SHIVJI K. VIKAMSEY
Partner
Membership No. 2242
Mumbai, May 29, 2013Per VIJAY MANIAR
Partner
Membership No. 36738

For and on behalf of the Board of Directors

DR. RAKESH JAIN
Managing DirectorTARJANI VAKIL
G.P. GUPTA
B.R. GUPTA
DirectorsSUSHIL AGARWAL
Whole-time Director & CFODEVENDRA BHANDARI
Company Secretary

Mumbai, May 29, 2013

NOTE: 1

SIGNIFICANT ACCOUNTING POLICIES:

I. BASIS OF PREPARATION

The Consolidated Financial Statements (CFS) comprise the financial statement of Aditya Birla Nuvo Ltd. ("Company") and its Subsidiaries, Joint Ventures and Associate (herein after referred to as "Group Companies" and together as "Group"). The CFS of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standards (AS) notified by the Companies Accounting Standard Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 1956, in case of Life Insurance Company guidelines issued by the Insurance Regulatory and Development Authority (IRDA) and in case of Non-Banking Financial Companies (NBFCs) guidelines issued by the Reserve Bank of India (RBI), as applicable to NBFC. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year except for those disclosed in paragraph II given below.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle, and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as upto twelve months for the purpose of current/non-current classification of assets and liabilities.

II. CHANGE IN ACCOUNTING POLICY

- (a) Effective from 1st April, 2012, the Group has applied hedge accounting principles in respect of forward exchange contracts taken to hedge the foreign currency risk of firm commitments and highly probable forecast transactions as set out in the Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement. Accordingly, all such contracts that are designated as hedging instruments to hedge the foreign currency risk of firm commitments and highly probable forecast transactions, are marked to market, and loss (net) aggregating to ₹ 6.89 Crore has been directly recognised in the Hedging Reserve Account. Had the Group continued to follow the earlier accounting policy, this loss (net) would have been recognised in the Statement of Profit and Loss.
- (b) Effective from 1st April, 2012, the Group has accounted for Certified Emission Reductions (CERs) accounting based on the Guidance Note on Accounting for self-generated Certified Emission Reductions, issued by The Institute of Chartered Accountants of India. Accordingly, income from CERs is recognised on sale of CERs, and CERs are shown as inventory at lower of cost or net realisable value. Further, CER as on 1st April, 2012, has been recognised at lower of cost or net realisable value based on Transitional provision of the Guidance Note and differential amount of ₹ 0.74 Crore (net of taxes) has been adjusted against General Reserves as per Guidance Note.

III. USE OF ESTIMATES

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

IV. PRINCIPLES OF CONSOLIDATION

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of Consolidated Financial Statements as laid down under the Accounting Standard (AS) – 21, "Consolidated Financial Statements". The Consolidated Financial Statements are prepared by applying uniform accounting policies in use at the Group.

Investments in Associate Companies have been accounted under the equity method as per AS-23 - "Accounting for Investments in Associates in Consolidated Financial Statements".

Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per AS-27 - "Financial Reporting of Interests in Joint Ventures."

The excess/deficit of cost to the Company of its investment over its portion of net worth in the consolidated entities at the respective dates, on which the investment in such entities was made, is recognised in the CFS as Goodwill/Capital reserve.

Minority Interest in the net assets of Subsidiaries consists of:

- i. The amount of equity attributable to the minorities at the date on which investment in Subsidiary is made.
- ii. The minorities' share of movements in equity since the date the parent–subsidiary relationship came into existence.

Entities acquired during the year have been consolidated from the respective dates of their acquisition.

List of companies included in Consolidation are mentioned in Annexure A.

V. TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible Fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on Tangible Fixed Assets is provided on Straight Line Method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, or as per the useful lives of the assets estimated by the management. In case, depreciation is provided based on the estimate useful life the same is always higher than the Schedule XIV rates.

Assets	Estimate Useful Life
Office Computers and Electronic Equipment	2 to 7 years
Vehicles	4 to 10 years
Assets at Showrooms (excluding Assets of Pantaloons Format)	5 years
Furniture & Fixtures, and Other Office Equipment	2 to 15 years
Leasehold Land/Improvements	Over the period of lease
Catalyst (Included in Plant and Machinery)	On the estimated life as technically assessed (ranging from 1.5 to 3 years)
Buildings	9 to 58 years
Plant & Equipment	3 to 20 years
Network Equipment	10 to 20 years
Optical Fibre	15 years

Fixed assets individually costing less than Rupees Five thousand are fully depreciated in the year of purchase.

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

“Continuous process plants” are classified based on technical assessment and depreciation is provided accordingly.

VI. INTANGIBLE ASSETS AND AMORTISATION

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

Assets	Estimate Useful Life
Brands/Trademarks	5 to 10 years
Computer Software	2 to 6 years
Telecom Entry and License Fees and Bandwidth	Over the period of license
Client Acquisition Cost	2 to 5 years
Investment Management Rights	Over the period of 10 years
Non-Compete Fees	3 years
Goodwill	Not being amortised (Tested for Impairment)*

* Amortised by the subsidiaries before its acquisition by the Group.

VII. IMPAIRMENT OF ASSETS

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

VIII. BORROWING COSTS

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

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

IX. TRANSLATION OF FOREIGN CURRENCY ITEMS

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

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

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

Translation of foreign subsidiary is done in accordance with AS – 11 (Revised) - “The Effects of Changes in Foreign Exchange Rates”. In the case of subsidiaries, the operation of which are considered as integral, the Balance Sheet items have been translated at closing rate except share capital and fixed assets, which have been translated at the transaction date. The income and expenditure items have been translated at the average rate for the year. Exchange Gain/(Loss) is recognised in the Statement of Profit and Loss.

In case of subsidiaries, the operation of which are considered as non-integral, all assets and liabilities are converted at the closing rate at the end of the year and items of income and expenditure have been translated at the weighted average rates, where such rates approximate the exchange rate at the date of transaction. Exchange gain/(loss) arising on conversion is recognised under Foreign Currency Translation Reserve.

X. DERIVATIVE INSTRUMENTS

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

The Group enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions and designates such forward contracts as cash flow hedge by applying the principles set out in the Accounting Standard 30 - Financial Instruments: Recognition and measurement. All such forward contracts are used as risk management tools and not for speculative purposes.

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

The Group uses the Derivative financial instruments such as forward contracts, currency swaps and interest rate swaps to hedge risks associated with foreign currency fluctuations and interest rate. As per ICAI announcement regarding accounting for derivative contracts, other than covered under AS-11 and foreign exchange contracts to hedge highly probable forecast transactions and firm commitments described above, these are mark-to-market on the portfolio basis and net loss after considering the offsetting effect on the underlying hedged item is charged to the income statement. Net gains are ignored.

XI. INVESTMENTS

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

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

Investments of Life Insurance Business:

Investments are made in accordance with the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, the Insurance Regulatory and Development Authority (Investment) (Amendment) Regulations, 2001, and various other circulars/notifications issued by the IRDA in this context from time to time.

i. Debt Securities

- a) Investments of Shareholders’ fund and non-linked fund of Policyholders:

All debt securities, including government securities, are considered as ‘held to maturity’ and stated at amortised cost.

b) Policyholders' linked funds:

All debt securities, including government securities, are valued using CRISIL Bond Valuer/CRISIL Gilt Prices, as applicable.

ii. **Equity Shares:**

Listed equity shares are valued and stated at fair value, using the last quoted closing prices on the National Stock Exchange (NSE), at the Balance Sheet date. If the equity shares are not traded on the NSE, then closing prices of the Bombay Stock Exchange (BSE) is considered. Equity shares acquired through primary markets, and awaiting listing are valued at their issue price. Unlisted equity shares are valued as per the valuation policy duly approved by its Investment Committee.

iii. **Mutual Funds:**

Mutual fund units are valued at previous day's Net Asset Value.

XII. INVENTORIES

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

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

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

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

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

XIII. GOVERNMENT GRANTS

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

XIV. REVENUE RECOGNITION

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

Revenue from sale of products are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales of goods are recorded net of trade discounts, rebates, Sales Tax, Value Added Tax and gross of Excise Duty. Sale of power is recognised based on power off-take by the customer. Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of Service Tax. In case of fixed price contracts revenue is recognised on percentage of completion method and revenue from time and materials contract is recognised as the services are provided. Maintenance income is accrued evenly over the period of contract.

Unbilled receivables, represent revenues recognised from the bill cycle date to the end of each month. These are billed in subsequent periods as per the agreed terms.

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

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

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate except in case of NBFC business non-performing assets are recognised on receipt basis.

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

For **Life Insurance business**, revenue is recognised as follows:

Premium is recognised as income when due from policyholders. For unit-linked businesses, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are reinstated. Premiums are net of Service Tax on risk premium collected, if any.

In case of Linked Business, Top-up premiums paid by policyholders is considered as single premium and are utilised as prescribed by the regulations. This premium is recognised when the associated units are created.

Income from linked policies, which include asset management fees, policy administration charges, mortality charges and other charges, if any, are recovered from the linked funds in accordance with the terms and conditions of the policies and recognised when due.

Accretion of discount and amortisation of premium relating to debt securities is recognised over the remaining maturity period on a straight-line basis.

The realised gain/loss on debt securities held for linked business and on sale of equity shares/mutual fund units is the difference between the net sale consideration and weighted-average cost.

Reinsurance premium ceded is accounted for at the time of recognition of the premium income in accordance with the terms and conditions of the relevant treaties with the reinsurers. Impact on account of subsequent revisions to or cancellations of premium is recognised in the year in which they occur.

In case of **Telecom Business**, Recharge fees on recharge vouchers is recognised as revenue as and when the recharge voucher is activated by the subscriber. Unbilled receivables, represent revenues recognised from the bill cycle date to the end of each month. These are billed in the subsequent periods as per the terms of the billing plans.

Income from **Financial Services** includes brokerage and fees on mutual fund units, bonds, fixed deposits, IPOs, private equity and other alternative products, and services which is recognised when due, on completion of transaction. Management fees are recognised on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of Scheme Information Documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. Advisory and portfolio management fees are accounted on an accrual basis as per contractual terms with clients. Income on discounted instruments is recognised over the tenure of the instrument on a straight-line basis. Stock and Commodity Brokerage Income is recognised on the trade date of the transaction upon confirmation of the transactions by the exchanges.

XV. BENEFITS PAID (INCLUDING CLAIMS)

In case of Life Insurance Business deaths and other claims are accounted for, when notified. Survival and maturity benefits are accounted when due. Surrenders/Withdrawals under linked policies are accounted in the respective schemes when the associated units are cancelled. Reinsurance recoverable thereon is accounted for in the same period as the related claim. Repudiated claims disputed before judicial authorities are provided for based on the management prudence considering the facts and evidences available in respect of such claims.

XVI. LICENSE FEES – REVENUE SHARE (TELECOM BUSINESS)

With effect from 1st August, 1999, the variable License fee computed at prescribed rates of revenue share is being charged to the Statement of Profit and Loss in the period in which the related revenue arises. Revenue for this purpose comprises adjusted gross revenue as per the license agreement of the license area to which the license pertains.

XVII. SCHEME EXPENSES (ASSET MANAGEMENT BUSINESS)

Expenses relating to New Fund Offer are charged to the Statement of Profit and Loss. Expenses of schemes of Birla Sun Life Mutual Fund in excess of the stipulated limits as per SEBI (Mutual Fund) Regulations, 1996, and expenses incurred directly (inclusive of advertisement/brokerage of expenses) on behalf of the schemes of Birla Sun Life Mutual Fund are charged to the Statement of Profit and Loss in the year in which they are incurred. Trail Commission paid for future period for Equity Link Saving Schemes (ELSS), Fixed Tenure Schemes, Close-ended Schemes and Systematic Investment Plans (SIPs) in the different schemes during the year are treated as prepaid expenses, and such brokerage and commission are expensed out over three years in case of ELSS or duration of closed schemes or over the duration of the SIP. Any other brokerage/commission is expensed in the year in which they are incurred. Brokerage paid in advance in respect of Portfolio Management Business is amortised over the contractual period.

XVIII. DISTRIBUTION COSTS (PRIVATE EQUITY FUND)

Distribution costs incurred by the Group in respect of Private Equity - Fund I and the Aditya Birla Private –Sunrise Fund, have been accrued over the Commitment Period and the extended Commitment Period of the Fund I and the Sunrise Fund, respectively, as defined in the Fund's Private Placement Memorandum.

XIX. FUND FOR FUTURE APPROPRIATION (LIFE INSURANCE BUSINESS)

Amounts estimated by the Appointed Actuary as Funds for Future Appropriation in respect of lapsed Unit Linked Policies are set-aside in the Balance Sheet, and are not available for distribution to shareholders until expiry of the revival period.

XX. RETIREMENT AND OTHER EMPLOYEE BENEFITS**a) Defined Contribution Plan:**

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

b) Defined Benefit Plan

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

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

XXI. EMPLOYEE STOCK OPTIONS

The stock options granted are accounted for as per the accounting treatment prescribed by Employee Stock Options Scheme, Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI, whereby the intrinsic value of the option is recognised as deferred employee compensation. The deferred employee compensation is charged to the Statement of Profit and Loss on the straight line basis over the vesting period of the option.

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

The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense equal to the unamortised portion.

XXII. TAXATION

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961, and tax laws prevailing in the respective tax jurisdictions the Group operates.

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

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

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

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

Minimum Alternatives Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the companies in the Group will pay normal income tax during the specified period. In the year, in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The companies in the Group review the same at each Balance Sheet date and write down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during the specified period.

XXIII. RESEARCH AND DEVELOPMENT

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

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

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

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

XXIV. OPERATING LEASES

i. As a Lessee:

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

ii. As a Lessor:

The Group has leased certain tangible assets and such leases, where the Group has substantially retained all the risks and rewards of ownership are classified as operating leases.

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term. Initial direct costs are recognised in the Statement of Profit and Loss.

XXV. FINANCE LEASE

Leases where substantially all the risks and benefits incidental to ownership of the leased item are retained by the Lessee are classified as finance lease. The group has capitalised the leased item at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets.

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

XXVI. CASH AND CASH EQUIVALENTS

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

XXVII. MEASUREMENT OF PROFIT BEFORE DEPRECIATION/AMORTISATION, INTEREST AND TAX (PBDIT)

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Group has elected to present PBDIT as a separate line item on the face of the Statement of Profit and Loss. The Group measures PBDIT on the basis of profit/loss from continuing operations. In its measurement the Group does not include depreciation and amortisation expense, finance costs and tax expense.

XXVIII. SEGMENT REPORTING

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group.

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based.

Unallocated items include general corporate income and expense items, which are not allocated to any business segment.

XXIX. CASH FLOW STATEMENT

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

XXX. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted-average number of equity shares outstanding during the period. The weighted-average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

XXXI. CONTINGENT LIABILITIES AND PROVISIONS

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

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

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

In case of NBFC Business, Non-performing loans are written off/provided for, as per management estimates, subject to the minimum provision required as per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. The General Provision @0.25% on Standard Assets is made as per the RBI Circular issued in January 2011.

Annexure 'A' to Note - 1 "Significant Accounting Policies"

	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2013	Proportion of Ownership Interest as on March 31, 2012
SUBSIDIARIES			
Aditya Birla Financial Services Private Limited (ABFSPL)	India	100.00%	100.00%
Aditya Birla Capital Advisors Private Limited (ABCAPL) (Subsidiary of ABFSPL)	India	100.00%	100.00%
Aditya Birla Customer Services Private Limited (ABCSPL) (Subsidiary of ABFSPL)	India	100.00%	100.00%
Aditya Birla Trustee Company Private Limited (ABTCPL) (Subsidiary of ABFSPL)	India	100.00%	100.00%
Aditya Birla Money Limited (ABML) (Subsidiary of ABFSPL)	India	75.00%	75.00%
Aditya Birla Commodities Broking Limited (ABCBL) (100% Subsidiary of ABML)	India	75.00%	75.00%
Aditya Birla Financial Shared Services Limited (ABFSSL) (Subsidiary of ABFSPL)	India	100.00%	100.00%
Aditya Birla Finance Limited (ABFL) (Subsidiary of ABFSPL)	India	100.00%	100.00%
Aditya Birla Securities Private Limited (ABSPL) (Subsidiary of ABFL)	India	100.00%	100.00%
Aditya Birla Insurance Brokers Limited (ABIBL) (Subsidiary of ABFSPL)	India	50.01%	50.01%
Aditya Birla Money Mart Limited (ABMML) (Subsidiary of ABFSPL)	India	100.00%	100.00%
Aditya Birla Money Insurance Advisory Services Limited (Subsidiary of ABMML)	India	100.00%	100.00%
Birla Sun Life Asset Management Company Limited (BSAMC) (Subsidiary of ABFSPL, w.e.f. October 10, 2012)	India	51.00%	—
Birla Sun Life AMC (Mauritius) Ltd. (100% Subsidiary of BSAMC)	Mauritius	51.00%	—
Aditya Birla Sun Life AMC Ltd., Dubai (100% Subsidiary of BSAMC)	Dubai	51.00%	—
Aditya Birla Sun Life AMC Pte. Ltd., Singapore (100% Subsidiary of BSAMC)	Singapore	51.00%	—
India Advantage Fund Limited* (Subsidiary of BSAMC)	Mauritius	51.00%	—
Birla Sun Life Trustee Company Private Limited (BSTPL) (Subsidiary of ABFSPL), w.e.f. October 10, 2012)	India	50.85%	—

	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2013	Proportion of Ownership Interest as on March 31, 2012
Aditya Birla Housing Finance Limited (Earlier known as LIL Investment Limited) w.e.f. 31st December, 2012, earlier Subsidiary of the Company) (Subsidiary of ABFSPL)	India	100.00%	99.99%
ABNL IT & ITES Ltd. (ABNLIT) (Subsidiary w.e.f. 23rd February, 2013)	India	100.00%	—
Aditya Birla Minacs Worldwide Limited (ABMWL) (Subsidiary of ABNLIT, w.e.f. 23rd March, 2013, earlier Subsidiary of the Company)	India	99.85%	99.85%
TransWorks Inc. (TW Inc) (100% Subsidiary of ABMWL) (upto October 9, 2011)	USA	—	—
Aditya Birla Minacs Philippines Inc. (ABMPI) (100% Subsidiary of ABMWL)	Philippines	99.85%	99.85%
AV TransWorks Limited (AVTL) (100% Subsidiary of ABMWL)	Canada	99.85%	99.85%
Aditya Birla Minacs Worldwide Inc. (ABMWI) (100% Subsidiary of AVTL)	Canada	99.85%	99.85%
Aditya Birla Minacs BPO Ltd. (ABMBL) (100% Subsidiary of ABMWI)	UK	99.85%	99.85%
Aditya Birla Minacs BPO Private Limited (ABMBPL) (100% Subsidiary of ABMWL)	India	99.85%	99.85%
Compass BPO Inc. (100% Subsidiary of ABMBL) (upto September 29, 2011)	USA	—	—
Minacs Worldwide SA de CV (MWSC) (100% Subsidiary of ABMWI)	Mexico	99.85%	99.85%
The Minacs Group (USA) Inc. (MGI) (100% Subsidiary of ABMWI)	USA	99.85%	99.85%
Bureau of Collection Recovery, LLC (BCR) (100% Subsidiary of MGI)	USA	99.85%	99.85%
Bureau of Collections Recovery (BCR) Inc. (Subsidiary of ABMWI) (w.e.f. March 4, 2011)	Canada	99.85%	99.85%
Minacs Limited (ML) (100% Subsidiary of ABMWI)	UK	99.85%	99.85%
Minacs Worldwide GmbH (MWGH) (100% Subsidiary of ABMWI)	Germany	99.85%	99.85%
Minacs Kft. (100% Subsidiary of MWGH)	Hungary	99.85%	99.85%
Aditya Vikram Global Trading House Limited (AVGTHL)	Mauritius	100.00%	100.00%
Birla Sun Life Insurance Company Limited (BSLICL)	India	74.00%	74.00%
ABNL Investment Limited (ABNLIL)	India	100.00%	100.00%
Shaktiman Mega Food Park Private Limited	India	94.00%	94.00%
Madura Garments Lifestyle Retail Company Limited (MGLRCL)	India	100.00%	100.00%
Indigold Trade and Services Limited (ITSL)	India	100.00%	99.99%
Pantaloons Fashions & Retail Limited (PFRL) (Earlier known as Peter England Fashions & Retail Limited) (Subsidiary of ITSL)	India	50.09%	100.00%

