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

HINDALCO INDUSTRIES LIMITED

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

Dear Shareholder,

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, 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 at 3.25% in 2013, increasing to 4.0% in 2014. GDP growth in emerging markets and developing countries is placed at 5.3% in 2013, increasing to 5.7% in 2014. US GDP is expected to grow 1.9% in 2013, rising sharply to 3.0% in 2014. Europe will remain a laggard, with growth projected 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.

Your Company has outperformed its peers on every aspect. Its consolidated revenues at nearly US dollars 15 billion (₹ 80,193 crores) and EBITDA at US dollars 1.6 billion (₹ 8,849 crores), is indeed a notable feat in the current context.

The Mahan Aluminium produced its first metal. Utkal Alumina commenced charging bauxite to commission the Plant. Aditya Aluminium will go on stream during this calendar year. Hirakud Flat Rolled Products project - the first of its kind to produce high-end canbody stock; and the Mouda Foils project were commissioned as well.

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 fiscal 2013 – 2014. 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 FY 2013-14, 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 FY 2013-14, down from 7.3% in the previous year.

These developments affect your Company's growth and performance.

Your Company has outperformed its peers on every aspect. Its consolidated revenues at nearly US dollars 15 billion (₹80,193 crores) and EBITDA at US dollars 1.6 billion (₹8,849 crores), is indeed a notable feat in the current context. But for the subdued growth in the global economy, the depressed state of metal prices, and the relatively high energy prices, which impacted the different segments within the Metals Business, your Company would have posted even better results.

Your Company has delivered several projects commendably. It's growth strategy acquired further shape and flesh. To cite a few projects – the Mahan Aluminium produced its first metal. Utkal Alumina commenced charging bauxite to commission the Plant. Aditya Aluminium will go on stream during this calendar year. Hirakud Flat Rolled Products project - the first of its kind to produce high-end canbody stock; and the Mouda Foils project were commissioned as well. These projects sharpen the value-addition edge of your Company.

At the global level, on the projects front, Novelis too commissioned its new Cold Mill at the Pinda Plant in Brazil. Its rolling capacity expansion in Korea and the automotive finishing line in the US are on track and expected to be flagged off in the current fiscal. An auto finishing line in China has commenced. In pursuit of its goal of recoursing to 80% recycled content by 2020, Novelis has embarked upon recycling expansions aggressively.

Novelis reported Adjusted EBITDA of US dollars 961 million in FY13, only marginally shy of US dollar 1.05 billion in the previous year, despite severe macroeconomic headwinds.

Your Company's consolidated capex spend was close to US dollars 2.6 billion (₹14,000 crores). This is the third consecutive year of the highest ever capex spend. These investments, which we have persevered, will not only propel us towards the growth trajectory planned for the Metals Business, but will also, create the lowest-cost production bases on the global cost curve - ones that can withstand any phase of the business cycle.

I am pleased to state that the Copper Business put up yet another robust performance, despite the sharp reduction in Sulphuric acid realizations. Deft Concentrate sourcing, coal sourcing and a higher proportion of value-added production enabled it to achieve outstanding results. The strong performance of the Copper Business, which has a conversion business model, cushioned the pressure on aluminium margins. It once again vindicated the virtue of our de-risked business model in the Metals Business.

Outlook

As aluminium prices continue to remain weak in the international market, the Metals Business will face challenges in the near-term. Furthermore, depreciation and the interest burden from its expansion projects, will also have a bearing on the financial results in FY-14. Nevertheless, the Business remains extremely well-placed for the long-term, with the addition of these mega-scale assets in our portfolio. As these projects ramp up to their full potential, your Company will see an exponential growth in volumes and profitability in the years ahead.

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

Our entrepreneurial DNA also encourages risk taking which includes taking risks with people, ofcourse 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 benchmarked 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.

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 institutionalized.

Last year, I had alluded to the launch of our *P&L Leaders Development Program*, called – "*The Cutting Edge*". The objective of this program is to prepare our high-performing functional heads to take on P&L roles. The program has taken off to a solid start. The first batch of participants has been already absorbed in the global immersion program 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 benchmarked 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 institutionalized global career paths - driven both by the individual and the organization'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 institutionalized 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 & 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 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

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.

...DIVERSE WORLD

51 units • 11 countries

SUBSIDIARIES	UNIT LOCATED AT	
Novelis Inc	North America	• Rolled Product • Foil • Recycled Product
	Europe	• Rolled Product • Recycled Product
	Asia	• Rolled Product • Recycled Product
	South America	• Rolled Product • Alumina • Aluminium • Recycled Product
Aditya Birla Minerals Limited	Nifty Mines Mt Gordon Mines Australia	• Copper Cathode • Copper Concentrate • Copper Concentrate

WIDE OPERATIONS

• Around 34000 workforce • 15 + nationalities

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

OUR VALUES

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

CONTENTS

BOARD OF DIRECTORS

Non Executive Directors

Mr. Kumar Mangalam Birla, *Chairman*

Mrs. Rajashree Birla

Mr. Chaitan Manbhai Maniar

Mr. Madhukar Manilal Bhagat

Mr. Kailash Nath Bhandari

Mr. Askaran Agarwala

Mr. Narendra Jamnadas Jhaveri

Mr. Ram Charan

Mr. Jagdish Khattar

Mr. Meleveetil Damodaran

Executive Director

Mr. Debnarayan Bhattacharya
Managing Director

CHIEF FINANCIAL OFFICER

Mr. Praveen Kumar Maheshwari

COMPANY SECRETARY

Mr. Anil Malik

CORPORATE

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

Mr. Vineet Kaul,
Chief People Officer

BUSINESS/UNIT HEAD

Mr. Dilip Gaur,
Group Executive President, Copper

Mr. Sachin Satpute,
Chief Marketing Officer, Aluminium

Mr. Satish Mohan Bhatia,
President (Foil & Packaging)

Mr. Raghavendra Dhulkhed,
Senior President (Operations)

Mr. Sanjay Sehgal,
President (Chemicals)