JOINT VENTURES

Birla Sun Life Asset Management Company Limited – Consolidated (BSAMC) (Joint Venture of ABFSPL upto October 9, 2012)	India	—	49.99%
Birla Sun Life Trustee Company Private Limited (BSTPL) (Joint Venture of ABFSPL upto October 9, 2012)	India	—	49.85%
IDEA Cellular Limited – Consolidated (IDEA)	India	25.27%	25.31%

ASSOCIATES

Birla Securities Limited (BSL)	India	50.00%	50.00%
--------------------------------	-------	--------	--------

**India Advantage Fund Limited (IAFL), wholly owned Subsidiary of Birla Sun Life Asset Management Company Limited, is a collective investment scheme set up as a fund in Mauritius with the status of a limited company under the Mauritius Companies Act. In terms of constitution and private placement memorandum, IAFL has classes of redeemable participating shares. Each class of participating shares has its own Balance Sheet and Statement of Profit and Loss. The Profit/Loss of each such class belongs to the participating shareholders of that class. Birla Sun Life Asset Management Company Limited (BSAMC) owns 100% of the management share, and management shareholder is not entitled to any beneficial interest in the profit/loss of various classes nor is required to make good any shortfall. In substance, there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Group has not consolidated IAFL in the Consolidated Financial Statements.*

	Numbers	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 2A			
SHARE CAPITAL			
Authorised:			
Equity Shares of ₹ 10/- each	175,000,000 (175,000,000)	175.00	175.00
Redeemable Preference Shares of ₹ 100/- each	500,000 (500,000)	5.00	5.00
		<u>180.00</u>	<u>180.00</u>
Issued:			
EQUITY SHARE CAPITAL			
Equity Shares of ₹ 10/- each	120,254,529 (113,556,765)	120.25	113.56
		<u>120.25</u>	<u>113.56</u>
Subscribed and Paid-up:			
EQUITY SHARE CAPITAL			
Equity Shares of ₹ 10/- each, fully paid-up	120,213,187 (113,515,242)	120.21	113.52
		<u>120.21</u>	<u>113.52</u>
Issued, Subscribed and Paid-up:			
PREFERENCE SHARE CAPITAL			
6% Redeemable Cumulative Preference Shares of ₹ 100/- each, fully paid-up	10,000 (10,000)	0.10	0.10
		<u>0.10</u>	<u>0.10</u>
		<u>120.31</u>	<u>113.62</u>

- For details of Shares reserved for issue under the Employee Stock Options Plan (ESOP) of the Group refer Note: 36.
- Figures in brackets represent the corresponding number of shares for Previous Year.

NOTE: 2B**PREFERENCE SHARES ISSUED BY SUBSIDIARY AND JOINT VENTURE COMPANIES**

6% Redeemable Cumulative Preference Shares of ₹ 100/- each, fully paid-up of the Subsidiary company	0.01	0.01
Compulsory Convertible Preference Shares of ₹ 10/- each, fully paid-up of the Subsidiary company of Joint Venture company	0.48	0.48
	<u>0.49</u>	<u>0.49</u>

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 3		
RESERVES AND SURPLUS		
1) Capital Reserves	269.97	269.97
2) Capital Redemption Reserve	9.61	9.61
3) Securities Premium Account		
Opening Balance as per last audited Financial Statement	4,499.88	4,494.28
Addition:		
Allotment of Rights Issue Shares	0.01	0.11
ESOP Exercised	6.09	4.87
Transfer from Stock Options Outstanding	3.81	4.25
Conversion of Share Warrants	601.77	—
Cost of Licenses impaired earlier and debited to Securities Premium now adjusted against new spectrum taken in auction by Joint Venture (Refer Note: 42 (iv) (A))	90.61	—
Deduction:		
Stake Change in Joint Venture	3.57	3.63
	5,198.60	4,499.88
4) Debenture Redemption Reserve		
Opening Balance as per last audited Financial Statement	72.21	115.58
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	44.70	54.13
Deduction:		
Transfer to General Reserve on Redemption of Debentures	50.00	97.50
	66.91	72.21
5) Share Options Outstanding Account		
Opening Balance as per last audited Financial Statement	20.79	22.02
Addition:		
Charge for the year	(4.05)	3.04
Deduction:		
Transfer to Securities Premium on exercise of Options	3.81	4.25
Stake Change in Joint Venture	0.01	0.02
	12.92	20.79
6) Other Reserves		
i) General Reserve		
Opening Balance as per last audited Financial Statement	2,682.81	2,364.66
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	249.65	200.70
Transfer from Debenture Redemption Reserve	50.00	97.50
Transfer from Investment Reserve	—	19.95
Transfer from Business Restructuring Reserve	4.26	—
Transfer by Joint Venture of Joint Venture	0.52	—
Deduction:		
Demerger Expenses (Refer Note: 41)	0.12	—
Minority Interest Adjustment of Demerger Expenses	(0.06)	—
Others (Refer Note: 1 (II) (b))	0.74	—
	2,986.44	2,682.81
ii) Investment Reserve		
Opening Balance as per last audited Financial Statement	—	19.95
Deduction:		
Transfer to General Reserve	—	19.95
	—	—

	As at 31st March, 2013	As at 31st March, 2012
		₹ in Crore
iii) Special Reserve		
Opening Balance as per last audited Financial Statement	38.26	26.63
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	20.50	11.63
	58.76	38.26
iv) Capital Fund		
Opening Balance as per last audited Financial Statement	0.02	0.01
Addition:		
Transfer from Surplus in the Statement of Profit and Loss	—	0.01
	0.02	0.02
v) Credit/(Debit) Fair Value Change Account		
Opening Balance as per last audited Financial Statement	₹	₹
Addition:		
Addition during the year	₹	₹
	₹	₹
vi) Business Restructuring Reserve		
Opening Balance as per last audited Financial Statement	4.27	4.28
Deduction:		
Transfer to General Reserve	4.26	—
Stake Change in Joint Venture	0.01	0.01
	—	4.27
vii) Foreign Exchange Fluctuation Reserve		
Opening Balance as per last audited Financial Statement	103.85	51.59
Addition During the Year	26.93	52.26
	130.78	103.85
viii) Hedging Reserve		
Opening Balance as per last audited Financial Statement	—	—
Addition:		
Gain or (Loss) recognised during the year (Net)	9.34	—
Deduction:		
Gain or (Loss) recycled during the year (Net)	16.27	—
	(6.93)	—
Total Other Reserve	3,169.07	2,829.21
7) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance as per last audited Financial Statement	(298.69)	(839.33)
Addition:		
Profit for the Year	1,058.89	890.13
Amount Transferred on Stake Change/Amalgamation of Subsidiaries/Joint Ventures	(0.44)	(2.70)
Demerger Expenses (Refer Note: 41)	(8.98)	—
Minority Interest Adjustment of Demerger Expenses	4.48	—
Less: Appropriations		
Transfer to Debenture Redemption Reserve	44.70	54.13
Transfer to Special Reserve	20.50	11.63
Transfer to General Reserve	249.65	200.70
Transfer to Capital Fund	—	0.01
Corporate Tax on Interim Dividend	29.97	11.81
Proposed Dividend on (Refer Note: 31)		
Equity	78.14	68.11
Preference	0.01	0.01
Corporate Tax on Proposed Dividend	19.50	0.39
	312.79	(298.69)
	9,039.87	7,402.98

	As at 31st March, 2013	As at 31st March, 2012
₹ in Crore		
NOTE: 4A		
LONG-TERM BORROWINGS		
SECURED		
Debentures	1,759.86	147.40
Rupee Term Loans from		
Banks	2,775.48	1,336.76
Others	393.94	392.35
Foreign Currency Loans from		
Banks	564.08	617.84
Others	1,225.77	933.55
Deferred Sales Tax Liabilities	49.30	53.49
Finance Lease Liabilities	8.11	7.95
	6,776.54	3,489.34
UNSECURED		
Debentures	905.00	780.00
Rupee Term Loans from		
Others	4.38	3.66
Foreign Currency Loans from		
Banks	864.65	1,007.99
Deposits	8.70	2.55
Deferred Payment Liability towards Spectrum	336.44	—
	2,119.17	1,794.20
	8,895.71	5,283.54
NOTE: 4B		
SHORT-TERM BORROWINGS		
SECURED		
Loan Repayable on Demand from Banks	1,211.68	776.70
	1,211.68	776.70
UNSECURED		
Loan Repayable on Demand from		
Banks	2,048.26	2,323.16
Others	1,320.66	114.31
Deposits	52.23	8.50
Commercial Papers	2,561.09	2,462.21
	5,982.24	4,908.18
	7,193.92	5,684.88
NOTE: 5		
DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities at the year end comprise timing differences on account of:		
Depreciation	721.59	639.08
Expenditure/Provisions Allowable on Payment Basis	8.39	3.68
	729.98	642.76
DEFERRED TAX ASSETS		
Deferred Tax Assets at the year end comprise timing differences on account of:		
Depreciation	2.24	0.95
Expenditure/Provisions Allowable on Payment Basis	80.78	63.96
Provision for Doubtful Debts and Advances	49.31	28.16
Unabsorbed Depreciation and Carry Forward Losses	150.76	214.61
Others	18.60	18.49
	301.69	326.17
Net Deferred Tax Liability/(Asset)	428.29	316.59
Deferred Tax Presented in Balance Sheet		
Deferred Tax Liability (Net)	449.54	332.54
Deferred Tax Asset (Net)	21.25	15.95
Net Deferred Tax Liability/(Asset)	428.29	316.59
Deferred Tax Assets is recognised on losses and unabsorbed depreciation only to the extent of Deferred Tax Liability in certain subsidiaries.		

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 6A		
OTHER LONG-TERM LIABILITIES		
Trade Payables	68.22	58.49
Interest Accrued but Not Due on Borrowings	46.92	2.33
Other Payables		
Deposits	103.87	88.21
Advance from Customers	94.10	85.61
Income Received in Advance	74.57	53.68
Payables for Capital Expenditure	11.63	1.97
Provisions for Premium on Redemption of Debenture	15.95	—
Others	96.79	67.74
	512.05	358.03

NOTE: 6B		
OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Borrowings	2,589.61	1,331.64
Current Maturities of Finance Lease Obligations	0.97	0.67
Interest Accrued but Not Due on Borrowings	152.81	86.60
Income Received in Advance	7.16	11.67
Investors' Education and Protection Fund to be credited as and when due		
Unpaid Dividend	2.87	2.65
Unpaid Matured Deposits and Interest Accrued thereon	0.02	0.02
Securities Application Money Received and Due for Refund	0.04	0.06
Money Due for Refund on Fraction Shares	0.29	0.29
Other Payables		
Advance from Customers	452.87	491.23
Book Overdraft	13.08	68.52
Payables for Capital Expenditure	321.29	278.52
Statutory Dues	495.07	416.61
Margin Money from Customers	2.26	2.80
Deposits	47.64	31.74
Interim Dividend Payable by Subsidiary Company	—	25.60
Due to Life Insurance Policyholders	308.73	282.51
Provisions for Premium on Redemption of Debenture	65.05	—
Derivative Liability (Net) *	31.47	—
Others	84.54	21.00
	4,575.77	3,052.13

* This represents Mark-to-Market on Derivative Contract taken for the purpose of hedging.

NOTE: 7A		
LONG-TERM PROVISIONS		
Provisions for:		
Employee Benefits	49.30	31.13
Others		
Contingent Provision on Standard Asset of Financing Activities	8.59	1.73
Provision for Doubtful Loans and Advances of Financing Activities	27.49	6.49
Other Long-term Provisions #	40.76	36.42
	126.14	75.77

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 7B		
SHORT-TERM PROVISIONS		
Provisions for:		
Employee Benefits	121.88	100.02
Others		
Taxation	33.63	20.02
Proposed Dividend (Refer Note: 31)		
Equity	78.14	68.11
Preference	0.01	0.01
Provision for Corporate Tax on Dividend	19.50	0.39
Contingent Provision on Standard Asset of Financing Activities	11.58	7.47
Provision for Doubtful Loans and Advances of Financing Activities	—	4.55
Provision for Mark-to-Market Loss on Forward Contract	—	3.33
Other Short-term Provisions #	11.40	32.78
	276.14	236.68

Additional disclosure as per Accounting Standard-29 "Provisions, Contingent Liabilities and Contingent Assets"

A. Warranty

Opening Balance	0.87	0.84
Arising during the year	—	0.07
Unused Amounts Reversed	(0.13)	(0.04)
Closing Balance	0.74	0.87
Short-term	0.74	0.87
	0.74	0.87

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

B. Customer Relationship Management Loyalty Programme

Opening Balance	—	—
Arising during the year	16.63	—
Utilised	(11.34)	—
Closing Balance	5.29	—
Short-term	5.29	—
	5.29	—

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

C. Long-Term Bonus Plan

Opening Balance	39.13	25.72
Arising during the year	11.82	15.64
Unused Amounts Reversed	(50.95)	(2.23)
Closing Balance	—	39.13
Long-term	—	8.71
Short-term	—	30.42
	—	39.13

The Group has estimated and recognised a liability in respect of employee benefits arising out of the "Employee Phantom Unit Plan" announced by it.

The cost estimate is determined after factoring in assumptions in respect of criteria identified in the Bonus Plan which includes the following:

- Units granted to employee under different options under the plan
- Maximum payout over vesting period per unit
- Employee attrition rates
- Performance condition

Expected timing of outflow:

	N.A.	Up to 3 years ₹ in Crore
	As at	As at
	31st March, 2013	31st March, 2012
D. Renewal Bonus		
Opening Balance	0.06	0.29
Arising during the year	0.01	(0.08)
Utilised	(0.07)	(0.12)
Unused Amounts Reversed	—	(0.03)
Closing Balance	—	0.06
Short-term	—	0.06
	—	0.06

Renewal bonus is payable to the individual insurance agents and a segment of the sales force. This constitutes a part of the first year commission/incentives against receipt of the first year premium but due and payable at the end of the expiry of two years of the policy and is accrued for in the year of sale of the policy, subject to the intermediaries' and policy's continued persistency.

Expected timing of outflow:

	N.A.	Up to 2 years
E. Long-term Incentive Plan		
Opening Balance	5.58	—
Arising during the year	6.44	5.58
Utilised	(3.68)	—
Closing Balance	8.34	5.58
Long-term	2.97	4.15
Short-term	5.37	1.43
	8.34	5.58

The cost estimate determined after the factoring in assumptions in respect of criteria identified in the Plan which include the following:

- Employee attrition rate
- Performance condition
- Discount rate

F. Asset Retirement Obligation		
Opening Balance	23.56	22.52
Arising during the year	14.92	1.20
Change in Liability on Stake Change of Joint Venture	(0.04)	(0.04)
Utilised	(0.65)	(0.12)
Closing Balance	37.79	23.56
Long-term	37.79	23.56
	37.79	23.56

Asset Retirement Obligation provision is recognised for the costs to be incurred for the restoration of premises taken on lease to install equipment, at the end of the lease period. It is expected that this provision will be utilised at the end of the lease period of the respective sites as per the respective lease agreements.

NOTE: 8
TRADE PAYABLES

Trade Payables	3,172.93	2,351.38
	3,172.93	2,351.38

NOTE: 9A

TANGIBLE ASSETS

₹ in Crore

	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Leasehold Improve-ments	Plant & Equipments	Furniture & Fixtures	Office Equipment	Vehicles	Railway Sidings	TOTAL
Gross Block											
As at 1st April, 2011	29.66	38.03	388.30	2.83	185.16	10,125.18	390.25	280.66	63.82	5.84	11,509.73
Additions	—	0.01	13.01	0.66	12.93	1,412.12	49.20	32.46	15.68	—	1,536.07
Deletions	0.14	0.02	0.73	—	20.61	301.59	23.73	19.73	11.37	—	377.92
Foreign Exchange Translation Difference	—	—	—	—	11.61	45.72	8.30	0.89	—	—	66.52
Addition/(Deletion) on Stake Change/Amalgamations	—	(0.01)	(0.06)	—	0.36	(11.00)	0.11	—	(0.04)	—	(10.64)
As at 31st March, 2012	29.52	38.01	400.52	3.49	189.45	11,270.43	424.13	294.28	68.09	5.84	12,723.76
Additions	18.41	0.02	41.91	1.76	20.25	1,260.19	65.68	40.99	14.21	—	1,463.42
Deletions	—	—	0.05	0.41	28.27	128.64	55.21	17.98	17.69	—	248.25
Foreign Exchange Translation Difference	—	—	—	—	5.29	13.57	3.57	0.63	—	—	23.06
Addition/(Deletion) on Stake Change/Amalgamations	—	(0.01)	(0.06)	—	123.44	(12.81)	317.33	246.25	4.14	—	678.28
As at 31st March, 2013	47.93	38.02	442.32	4.84	310.16	12,402.74	755.50	564.17	68.75	5.84	14,640.27
Accumulated Depreciation											
As at 1st April, 2011	—	3.89	98.68	1.13	119.42	4,299.20	236.09	221.43	35.01	5.55	5,020.40
For the Year	—	0.60	11.54	0.45	22.92	785.96	56.65	27.66	11.29	—	917.07
Deletions	—	—	0.22	—	16.61	295.80	19.73	18.78	8.86	—	360.00
Foreign Exchange Translation Difference	—	—	—	—	6.31	40.79	5.51	0.70	—	—	53.31
Addition/(Deletion) on Stake Change/Amalgamations	—	—	(0.02)	—	0.05	(3.61)	(0.03)	(0.11)	(0.02)	—	(3.74)
As at 31st March, 2012	—	4.49	109.98	1.58	132.09	4,826.54	278.49	230.90	37.42	5.55	5,627.04
For the Year	—	0.61	11.52	0.52	31.91	934.56	92.10	42.04	11.99	—	1,125.25
Deletions	—	—	0.04	0.30	24.50	117.82	49.66	15.46	12.37	—	220.15
Foreign Exchange Translation Difference	—	—	—	—	3.29	7.46	2.32	0.22	—	—	13.29
Addition/(Deletion) on Stake Change/Amalgamations	—	—	(0.02)	—	41.43	(4.51)	86.20	71.20	3.37	—	197.67
As at 31st March, 2013	—	5.10	121.44	1.80	184.22	5,646.23	409.45	328.90	40.41	5.55	6,743.10
Net Block as at 31st March, 2012	29.52	33.52	290.54	1.91	57.36	6,443.89	145.64	63.38	30.67	0.29	7,096.72
Net Block as at 31st March, 2013	47.93	32.92	320.88	3.04	125.94	6,756.51	346.05	235.27	28.34	0.29	7,897.17

A. Gross Block of Tangible Assets Includes:

- Assets held under co-ownership - Leasehold Land ₹ 19.54 Crore (Previous Year: ₹ 19.54 Crore), Buildings ₹ 23.85 Crore (Previous Year: ₹ 23.85 Crore), Furniture & Fixtures ₹ 2.65 Crore (Previous year: ₹ 2.61 Crore), Office Equipment ₹ 5.68 Crore (Previous Year: ₹ 5.33 Crore) and Vehicles ₹ Nil (Previous Year: ₹ 6.83 Crore).
- Buildings include ₹ 21.68 Crore (Previous year: ₹ 21.68 Crore) being cost of Debentures and Shares in a Company entitling the right of exclusive occupancy and use of certain premises.

B. Details of Tangible Assets capitalised under Finance Lease:

- Plant and Equipment includes Gross Block of ₹ 264.58 Crore (Previous Year: ₹ 178.35 Crore) and Net Block ₹ 98.20 Crore (Previous Year: ₹ 60.30 Crore).
- Office Equipment includes Gross Block of ₹ 0.38 Crore (Previous Year: ₹ 1.54 Crore) and Net Block of ₹ 0.34 Crore (Previous Year: ₹ 1.45 Crore).

C. Exchange loss amounting to ₹ 104.12 Crore (Previous Year: ₹ 142.64 Crore) has been capitalised as per Para 46A of AS-11.

D. For Assets given on Operating Lease - Refer Note: 34.

NOTE: 9B
INTANGIBLE ASSETS

₹ in Crore

	Goodwill	Goodwill on Consolidation	Brands/ Trademarks	Computer Software	Investment Management Rights	Client Acquisition Cost	Telecom Entry/License Fees*	Non-Compete Fees	TOTAL
Gross Block									
As at 1st April, 2011	57.52	2,995.07	178.95	250.30	26.92	15.55	1,706.48	—	5,230.79
Additions	—	—	0.97	56.63	—	—	615.70	0.33	673.63
Deletions	5.36	—	—	8.47	—	—	—	—	13.83
Foreign Exchange Translation Difference	4.92	72.27	—	—	—	1.38	—	—	78.57
Addition/(Deletion) on Stake Change/ Amalgamations	—	58.13	—	(0.18)	—	—	(2.87)	—	55.08
As at 31st March, 2012	57.08	3,125.47	179.92	298.28	26.92	16.93	2,319.31	0.33	6,024.24
Additions	—	—	19.85	73.68	—	—	562.59	—	656.12
Deletions	—	—	—	1.93	—	1.76	82.39	—	86.08
Foreign Exchange Translation Difference	1.66	32.84	—	(0.02)	—	1.11	—	—	35.59
Addition/(Deletion) on Stake Change/ Amalgamations	1,167.56	446.36	—	8.33	26.92	—	(3.84)	—	1,645.33
As at 31st March, 2013	1,226.30	3,604.67	199.77	378.34	53.84	16.28	2,795.67	0.33	8,275.20
Accumulated Amortisation									
As at 1st April, 2011	10.30	—	162.80	187.52	14.81	4.58	498.37	—	878.38
For the Year	—	—	5.78	42.33	2.69	5.44	118.91	0.11	175.26
Deletions	5.36	—	—	8.05	—	—	—	—	13.41
Foreign Exchange Translation Difference	0.55	—	—	—	—	0.36	—	—	0.91
Addition/(Deletion) on Stake Change/ Amalgamations	—	—	—	(0.13)	—	—	(0.84)	—	(0.97)
As at 31st March, 2012	5.49	—	168.58	221.67	17.50	10.38	616.44	0.11	1,040.17
For the Year	—	—	5.80	41.72	4.04	4.22	114.35	0.11	170.24
Deletions	—	—	—	1.73	—	1.76	—	—	3.49
Foreign Exchange Translation Difference	0.25	—	—	—	—	0.16	—	—	0.41
Addition/(Deletion) on Stake Change/ Amalgamations	—	—	—	5.97	18.85	—	(1.02)	—	23.80
As at 31st March, 2013	5.74	—	174.38	267.63	40.39	13.00	729.77	0.22	1,231.13
Net Block as at 31st March, 2012	51.59	3,125.47	11.34	76.61	9.42	6.55	1,702.87	0.22	4,984.07
Net Block as at 31st March, 2013	1,220.56	3,604.67	25.39	110.71	13.45	3.28	2,065.90	0.11	7,044.07

A. All Intangible Assets are other than internally generated.

B. Details of Intangible Assets capitalised under Finance Lease:

Software includes Gross Block of ₹ 54.37 Crore (Previous Year: ₹ 49.74 Crore) and Net Block of ₹ 9.79 Crore (Previous Year: ₹ 16.53 Crore).

* Based on Written-down Value, the balance amortisation period of material intangible assets:

Intangible Assets	As at 31st March, 2013	As at 31st March, 2012
Telecom Entry/License Fees	Ranges from 36 to 216 months based on the respective Telecom Service License period.	Ranges from 48 to 228 months based on the respective Telecom Service License period.

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 9A & 9B		
During the year, the Group has capitalised the following expenses to cost of Fixed Assets/Capital Work-in-Progress		
Raw Materials Consumed	0.14	0.09
Salaries and Wages	3.29	2.29
Contribution to Provident and Other Funds	0.31	0.05
Staff Welfare Expenses	0.14	—
Power and Fuel	0.97	—
Rent	1.41	0.36
Repairs and Maintenance - Others	—	0.62
Insurance	—	0.19
Legal and Professional Fees	17.36	3.32
Travelling and Conveyance	1.54	0.17
Interest Expenses	12.77	5.77
Miscellaneous Expenses	3.38	1.12
	41.31	13.98
NOTE: 10A		
INVESTMENTS OF LIFE INSURANCE BUSINESS: NON-CURRENT		
(i) Shareholders' Investments		
Quoted		
Investments in		
Government or Trust Securities	686.84	578.96
Debentures/Bonds	607.88	375.07
	1,294.72	954.03
Unquoted		
Investments in		
Equity Instruments	1.25	1.25
Others (Fixed Deposits)	9.90	9.90
	11.15	11.15
Sub-Total - (i)	1,305.87	965.18
(ii) Policyholders' Investments		
Quoted		
Investments in		
Equity Instruments	12.39	9.21
Government or Trust Securities	910.60	600.06
Debentures/Bonds	616.87	587.42
	1,539.86	1,196.69
Unquoted		
Investments in		
Equity Instruments	0.11	—
Others (Fixed Deposits)	43.52	0.60
	43.63	0.60
Sub-Total - (ii)	1,583.49	1,197.29
Total - (i) + (ii)	2,889.36	2,162.47
Aggregate Market Value of Quoted Investments	2,885.55	2,117.97
Aggregate Book Value of Quoted Investments	2,834.58	2,150.72
Aggregate Book Value of Unquoted Investments	54.78	11.75

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 10B		
INVESTMENTS OF LIFE INSURANCE BUSINESS: CURRENT		
(i) Shareholders' Investments		
Quoted		
Investments in		
Government or Trust Securities	8.57	3.14
Debentures/Bonds	44.98	25.02
	<u>53.55</u>	<u>28.16</u>
Unquoted		
Investments in		
Mutual Funds	1.07	15.14
Others		
Collateralised Borrowing and Lending Obligation	10.20	—
Certificate of Deposits	—	1.87
Commercial Papers	—	4.97
	<u>11.27</u>	<u>21.98</u>
Sub-Total - (i)	<u>64.82</u>	<u>50.14</u>
(ii) Policyholders' Investments		
Quoted		
Investments in		
Government or Trust Securities	267.27	400.60
Debentures/Bonds	208.72	163.81
	<u>475.99</u>	<u>564.41</u>
Unquoted		
Investments in		
Mutual Funds	11.31	11.16
Others		
Fixed Deposits	11.00	34.86
Collateralised Borrowing and Lending Obligation	103.52	7.43
Certificate of Deposits	26.64	143.17
Commercial Papers	9.51	—
	<u>161.98</u>	<u>196.62</u>
Sub-Total - (ii)	<u>637.97</u>	<u>761.03</u>
Total - (i) + (ii)	<u>702.79</u>	<u>811.17</u>
Aggregate Market Value of Quoted Investments	529.83	588.93
Aggregate Book Value of Quoted Investments	529.54	592.57
Aggregate Book Value of Unquoted Investments	173.25	218.60

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 11A		
OTHER INVESTMENTS:NON-CURRENT		
Quoted		
Investments in		
Equity Instruments	201.94	201.94
Preference Shares	—	1.74
Debentures or Bonds	141.16	100.71
Mutual Funds	—	10.02
	343.10	314.41
Unquoted		
Investments in		
Equity Instruments	2.52	2.52
Preference Shares	27.98	30.02
Debentures or Bonds	225.89	—
Mutual Funds	0.04	0.03
Others (Private Equity Fund, PMS and Real Estate Fund)	184.21	104.86
	440.64	137.43
	783.74	451.84
Aggregate Market Value of Quoted Investments	498.65	534.18
Aggregate Book Value of Quoted Investments	343.10	314.41
Aggregate Book Value of Unquoted Investments	440.64	137.43
NOTE: 11B		
OTHER INVESTMENTS: CURRENT		
Quoted		
Investments in		
Debentures or Bonds	146.35	45.00
Mutual Funds	71.95	43.76
	218.30	88.76
Unquoted		
Investments in		
Debentures or Bonds	1,369.02	160.81
Mutual Funds	701.69	47.98
Others	24.19	47.46
	2,094.90	256.25
	2,313.20	345.01
Aggregate Market Value of Quoted Investments	222.44	89.46
Aggregate Book Value of Quoted Investments	218.30	88.76
Aggregate Book Value of Unquoted Investments	2,094.90	256.24

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 12A		
ASSETS HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS: NON-CURRENT		
Quoted		
Investments in		
Equity Instruments	9,416.35	9,398.64
Government or Trust Securities	2,768.56	2,236.01
Debentures or Bonds	3,661.66	3,444.38
	15,846.57	15,079.03
Unquoted		
Investments in		
Equity Instruments	1.98	—
Debentures or Bonds	27.40	24.65
Others		
Fixed Deposits	325.10	49.60
Other Current Assets		
Interest Accrued on Investments	14.66	5.30
	369.14	79.55
Total	16,215.71	15,158.58
Aggregate Market Value of Quoted Investments	15,846.57	15,079.03
Aggregate Book Value of Quoted Investments	15,846.57	15,079.03
Aggregate Book Value of Unquoted Investments	354.48	74.25
NOTE: 12B		
ASSETS HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS: CURRENT		
Quoted		
Investments in		
Government or Trust Securities	58.38	2.41
Debentures or Bonds	865.76	726.50
	924.14	728.91
Unquoted		
Investments in		
Mutual Funds	588.35	241.94
Others		
Fixed Deposits	374.05	424.83
Collateralised Borrowings and Lending Obligations	330.31	169.35
Certificate of Deposits	366.11	975.62
Commercial Papers	44.02	144.42
Other Current Assets		
Bank Balances	177.60	114.03
Interest Accrued on Investments	260.87	232.64
Dividend Receivables	6.47	1.22
Outstanding Contracts	49.44	(55.12)
	2,197.22	2,248.93
Total	3,121.36	2,977.84
Aggregate Market Value of Quoted Investments	924.14	728.91
Aggregate Book Value of Quoted Investments	924.14	728.91
Aggregate Book Value of Unquoted Investments	1,702.84	1,956.16

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 13A		
LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Capital Advance		
Unsecured, Considered Good	58.23	40.34
Unsecured, Considered Doubtful	0.31	0.26
Less: Provision for Doubtful	(0.31)	(0.26)
Security Deposits		
Unsecured, Considered Good	576.53	544.33
Unsecured, Considered Doubtful	0.65	0.83
Less: Provision for Doubtful	(0.65)	(0.83)
Other Loans and Advances		
Loans and Advances of Financing Activities		
Secured, Considered Good	2,871.36	527.69
Unsecured, Considered Good	197.52	38.75
Unsecured, Considered Doubtful	9.11	9.10
Inter-Corporate Deposits		
Secured, Considered Good	—	37.23
Unsecured, Considered Good	7.53	9.27
Loans against Insurance Policy (Secured)		
	24.78	24.16
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government		
Unsecured, Considered Good	19.28	20.54
Unsecured, Considered Doubtful	10.72	10.72
Less: Provision for Doubtful	(10.72)	(10.72)
Advance Tax		
	123.72	19.71
MAT Credit Entitlement		
	257.27	194.59
Prepaid Expenses		
	41.65	29.34
Others		
	129.31	56.28
	4,316.29	1,551.33

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 13B		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Security Deposits		
Unsecured, Considered Good	98.30	89.54
Unsecured, Considered Doubtful	0.42	0.42
Less: Provision for Doubtful	(0.42)	(0.42)
Other Loans and Advances		
Loans and Advances of Financing Activities		
Secured, Considered Good	2,846.62	1,842.42
Unsecured, Considered Good	978.51	859.54
Unsecured, Considered Doubtful	—	0.22
Inter-Corporate Deposits		
Unsecured, Considered Good	15.66	13.92
Loans against Insurance Policy (Secured)		
	3.29	0.86
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government		
Unsecured, Considered Good	243.51	199.56
Unsecured, Considered Doubtful	0.64	0.64
Less: Provision for Doubtful	(0.64)	(0.64)
Advance Tax		
	83.81	140.27
MAT Credit Entitlement		
	7.33	0.35
Prepaid Expenses		
	94.40	70.21
Others*		
Unsecured, Considered Good	225.25	312.22
Unsecured, Considered Doubtful	21.41	20.31
Less: Provision for Doubtful	(21.41)	(20.31)
	4,596.68	3,529.11

*Refer Note: 42 (vi)

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 14A		
OTHER NON-CURRENT ASSETS		
Other Bank Balances*		
Bank Deposits with more than twelve months maturity	1.38	1.56
Interest Accrued on Loans and Advances and Investment	2.48	5.88
Government Grant Receivable	0.71	0.80
	<u>4.57</u>	<u>8.24</u>
*Amount held as Margin Money under lien to bank for issuing guarantee	0.50	0.80
*Lien Marked in favour of IRDA	0.88	0.76

NOTE: 14B
OTHER CURRENT ASSETS

Fertiliser Bonds #	10.48	9.87
Unbilled Revenue	286.11	251.68
Derivative Asset (Net) *	—	112.36
Interest Accrued on Loans and Advances, Investments and Fixed Deposits	209.56	111.45
Government Grant Receivable	99.60	112.02
Export Incentive Receivable	24.57	28.94
Less: Provision for Export Incentive Receivable	(0.06)	(0.08)
Others	59.93	27.10
	<u>690.19</u>	<u>653.34</u>

The Company had received fertilisers bonds in the earlier years of ₹ 65.50 Crore received from the Ministry of Fertiliser, the Government of India, against the outstanding amount of subsidy receivable, out of which bonds amounting to ₹ 11.58 (Previous Year: ₹ 11.58) are outstanding at the year end. The market value of the above bonds are lower than book value, therefore the diminution in the value of above bonds has been accounted.

* This represents Mark-to-Market on Derivative Contract taken for the purpose of hedging.