Mr. Dinesh Kumar Kohly,
Chief Operating Officer
(Renukoot, Renusagar & Mahan Units)

Novelis Inc

Mr. Debnarayan Bhattacharya, Vice Chairman

Mr. Philip Martens, President & CEO

Utkal Alumina International Limited

Mr. Rajesh Jha, CEO

Aditya Birla Minerals Limited

Mr. Debnarayan Bhattacharya, Chairman

Mr. Sunil Kulwal, CEO & MD

AUDITORS

Singhi & Co., Kolkata

COST AUDITOR

R.Nanabhoy & Co., Mumbai

(₹ Crore)

	2012-13	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
PROFITABILITY	**USD in Mn ***										
Net Sales and Operating Revenues	4,793	26,057	26,597	23,859	19,522	18,220	19,201	18,313	11,396	9,523	6,208
Cost of Sales	4,388	23,853	23,492	20,705	16,572	15,184	15,800	14,298	8,791	7,247	4,708
Operating Profit	405	2,204	3,105	3,155	2,950	3,036	3,401	4,015	2,605	2,276	1,500
Depreciation and Impairment	130	704	690	687	667	645	588	638	521	463	317
Other Income	181	983	616	347	260	637	493	370	244	270	240
Interest and Finance Charges	80	436	294	220	278	337	281	242	225	170	177
Profit before Tax and Exceptional Items	376	2,047	2,737	2,595	2,265	2,690	3,026	3,505	2,103	1,913	1,246
Exceptional Items (Net)	-	-	-	-	-	-	-	-	(3)	9	-
Profit before Tax	376	2,047	2,737	2,595	2,265	2,690	3,026	3,505	2,106	1,904	1,246
Tax for current year	64	348	500	469	462	611	705	940	450	575	407
Tax adjustment for earlier years (Net)	-	-	-	(11)	(113)	(151)	(541)	-	-	-	-
Net Profit	312	1,699	2,237	2,137	1,916	2,230	2,861	2,564	1,656	1,329	839
FINANCIAL POSITION											
Gross Fixed Assets (excluding CWIP)	2,777	15,073	14,478	14,287	13,793	13,393	12,608	11,253	10,418	8,773	6,658
Capital Work-in-Progress (CWIP)	4,348	23,605	16,257	6,030	3,703	1,390	1,120	1,476	833	1,323	468
Depreciation and Impairment	1,469	7,975	7,328	6,703	6,059	5,506	4,799	4,246	3,635	3,169	1,918
Net Fixed Assets	5,656	30,703	23,407	13,615	11,438	9,277	8,929	8,483	7,616	6,927	5,208
Investments (including Current)	3,773	20,482	18,087	18,247	21,481	19,149	14,108	8,675	3,971	3,702	3,377
Other Long term Assets /(Liabilities) - (Net)	81	440	1,017	3,384	-	-	-	-	-	-	-
Net Current Assets	1,415	7,683	5,318	4,780	2,716	5,068	4,051	3,741	4,150	1,958	1,833
Capital Employed	10,925	59,308	47,829	40,025	35,634	33,493	27,088	20,900	15,737	12,587	10,418
Loan Funds	4,448	24,145	14,572	9,038	6,357	8,324	8,329	7,359	4,903	3,800	2,565
Deferred Tax Liability (Net)	219	1,191	1,225	1,287	1,366	1,411	1,324	1,126	1,233	1,130	995
Net Worth	6,258	33,972	32,032	29,700	27,911	23,758	17,436	12,415	9,601	7,657	6,858
Net Worth represented by											
Share Capital	35	191	191	191	191	170	123	104	99	93	92
Share Warrants/ Suspense	100	541	541	-	-	-	140	-	-	-	-
Reserves and Surplus #	6,123	33,240	31,300	29,509	27,720	23,588	17,174	12,311	9,502	7,564	6,765
	6,258	33,972	32,032	29,700	27,911	23,758	17,436	12,415	9,601	7,657	6,858
Dividend											
Preference Shares (including Tax)	-	-	-	-	-	0.03	0.03	-	-	-	-
Equity Shares (including Tax)	55	300	335	334	301	269	265	202	247	212	172

RATIOS AND STATISTICS

	Unit	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Operating Margin	%	8.46	11.67	13.22	15.11	16.66	17.71	21.92	22.86	23.90	24.17
Net Margin	%	6.52	8.41	8.96	9.81	12.24	14.90	14.00	14.53	13.96	13.51
Gross Interest Cover	Times	1.61	3.62	5.74	5.23	5.48	6.08	10.50	11.19	12.47	8.77
Net Interest Cover	Times	7.31	12.67	15.92	11.55	10.90	13.88	18.09	12.65	14.98	9.82
ROCE	%	4.19	6.34	7.03	7.14	9.04	12.21	17.93	14.79	16.55	13.66
ROE	%	5.00	6.98	7.19	6.86	9.39	16.41	20.66	17.24	17.36	12.23
Basic EPS $	₹	8.88	11.69	11.17	10.82	14.82	22.23	25.52	16.79	13.48	8.53
Diluted EPS $	₹	8.87	11.68	11.16	10.81	14.82	22.11	25.52	16.79	13.48	8.53
Cash EPS $	₹	12.55	15.29	14.76	14.58	19.10	26.80	31.87	22.07	18.18	11.76
Dividend per Share	%	140	155	150	135	135	185	170	220	200	165
Capital Expenditure	₹ in Cr.	7,341	8,453	6,318	2,860	1,121	1,049	1,516	1,188	1,097	669
Foreign Exchange earnings on Export	₹ in Cr.	7,572	7,857	7,096	5,268	5,148	6,434	6,973	3,643	2,605	1,295
Debt Equity Ratio	Times	0.71	0.45	0.30	0.23	0.35	0.48	0.59	0.51	0.50	0.37
Book value per Share $	₹	177.44	167.31	155.14	145.87	139.73	142.09	118.97	97.40	82.54	74.16
Market Capitalisation	₹ in Cr.	17,538	24,774	40,040	34,682	8,850	20,260	13,963	19,196	12,002	11,256
Number of Equity Shareholders	Nos.	441,166	383,721	320,965	339,281	435,064	335,337	520,019	396,766	117,721	117,124
Number of Employees	Nos.	20,238	19,975	19,341	19,539	19,867	19,667	20,366	19,593	19,687	13,675
Average Cash LME (Aluminium)	USD	1,976	2,317	2,257	1,868	2,234	2,623	2,663	2,028	1,779	1,496
Average Cash LME (Copper)	USD	7,855	8,485	8,140	6,112	5,885	7,521	6,985	4,099	3,000	2,046

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

\# Including Employee Stock Options Outstanding but Net of Miscellaneous Expenditure.