NOTE: 15

INVENTORIES (Lower of Cost and Net Realisable Value)

Raw Materials	652.18	591.47
(Includes Goods-in-Transit ₹ 252.48 Crore (Previous Year: ₹ 147.28 Crore))		
Work-in-Progress	76.67	66.92
Finished Goods	369.79	326.86
Stock-in-Trade	589.70	256.40
Stores and Spares	112.40	116.11
(Includes Goods-in-Transit ₹ 0.50 Crore (Previous Year: ₹ 0.90 Crore))		
Waste/Scrap	0.15	0.14
Packing Material	13.96	7.00
CER	0.18	—
	<u>1,815.03</u>	<u>1,364.90</u>

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 16		
TRADE RECEIVABLES		
Due for period exceeding Six months from the Due date of payment		
Secured, Considered Good	6.55	1.86
Unsecured, Considered Good	90.36	65.26
Unsecured, Considered Doubtful	104.42	84.61
Less: Provision for Doubtful	(104.42)	(84.61)
Others #		
Secured, Considered Good	83.28	93.08
Unsecured, Considered Good	3,184.39	2,060.48
Unsecured, Considered Doubtful	11.32	7.90
Less: Provision for Doubtful	(11.32)	(7.90)
	3,364.58	2,220.68
# Includes subsidy receivable from Government of India	1,440.62	675.97
NOTE: 17		
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks		
Current Accounts	184.69	491.63
Deposit Accounts (with original maturity period of three months or less)	384.04	409.13
Cash on Hand	24.72	19.33
Cheques/Drafts on Hand	94.31	91.91
	(A) 687.76	1,012.00
Other Bank Balances		
Deposit Accounts (with original maturity period of more than three months)#	134.79	303.96
Earmarked Balances (Dividend Deposit Account)	—	98.48
Others		
Unclaimed Dividend	2.87	2.66
Securities Application Money Received and Due for Refund	0.04	0.06
Unclaimed Matured Deposits	0.02	0.02
Money Due for Refund on Fraction shares	0.29	0.29
	(B) 138.01	405.47
	(A) + (B) 825.77	1,417.47
Less: Bank Deposits with more than twelve months maturity (transferred to Other Non-Current Assets)	1.38	1.56
	824.39	1,415.91
# Includes deposits placed under lien towards bank guarantees for margins with exchange/banks	83.40	63.37

	Year Ended 31st March, 2013	₹ in Crore Year Ended 31st March, 2012
NOTE: 18		
REVENUE FROM OPERATIONS		
A. SALE OF PRODUCTS		
Manufactured	7,604.55	6,901.55
Traded	3,895.74	1,844.02
	11,500.29	8,745.57
B. SALE OF SERVICES		
Telecom Services	5,595.01	4,894.82
Life Insurance Premium	4,903.15	5,624.13
Other Financial Services	1,245.83	693.43
IT-ITES Services	2,423.71	2,044.23
Other Services	25.93	12.49
	14,193.63	13,269.10
C. OTHER OPERATING INCOME		
Scrap Sales	12.46	18.19
Export Incentive	45.94	60.77
License Fees and Royalties	2.71	2.78
Sales Tax Subsidy	2.72	3.42
Cash Discounts	11.95	—
Power and Steam Sales	96.21	94.33
Certified Emission Reductions	—	1.59
Investment Income on Life Insurance Policyholders' Fund	133.58	66.56
Miscellaneous Other Operating Income	4.18	0.17
	309.75	247.81
Total A + B + C	26,003.67	22,262.48
NOTE: 19		
OTHER INCOME		
Interest Income on Investments		
Current	62.16	—
Long-term	153.60	110.65
Interest Income - Others	49.22	47.88
Dividends Income on Investments		
Current	5.74	2.82
Long-term	5.20	5.04
Net Gain on Sale of Investments		
Current	34.84	16.74
Long-term	2.08	2.93
Other Non-Operating Income		
Foreign Exchange Gain (Net)	—	75.78
Miscellaneous Income	47.78	47.03
	360.62	308.87
NOTE: 20		
COST OF MATERIALS CONSUMED		
Raw Materials Consumed	4,194.58	3,856.25
Packing Materials Consumed	132.92	126.39
	4,327.50	3,982.64

	Year Ended 31st March, 2013	₹ in Crore Year Ended 31st March, 2012
NOTE: 21		
PURCHASE OF STOCK-IN-TRADE		
Purchase of Finished Goods	2,486.96	1,179.26
	2,486.96	1,179.26
NOTE: 22		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stocks		
Finished Goods	326.86	270.92
Stock-in-Trade	256.40	187.82
Work-in-Process	66.92	81.87
Waste/Scrap	0.14	0.08
CER (Refer Note: 1 (II) (b))	0.37	—
	650.69	540.69
Less:		
Closing Stocks		
Finished Goods	369.79	326.86
Stock-in-Trade	589.70	256.40
Work-in-Process	76.67	66.92
Waste/Scrap	0.15	0.14
CER	0.18	—
	1,036.49	650.32
Add: Stock-in-Trade taken over pursuant to the scheme of arrangement (Refer Note: 41)	342.61	—
Add: Increase/(Decrease) in Excise Duty on Stocks	1.67	3.65
	(41.52)	(105.98)
NOTE: 23		
EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	3,063.63	2,640.33
Contribution to Provident and Other Funds (Refer Note: 35)	162.49	131.55
Expense on Employee Stock Options Scheme (Refer Note: 36)	(4.05)	3.04
Staff Welfare Expenses	191.54	172.10
	3,413.61	2,947.02
NOTE: 24		
CHANGE IN VALUATION OF LIABILITY IN RESPECT OF LIFE INSURANCE POLICIES IN FORCE		
(Released from)/Transfer to Fund for Future Appropriation	(186.32)	(61.09)
Change in Valuation of Liability in respect of Life Insurance Policies	1,798.81	1,048.23
Investment (Income)/Loss on the Life Insurance Policyholders' Fund related to Linked Business	(1,936.47)	229.82
	(323.98)	1,216.96

	Year Ended 31st March, 2013	₹ in Crore Year Ended 31st March, 2012
NOTE: 25		
OTHER EXPENSES		
Consumption of Stores and Spares	182.32	188.92
Power and Fuel	1,351.14	1,153.18
Rent	731.23	533.69
Repairs and Maintenance of:		
Buildings	19.14	21.48
Plant and Machinery	262.38	229.79
Others	107.72	87.05
Insurance	24.89	19.13
Rates and Taxes	138.43	101.46
Outsourcing Charges	147.49	133.53
Processing Charges	53.29	52.00
Passive Infrastructure Charges	339.64	285.00
License and WPC Charges	625.49	588.04
Roaming and Access Charges	1,014.47	830.19
Connectivity Charges	153.81	165.08
Subscriber Acquisition and Servicing Expenses	168.42	146.74
Commission to Selling Agents	823.34	808.51
Brokerage and Discounts	147.61	82.20
Advertisement	394.93	293.48
Transportation and Handling Charges	111.63	74.72
Other Selling Expenses	122.12	88.52
Distribution Expenses	46.32	49.37
Legal and Professional Expenses	123.54	124.24
Bad Debts and Provision for Bad and Doubtful Debts and Advances	43.92	34.31
Contingency Provision for Standard Assets of NBFC	10.97	4.06
Printing and Stationery	123.46	104.97
Travelling and Conveyance	151.32	130.83
Communication Expenses	65.25	66.50
Loss on Sale/Discard of Fixed Assets (Net)	12.47	4.38
Provision for Mark-to-Market Loss on Forward Contracts	—	3.33
Change in Carrying Value of Current Investments	4.83	—
Bank Charges	36.59	31.58
Postage Expenses	133.56	110.39
Foreign Exchange Loss (Net)	2.43	—
Information Technology Expenses	146.18	106.25
Miscellaneous Expenses	366.96	312.26
	8,187.29	6,965.18
NOTE: 26		
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of Tangible Assets	1,125.25	917.07
Amortisation of Intangible Assets	170.24	175.26
	1,295.49	1,092.33
NOTE: 27		
FINANCE COST		
Interest Expenses*	1,216.69	765.23
Other Borrowing Costs	99.45	55.45
Net Loss on Foreign Currency Transactions and Translations	5.02	16.41
	1,321.16	837.09
*Net of Interest Rebate Subsidy from Department of Fertiliser	0.30	—
*Net of Interest Rebate Subsidy from Technology Upgradation Fund	13.35	14.04
*Net of Interest Capitalised	12.77	5.77

NOTE: 28**CONTINGENT LIABILITIES NOT PROVIDED FOR**

a) Claims against the Group not acknowledged as debts

		₹ in Crore	
Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March, 2013	As at 31st March, 2012
Excise Duty, Central Excise Act, 1944	Department issued show cause-cum-demand notice for simultaneous availment of C.E. Not. 29/04 & 30/04 date 09.07.2004 for the period 2004-05 to 2006-07. The matter is pending before the Commissioner of Central Excise, LTU, Mumbai.	10.88	10.88
	Demand for reversal of CENVAT credit on CBFS and other inputs allegedly to be used for manufacturing of electricity sold outside for the period 2006 to Sept. 2011. The matter is pending before the Deputy Commissioner of Central Excise, LTU, Mumbai.	35.96	32.04
	Demand of duty for alleged wrong availment of benefit of exemption under Notification 38/2003-CE in respect of readymade garments procured from job workers.	26.05	8.25
	Various other cases demanding duty on removal of refinished imported goods, inclusion of test charges in assessable value and reversal of credit on inputs used for manufacturing dutiable and exempted goods, etc.	25.40	18.37
Customs Duty Customs Act, 1942	Departmental appeal against CESTAT order for deleting demand of payment of duty for non fulfillment of provision of EXIM policy related to Advance License obtained by Madura Coats Ltd.	11.38	2.04
	Various other cases pertaining to demand of countervailing duty and additional duties on imports, Supplementary Drawback claim.	0.35	0.32
Sales Tax	Non-receipt of C & F Forms, disallowance of Input Tax Credit (ITC) on purchases by Power Plant, reversal of ITC, for AY 2006-07. Pending before the Joint Commissioner of Sales Tax (Appeals) Rajkot.	9.98	10.68
	Demand against issue of Form C against supply of Natural Gas during the F.Y. 2009-10, F.Y. 2010-11 and F.Y. 2011-12. The Hon'ble Lucknow High Court decided the case in favour of the Company.	—	74.69
	Demands raised by the VAT/Sales Tax authorities of various states on Broadband Connectivity, SIM cards, etc.	10.00	69.82
	Entry tax demand in certain states on receipt of material from outside the state.	15.87	10.29
	Various other cases in respect of short of form H, I and C, disallowance of input tax credit, tax demand on freight charges and on exports to Nepal.	10.43	9.57
Service Tax, Finance Act, 1994	Show Cause-cum-Demand Notice from Service Tax Authorities issued for the AY 2007-08 to AY 2012-13 disputing cenvat credit eligibility on input services. The matter is currently pending before the Commissioner.	104.04	42.41
	Demand mainly on account of interpretation of Rule 6(3), denial of cenvat related to towers, shelters and OFC ducts, disallowance of cenvat allegedly not related to output service.	49.22	120.71
	Disallowance of cenvat credit on input services and service tax paid under reverse charge mechanism, rebate claim rejected.	10.10	5.92
	Service Tax demands related to excess utilisation of cenvat against liability on risk premium and payment of reimbursements to agents.	30.95	30.95
	Various cases pertaining to disallowance of cenvat credit of Service Tax on commission paid to overseas agents, on GTA services for outward transportation and others services alleging not be classified as input services for availment of cenvat credit.	10.75	7.86
Income Tax Act, 1961	Various Dept. Appeal in ITAT, High Court on various matter.	37.70	52.22
	The appeals which are pending before various Appellate Authorities mainly on account of:	1,271.14	265.90
	1. Disallowance of revenue share licensee, non applicability of TDS on pre-paid margin, interest on interest-free advances to wholly owned subsidiaries. 2. Treating proceeds of CCPS as Cash Credit. 3. Capital Gain on demerger of a telecom undertaking.		
Cases pertaining to demand in tax assessment for various years	22.66	13.22	

		₹ in Crore	
Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March, 2013	As at 31st March, 2012
Other Statutes	Demand of water drawal charges by irrigation department. Matter pending before the High Court, Gujarat.	61.02	50.59
	Demand letter issued by UPSIDC for making payment of maintenance charges on land allotted in 1983. The matter is currently pending before the High Court, Lucknow.	15.26	11.17
	Licensing Disputes*	251.58	120.48
	Disputed matters with local Municipal Corporations, Electricity Boards, etc.	55.73	52.39
	Claims by parties in respect of dispute relating to the beneficiary of whole life insurance policy and term life insurance policy.	20.02	16.60
	Repudiation of death claims and customer complaints.	22.38	15.33
	Various other cases pertaining to Industrial Disputes, Railways license fee demand, Textile Cess on readymade garments, claims made by clients on Sale of Securities and other Civil cases.	54.40	50.32
	Grand Total		2,173.25

* Licensing Disputes

- 3G Intra-Circle Roaming Arrangements (ICR) – Idea Cellular Limited (IDEA), Jointly Controlled Entity of the Company, had entered into roaming arrangements with other operators to provide 3G services in service areas where it did not won 3G spectrum. DoT has sent notices to stop the 3G services in these service areas and also imposed penalty for providing 3G services in select service areas under roaming arrangements. The matter is currently pending before the Hon'ble High Court of Delhi, which in the interim has ordered:
 - No coercive action by DoT.
 - No new customers to be provided 3G services in these service areas. Services to the existing 3G customers to continue.
- Demands due to difference in interpretation of definition of Revenue and other license fee assessment related matters.
- Disputes relating to alleged non-compliance of licensing conditions and other disputes with DoT, either filed by or against the IDEA and pending before the Hon'ble Supreme Court/TDSAT.

		₹ in Crore	
		As at 31st March, 2013	As at 31st March, 2012
b)	Bills Discounted with Banks	75.86	124.02
c)	Under the Jute Packaging Material (Compulsory use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched was required to be supplied in jute bags up to 31st August, 2001. The Company made conscious efforts to use jute packaging material as required under the said Act. However, due to non-availability of material as per the Company's product specifications as well as due to strong customer resistance to use of jute bags, the specific percentage could not be adhered to. The Company has received a show cause notice, against which a writ petition has been filed with the Hon'ble High Court, which is awaiting for hearing. The Jute Commissioner, Kolkata, had filed transfer petition, various writ petitions have been filed in different High Courts by other aggrieved parties, including the Company, before the Hon'ble Supreme Court of India praying for consolidation of all cases at one Court. The transfer petition is pending before the Hon'ble Supreme Court. The Company has been advised that the said levy is bad in law.		
d)	The Birla Sun Life Mutual Fund has invested in the "Pass Through Certificates" (PTC) issued by various Securitisation Trusts. The Income Tax Department treated the Interest Income from the PTC as taxable in the hands of such Securitisation Trusts. The Department has also issued the demand notices to the various Mutual Funds who are the beneficiaries in such trusts. The Birla Sun Life Mutual Fund has also received the demand notice for AY 2009-10 and AY 2010-11. The Fund had filed a Writ Petitions for both the years before the Hon'ble High Court, and the Hon'ble High Court has stayed all actions by the department (including recovery of demand) till the disposal of the appeal by the CIT(A) and for six weeks thereafter.		
e)	The Group's share in certain disputed tax demand notices and show cause notices relating to Indirect tax matters of Joint Venture of IDEA (IDEA's JV) amounting to ₹ 168.67 Crore (Previous Year: ₹ 159.50 Crore) have neither been acknowledged as claims nor considered as contingent liabilities by the IDEA's JV. Based on internal assessment and independent advice taken from tax experts by the IDEA's JV, it is of the view that the possibility of any of these tax demands materialising is remote.		
f)	DoT has issued demand notices towards one-time spectrum charges. <ul style="list-style-type: none"> - for spectrum beyond 6.2 Mhz in respective service areas for retrospective period from 1st July, 2008 to 31st December, 2012, the Group's share amounting to ₹ 93.28 Crore, and - for spectrum beyond 4.4 Mhz in respective service areas effective 1st January, 2013, till expiry of the period as per respective licenses the Group's share amounting to ₹ 440.80 Crore. In the opinion of IDEA, inter alia, the above demand amounts to alteration of financial terms of the licenses issued in the past. The IDEA, therefore, petitioned the Hon'ble Bombay High Court, which directed DoT to respond and not to take any coercive action until next date of hearing.		

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 29		
CAPITAL AND OTHER COMMITMENTS		
a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	1,114.69	681.50
b) Uncalled commitments in respect of Investments in Units of Aditya Birla Private Equity Fund I and Aditya Birla Private Equity Sunrise Fund	63.28	106.13
c) Customs Duty on Capital Goods and Raw Materials Imported under Advance Licensing/EPCG Scheme, against which export obligation is to be fulfilled	184.66	110.71
d) For commitment under lease contract Refer Note: 34		
e) For commitment under derivative contract Refer Note: 38		
f) Transfer of investments in IDEA Cellular Ltd. (IDEA) and Birla Sun Life Insurance Co. Ltd. is restricted by the terms contained in their respective joint venture agreements. Non-disposal undertakings for IDEA, Aditya Birla Minacs Worldwide Ltd., Aditya Birla Finance Limited and Madura Garments Lifestyle Retail Company Limited investments have also been provided to certain Banks for respective credit facilities extended by them.		
Pursuant to the Shareholders' Agreement entered into with the Joint Venture partner, the Company has, in respect of Birla Sun Life Insurance Company Limited, agreed to infuse its share of capital from time to time to meet the solvency requirement prescribed by the regulatory authority.		
g) Aditya Birla Minacs Worldwide Ltd. (ABMWL), a subsidiary of the Company, has issued Zero Coupon Compulsorily Convertible Debentures (CCD) aggregating ₹ 250 Crore to be converted into Equity of ABMWL on the expiry of a period of 60 months from the date of allotment of such CCD. The Company has entered into an option agreement with the holders of such CCD pursuant to which the holders has put option on the Company, and the Company has call option on the holders at any time between 15th November, 2012 and 31st December, 2014, at a pre-agreed price. Further, on happening of certain events, the put option can also be exercised by the holders on the Company on any other date on happening of such events.		
h) Madura Garments Lifestyle Retail Company Limited (MGLRCL), a subsidiary of the Company, has issued Zero Coupon Non Convertible Debenture (NCD) aggregating ₹ 300 Crore. The Company has entered into an option agreement with the holders of such NCD pursuant to which the holders has put option on the Company and the Company has call option on the holders on expiry of 24 months from the date of allotment of NCD at a pre agreed price. Further on happening of certain events, the put option can also be exercised by the holders on the Company on any other date on happening of such events.		
i) Aditya Birla Finance Limited (ABFL), a subsidiary of the Company, has issued 10.20% Non-Convertible sub-ordinate Debenture (NCD) aggregating ₹ 300 Crore. The Company has entered into an option agreement with the holders of such NCD pursuant to which the holders has put option on the Company, and the Company has call option on the holders on expiry of 36 months from the date of allotment of NCD. Further, on happening of certain events, the put option can also be exercised by the holders on the Company on any other date on happening of such events.		
j) Idea Cellular Limited (IDEA), a Joint Venture of the Company, has a contingent obligation to buy compulsorily convertible preference shares issued by Aditya Birla Telecom Limited, its wholly owned subsidiary, from the holder. The Group's share for the same is ₹ 544.52 Crore (Previous Year: ₹ 531.10 Crore).		

NOTE: 30**EXCEPTIONAL ITEMS**

The Hon'ble High Court of Allahabad, vide its order dated December 23, 2011, had upheld the constitutional validity and retrospective application of entry tax under UP Tax on Entry of Goods into Local Area Act, 2007, in response to a writ petition filed by the Company earlier. On further appeal, the Hon'ble Supreme Court, vide its order dated January 10, 2012, had granted stay on the said order subject to certain conditions, accordingly, the Company had paid ₹ 47.88 Crore under protest and submitted bank guarantee aggregating ₹ 42.90 Crore. Considering the complexities involved and pending final hearing before the Hon'ble Supreme Court, the Company in the previous year had made provision for entry tax aggregating ₹ 103.88 Crore and same was considered as an exceptional item.

₹ in Crore
As at 31st **As at 31st**
March, 2013 **March, 2012**

NOTE: 31

PROPOSED DIVIDEND

The final dividend proposed by the Company for the year is as follows:

a) On Preference Shares of ₹100/- each		
Amount of Dividend Proposed	0.01	0.01
Dividend per Preference Share (₹)	6.00	6.00
b) On Equity Shares of ₹ 10/- each		
Amount of Dividend Proposed	78.14	68.11
Dividend per Equity Share (₹)	6.50	6.00

NOTE: 32

Disclosure pursuant to Accounting Standard-20 - Earnings Per Share

Earnings per Share (EPS) is calculated as under:

Net Profit as per the Statement of Profit and Loss		1,058.89	890.13
Less: Preference Dividend and Tax thereon		0.01	0.03
Net Profit for EPS	(A)	1,058.88	890.10
Weighted-average Number of Equity Shares for calculation of Basic EPS	(B)	113,634,808	113,511,645
Basic EPS (₹)	(A/B)	93.18	78.42
Weighted-average Number of Equity Shares Outstanding		113,634,808	113,511,645
Add: Shares Held in Abeyance		41,342	41,523
Add: Dilutive impact of Employee Stock Options		56,837	38,415
Add: Potential Equity Shares Due to Share Warrants		1,990,156	—
Weighted-average Number of Equity Shares for calculation of Diluted EPS	(C)	115,723,143	113,591,583
Diluted EPS (₹)	(A/C)	91.50	78.36
Nominal Value of Shares (₹)		10.00	10.00

NOTE: 33**DETAILS OF PROPORTIONATE SHARE OF JOINT VENTURE COMPANIES**

The Groups' proportionate share in the Assets, Liabilities, Income and Expenses of its Joint Venture companies included in these Consolidated Financial Statements are given below:

₹ in Crore

	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES		
(A) Shareholders' Funds		
Share Capital - Preference	0.48	0.48
Reserves and Surplus	3,181.73	3,002.74
	3,182.21	3,003.22
(B) Non-Current Liabilities		
Long-term Borrowings	2,983.04	2,410.22
Deferred Tax Liabilities (Net)	282.53	158.78
Other Long-term Liabilities	200.79	158.71
Long-term Provisions	79.40	48.61
	3,545.76	2,776.32
(C) Current Liabilities		
Short-term Borrowings	115.87	437.27
Trade Payables	679.03	590.98
Other Current Liabilities	1,205.56	1,196.83
Short-term Provisions	31.55	2.95
	2,032.01	2,228.03
ASSETS		
(D) Non-Current Assets		
Fixed Assets		
Tangible Assets	5,280.08	5,100.74
Intangible Assets	2,088.63	1,746.88
Capital Work-in-Progress	222.65	172.08
	7,591.36	7,019.70
Non-Current Investments	—	14.41
Deferred Tax Assets (Net)	—	1.46
Long-term Loans and Advances	770.21	623.62
	8,361.57	7,659.19
(E) Current Assets		
Current Investments	259.78	81.49
Inventories	18.36	23.43
Trade Receivables	159.25	129.66
Cash and Bank Balances	36.11	47.13
Short-term Loans and Advances	274.06	408.17
Other Current Assets	83.58	100.25
	831.14	790.13
Contingent Liability	2,187.62	682.17
Capital Commitment	1,448.95	994.31

NOTE: 33 (Contd.)

₹ in Crore

STATEMENT OF PROFIT AND LOSS	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Revenue from Operations	5,757.44	5,090.54
Other Income	43.08	40.55
Total Revenue	5,800.52	5,131.09
Expenses		
Purchase of Stock-in-Trade	53.15	42.35
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	5.43	(6.56)
Employee Benefits Expenses	307.60	284.77
Other Expenses	3,864.37	3,459.80
Total Expenses	4,230.55	3,780.36
Profit Before Depreciation/Amortisation, Interest and Tax (PBDIT)	1,569.97	1,350.73
Depreciation and Amortisation Expenses	881.54	761.05
Finance Cost	261.69	278.11
Profit Before Tax	426.74	311.57
Tax Expenses		
- Current Tax	97.53	72.59
- MAT Credit	(69.50)	(52.60)
- Write Back of Excess Provision for Tax/Income Tax Refund Related to Earlier Years (Net)	(0.06)	(0.30)
- Deferred Tax	124.27	79.46
Profit for the Year	274.50	212.42

NOTE: 34**Disclosure pursuant to Accounting Standard-19 - Leases is as under:**

₹ in Crore

	<u>Year Ended 31st March, 2013</u>	<u>Year Ended 31st March, 2012</u>
A. Assets Taken on Lease:		
i) Operating Lease Payment recognised in the Statement of Profit and Loss		
Minimum Lease Rent	1,017.97	768.91
Contingent Lease Rent	42.18	8.52
	<u>1,060.15</u>	<u>777.43</u>

ii) The Group has taken certain Office Premises, Main switching centre locations, Leasehold Improvements, Furniture and Fixtures, Information Technology and Office Equipment, BPO centres, Showrooms and Residential Houses on non-cancellable/cancellable operating lease.

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

₹ in Crore

	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
Not later than one year	513.78	420.59
Later than one year and not later than five years	1,164.79	1,001.46
Later than five years	393.21	350.06
	<u>2,071.78</u>	<u>1,772.11</u>

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

Particulars	Total Lease Charges Payable	Present Value	Interest
a) Not later than one year	0.97 (0.97)	0.75 (0.67)	0.22 (0.30)
b) Later than one year and not later five years	1.44 (2.41)	1.28 (2.02)	0.16 (0.39)
Total	2.41 (3.38)	2.03 (2.69)	0.38 (0.69)

Figures in brackets represent the corresponding amount of Previous Year.

B. Assets Given on Lease:

The Group has given certain Plant and Machinery (Storage Tank) on non-cancellable operating lease.

	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
- The Gross carrying amount of the above referred assets	4.90	4.90
- The accumulated depreciation for the above assets	2.52	2.29
- The depreciation for the above assets for the year	0.23	0.23

The Group has also leased under operating lease arrangements certain Optical Fibre Cables on Indefeasible Rights of Use basis, the gross block, accumulated depreciation and depreciation expense of the assets given on IRU basis is not separately identifiable and, hence, not disclosed.

The future minimum lease rental in respect of above Storage Tank and Optical Fibre Cables lease is as follows:

	<u>As at 31st March, 2013</u>	<u>As at 31st March, 2012</u>
- Not later than one year	24.35	5.17
- Later than one year and not later than five years	0.52	1.31
- Later than five years	0.02	0.01

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
NOTE: 35		
RETIREMENT BENEFITS		
Disclosure in respect of Employee Benefits pursuant to Accounting Standard-15 (Revised)		
a) The details of the Group's Defined Benefit Plans in respect of Gratuity (funded by the Group):		
Amounts recognised in the Balance Sheet in respect of Gratuity		
Present Value of the funded Defined Benefit Obligations at the end of the year	183.51	143.87
Fair Value of the Plan Assets	159.61	133.25
Net Liability/(Asset)	23.90	10.62
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost	18.78	16.54
Interest on Defined Benefit Obligations	12.13	10.23
Expected Return on Plan Assets	(10.94)	(8.91)
Net Actuarial (Gain)/Loss recognised during the year	9.74	2.51
Past Service Cost	6.01	—
Net Gratuity Cost	35.72	20.37
Actual Return on Plan Assets:		
Expected Return on Plan Assets	10.94	8.91
Actuarial Gain/(Loss) on Plan Assets	4.33	(1.79)
Actual Return on Plan Assets	15.27	7.12
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:		
Change in Present Value of the Obligation:		
Opening Defined Benefit Obligation	143.87	126.73
Current Service Cost	18.78	16.54
Interest Cost	12.13	10.23
Actuarial (Gain)/Loss	14.07	0.72
Liability on Stake Change/Amalgamation of Subsidiaries/Joint Ventures	3.27	0.03
Liability in respect of Employees transferred to unfunded plan	—	(0.27)
Past Service Costs	6.01	—
Benefits Paid	(14.62)	(10.11)
Closing Defined Benefit Obligations	183.51	143.87
Change in Fair Value of the Plan Assets:		
Opening Fair Value of the Plan Assets	133.25	113.98
Expected Return on Plan Assets	10.94	8.91
Actuarial Gain/(Loss)	4.33	(1.79)
Asset on Stake Change/Amalgamation of Subsidiaries/Joint Ventures	2.36	(0.01)
Contributions by the Employer	23.35	22.27
Benefits Paid	(14.62)	(10.11)
Closing Fair Value of the Plan Assets	159.61	133.25
Investment Details of Plan Assets		
Government of India Securities	17%	20%
Corporate Bonds	1%	1%
Special Deposit Scheme	3%	2%
Insurer Managed Fund*	68%	67%
Others	11%	10%
Total	100%	100%
*included in the Fair Value of Plan Assets, investment in Group's own financial instruments (funds of Birla Sun Life Insurance Company Limited)	96.28	72.33
There are no amount included in the Fair Value of Plan Assets for Property occupied by or other assets used by the Group.		

₹ in Crore

Experience Adjustment	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Defined Benefit Obligations	183.51	143.87	126.73	105.75	96.85
Plan Assets	159.61	133.25	113.98	98.46	93.09
Surplus/(Deficit)	(23.90)	(10.62)	(12.75)	(7.29)	(3.76)
Experience Adjustment on Plan Liabilities	8.25	3.86	7.09	0.57	7.22
Experience Adjustment on Plan Assets	4.33	(1.79)	0.36	(1.88)	8.50

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

General Description of the Plan

The Group operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Group's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. A small part of the gratuity plan, which is not material is unfunded and managed within the Group.

₹ in Crore

As at 31st March, 2013	As at 31st March, 2012
---------------------------	---------------------------

Principal Actuarial Assumptions at the Balance Sheet Date

Discount Rate	7.90% - 8.50%	8.00% - 8.75%
Estimated Rate of Return on Plan Assets	7.50% - 9.00%	7.50% - 9.00%
The Estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply & demand in the employment market.		

- b) The details of the Group's Defined Benefit Plans in respect of Gratuity (unfunded by the Group):

Amounts recognised in the Balance Sheet in respect of Gratuity

Present Value of the Unfunded Defined Benefit Obligation at the end of the year	2.95	0.83
---	------	------

Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity

Current Service Cost	0.76	0.26
Interest on Defined Benefit Obligations	0.16	0.05
Net Actuarial (Gain)/Loss recognised during the year	0.03	(0.08)
Net Gratuity Cost	0.95	0.23

Reconciliation of Present Value of the Obligation:

Opening Defined Benefit Obligation	0.83	0.39
Current Service Cost	0.76	0.26
Interest Cost	0.16	0.05
Actuarial (Gain)/Loss	0.03	(0.08)
Liability in respect of Employees transferred from funded plan	—	0.27
Liability on Stake Change/Amalgamation of Subsidiaries/Joint Ventures	1.42	—
Benefits Paid	(0.25)	(0.06)
Closing Defined Benefit Obligation	2.95	0.83

Experience Adjustment	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
Defined Benefit Obligation	2.95	0.83	0.39	0.23
Experience Adjustment on Plan Liabilities	0.08	₹	₹	0.04

Principal Actuarial Assumptions at the Balance Sheet Date

Discount Rate	8.25% - 8.75%	8.40% - 8.50%
---------------	---------------	---------------

NOTE: 35 (Contd.)

	Year Ended 31st March, 2013	₹ in Crore Year Ended 31st March, 2012
c) The details of the Group's Defined Benefit Plans in respect of Group owned Provident Fund Trust		
Contribution to Group-Owned Employees' Provident Fund Trust (excluding amount capitalised ₹ 0.25 Crore (Previous Year: ₹ Nil))	13.04	10.23

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

The actuary has provided a valuation and based on the below provided assumptions there is no short fall as at 31st March 2013. As per the actuarial valuation report, the interest shortfall liability being "Other Long-term Employee Benefits", detailed disclosures are not required.

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
The details of plan assets position as under:		
Plan Assets at Fair Value	341.97	274.10
Liability Recognised in the Balance Sheet	Nil	Nil
Assumption used in determining the present value obligation of interest rate guarantee under the Deterministic Approach		
Discount Rate for the term of the Obligation	8.05%	8.35%
Discount Rate for the remaining term of maturity of Investment portfolio	7.97%	8.32%
Guaranteed Interest Rate	8.50%	8.25%

d) The details of the Group's Defined Benefit Plans in respect of Pension for its employees are given below:

Amounts recognised in the Balance Sheet in respect of Pension (unfunded by the Group):		
Present Value of Unfunded Defined Benefit Obligation at the end of the period	6.39	6.46
Amounts recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Pension (unfunded by the Group):		
Interest on Defined Benefit Obligations	0.50	0.52
Net Actuarial (Gain)/Loss recognised during the period	0.49	0.03
Net Pension Cost	0.99	0.55
Reconciliation of Present Value of the Obligation:		
Opening Defined Benefit Obligation	6.46	6.93
Interest Cost	0.50	0.52
Actuarial (Gain)/Loss	0.49	0.03
Liability Assumed on Amalgamation	—	—
Benefits Paid	(1.06)	(1.02)
Closing Defined Benefit Obligation	6.39	6.46
Financial Assumptions at the valuation date		
Discount Rate	7.90%	8.40%

	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	₹ in Crore 31st March, 2009
Experience Adjustment					
Defined Benefit Obligation	6.39	6.46	6.93	7.20	7.49
Experience Adjustment on Plan Liabilities	0.37	0.13	0.05	0.55	0.31

General Description of the Plan

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

	Year Ended 31st March, 2013	₹ in Crore Year Ended 31st March, 2012
e) Defined Contribution Plans –		
Amount recognised as an expense and included in the Note: 23 as "Contribution to Provident and Other Funds"	113.73	100.95

NOTE: 36**DISCLOSURE UNDER EMPLOYEE STOCK OPTIONS SCHEME****1) OF THE COMPANY**

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

(A) Employees Stock Options Scheme:

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

(B) Movement of Options Granted:

₹ in Crore

Particulars	Year Ended 31st March, 2013	Weighted-average Exercise Price(₹)	Year Ended 31st March, 2012	Weighted-average Exercise Price(₹)
Options Outstanding at the beginning of the year	189,975	688.71	195,426	687.61
Granted during the year	—	—	3,370	748.00
Exercised during the year	17,764	687.00	4,111	687.00
Lapsed during the year	3,370	687.00	4,710	687.00
Options Outstanding at the end of the year	168,841	688.93	189,975	688.71
Options Unvested at the end of the year	15,068	—	18,813	—
Options Exercisable at the end of the year	153,773	687.72	171,162	687.17

For the option exercised during the period, the weighted-average share price at the exercise date was ₹ 915.92 per share (Previous Year: ₹ 927.92 per share).

The weighted-average remaining contractual life for the stock options outstanding as at 31st March, 2013, is 2.43 years (Previous Year: 3.35 years).

(C) Fair Valuation:

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

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

NOTE: 36 (Contd.)

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

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

2) OF SUBSIDIARY COMPANY

In December 2009, Aditya Birla Minacs Worldwide Limited (ABMWL), a subsidiary of the Company, has approved the Employee Stock Options Plan - 2009 ("the Plan"), which covers its employees including its subsidiaries. The plan is administered and supervised by the Compensation Committee of the Board (the 'Committee').

(A) Employee Stock Options Scheme:

The participants shall exercise the options within five years from vesting or within three years from the date of listing, whichever is earlier. The Plan is contingent on the shares being listed in a recognised stock exchange in India on or before 1st July, 2015. If the ABMWL's shares are not listed on the stock exchange by 30th June, 2015, the existing employees shall have to sell all options vested to the ABMWL or its nominee at a price determined as per Plan.

The Plan provides that these options would vest in tranches over a period of 3-4 years as follows:

Period within which options will vest unto the participant	% of options that will vest
End of 15 months from the date of grant of options	20%
End of 27 months from the date of grant of options	20%
End of 39 months from the date of grant of options	60%

(B) Movement of Options Granted:

Particulars	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Total Options under the Plan	1,897,337	1,897,337
Options Outstanding at the beginning of the year	1,212,500	1,367,000
Granted during the year	Nil	Nil
Lapsed during the year	745,500	154,500
Exercised during the year	Nil	Nil
Outstanding at the end of the year	467,000	1,212,500
Expired during the year	Nil	Nil
Exercisable at the end of the year	Nil	Nil
Exercise Price (₹)	230	230

(C) Fair Valuation:

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

Particulars	
Risk-Free Interest Rate (%)	6.84%
Option Life (Years)	4.80
Expected Volatility (%)	0%
Historical Volatility (%)	0%
Expected Dividend Yield (%)	0%
Weighted-average Fair Value per Option (₹)	141.00

3) OF JOINT VENTURE OF THE COMPANY

Under the Employee Stock Options Scheme ("ESOS-2006"), IDEA Cellular Limited (IDEA), the Joint Venture of the Company, has granted options to its eligible employees. Each option when exercised would be converted into one fully paid-up equity share of ₹ 10/- of IDEA. Options granted under the ESOS-2006 carry no rights to dividends and no voting rights till the date of exercise. As at the end of the financial year reporting date, details of outstanding options are as follows:

(A) Movement of Options Granted:

Particulars	Year Ended	Year Ended
	31st March, 2013	31st March, 2012
Options Outstanding at the beginning of the year	18,471,360	24,516,925
Options Granted during the year	Nil	Nil
Options Forfeited/Lapsed during the year	237,124	471,960
Options Exercised during the year	5,476,656	5,573,605
Options Outstanding at the end of the year	12,757,580	18,471,360
Weighted-average exercise price of outstanding price of outstanding options (₹)	50.44	49.04

(B) Fair Valuation:

The fair value of each option is estimated using Black and Scholes Option Pricing Model on date of grant/repricing based on the following:

Particulars	On the Date of Grant				On the Date of Repricing	
	Tranche-I	Tranche-II	Tranche-III	Tranche-IV	Tranche-I	Tranche-II
Excepted Dividend Yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Option Life	6 years & 6 months	6 years & 6 months	6 years & 6 months	6 years & 6 months	4 years & 6 months	5 years & 9 months
Risk-Free Interest Rate (%)	7.78	7.50	7.36	8.04 - 8.14	7.36	7.36
Expected Volatility (%)	40.00	45.80	54.54	50.45	54.54	54.54

4) The Group is following intrinsic value for Employee Stock Options Scheme valuation.