$ Figures recomputed for all the years prior to 2005-06 for stock split in the ratio of 10 : 1 (Face value ₹ 10/- to ₹ 1/-) effected in 2005-06.

Figures for 2002-03 onwards include figures relating to the copper business of Indo Gulf Corporation Limited acquired pursuant to Scheme of Arrangement with effect from 01.04.2002.

Figures for 2004-05 onwards include figures relating to de-merged Units of Indian Aluminium Company, Limited acquired pursuant to Scheme of Arrangement with effect from 01.04.2004.

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

(₹ Crore)

	2012-13 USD in Mn *	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
PROFITABILITY											
Net Sales and Operating Revenues	14,751	80,193	80,821	72,202	60,708	65,963	60,013	19,316	12,120	10,105	8,223
Cost of Sales	13,309	72,356	72,637	64,274	50,962	62,993	53,378	14,886	9,275	7,675	6,268
Operating Profit	1,442	7,837	8,184	7,929	9,746	2,970	6,635	4,431	2,845	2,431	1,956
Depreciation and Impairment	526	2,861	2,864	2,759	2,784	3,038	2,488	865	796	632	514
Other Income	186	1,012	783	513	323	691	656	409	281	278	280
Interest and Finance Charges	382	2,079	1,758	1,839	1,104	1,228	1,849	313	301	216	235
Profit before Tax and Exceptional Items	720	3,909	4,345	3,843	6,181	(605)	2,954	3,662	2,028	1,860	1,486
Exceptional Items (Net)	-	-	-	-	-	-	-	-	(2)	13	1
Profit before Tax	720	3,909	4,345	3,843	6,181	(605)	2,954	3,662	2,030	1,847	1,485
Tax for current year	166	903	820	974	1,932	(805)	1,189	958	440	623	487
Tax adjustment for earlier years (Net)	(3)	(17)	(34)	(10)	(103)	(149)	(548)	0	(0)	(72)	1
Profit before Minority Interest	557	3,023	3,559	2,879	4,352	349	2,313	2,703	1,590	1,296	997
Minority Interest	(4)	(20)	211	366	424	(172)	219	16	11	11	4
Share in Profit/ (Loss) of Associates (Net)	3	16	(50)	57	3	37	(100)	1	-	-	-
Net Profit	558	3,027	3,397	2,456	3,925	484	2,193	2,686	1,580	1,285	993
FINANCIAL POSITION											
Gross Fixed Assets (excluding CWIP)	11,062	60,051	53,961	48,207	45,622	46,220	42,112	14,271	13,443	10,953	10,259
Capital Work-in-Progress (CWIP)	6,232	33,831	22,798	9,253	5,801	2,949	2,457	1,917	1,040	1,639	712
Depreciation and Impairment	4,076	22,126	18,661	15,802	16,622	14,404	7,405	5,035	4,600	3,906	3,041
Net Fixed Assets	13,218	71,756	58,098	41,657	34,801	34,765	37,164	11,153	9,883	8,685	7,929
Investments (including Current)	2,324	12,614	10,551	10,855	11,246	10,389	14,008	7,874	3,163	2,956	1,866
Other Long term Assets /(Liabilities) - (Net)	(572)	(3,105)	(2,154)	618	-	-	-	-	-	-	-
Net Current Assets	2,872	15,591	11,588	11,236	5,172	3,011	4,254	4,257	3,967	2,161	2,249
Capital Employed	17,842	96,856	78,084	64,366	51,219	48,165	55,426	23,285	17,014	13,802	12,043
Loan Funds	10,371	56,299	40,859	29,366	23,999	28,310	32,352	8,443	6,279	4,931	3,724
Minority Interest	324	1,759	1,709	2,217	1,737	1,287	1,615	857	130	86	93
Deferred Tax Liability (Net)	639	3,468	3,605	3,760	3,938	2,811	4,172	1,172	1,228	1,134	1,195
Net Worth	6,508	35,330	31,911	29,023	21,545	15,758	17,286	12,814	9,377	7,651	7,031
Net Worth represented by											
Share Capital	35	191	191	191	191	170	123	104	147	142	141
Share Warrants/ Suspense	100	541	541	-	-	-	140	-	-	-	-
Reserves and Surplus #	6,373	34,598	31,179	28,832	21,353	15,588	17,023	12,709	9,230	7,510	6,889
	6,508	35,330	31,911	29,023	21,545	15,758	17,286	12,814	9,377	7,651	7,031
Dividend											
Preference Shares (including Tax)	-	-	-	-	-	0.03	0.03	-	-	-	-
Equity Shares (including Tax)	56	303	359	334	303	271	268	204	249	213	173

RATIOS AND STATISTICS

	Unit	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Operating Margin	%	9.77	10.13	10.98	16.05	4.50	11.06	22.94	23.47	24.05	23.78
Net Margin	%	3.77	4.20	3.40	6.47	0.73	3.65	13.90	13.03	12.71	12.08
Gross Interest Cover	Times	2.04	3.16	3.56	6.99	2.35	3.30	9.91	8.87	10.32	8.60
Net Interest Cover	Times	4.26	5.10	4.59	9.12	2.98	3.94	15.44	10.37	12.54	9.53
ROCE	%	6.18	7.82	8.83	14.22	1.29	8.67	17.07	13.69	15.04	14.29
ROE	%	8.57	10.64	8.46	18.22	3.07	12.69	20.96	16.85	16.79	14.13
Basic EPS $	₹	15.81	17.74	12.84	22.17	3.21	17.04	26.73	16.02	13.03	10.11
Diluted EPS $	₹	15.81	17.74	12.83	22.16	3.21	16.95	26.73	16.02	13.03	10.11
Cash EPS $	₹	30.75	32.70	27.25	37.88	23.40	36.38	35.33	24.09	19.44	15.33
Capital Expenditure	₹ in Cr	14,090	13,802	8,408	5,983	2,452	2,989	2,349	1,758	1,565	1,177
Debt Equity Ratio	Times	1.59	1.28	1.01	1.11	1.80	1.87	0.66	0.67	0.64	0.53
Book value per Share $	₹	184.53	166.68	151.61	112.59	92.68	140.86	122.79	95.14	82.47	76.03