Had the compensation cost for the various stock options granted been recognised based on fair value at the date of grant in accordance with the Fair Value approach (calculated using valuation methods as mentioned above), the proforma amount of profit for the year and earnings per share of the Group would have been as under:

₹ in Crore

Particulars	Year Ended	Year Ended
	31st March, 2013	31st March, 2012
Net Profit	1,058.89	890.13
Add: Compensation Cost as per Intrinsic Value	(4.05)	3.04
Less: Compensation Cost as per Fair Value	(6.09)	8.85
Adjusted Net Income	1,060.93	884.32
Weighted-average Number of Basic Equity Shares Outstanding (in Nos.)	113,634,808	113,511,645
Weighted-average Number of Diluted Equity Shares Outstanding (in Nos.)	115,723,143	113,591,583
Face Value of the Equity Share (in ₹)	10.00	10.00
Reported Earnings Per Share (EPS)		
- Basic EPS (₹)	93.18	78.42
- Diluted EPS (₹)	91.50	78.36
Proforma Earnings Per Share (EPS)		
- Basic EPS (₹)	93.36	77.91
- Diluted EPS (₹)	91.68	77.84

NOTE: 37

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

A List of Related Parties

Joint Ventures

Birla Sun Life Asset Management Company Limited (BSAMC) (Joint Venture of ABFSPL) (Upto October 10, 2012)

Birla Sun Life Trustee Company Private Limited (BSTPL) (Joint Venture of ABFSPL) (Upto October 10, 2012)

IDEA Cellular Limited (IDEA)

Associates

Birla Securities Limited (BSL)

Key Management Personnel

Dr. Rakesh Jain – Managing Director

Mr. Pranab Barua – Whole-time Director (upto May 15, 2012)

Mr. Sushil Agarwal – Whole-time Director (w.e.f. June 1, 2011)

Mr. Lalit Naik – Deputy Managing Director (w.e.f. January 1, 2013)

Relatives of Key Management Personnel

Mrs. Anita Agarwal (Wife of Mr. Sushil Agarwal)

B During the year the following Transactions were carried out with the related parties:

₹ in Crore

Transaction/Nature of Relationship	Joint Ventures	Associates	Key Management Personnel	Relatives of Key Management Personnel	Grand Total
Sales of Goods and Services					
IDEA	0.01 (0.01)	— —	— —	— —	0.01 (0.01)
TOTAL	0.01 (0.01)	— —	— —	— —	0.01 (0.01)
Reimbursement of Expenses					
IDEA	0.02 —	— —	— —	— —	0.02 —
TOTAL	0.02 —	— —	— —	— —	0.02 —
Purchases of Goods and Services					
IDEA	4.60 (4.09)	— —	— —	— —	4.60 (4.09)
Mrs. Anita Agarwal	— —	— —	— —	0.03 (0.06)	0.03 0.06
TOTAL	4.60 (4.09)	— —	— —	0.03 (0.06)	4.63 (4.15)

₹ in Crore

Transaction/Nature of Relationship	Joint Ventures	Associates	Key Management Personnel	Relatives of Key Management Personnel	Grand Total
Managerial Remuneration Paid*					
Dr. Rakesh Jain	—	—	6.49	—	6.49
	—	—	(6.14)	—	(6.14)
Mr. Pranab Barua	—	—	0.96	—	0.96
	—	—	(4.31)	—	(4.31)
Mr. Sushil Agarwal	—	—	2.07	—	2.07
	—	—	(1.77)	—	(1.77)
Mr. Lalit Naik	—	—	0.55	—	0.55
	—	—	—	—	—
TOTAL	—	—	10.07	—	10.07
	—	—	(12.22)	—	(12.22)
Deposits paid, Received Back					
Mrs. Anita Agarwal	—	—	—	4.60	4.60
	—	—	—	—	—
TOTAL	—	—	—	4.60	4.60
	—	—	—	—	—
Outstanding Balances as on 31st March, 2013					
Deposit Granted Outstanding balances	—	—	—	—	—
	—	—	(3.00)	(4.60)	(7.60)
Amt Receivable against Debtors	0.01	—	—	—	0.01
	(0.03)	—	—	—	(0.03)
Amount Payable	0.06	—	—	—	0.06
	(0.04)	—	—	—	(0.04)

- Figures in brackets represent the corresponding amount of Previous Year.

- No amount in respect of the related parties have been written off/back is provided for during the year.

- Related parties' relationships have been identified by the management and relied upon by the auditors.

* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year and accordingly have not been considered in the above information.

NOTE: 38**STATEMENT OF DERIVATIVES AND UNHEDGED FOREIGN CURRENCY EXPOSURE****a) Derivatives: Outstanding at the Balance Sheet Date**

Nature of Contract	Foreign Currency	Option	Amount in Foreign Currency		Purpose
			As at 31st March, 2013	As at 31st March, 2012	
Currency and Interest Rate Swap	USD	Buy	175,909,000	155,000,000	Hedging of Loan
Currency and Interest Rate Swap	JPY	Buy	5,791,700,000	13,463,750,000	Hedging of Loan
Forward Contracts	USD	Buy	575,219,082	391,266,437	Hedging Purpose
		Sell	119,065,500	126,921,619	
Forward Contracts	EUR	Buy	18,916,912	10,243,064	Hedging Purpose
		Sell	5,225,422	6,716,462	
Forward Contracts	GBP	Buy	136,023	76,376	Hedging Purpose
		Sell	1,156,740	2,161,682	
Forward Contracts	JPY	Buy	2,689,889,883	3,818,419,284	Hedging Purpose
Forward Contracts	CHF	Buy	55,600	—	Hedging Purpose
Forward Contracts	AUD	Buy	—	600,000	Hedging Purpose
		Sell	—	83,630	
Forward Contracts and Interest Rate Swap	USD	Buy	15,000,000	15,000,000	Hedging of Loan

NOTE: 38 (Contd.)

b) Foreign Currency Exposure which are not hedged

As at 31st March, 2013

Particulars	Currency	Foreign Currency	₹ in Crore
Trade Receivables	USD	16,709,387	90.88
	EUR	1,176,890	8.18
	GBP	303,042	2.49
	CAD	46,000	0.25
Loans and Advances	USD	499,224	2.72
	EUR	525	₹
	JPY	191,000	1.10
	PHP	7,789,000	1.05
Other Current Liabilities	USD	3,145,539	17.11
	EUR	133,550	0.93
	GBP	6,735	0.06
Borrowings	USD	171,223,539	931.27
	EUR	931,000	6.47
Trade Payables	USD	27,610,635	150.17
	EUR	42,959	0.30
	GBP	2,527	0.02
	CAD	455,000	2.47

As at 31st March, 2012

Particulars	Currency	Foreign Currency	₹ in Crore
Trade Receivables	USD	11,504,894	58.86
	EUR	434,490	2.97
Loans and Advances	USD	5,000	0.03
	PHP	7,714,000	1.00
Other Current Liabilities	USD	2,772,498	14.18
	EUR	77,462	0.53
	GBP	56,894	0.47
Borrowings	USD	172,192,368	880.90
	EUR	1,651,453	11.29
Trade Payables	USD	26,755,675	136.88
	EUR	15,187	0.10
	CAD	170,000	0.87

NOTE: 39**SEGMENT DISCLOSURES**

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organisational structure as well as differential risk and returns of these segments.

The Group has considered business segment as the primary segment for disclosure. The products and services included in each of the reported business segments are as follows:

SEGMENT	ACTIVITIES
Financial Services	
Life Insurance	Life Insurance Services
Other Financial Services	Asset Management, Non-Bank Financial Services, Private Equity, Equity and Commodity Broking, Wealth Management and General Insurance Advisory
Telecom	Telecommunication Services
Fashion and Life Style	
Branded Apparels and Accessories	Branded Apparels and Accessories
Textiles	Linen Yarn and Fabric, Worsted Yarn and Wool Tops
IT-ITeS	Business Process Outsourcing Services and Software Services
Manufacturing	
Agri-business	Fertilisers, Agro-Chemicals and Seeds
Rayon Yarn	Viscose Filament Yarn, Caustic Soda and Allied Chemicals
Insulators	Insulators
Carbon Black	Carbon Black

The Group considers secondary segment based on revenues within India as Domestic Revenues and outside India as Export Revenues. Assets are segregated based on their geographical location.

Information about Primary Business Segments

₹ in Crore

Segment Revenue	For the Year Ended 31st March, 2013			For the Year Ended 31st March, 2012		
	External	Inter-Segment	Total	External	Inter-Segment	Total
Financial Services						
Life Insurance	5,036.73	—	5,036.73	5,690.69	—	5,690.69
Other Financial Services	1,245.83	12.33	1,258.16	693.43	8.31	701.74
Telecom	5,662.34	—	5,662.34	4,932.92	—	4,932.92
Fashion and Life Style						
Branded Apparels and Accessories	3,802.01	0.02	3,802.03	2,243.48	—	2,243.48
Textiles	1,128.21	16.13	1,144.34	1,037.88	8.32	1,046.20
IT-ITES	2,423.70	41.83	2,465.53	2,044.22	37.36	2,081.58
Manufacturing						
Agri-Business	2,924.43	—	2,924.43	2,107.32	—	2,107.32
Rayon	776.96	—	776.96	679.84	—	679.84
Insulators	454.08	—	454.08	467.64	—	467.64
Carbon Black	2,035.91	—	2,035.91	1,942.87	—	1,942.87
Total Segment	25,490.20	70.31	25,560.51	21,840.29	53.99	21,894.28
Eliminations			70.31			53.99
Total Revenue			25,490.20			21,840.29

NOTE: 39 (Contd.)

₹ in Crore

Segment Result (PBIT)	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
Financial Services		
Life Insurance	541.50	460.73
Other Financial Services	164.71	80.38
Telecom	638.51	534.33
Fashion and Life Style		
Branded Apparels and Accessories	170.10	124.96
Textiles	128.85	116.54
IT-ITES	163.75	110.94
Manufacturing		
Agri-Business	176.64	191.85
Rayon	152.97	91.83
Insulators	39.42	45.54
Carbon Black	93.07	164.15
Total Segment	2,269.52	1,921.25
Less: Finance Cost*	865.06	635.52
Add: Interest Income*	113.06	51.08
Add: Unallocable Income (net of unallocable expenses)	8.15	(6.77)
Profit Before Exceptional Items and Tax	1,525.67	1,330.04
Exceptional Items (Refer Note: 30)	—	(103.88)
Profit Before Tax	1,525.67	1,226.16
Tax Expenses	341.78	216.01
Profit Before Minority Interest	1,183.89	1,010.15
Minority Interest	125.00	120.02
Profit for the Year	1,058.89	890.13

* Finance Cost excludes Finance Cost of ₹ 456.10 Crore (Previous Year: ₹ 201.57 Crore) and Interest Income excludes interest income of ₹ 151.92 Crore (Previous Year: ₹ 107.45 Crore) on Financial Services Business, since it is considered as an expense and income, respectively, for deriving Segment Result.

Information about Primary Business Segments

₹ in Crore

Other Information	Carrying Amount of Segment Assets (including Goodwill) as on		Carrying Amount of Segment Liabilities as on	
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
Financial Services				
Life Insurance	23,848.10	22,057.65	22,456.68	20,979.84
Other Financial Services	9,060.63	4,426.32	7,663.98	3,683.80
Telecom	10,464.31	9,851.42	1,682.84	1,406.09
Fashion and Life Style				
Branded Apparels and Accessories	3,795.22	1,288.05	1,247.33	671.67
Textiles	526.08	458.91	347.05	371.10
IT-ITES	1,878.55	1,825.26	242.52	238.14
Manufacturing				
Agri-Business	2,064.77	1,126.39	210.95	142.27
Rayon	787.03	578.11	106.49	62.99
Insulators	462.97	447.31	68.32	71.92
Carbon Black	1,768.52	1,714.03	519.26	349.42
Total Segment	54,656.18	43,773.45	34,545.42	27,977.24
Inter-Segment Eliminations	(3.14)	(7.71)	(3.14)	(7.71)
Unallocated Corporate Assets/Liabilities	2,450.19	1,391.26	12,236.23	9,369.45
Total Assets/Liabilities	57,103.23	45,157.00	46,778.51	37,338.98

₹ in Crore

Other Information	Cost incurred to Acquire Segment Fixed Assets (including CWIP and Capital Advance) for the Year Ended		Depreciation/Amortisation for the Year Ended	
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
Financial Services				
Life Insurance	13.81	26.49	17.27	25.23
Other Financial Services	18.87	33.99	32.22	23.53
Telecom	1,561.73	1,148.80	878.83	754.63
Fashion and Life Style				
Branded Apparels and Accessories	138.39	80.81	140.78	71.93
Textiles	70.57	20.39	24.39	22.80
IT-ITES	82.40	74.37	85.94	77.03
Manufacturing				
Agri-Business	69.04	50.71	19.76	18.92
Rayon	228.25	106.84	34.42	34.80
Insulators	12.92	41.37	20.86	21.17
Carbon Black	34.04	32.26	39.33	40.32
Total Segment	2,230.02	1,616.03	1,293.80	1,090.36
Unallocated	0.42	2.83	1.69	1.97
Total	2,230.44	1,618.86	1,295.49	1,092.33

Information about Secondary Business Segments

₹ in Crore

	For the Year Ended	
	31st March, 2013	31st March, 2012
Revenue by Geographical Market		
In India	22,255.72	18,813.98
Outside India	3,234.48	3,026.31
Total	25,490.20	21,840.29
Carrying Amount of Segment Assets		
In India	55,886.17	44,030.15
Outside India	1,217.06	1,126.85
Total	57,103.23	45,157.00
Cost incurred to acquire Segment Fixed Assets		
In India	2,092.56	1,546.33
Outside India	137.88	72.53
Total	2,230.44	1,618.86

NOTE: 40

The Company has opted for general exemption granted by the Ministry of Corporate Affairs (MCA), vide General Circular No: 2/2011 dated February 8, 2011, regarding direction under Section 212(8) of the Companies Act, 1956 (the Act). The information required to be disclosed in aggregate for each subsidiary (including subsidiaries of subsidiaries) under Section 212(8) of the Act is as follows:

₹ in Crore, unless otherwise stated

	Aditya Birla Financial Services Private Limited		Aditya Birla Capital Advisors Private Limited		Aditya Birla Customer Services Private Limited		Aditya Birla Trustee Company Private Limited	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Share Capital (Equity and Preference)	986.50	706.50	3.50	3.50	0.01	0.01	0.05	0.05
Reserves and Surplus	(11.47)	(12.33)	12.26	6.21	(38.55)	(7.36)	0.10	0.05
Total Assets (Non-Current Assets + Current Assets)	975.41	695.13	20.84	18.03	19.49	22.10	0.15	0.10
Total Liabilities (Non-Current Liabilities + Current Liabilities)	0.38	0.96	5.08	8.32	58.03	29.45	₹	₹
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	137.50	101.12	15.07	8.80	0.70	—	0.14	0.09
Revenue from Operations	2.45	0.17	23.55	21.16	0.26	—	0.07	0.06
Profit/(Loss) Before Tax	0.86	(3.80)	8.50	5.57	(31.20)	(5.87)	0.07	0.05
Tax Expenses	—	—	2.45	1.66	—	—	0.02	0.01
Profit/(Loss) for the Year	0.86	(3.80)	6.05	3.91	(31.20)	(5.87)	0.05	0.04
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Shares)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2013/2012	—	—	—	—	—	—	—	—

	Aditya Birla Money Limited		Aditya Birla Commodities Broking Limited		Aditya Birla Financial Shared Services Limited		Aditya Birla Finance Limited	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Share Capital (Equity and Preference)	13.54	13.54	2.00	2.00	0.05	0.05	746.29	480.96
Reserves and Surplus	21.97	34.63	0.36	3.00	0.01	0.01	332.32	147.39
Total Assets (Non-Current Assets + Current Assets)	156.29	182.76	47.26	56.07	11.68	10.86	8,199.82	3,747.33
Total Liabilities (Non-Current Liabilities + Current Liabilities)	120.78	134.59	44.90	51.07	11.62	10.80	7,121.21	3,118.98
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	₹	₹	—	—	—	—	598.87	211.05
Revenue from Operations	65.89	67.40	18.19	20.88	—	—	715.08	350.17
Profit/(Loss) Before Tax	(12.67)	(18.49)	(2.65)	(0.77)	—	0.02	147.14	83.62
Tax Expenses	—	(1.20)	—	(0.23)	—	0.01	46.84	27.39
Profit/(Loss) for the Year	(12.67)	(17.29)	(2.65)	(0.54)	—	0.01	100.30	56.23
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Shares)	Nil	Nil	Nil	Nil	Nil	Nil	0.05	0.04
Exchange Rate as on 31st March, 2013/2012	—	—	—	—	—	—	—	—

	Aditya Birla Securities Private Limited		Aditya Birla Insurance Brokers Limited		Aditya Birla Money Mart Limited		Aditya Birla Money Insurance Advisory Services Limited	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Share Capital (Equity and Preference)	0.03	0.03	2.70	2.70	120.00	120.00	0.49	0.49
Reserves and Surplus	(0.02)	(0.02)	25.50	19.51	(135.85)	(132.64)	(17.42)	(18.79)
Total Assets (Non-Current Assets + Current Assets)	0.02	0.02	48.00	35.16	43.70	41.23	5.79	4.17
Total Liabilities (Non-Current Liabilities + Current Liabilities)	0.01	0.01	19.80	12.95	59.55	53.87	22.72	22.47
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	0.02	0.02	—	—	1.95	—	2.51	—
Revenue from Operations	—	—	56.99	32.29	65.87	51.77	9.89	7.95
Profit/(Loss) Before Tax	(0.01)	(0.01)	16.42	8.94	(3.22)	(16.43)	1.37	(4.64)
Tax Expenses	—	—	5.25	3.12	—	(0.01)	—	0.03
Profit/(Loss) for the Year	(0.01)	(0.01)	11.17	5.82	(3.22)	(16.42)	1.37	(4.67)
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Shares)	Nil	Nil	5.18	5.18	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2013/2012	—	—	—	—	—	—	—	—

₹ in Crore, unless otherwise stated

	Aditya Birla Housing Finance Limited		Birla Sun Life Asset Management Company Limited		Aditya Birla Sun Life AMC Pte. Limited, Singapore			
	Current Year	Previous Year	Current Year	Previous Year	Current Year		Previous Year	
					SGD in Mn.	₹ in Crore	SGD in Mn.	₹ in Crore
Share Capital (Equity and Preference)	2.05	2.05	18.00	18.00	6.75	29.57	4.60	18.97
Reserves and Surplus	0.25	0.14	370.69	283.38	(6.26)	(27.42)	(3.81)	(15.70)
Total Assets (Non-Current Assets + Current Assets)	2.32	2.22	497.99	391.44	1.37	6.00	1.51	6.24
Total Liabilities (Non-Current Liabilities + Current Liabilities)	0.02	0.03	109.30	90.06	0.88	3.85	0.72	2.97
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	0.07	214.03	142.12	—	—	—	—
Revenue from Operations	—	—	396.39	307.35	0.98	4.29	0.28	1.67
Profit/(Loss) Before Tax	0.16	0.18	121.37	106.17	(2.45)	(10.71)	(2.48)	(9.51)
Tax Expenses	0.05	0.06	34.06	29.86	—	—	—	—
Profit/(Loss) for the Year	0.11	0.12	87.31	76.31	(2.45)	(10.71)	(2.48)	(9.51)
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Shares)	Nil	Nil	Nil	Nil	—	—	—	—
Exchange Rate as on 31st March, 2013/2012	—	—	—	—	SGD = ₹ 43.81		SGD = ₹ 41.23	

	Aditya Birla Sun Life AMC Limited, Dubai				Birla Sun Life AMC (Mauritius) Limited			
	Current Year		Previous Year		Current Year		Previous Year	
	US\$ in Mn.	₹ in Crore	US\$ in Mn.	₹ in Crore	US\$ in Mn.	₹ in Crore	US\$ in Mn.	₹ in Crore
Share Capital (Equity and Preference)	3.13	17.00	2.50	12.96	0.05	0.24	0.05	0.23
Reserves and Surplus	(2.01)	(10.91)	(1.31)	(6.79)	0.19	1.06	0.12	0.61
Total Assets (Non-Current Assets + Current Assets)	1.43	7.77	1.46	7.56	0.26	1.43	0.49	2.54
Total Liabilities (Non-Current Liabilities + Current Liabilities)	0.31	1.68	0.27	1.39	0.02	0.13	0.32	1.70
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	—	—	—
Revenue from Operations	0.37	2.02	0.05	0.23	0.80	4.36	1.47	7.10
Profit/(Loss) Before Tax	(0.70)	(3.80)	(0.97)	(4.69)	0.70	3.79	1.37	6.60
Tax Expenses	—	—	—	—	0.02	0.11	0.04	0.20
Profit/(Loss) for the Year	(0.70)	(3.80)	(0.97)	(4.69)	0.68	3.68	1.33	6.40
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Shares)	Nil	Nil	Nil	Nil	0.60	3.27	20.50	9.66
Exchange Rate as on 31st March, 2013/2012	USD = ₹ 54.39		USD = ₹ 51.85		USD = ₹ 54.39		USD = ₹ 51.85	