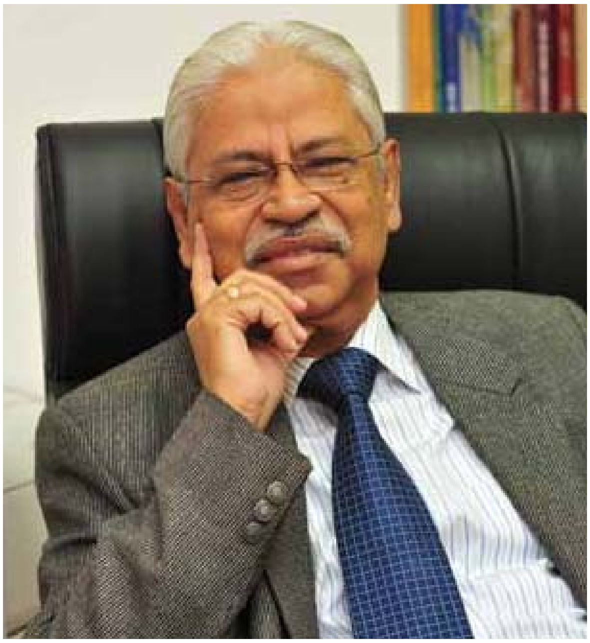
* Balance sheet items are translated at closing exchange rate and Profit & Loss items are translated at average exchange rate.

\# Including Employee Stock Options Outstanding but Net of Miscellaneous Expenditure.

$ Figures recomputed for all the years prior to 2005-06 for stock split in the ratio of 10 : 1 (Face value ₹ 10/- to ₹ 1/-) effected in 2005-06.

Figures for 2003-04 onwards include the figures of Aditya Birla Chemicals (India) Limited which has become subsidiary of the Company with effect from 07.05.2003.

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



D. Bhattacharya
Managing Director

Business Overview

FY 13 indeed was one of the toughest years for aluminium industry in many ways, especially for the Indian aluminium industry. Globally, aluminium prices continued to remain depressed; overcapacity and inventory overhang added to the weak sentiment for the commodities. If during the first half European sovereign debt issue continued to haunt the commodities, in the second half, it was the impending slowdown in China that put a lid on any price recovery. The emerging markets that were the torch bearer of Global recovery post 2009 have witnessed fluctuating fortunes and many have been plagued with issues arising out of uncertainties around sustainability of growth, rising inflation and political uncertainty. The emerging markets in the recent past have underperformed developed markets.

For the Indian producers the situation was even more challenging. If declining GDP growth, slowdown in manufacturing sector and power sector impacted the demand in a low pricing (LME) scenario, the cost pressures continued, primarily driven by high energy prices. While the prices of crude and its derivatives continued to remain high globally, depreciating rupee resulted in an additional burden on the Indian consumers. Coal prices continued to increase in India, even as the Global coal prices cooled off.

Against this external backdrop, your Company also witnessed several one-off adversities that tested the mettle of the Company. Renukoot and Hirakud smelters experienced production outages due to varied reasons, Muri faced an unprecedented water scarcity, Dahej copper smelter had to undertake an extended shutdown, Novelis lost production in the 3rd quarter due to the issues experienced during the roll out of new ERP at two units.

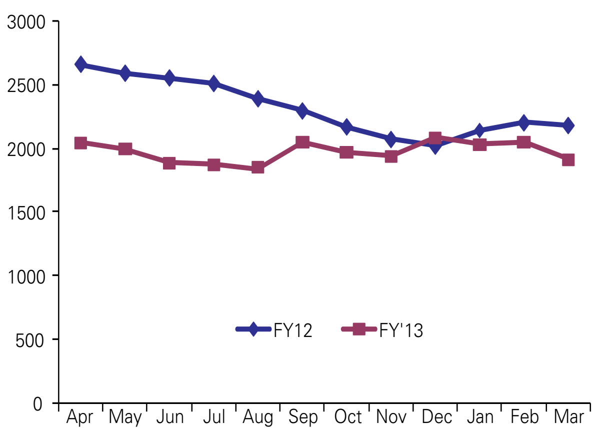
Despite all this, the Company has managed to deliver a solid performance.

Business Highlights

- FY 13 was a major stepping stone in your Company's long term strategic path. The year brought the Company on the verge of commissioning of its Greenfield projects. These projects would redefine and enhance the cost competitiveness which will ensure the business' long term sustainability. Utkal and Mahan have achieved significant milestones and commissioning activities have started at these two projects.
- A unique strategy to catapult Indian aluminium market to the next level is put in place and soon Hindalco shall be producing can body stock and ultra thin gauge foils from the facilities in Hirakud and Mouda respectively. This downstream strategy would not only enhance the product portfolio but is also expected to re-define the aluminium usage in India.
- Significant capex was also incurred in Novelis to capture the growth in other emerging markets and product portfolios across the globe. This will ensure the Company's global leadership in FRP (flat rolled products) space and enhance the profitability.
- Novelis has also made significant strides to strengthen its recycling capabilities which will help improve the cost structure and enhance competitiveness and profitability.

- Hindalco's consolidated revenue stood at ₹80,193 crore as compared with ₹80,821 crore in FY 12.
- Profit before depreciation, interest and taxes stood at ₹8,849 crore as compared with ₹8,967 crore in FY12. This was a solid performance against the backdrop of various setbacks and macroeconomic challenges.
- Net profit attributable to the shareholders for the year stood at ₹ 3,027 crore as compared with ₹ 3,397 crore in FY 12.
- The decline in profit is primarily due to lower aluminium LME realisations, sustained cost pressures, certain one offs that afflicted both Hindalco and Novelis and weakness in demand in certain global geographies following macroeconomic headwinds.

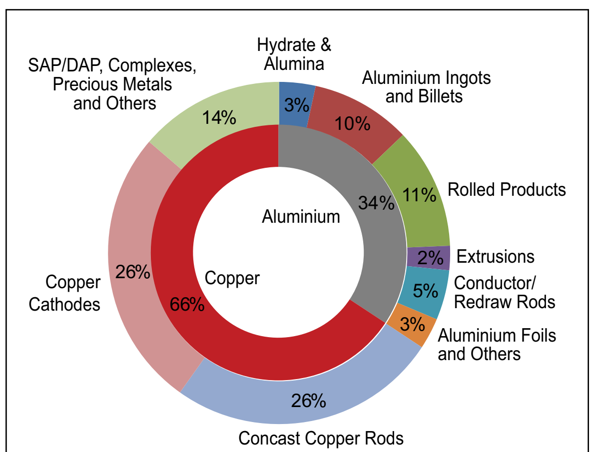
LME Aluminium Price ($ per ton)



- Of the total annual revenue of ₹ 80,193 crore, Aluminium Business contributed ₹ 62,191 crore, vs. ₹ 62,059 crore in the last year. Aluminium EBIT for FY13 was ₹ 4,388 crore - broadly at FY12 levels.
- Copper business delivered a creditable performance against the backdrop of adverse macroeconomic conditions and one timers. This performance was achieved on the back of strong operating efficiencies, enhanced product mix, focused value creation through waste-to-wealth initiatives and higher co-product margins.
- Copper revenue at ₹ 17,518 crore, was lower than ₹ 18,364 crore generated in FY12. This decline was mainly on account of lower realisation resulting from lower LME. The copper EBIT for the year was ₹ 740 crore as compared with ₹ 1,119 crore in FY 12.
- The Company continued with further financing initiatives to progress on the charted growth path.
  - o Your Company achieved the financial closure of Aditya aluminium project this year. A common rupee loan agreement for ₹ 9,896 crore was signed by the Company on 17th September, 2012 with a group of 28 banks / financial institutions.
  - o Your Company raised ₹ 6,000 crore through secured non convertible debentures, the single largest issuance by a private corporate in India in recent times at a very attractive pricing in a deal that was widely termed as market reviving deal. These debentures are listed on the wholesale debt market segment of National Stock Exchange.
  - o As a part of the overall financial closure for the project, your Company raised USD 100 million finance from Export Development Canada for its Mahan Aluminium Project.

HIL Standalone:

Standalone revenues for the financial year were stable at ₹ 26,057 crore as compared with ₹ 26,597 crore in FY 12. Profit before interest and depreciation was ₹ 3,187 crore vs. ₹ 3,721 crore in FY 12.



This decline in the profit was mainly due to lower realisations coupled with increased cost of production which was mitigated to some extent by improved efficiencies and higher other income. Net profit for the year stood at ₹ 1,699 crore as compared with ₹ 2,237 Cr in FY 12. The net profit declined due to lower operating profits and higher finance costs.

High coal costs and elevated crude prices continued to impact the margins of aluminium business. The costs were also higher due to operational setbacks that resulted in production loss during the year.

Copper business with its thrust on multiple value drivers and pass through model, once again delivered a robust performance despite plant shutdown, lower co-product realisations and cost pressures.

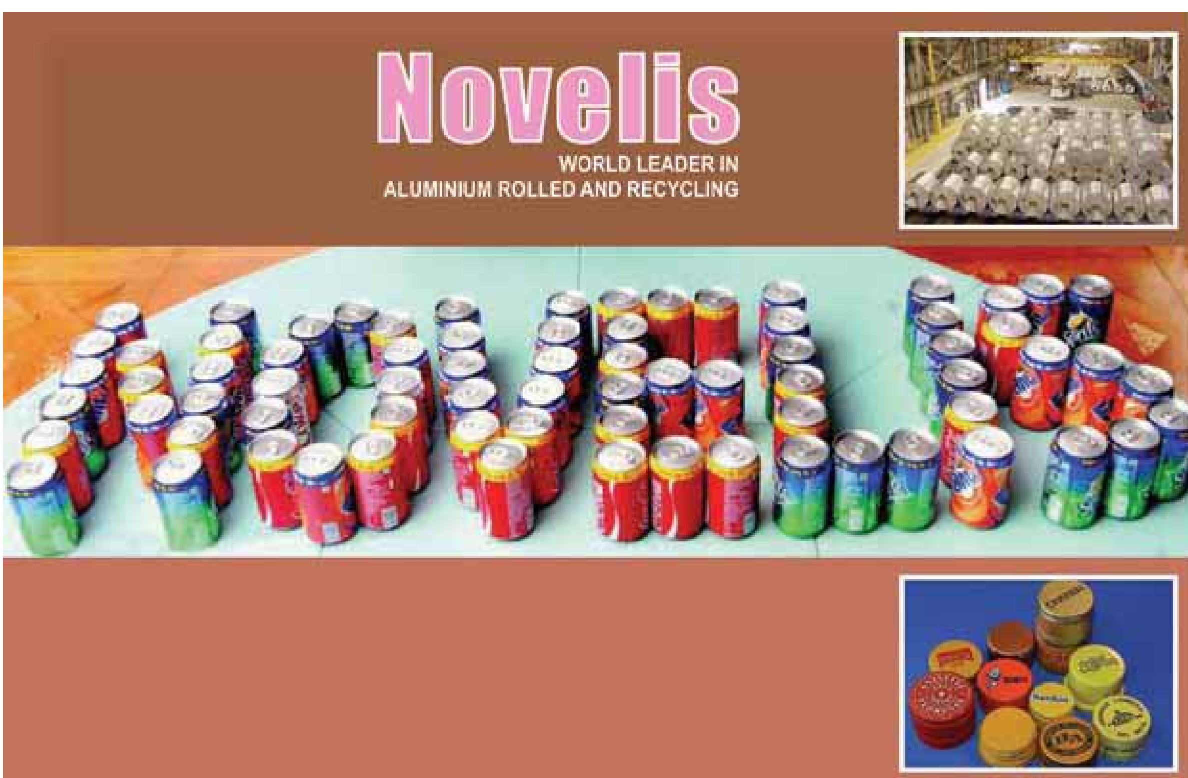
Operational Highlights:

Novelis

Novelis, reported net income attributable to its common shareholder of $202 million for fiscal 2013. Excluding tax-effected certain items, net income for fiscal 2013 was $241 million, compared to a net income of $218 million for fiscal 2012.

Adjusted EBITDA for FY 13 was $961 million, compared to $1,053 million reported for FY 12. The year-over-year decrease was mostly due to disruptions related to the ERP implementation in two North American plants in the third quarter, pricing pressures in several operating regions, lower average aluminum prices, and an impact from a fire at a North American plant in the fourth quarter as also higher pension expense.

Shipments of aluminum rolled products totalled 2,786 kilotonnes for fiscal 2013, down slightly compared to shipments of 2,838 kilotonnes for the same period last year due mostly to the sale of the Novelis' three foil plants in Europe and production disruptions in North America. Net sales for FY 13 were $9.8 billion, an 11% decrease compared to the $11.1 billion reported in the previous year. This decline was due to lower average aluminum prices and lower shipments when compared to last year.



Novelis achieved a number of significant accomplishments in FY 13:

- Record capital investment in the business of $775 million, primarily geared at major global rolling, finishing and recycling expansions for its key products segments of can, automotive and specialties.
- Solid liquidity of $760 million for FY 13 despite its aggressive capital expenditure program.
- Increased the recycled content in its products by 4 percentage points to 43% for FY 13 making good progress toward its goal of having 80% recycled content in its products by 2020.
- Continued optimization of its footprint and product portfolio, including the sale of three foil plants in Europe, the closure of a plant in Canada and shutdown of a smelter pot line in Brazil.

Aditya Birla Minerals

FY13 was a challenging year for Aditya Birla Minerals, your Company's 51% owned subsidiary, on several counts.

- Average copper prices were lower compared to the previous year in AUD terms.
- There was a decline in the mine grade at Nifty. While this was in line with the mining plan, it impacted the output.
- Though Mt Gordon operations were taken out of care and maintenance during the year, the ramp up fell short of the expectation.

  Higher volumes and operational improvements at Nifty were negated by macro factors and high cost at Mt Gordon, which was put back under care & maintenance. A strategic review has been initiated to maximize the value of Mt Gordon.

  Aditya Birla Minerals achieved an increase in copper production by 16% mainly on account of restart of Mt Gordon mine. The sales volume grew by 14% compared to the previous year, however the revenue in value terms increased marginally by around 1%. The profitability was adversely affected mainly due to lower realisation of copper compared to the previous year and higher average unit cost of production due to more volume from Mt Gordon operations at higher cost.

The Company registered an operating loss of A$10.9 Mn as compared to operating profit of A$30.8 Mn in the previous year. The Company incurred a net loss of A$8.3 Mn as compared with net profit of A$26.6 Mn in FY 2012.

- Aditya Birla Minerals had a balance of cash and cash equivalents of $100.41 million as on 31st March 2013.

During the year, Aditya Birla Minerals mined and processed around 3.4 Mn tonnes of ore, which was higher by almost 21% as compared with the previous year. At Nifty, the ore mined was 2.27 million tonnes representing an increase of 8% over previous year, while at Mt Gordon, the ore mined was 1.10 million tonnes representing an increase of 59% over the previous year.

- The scoping study of Mt Gordon operations based upon Sub-level cave mining method was completed during the year.

The completion of Scoping study marks a significant milestone for Mt Gordon operations and Aditya Birla Minerals. The study indicates that Mt Gordon can produce approximately 4.0mt per annum for 9 years with a total life of mine of 16 years (till 2028).

A consultant has been appointed to carry out strategic review ("Strategic Review") of the Mt Gordon operations and advise management various strategic options based on this Scoping study results. The strategic review includes considering corporate and operational strategies for Mt Gordon, including examining development options available to Aditya Birla Minerals.

Hindalco Earnings per share (EPS)

The standalone basic and diluted Earning Per Share was at ₹ 8.9 per share in FY13 as compared with EPS of ₹ 11.7 in FY12. The consolidated EPS was ₹ 15.8 per share as compared with ₹ 17.7 per share last year.

Business Performance Review:

Aluminium Business
Industry Review

Global economy has been trudging along in the last one year in view of several macro economic uncertainities and risks. Some of the impending risks such as the Euro region break up and sharp US contraction seem to have been averted for now. Encouraging growth in the US and liquidity boosting policies by certain central banks have enabled the global economy to grow around 3.2% in 2012.

However, commodities are still languishing given the declining growth in China that hit a 13 year low, slowdown in Europe and lacklustre growth in other emerging markets.

The fact that commodity prices are ruled by sentiments more than pure demand - supply dynamics, in an era where commodities have evolved as an important asset class, too had a major bearing on the commodity prices.

Repeated episodes of global risk aversion and relatively high energy costs cast a shadow on the metals and mining businesses. Many Mergers & Acquisitions went sour as global players found it difficult to cope with the challenging macroeconomic environment. In 2012 itself the write downs on acquisitions exceeded USD 50 Bn. In India, the growth rate slowed down as rising inflation and widening current account deficit constrained the monetary policy. Uncertain regulatory environment too impacted the growth as investment appetite declined.