	India Advantage Fund Limited				Aditya Vikram Global Trading House Limited			
	Current Year (31.12.12)		Previous Year (31.12.11)		Current Year		Previous Year	
	US\$ in Lakh	₹ in Crore	US\$ in Lakh	₹ in Crore	US\$ in Lakh	₹ in Crore	US\$ in Lakh	₹ in Crore
Share Capital (Equity and Preference)	0.01	0.01	0.01	0.01	1.50	0.48	1.50	0.48
Reserves and Surplus	—	—	—	—	0.05	0.36	0.27	0.42
Total Assets (Non-Current Assets + Current Assets)	0.01	0.01	0.01	0.01	1.64	0.89	1.81	0.92
Total Liabilities (Non-Current Liabilities + Current Liabilities)	—	—	—	—	0.09	0.05	0.04	0.02
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	—	—	—
Revenue from Operations	—	—	—	—	—	—	—	—
Profit/(Loss) Before Tax	—	—	—	—	(0.22)	(0.06)	(0.14)	0.05
Tax Expenses	—	—	—	—	—	—	—	—
Profit/(Loss) for the Year	—	—	—	—	(0.22)	(0.06)	(0.14)	0.05
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Shares)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2013/2012	USD = ₹ 54.39		USD = ₹ 51.85		USD = ₹ 54.39		USD = ₹ 51.85	

₹ in Crore, unless otherwise stated

	Birla Sun Life Trustee Company Private Limited		ABNL Investment Limited		Shaktiman Mega Food Park Limited		Birla Sun Life Insurance Company Limited	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Share Capital (Equity and Preference)	0.02	0.02	21.00	21.00	0.01	0.01	1,969.50	1,969.50
Reserves and Surplus	0.33	0.28	15.19	13.19	(0.02)	(0.02)	(721.88)	(896.23)
Total Assets (Non-Current Assets + Current Assets)	0.35	0.31	42.62	91.32	0.32	0.32	23,842.63	22,053.18
Total Liabilities (Non-Current Liabilities + Current Liabilities)	₹	0.01	6.43	57.13	0.33	0.33	22,595.01	20,979.91
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	0.32	0.27	0.05	—	—	—	22,929.22	21,110.06
Revenue from Operations	0.05	0.05	3.08	2.02	—	—	5,036.73	5,690.69
Profit/(Loss) Before Tax	0.05	0.05	2.63	2.30	(0.01)	(0.01)	541.50	460.73
Tax Expenses	0.01	0.01	0.63	0.67	—	—	—	—
Profit/(Loss) for the Year	0.04	0.04	2.00	1.63	(0.01)	(0.01)	541.50	460.73
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Shares)	Nil	Nil	Nil	Nil	Nil	Nil	367.15	114.45
Exchange Rate as on 31st March, 2013/2012	—	—	—	—	—	—	—	—

	Indigold Trade and Services Limited		ABNL IT & ITES Limited		Madura Garments Lifestyle Retail Company Limited		Pantaloon Fashions and Retail Limited	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Share Capital (Equity and Preference)	5.95	2.00	0.05	—	108.89	20.00	847.32*	1.01
Reserves and Surplus	(0.26)	0.08	(2.48)	—	48.71	(159.68)	(77.80)	0.20
Total Assets (Non-Current Assets + Current Assets)	870.81	2.39	449.90	—	555.57	360.40	2,882.27	3.79
Total Liabilities (Non-Current Liabilities + Current Liabilities)	865.12	0.31	452.33	—	397.97	500.08	2,112.75	2.58
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	0.02	—	—	—	—	800.00	—
Revenue from Operations	—	—	—	—	253.73	60.00	1,285.14	18.34
Profit/(Loss) Before Tax	0.12	0.22	(2.48)	—	13.45	(25.76)	(68.89)	1.79
Tax Expenses	0.53	0.02	₹	—	—	—	₹	0.57
Profit/(Loss) for the Year	(0.41)	0.20	(2.48)	—	13.45	(25.76)	(68.89)	1.22
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Shares)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.14
Exchange Rate as on 31st March, 2013/2012	—	—	—	—	—	—	—	—

* Includes Share Suspende

	Aditya Birla Minacs Worldwide Limited		Aditya Birla Minacs BPO Private Limited		Aditya Birla Minacs Philippines Inc.			
	Current Year	Previous Year	Current Year	Previous Year	Current Year		Previous Year	
					PHP in Mn.	₹ In Crore	PHP in Mn.	₹ In Crore
Share Capital (Equity and Preference)	17.58	17.58	0.76	1.35	96.92	13.00	118.51	14.10
Reserves and Surplus	176.61	144.05	0.06	(0.70)	(36.83)	(4.94)	(115.82)	(13.78)
Total Assets (Non-Current Assets + Current Assets)	671.33	695.65	3.29	4.63	224.37	30.11	215.30	25.62
Total Liabilities (Non-Current Liabilities + Current Liabilities)	477.14	534.02	2.47	3.98	164.28	22.05	212.61	25.30
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	—	—	—
Revenue from Operations	341.24	330.69	17.15	18.52	537.43	70.64	467.81	52.86
Profit/(Loss) Before Tax	38.11	(24.51)	0.25	(0.48)	62.62	8.23	15.83	1.79
Tax Expenses	0.59	0.47	0.08	—	0.11	0.01	0.01	₹
Profit/(Loss) for the Year	37.52	(24.98)	0.17	(0.48)	62.51	8.22	15.82	1.79
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Shares)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2013/2012	—	—	—	—	PHP = Rs. 1.34		PHP = Rs. 1.19	

	A V Transworks Limited, Canada				Aditya Birla Minacs Worldwide Inc., Canada			
	Current Year		Previous Year		Current Year		Previous Year	
	CAD in Mn.	₹ in Crore	CAD in Mn.	₹ in Crore	CAD in Mn.	₹ in Crore	CAD in Mn.	₹ in Crore
Share Capital (Equity and Preference)	127.00	678.05	127.00	648.72	70.07	374.11	70.07	357.92
Reserves and Surplus	0.73	3.91	0.73	3.73	(26.48)	(141.37)	(38.26)	(195.43)
Total Assets (Non-Current Assets + Current Assets)	157.68	841.84	157.68	805.43	153.64	820.30	157.43	804.15
Total Liabilities (Non-Current Liabilities + Current Liabilities)	29.95	159.88	29.95	152.98	110.05	587.56	125.62	641.66
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	—	—	—
Revenue from Operations	—	—	4.55	22.08	161.74	878.48	169.49	822.53
Profit/(Loss) Before Tax	₹	(0.01)	3.04	14.76	11.57	62.87	17.75	86.14
Tax Expenses	—	—	—	—	(0.21)	(1.14)	(5.50)	(26.69)
Profit/(Loss) for the Year	₹	(0.01)	3.04	14.76	11.78	64.01	23.25	112.83
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Shares)	Nil	Nil	Nil	Nil	Nil	Nil	4.37	21.21
Exchange Rate as on 31st March, 2013/2012	CAD\$ = ₹ 53.39		CAD\$ = ₹ 51.08		CAD\$ = ₹ 53.39		CAD\$ = ₹ 51.08	

	Minacs Worldwide S.A. de C.V. Mexico				The Minacs Group (USA) Inc.			
	Current Year		Previous Year		Current Year		Previous Year	
	MXN in Mn.	₹ in Crore	MXN in Mn.	₹ in Crore	US\$ in Mn.	₹ in Crore	US\$ in Mn.	₹ in Crore
Share Capital (Equity and Preference)	0.05	0.02	0.05	0.02	0.30	1.64	0.30	1.57
Reserves and Surplus	(0.26)	(0.11)	(0.05)	(0.02)	15.04	81.80	10.53	54.61
Total Assets (Non-Current Assets + Current Assets)	—	—	—	—	86.32	469.49	70.72	366.69
Total Liabilities (Non-Current Liabilities + Current Liabilities)	0.21	0.09	—	—	70.98	386.05	59.89	310.51
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	—	—	—
Revenue from Operations	—	—	—	—	205.11	1,116.60	167.90	858.98
Profit/(Loss) Before Tax	(0.21)	(0.09)	—	—	6.57	35.75	2.25	11.51
Tax Expenses	—	—	—	—	2.06	11.21	0.72	3.67
Profit/(Loss) for the Year	(0.21)	(0.09)	—	—	4.51	24.54	1.53	7.84
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Shares)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2013/2012	MXN = ₹ 4.41		MXN = ₹ 3.62		USD = ₹ 54.39		USD = ₹ 51.85	

	Bureau Collections Recovery, LLC (USA)				Bureau of Collections (BCR) Recovery Inc., Canada			
	Current Year		Previous Year		Current Year		Previous Year	
	US \$ in Mn.	₹ in Crore	US \$ in Mn.	₹ in Crore	CAD in Mn.	₹ in Crore	CAD in Mn.	₹ in Crore
Share Capital (Equity and Preference)	0.02	0.11	0.02	0.11	0.01	0.05	0.01	0.05
Reserves and Surplus	2.64	14.35	2.42	12.58	(0.01)	(0.04)	-	-
Total Assets (Non-Current Assets + Current Assets)	4.23	23.03	2.79	14.51	₹	0.01	0.01	0.05
Total Liabilities (Non-Current Liabilities + Current Liabilities)	1.57	8.57	0.35	1.82	—	—	—	—
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	—	—	—
Revenue from Operations	6.30	34.30	9.98	46.02	—	—	—	—
Profit/(Loss) Before Tax	(1.43)	(7.76)	(1.57)	(7.24)	₹	(0.03)	—	—
Tax Expenses	(1.64)	(8.93)	(0.90)	(4.15)	—	—	—	—
Profit/(Loss) for the Year	0.21	1.17	(0.67)	(3.09)	₹	(0.03)	—	—
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Shares)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2013/2012	USD = ₹ 54.39		USD = ₹ 51.85		CAD = ₹ 53.39		CAD = ₹ 51.08	

	Minacs Limited, UK				Minacs Worldwide GmbH, Germany			
	Current Year		Previous Year		Current Year		Previous Year	
	GBP in Mn.	₹ in Crore	GBP in Mn.	₹ in Crore	Euro in Mn.	₹ in Crore	Euro in Mn.	₹ in Crore
Share Capital (Equity and Preference)	₹	0.01	₹	0.01	0.03	0.17	0.03	0.21
Reserves and Surplus	0.46	3.81	0.39	3.23	2.82	19.64	2.61	18.05
Total Assets (Non-Current Assets + Current Assets)	0.81	6.73	0.87	7.22	3.23	22.44	3.06	21.16
Total Liabilities (Non-Current Liabilities + Current Liabilities)	0.35	2.91	0.48	3.98	0.38	2.63	0.42	2.90
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	—	—	—
Revenue from Operations	1.83	15.74	1.59	12.19	5.92	41.49	7.21	47.51
Profit/(Loss) Before Tax	0.10	0.82	0.08	0.61	0.31	2.15	0.38	2.50
Tax Expenses	0.02	0.20	0.02	0.15	0.09	0.64	0.12	0.79
Profit/(Loss) for the Year	0.08	0.62	0.06	0.46	0.22	1.51	0.26	1.71
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Shares)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2013/2012	GBP = ₹ 82.32		GBP = ₹ 82.90		EURO = ₹ 69.54		EURO = ₹ 69.16	

	Minacs Kft.- Hungary				Aditya Birla Minacs BPO Limited, UK			
	Current Year		Previous Year		Current Year		Previous Year	
	HUF in Mn.	₹ in Crore	HUF in Mn.	₹ in Crore	GBP in Mn.	₹ in Crore	GBP in Mn.	₹ in Crore
Share Capital (Equity and Preference)	3.00	0.07	3.00	0.07	0.02	0.16	0.02	0.17
Reserves and Surplus	104.88	2.37	99.38	2.29	1.06	8.73	1.05	9.20
Total Assets (Non-Current Assets + Current Assets)	122.44	2.77	122.93	2.83	1.16	9.51	1.21	10.53
Total Liabilities (Non-Current Liabilities + Current Liabilities)	14.56	0.33	20.55	0.47	0.08	0.62	0.14	1.16
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	—	—	—
Revenue from Operations	210.52	5.11	322.90	7.42	2.05	17.62	1.81	13.81
Profit/(Loss) Before Tax	10.66	0.26	29.23	0.67	0.01	0.08	0.32	2.44
Tax Expenses	5.17	0.13	11.10	0.25	₹	0.02	0.03	0.23
Profit/(Loss) for the Year	5.49	0.13	18.13	0.42	0.01	0.06	0.29	2.21
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Shares)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2013/2012	HUF = ₹ 0.23		HUF = ₹ 0.23		GBP = ₹ 82.32		GBP = ₹ 82.90	

Annexure 'A' to Note: 40

A) Details of Investments of Birla Sun Life Insurance Company Limited

₹ in Crore

	Shareholders		Policyholders		Assets Held to Cover Linked Liabilities		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
LONG-TERM INVESTMENTS								
1 Government Securities and Government Guaranteed Bonds including Treasury Bills	642.11	578.96	858.33	600.06	2,674.28	2,236.01	4,174.72	3,415.03
2 Other Approved Securities	44.73	—	52.26	—	94.28	—	191.27	—
3 Other Investments								
(a) Debentures/Bonds	207.34	60.78	305.06	232.26	1,865.56	1,696.42	2,377.96	1,989.46
(b) Equity Shares	—	—	10.25	7.38	7,989.16	7,706.99	7,999.41	7,714.37
(c) Other Securities	9.90	9.90	43.52	0.60	325.10	49.60	378.52	60.10
4 Investments in Infrastructure and Social Sectors	372.14	285.89	312.86	356.99	2,633.31	2,610.94	3,318.31	3,253.82
5 Other than Approved Investments	29.65	29.65	1.21	—	619.36	853.32	650.22	882.97
Total (A)	1,305.87	965.18	1,583.49	1,197.29	16,201.05	15,153.28	19,090.41	17,315.75
SHORT-TERM INVESTMENTS								
1 Government Securities and Government Guaranteed Bonds including Treasury Bills	8.57	3.14	267.27	400.60	58.38	2.41	334.22	406.15
2 Other Approved Securities								
- Fixed Deposits	—	—	11.00	34.86	374.05	424.82	385.05	459.68
- Others	10.20	6.84	139.67	150.61	740.43	1,265.23	890.30	1,422.68
3 Other Investments								
(a) Mutual Funds	—	15.14	—	11.16	—	159.06	—	185.36
(b) Debenture/Bonds	10.00	2.50	106.10	42.70	565.04	377.12	681.14	422.32
(c) Other Securities	—	—	—	—	—	—	—	—
(d) Application Money	—	—	—	—	—	—	—	—
4 Investments in Infrastructure and Social Sectors	34.46	20.02	100.84	121.10	283.08	333.67	418.38	474.79
5 Other than Approved Investments	1.59	2.50	13.09	—	605.99	122.76	620.67	125.26
Total (B)	64.82	50.14	637.97	761.03	2,626.97	2,685.07	3,329.76	3,496.24
Other Assets								
1 Bank Balances					177.60	114.03	177.60	114.03
2 Interest Accrued on Investments					282.00	239.16	282.00	239.16
3 Fund Charges					—	—	—	—
4 Outstanding Contract (Net)					49.45	(55.12)	49.45	(55.12)
Sub-Total (C)	—	—	—	—	509.05	298.07	509.05	298.07
Total (A + B + C)	1,370.69	1,015.32	2,221.46	1,958.32	19,337.07	18,136.42	22,929.22	21,110.06

₹ in Crore

B) Details of Investments of Aditya Birla Financial Services Private Limited

Long-term Investments		
Others - Private Equity	135.23	99.86
Current Investments		
Mutual Funds	2.27	1.26
Total	137.50	101.12

C) Details of Investments of Aditya Birla Capital Advisors Private Limited

Current Investments		
Mutual Funds	15.07	8.80
Total	15.07	8.80

D) Details of Investments of Aditya Birla Trustee Company Private Limited

Current Investments		
Mutual Funds	0.14	0.09
Total	0.14	0.09

	As at 31st March, 2013	₹ in Crore As at 31st March, 2012
E) Details of Investments of Aditya Birla Finance Limited		
Long-term Investments		
Equity Shares	0.47	0.47
Preference Shares	12.98	12.98
Debentures/Bonds	365.94	100.15
Others (PTC and PMS)	48.94	5.00
Current Investments		
Debentures/Bonds	146.34	45.00
Others (Commercial Papers)	24.20	47.45
Total	598.87	211.05
F) Details of Investments of Aditya Birla Securities Private Limited		
Current Investments		
Mutual Funds	0.02	0.02
Total	0.02	0.02
G) Details of Investments of Aditya Birla Housing Finance Limited		
Current Investments		
Mutual Funds	—	0.07
Total	—	0.07
H) Details of Investments of Aditya Birla Money Insurance Advisory Services Limited		
Current Investments		
Mutual Funds	2.51	—
Total	2.51	—
I) Details of Investments of Aditya Birla Money Mart Limited		
Current Investments		
Mutual Funds	1.95	—
Total	1.95	—
J) Details of Investments of ABNL Investments of Limited		
Current Investments		
Mutual Funds	0.05	—
Total	0.05	—
K) Details of Investments of Pantaloons Fashion & Retail Limited		
Current Investments		
Debenture (Optionally fully convertible Debentures of Future Retail India Limited erstwhile Pantaloon Retail India Limited)	800.00	—
Total	800.00	—
L) Details of Investments of Aditya Birla Customer Services Private Limited		
Current Investments		
Mutual Funds	0.70	—
Total	0.70	—
M) Details of Investments of Birla Sun Life Asset Management Company Limited		
Long-term Investments		
Preference Share	—	7.55
Mutual Funds	0.05	20.08
Debenture/ Bonds	1.11	1.11
Others	—	0.05
Current Investments		
Mutual Funds	212.87	113.33
Total	214.03	142.12
N) Details of Investments of Birla Sun Life Trustee Company Private Limited		
Long-term Investments		
Mutual Funds	0.04	0.02
Current Investments		
Mutual Funds	0.28	0.25
Total	0.32	0.27
O) Details of Investments of Indigold Trade and Services Limited		
Long-term Investments		
Mutual Funds	—	0.02
Total	—	0.02

NOTE: 41**Scheme of Arrangement:**

- (i) Pursuant to the Scheme of Arrangement (the 'Scheme') under Sections 391 to 394 of the Companies Act, 1956, the fashion retail business called the 'Pantaloon Format' (herein after referred to as 'demerged undertaking') of Pantaloon Retail (India) Limited (herein after referred to as 'PRIL' or 'demerged company'), as approved by the members at a court convened meeting approved by the shareholders of Pantaloons Fashion & Retail Limited (Formerly Peter England Fashions and Retail Limited, herein after referred to as PFRL or 'resulting company') and PRIL, and subsequently sanctioned by the Hon'ble High Court of Bombay, vide its order dated March 1, 2013, has been transferred by way of demerger to PFRL on a going concern basis with effect from 8th April, 2013. The Scheme is operative from the appointed date, i.e., July 1, 2012.
- (ii) In terms of the Scheme, all the assets and liabilities comprised in the Demerged undertaking have been transferred and stands vested with the resulting company with effect from the Appointed Date, i.e., 1st July, 2012, at their respective book value on that date.
- (iii) In accordance with the Scheme, the resulting company has acquired the following assets and liabilities as on the appointed date of the demerged undertaking at book value as set out below:

₹ in Crore

Particulars**Assets Taken Over**

Fixed Assets (Net Block)	529.67	
Capital Work-in-Progress	22.94	
Inventories	342.61	
Trade Receivables	4.84	
Cash and Bank Balances	3.21	
Loans and Advance	51.62	954.89

Liabilities Taken Over

Loans	1,600.00	
Trade Payables	336.38	
Statutory Liabilities (Net)	6.24	
Other Liabilities	53.33	1,995.95

Net Liabilities Taken Over

1,041.06

Consideration of 46,316,518 Equity Shares of ₹ 10/- each as per the Scheme

46.32

Deficit Adjusted in Goodwill

1,087.38

Add: Adjustment due to change in accounting practices

80.18

Goodwill**1,167.56**

- (iv) 4,63,16,518 Equity Shares of ₹ 10 each, fully paid-up of the PFRL, are to be issued to the holder of Equity Shares of PRIL, whose names are registered in the register of members on the record date, without payment being received in cash, respectively, in the ratio of 1(one) fully paid Equity Shares of ₹ 10 each of the Company for every 5(Five) fully paid-up Equity Shares held in PRIL.
- (v) Further expenses incidental to the Scheme or its implementation of ₹ 9.10 Crore being the resulting company share have been adjusted from the reserves of the resulting company, in accordance with the respective scheme.
- (vi) Post-effectiveness of the Scheme, Indigold Trade and Services Limited (ITSL), a subsidiary of the Company, has made an open offer to the public shareholders of Pantaloon Fashion and Retail Limited (PFRL) to acquire upto 24.91% of the post-demerger issued and paid-up capital of PFRL at a price of ₹ 175 per share aggregating to maximum amount of ₹ 404.51 Crore.
- (vii) In view of the aforesaid arrangement the figures for the previous period are not comparable.

NOTE: 42

OTHER SIGNIFICANT NOTE

- (i) In accordance with approval of the shareholders in the extraordinary general meeting of the Company held on 25th April, 2012, the Company has on preferential basis, issued 1.65 Crore warrants of ₹ 10 each to the Promoters and/or Promoter Group at a price of ₹ 910.86. The holder of each warrant is entitled to apply for and obtain allotment of 1 equity share against each warrant at any time after the date of allotment but on or before the expiry of 18 months from the allotment in one or more tranches. The Company has received an amount of ₹ 375.73 Crore equivalent to 25% of the price and ₹ 456.34 Crore (excluding receipt of ₹ 152.11 Crore received on allotment of warrant) on exercise of 66.80 Lakh warrants of ₹ 10 each by the promoter group. The total amount of ₹ 832.08 Crore received from the preferential allotment of the warrants has been fully utilised.
- (ii) The Company, in its Committee of Directors meeting, held on 6th April, 2013, has decided to divest the Carbon Black business with effect from 1st April, 2013 at an Enterprise Value of ₹ 1,451 Crore subject to adjustment for net working capital. The Carbon Black business is being transferred, on a going-concern basis, by way of a slump sale, to SKI Carbon Black (India) Private Limited. The transaction is expected to be consummated during the current financial year, subject to necessary approvals.
- (iii) Birla Sun Life Asset Management Company Limited and Birla Sun Life Trustee Company Private Limited (earlier joint ventures of the Company) have become subsidiaries of the Company, with effect from 10th October, 2012.
- (iv) A) The Department of Telecommunications (DoT) conducted auction for the 1800 Mhz spectrum in November 2012, as required by the Hon'ble Supreme Court's judgement dated 2nd February, 2012, quashing the licenses granted to private operators on or after 10th January, 2008, pursuant to two press releases issued on 10th January, 2008, and subsequent allocation of spectrum to the licensees. As Idea Cellular Limited (IDEA), a Jointly Controlled Entity of the Company, was impacted by the said judgement in seven operating licenses, IDEA participated in the said auction and was successful in winning back the spectrum for these impacted service areas at a price amounting to Group's share of ₹ 501.58 Crore. The DoT then adjusted amounting to Group's share of ₹ 173.00 Crore paid by IDEA for licenses applied in 2008, and as per the payment options available as part of the auction, IDEA has chosen the deferred payment option for the balance amount. The DoT has issued LOI's earmarking the spectrum won in these seven service areas and award of unified licenses. IDEA has applied to DoT for the issue of new licenses in these seven service areas and paid the license fee on the basis of LOI's.

While services in these seven service areas continue, the effects provided in these financial statements for the year ended 31st March, 2013, are:

- a) Out of the above amounting to Group's share of ₹ 173.00 Crore adjusted by DoT,
- License fee amounting to Group's share of ₹ 82.39 Crore paid for the seven operational licenses has been de capitalised.
 - License fee, amounting to Group's share of ₹ 90.61 Crore paid earlier for overlapping licenses, which was impaired in the F.Y. 2009-10 and set off by withdrawal of an equivalent amount from the Securities Premium Account, has been credited to Security Premium Account.
- b) Reversal of accumulated amortisation on the seven operational licenses amounting to Group's share of ₹ 12.19 Crore, thereby the current year amortisation charge stands reduced to that extent.
- c) Capitalisation of the new licenses and earmarked spectrum.
- B) The Division bench of Hon'ble Delhi High Court, vide its Order dated 13th July, 2012, reaffirmed the amalgamation of erstwhile Spice Communications Limited (Spice) with IDEA. The said order also re-vested unto IDEA the telecom licenses which were transferred to and vested unto DoT pursuant to order dated 4th July, 2011, passed by single Judge of the Hon'ble Delhi High Court. Vide a separate order dated 13th July, 2012, the said Division bench also directed the DoT to decide on transfer of licenses to IDEA within a period of 3 months and dispute if any, between IDEA and DoT relating to such transfer should be referred to Hon'ble TDSAT for resolution. Vide its letter dated 28th September, 2012, DoT requested IDEA to submit a fresh application to consider transfer of licenses, which IDEA has since complied. Meanwhile, the DoT made an application to the said division bench of the Hon'ble Delhi High Court to extend the period of three months, which expired on 12th October, 2012, by a further period of four months. The division bench of the Hon'ble Delhi High Court, vide its order passed on 17th October, 2012 gave further time to the DoT till 11th November, 2012 to take final decision on transfer of licenses. Thereafter, DoT again filed another application, to further extend the period by three months. The said application of DoT was disposed off by the Hon'ble Delhi High Court vide order dated 11th December, 2012, wherein DoT was directed to convey the final decision by 5th January, 2013. The final decision of the DoT in the matter is awaited.

- (v) A) The CFS of Aditya Birla Minacs Worldwide Inc. and the Financial Statements of Aditya Birla Minacs Philippines Inc. have been prepared and audited under Canadian Generally Accepted Accounting Principles (GAAP) and Philippines GAAP, respectively. These financial statements have been restated as per Indian GAAP for the purpose of Consolidation.
- B) For the purpose of consolidation, Aditya Vikram Global Trading House Limited is considered as integral operations and AV TransWorks Limited, Aditya Birla Minacs Worldwide Inc. (CFS), Aditya Birla Minacs Philippines Inc., Birla Sun Life AMC (Mauritius) Ltd., Aditya Birla Sun Life AMC Ltd., Dubai and Aditya Birla Sun Life AMC Pte. Ltd., Singapore are considered as non-integral operations.

- (vi) Pursuant to a Share Purchase agreement ('SPA') between the Company and Mr. Prataph C. Reddy and others, Erstwhile Promoters, Aditya Birla Money Limited (ABML), a subsidiary of the Company, dated August 28, 2008, the Company had agreed to acquire 31 million equity shares in ABML. The transaction was completed on March 6, 2009.

As per the SPA, the Erstwhile Promoters had agreed to indemnify and hold harmless the Company to the extent of any Losses, resulting from or consequent upon or relating to such breach of representations or warranties, covenants or agreement including, but not limited to, the recoveries of receivables and other assets in the books of the ABML, contingencies on tax and related matters, etc.

Subsequent to the completion of the above transaction, the Company noted several breaches of representations and warranties including, but not limited to, non-recovery of debtors, irrecoverable advances, missing fixed assets, etc. Accordingly, the Company based on its internal assessment of the recoverability of receivables, fixed assets, other assets and matters relating to tax and other contingencies arrived at an amount of ₹ 16.66 Crore as Losses incurred on account of breach of representation warranties in the SPA. Further, the Company, vide its letter dated March 5, 2011, made a separate claim of ₹ 0.52 Crore for amounts becoming due and payable on accounts of various cases initiated by the customers of the ABML. The Company invoked the arbitration mechanism and filed their Statement of Claim on February 26, 2011, with the Arbitration Tribunal.

Pending the final outcome of the arbitration proceedings, the ABML has identified all such receivables, assets, etc., which have not been recovered and other items which are the subject matter of the claim to the extent they are in the books of accounts of the ABML as at March 31, 2013, aggregating ₹ 14.90 Crore (Previous Year: ₹ 15.03 Crore) and disclosed the same in Short-term Loans and Advances in Note 13B of the Balance Sheet, as these amounts would be paid directly to the ABML by the Erstwhile Promoters at the direction of the Company as and when the settlement happens.

Both parties have completed filing of documents and draft issues have been submitted and approved. On July 04, 2012, a hearing was held, and M/s. Deloitte Haskins & Sells were asked to act as auditors by the Arbitrators with a mandate to submit a report on whether from an accounting perspective, including the accounting treatment that has been given to the items set out in the Statement of Claim, the amounts as claimed are correct as per accounting practice.

The arbitral tribunal had directed the Claimants and Respondents to file their objections if any, to the audit report submitted by M/s. Deloitte Haskins & Sells and had also directed the Respondent to file their list of witnesses (if any) by the end of April 2013, and has posted the next hearing to 6th June, 2013. The Respondents filed their objections to the audit report and the Company had also filed its reply to the said objections.

Based on legal opinion received and internal assessment, the Company is confident of recovering the entire dues through the arbitration process and passing the benefit thereof to the ABML against which these loss assets can be set-off in the future. Accordingly, the Company is of the view that these amounts are recoverable and, hence, not written off in the books of accounts of the Company.

- (vii) The Actuarial liabilities of Life Insurance Business are calculated in accordance with accepted actuarial practice, requirements of the Insurance Act, 1938, Regulations notified by the IRDA and Practice Standard prescribed by the Institute of Actuaries of India.
- (viii) Figures of ₹ 50,000 or less have been denoted by '₹'.
- (ix) Previous Year's figures have been regrouped/rearranged, wherever necessary.

As per our attached Report of even date

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

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants

Per SHIVJI K. VIKAMSEY
Partner
Membership No. 2242

Mumbai, May 29, 2013

Per VIJAY MANIAR
Partner
Membership No. 36738

For and on behalf of the Board of Directors

DR. RAKESH JAIN
Managing Director

SUSHIL AGARWAL
Whole-time Director & CFO

DEVENDRA BHANDARI
Company Secretary

Mumbai, May 29, 2013

TARJANI VAKIL
G.P. GUPTA
B.R. GUPTA
Directors

**ADITYA BIRLA NUVO LIMITED**

Registered Office: Indian Rayon Compound, Veraval-362 266, Gujarat.

FORM OF PROXY

I/We of
 in the district of
 being a Member/Members of ADITYA BIRLA NUVO LIMITED hereby appoint Mr./Ms.....
 of in the district
 of or failing him/her,
 Mr./Ms. of in the district of
 as my/our proxy/representative to vote for me/us on my/our behalf
 at the ANNUAL GENERAL MEETING of the Company to be held on 6th September, 2013, and any adjournment
 thereof.

Signed this day of, 2013.

DP ID *	
Client ID *	
Regd. Folio No.	
No. of Shares Held	

Affix ₹ 1 Revenue Stamp

*Applicable if shares are held in electronic form

.....
Signature

Note: This Form of Proxy, in order to be effective, should be duly stamped, completed, signed and deposited at
 the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

**ADITYA BIRLA NUVO LIMITED**

Registered Office: Indian Rayon Compound, Veraval-362 266, Gujarat

ATTENDANCE SLIP

DP ID *	
Client ID *	
Regd. Folio No.	
No. of Shares Held	

NAME AND ADDRESS OF REGISTERED SHAREHOLDER

*Applicable if shares are held in electronic form

I certify that I am a registered shareholder/proxy/representative for the registered shareholder of the Company.

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at its Registered Office at
 Indian Rayon Compound, Veraval - 362 266, Gujarat, on 6th September, 2013, at 11.30 a.m......
Signature

Note : Please fill this Attendance Slip and hand it over at the ENTRANCE OF THE HALL.

ADITYA BIRLA



ADITYA BIRLA NUVO & ITS SUBSIDIARIES / JOINT VENTURES

ADITYA BIRLA NUVO LTD.	:	Fashion & Lifestyle, Agri-business, Rayon Yarn (Incl. Viscose Filament Yarn, Caustic Soda and Allied Chemicals), Insulators, Textiles (Spun Yarn & Fabrics),*.
I) ADITYA BIRLA FINANCIAL SERVICES		
Subsidiaries		
■ Birla Sun Life Insurance Company Ltd. <i>[JV with Sun Life Financial Inc of Canada]</i>	:	Life Insurance
■ Aditya Birla Financial Services Pvt. Ltd. ("ABFSPL")	:	Investment
● Aditya Birla Money Ltd.	:	Equity Broking
✦ Aditya Birla Commodities Broking Ltd.	:	Commodities Broking
● Aditya Birla Capital Advisors Pvt. Ltd.	:	Private Equity Investment, Advisory & Management Services
● Aditya Birla Trustee Company Pvt. Ltd.	:	Trustee of Private Equity Fund
● Aditya Birla Customer Services Pvt. Ltd.	:	General Services
● Aditya Birla Financial Shared Services Ltd.	:	Financial & IT enabled services
● Aditya Birla Insurance Brokers Ltd.	:	Non-life Insurance Advisory and Broking
● Aditya Birla Finance Ltd.	:	NBFC / Fund Based Lending
✦ Aditya Birla Securities Private Ltd.	:	
● Aditya Birla Money Mart Ltd.	:	Wealth Management & Distribution
✦ Aditya Birla Money Insurance Advisory Services Ltd.	:	Life Insurance Advisory
● Birla Sun Life Asset Management Company Ltd. <i>[JV with Sun Life Financial Inc of Canada]</i>	:	Asset Management
✦ Birla Sun Life AMC (Mauritius) Ltd.		
✦ Aditya Birla Sun Life AMC Ltd., Dubai		
✦ Aditya Birla Sun Life AMC Pte. Ltd., Singapore		
✦ India Advantage Fund Limited		
● Birla Sun Life Trustee Company Pvt. Ltd. <i>[JV with Sun Life Financial Inc of Canada]</i>	:	Trustee of Birla Sun Life Mutual Fund
● Aditya Birla Housing Finance Limited.	:	Housing Finance
■ ABNL Investment Ltd.	:	Investment
II) IT-ITeS SUBSIDIARIES		
■ ABNL IT & ITES Limited	:	Business Process Outsourcing Services and Software Services
● Aditya Birla Minacs Worldwide Ltd. & its subsidiaries		
✦ Aditya Birla Minacs Philippines Inc, Philippines		
✦ AV Transworks Ltd., Canada		
✦ Aditya Birla Minacs Worldwide Inc., Canada & its subsidiaries		
○ Minacs Group, (USA) Inc.		
✦ Bureau of Collection Recovery, LLC		
○ Minacs Worldwide S.A. de C.V., Mexico		
○ Minacs Ltd, UK		
○ Minacs Worldwide GmbH, Germany		
○ Minacs Kft., Hungary		
○ Bureau of Collection Recovery (BCR) Inc.		
○ Aditya Birla Minacs BPO Ltd. UK		
✦ Aditya Birla Minacs BPO Pvt. Ltd., India		
III) GARMENTS & OTHERS SUBSIDIARIES		
■ Madura Garments Lifestyle Retail Company Ltd.	:	Branded Apparel and Accessories
■ Indigold Trade & Services Ltd.	:	Garments/ Miscellaneous
● Pantaloons Fashion & Retail Ltd.	:	Branded Apparel and Accessories
■ Aditya Vikram Global Trading House Ltd.	:	International General Trading
■ Shaktiman Mega Food Park Pvt. Ltd.	:	Food Park
IV) TELECOM (JOINT VENTURE)		
■ Idea Cellular Ltd.	:	Telecommunication Services

* Having received shareholders' approval, the Company is in the process of divesting the Carbon Black Business w.e.f. 1st April 2013.



Aditya Birla Nuvo Ltd.

Corporate Finance Division

A-4, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai 400 030.

Telephone +91 22 66525000, 24995000 | Fax +91 22 66525821, 24995821

E-mail : nuvo.cfd@adityabirla.com, nuvo-investors@adityabirla.com

Registered Office & Investor Service Centre

Indian Rayon Compound, Veraval – 362 266, Gujarat

Telephone +91 2876 245711, 248401 | Fax +91 2876 243220


E-mail : abnlsecretarial@adityabirla.com

Website : www.adityabirlanuvo.com, www.adityabirla.com

ADITYA BIRLA NUVO LIMITED

FORM A

Date : 29th May 2013

1.	Name of the Company:	Aditya Birla Nuvo Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Unqualified – Standalone Financial Statement Matter of Emphasis on three matters – Consolidated Financial Statement
4.	Frequency of observation	In respect of Consolidated Financial Statement one matter appearing in Annual Audit report since financial year ended March 31, 2011 and other two matters in Annual Audit report for financial year ended March 31, 2013.
5.		<p>For Khimji Kunverji & Co. Chartered Accountants ICAI Firm Registration Number: 105146W <i>Shivji K. Vikamsey</i></p> <p>per Shivji K. Vikamsey Partner Membership Number: 2242 Place: Mumbai</p>  <p><i>S.R. Batliboi & Co LLP</i> For S.R. BATLIBOI & CO. LLP Chartered Accountants ICAI Firm Registration Number: 301003E</p> <p>per Vijay Maniar Partner Membership Number: 36738 Place: Mumbai</p> <p><i>Dr. Rakesh Jain</i> Dr. Rakesh Jain Managing Director Place: Mumbai</p> <p><i>Sushil Agarwal</i> Sushil Agarwal Whole Time Director and CFO Place: Mumbai</p> <p><i>T.M. Vakile</i> Tarjani Vakile Audit Committee Chairman Place: Mumbai</p>

CERTIFIED TRUE COPY
For Aditya Birla Nuvo Ltd.

R. Bhattacharya
Company Secretary