Demand – Supply

Global Aluminium demand growth normalised to around 5% in 2012, after a sharp growth in the preceding two years on the back of global recovery from the 2009 crisis. The aluminium demand was

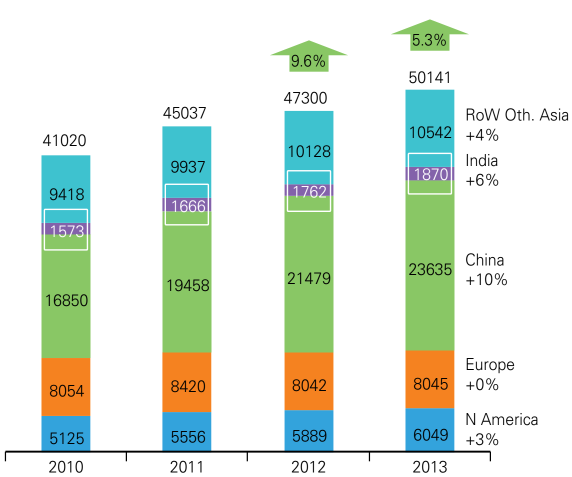
around 47 Mn tonnes. The demand growth rate dropped as Chinese demand growth moderated to 10% after clocking a growth rate of 19% and 16% in the previous two years. Elsewhere, aluminium consumption increased strongly except for Europe where consumption was stagnant. Demand from the US and emerging economies increased at around 6-7% with Asian demand increasing at over 8%.

With regard to end use sectors, in China, visible slowdown in the construction sector following government enforced restrictions and decline in demand from packaging sector resulted in decline in demand growth. However, the demand from automobile and consumer goods sectors remained strong. In the US, though demand growth was secular across all industries, the primary demand drivers were automobile and aerospace sectors. In Japan, government policies with respect to reconstruction post Tsunami, increased government expenditure; and of late depreciating yen have resulted in a stable demand.

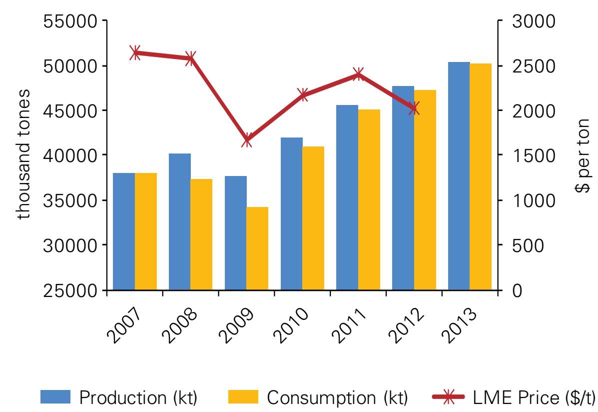
In India, power sector continued to be the dominant driver of aluminium demand consuming almost 42% of aluminium. This, coupled with stable growth in other sectors such as automobile, packaging and construction, led to ~ 9% demand growth in CY 2012.

Globally, aluminium production increased by around 4.5% to ~ 47.7 Mn tonnes. Chinese production

Demand & Market



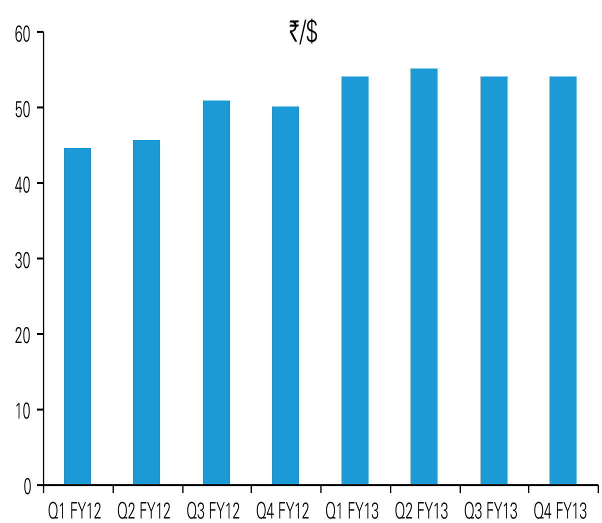
Production (kt) Consumption (kt) LME Price ($/t)



increased by almost 14% to 22 Mn tonnes, which was around 47% of global production. However, in rest of the world, there was a decline in production, which was lower by 2.5% (YOY basis). Barring Middle East, there were production curtailments in most geographies. In Australia and Europe, production declined by 5%, while in North America it was lower by around 2.4%.

Chinese capacities increased by over 14% as new capacities continued to come on stream especially in Western China, while the closure of old capacities lagged behind.

The industry continued to be plagued by high inventories; and the global aluminium inventory, including the off-exchange stocks, is estimated at over 12 million tonnes, which has been a huge overhang on the prices.



MANAGEMENT DISCUSSION AND ANALYSIS

Strong contango and low financing cost ensured that more and more stocks got diverted to the warehouses under financial contracts. This, coupled with strong demand and low load out rates due to various reasons including logistic challenges, ensured high regional premiums, which reached historic high. Across the globe, local premiums were higher than $220/tonne.

Sluggish global economic conditions, surplus production, rising inventories and periodic bouts of risk aversion leading to bearish sentiments have resulted in low aluminium prices.

Cost of production for most aluminium players continued to remain high due to challenges pertaining to energy inputs and resources.

In the western world, rising grid tariffs with increasing energy demand continued to impact power costs that account for almost 30-40% of aluminium cost of production. South Africa too continued to struggle with energy inflation. In China, smelters on the east side continued to suffer as energy prices continued to climb up with the deficit widening in the east coast region. China, now, is in the process of building new capacities in the Western/North Western region, endowed with abundant coal reserves and this is expected to bring down the power cost substantially. Indian smelters continued to bear the brunt of rising coal prices and rising diesel prices accentuated by policy changes in the oil sector.

The other important input cost for the aluminium smelters is alumina cost. Alumina prices have been rising in the recent past as China continues to consume large amount of alumina. Export ban/increased taxes from some countries like Indonesia and India on bauxite also impacted the cost of bauxite (raw material for alumina) and hence alumina. Alumina prices have moved up to almost 17-18% of aluminium prices and are expected to remain strong in the wake of strong demand from Chinese and Middle Eastern smelters as also constrained supplies of ore (bauxite) due to various reasons such as higher costs, declining grades, resource nationalism, logistic challenges, regulatory road blocks, etc.

Several global producers continued to make losses due to rising costs and depressed prices. In fact, the recent aluminium pricing scenario is the longest period, wherein aluminium prices have been well below the marginal cost of production; and where over 25% of producers are estimated to have been making cash losses.

Operational Review

Against this backdrop, your Company's aluminium business had an operational performance that was truly creditable and indeed superior to most global peers.

Alumina

Alumina production at 1.32 Million tonnes was at the same level as in the previous year despite issues related to deteriorating bauxite quality and challenges in sourcing of bauxite.

Primary Metal

As compared with the previous year, primary aluminium production declined by 6% to 542 KT. This decline was on account of operational setbacks in the first half, where natural calamities too played a part. In the second half, production returned to normalcy.

Value Added Products (VAP)

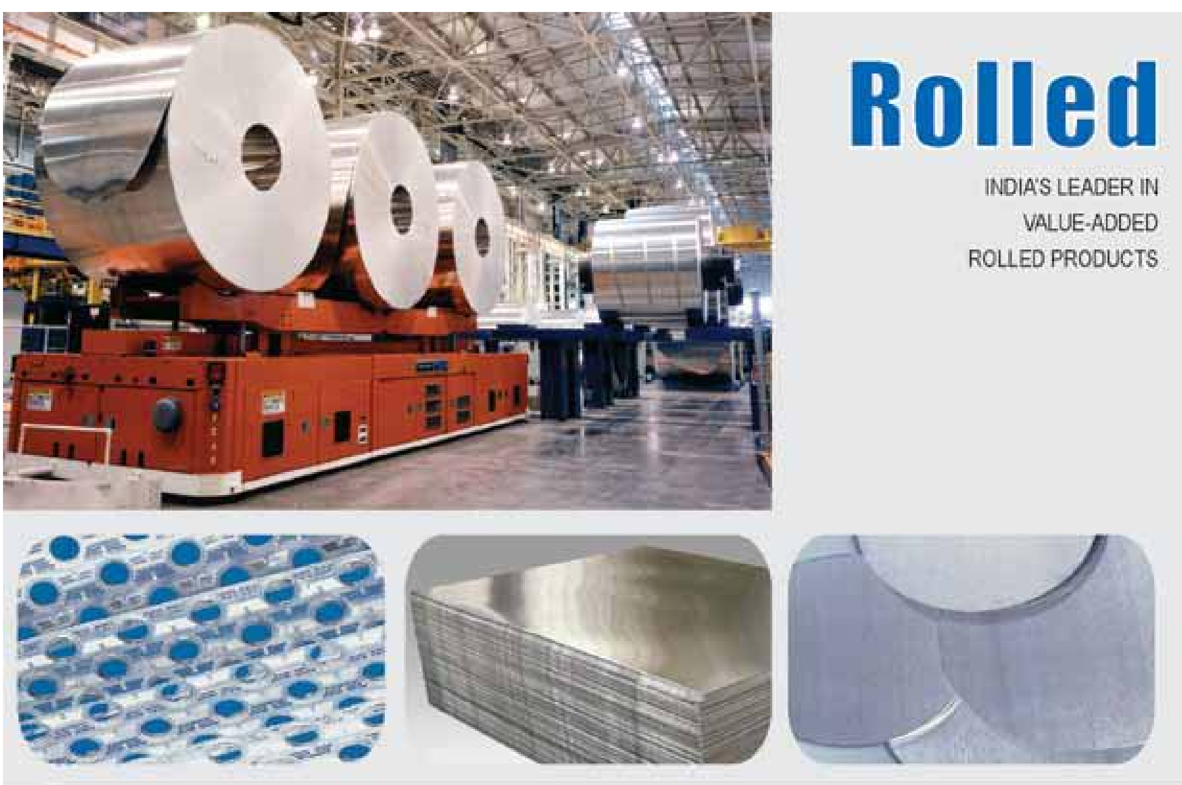
The value added downstream sales grew by 4% over the last year. This growth was a result of your company's focused strategy of value maximisation and was despite lower upstream volumes and supply chain hiccups.

(Kt)	FY13	FY12
Downstream Sales (or VAP)	240	231

Financial Performance

The turnover of the aluminium domestic business decreased by 3% to ₹ 8,776 crore vis-à-vis

MANAGEMENT DISCUSSION AND ANALYSIS



₹ 9,037 crore in the previous year. This decline was due to lower LME and lower metal volumes.

Earnings before interest and taxes (EBIT) was lower at ₹ 930 crore as compared with ₹ 1,822 crore in FY 12, as higher input costs put further pressure on the business reeling under weak LME and production setbacks. This was a creditable performance in the face of strong cost inflation in a year that witnessed coal prices increasing by over 20% and caustic soda prices going up by as much as 32%. In addition, your Company also witnessed cost push on account of declining bauxite quality.

The cost pressures were to some extent neutralized through multiple initiatives, including:

- Optimization of the sales mix,
- Higher sale of special hydrate / alumina,
- Continuous improvement in efficiencies.

Even though EBITDA margins fell on account of adverse macroeconomic factors, Hindalco's margins continued to remain ahead of most of the global peers.

Outlook

Global economic conditions have somewhat improved during the past six months. The Policymakers in developed countries have defused two of the biggest short-term risks to global activity at least for the moment - the threat of the euro zone breakup and a sharp fiscal contraction in the United States. Financial stability has improved, according to the IMF's latest World Economic Outlook (WEO). The report forecasts real global GDP growth of 3.3% on an annual average basis in 2013.

Long term outlook for aluminium continues to remain strong with Global aluminium demand expected to increase at a CAGR of 6% over next five years. China will continue to be the torchbearer of this demand increase, with expected growth of 9% till 2020, taking its consumption to almost 37 Mn tonnes. This growth rate, though strong, pales in comparison with the stupendous rate at which Chinese aluminium consumption has grown over the last decade. Infrastructure investment, especially power sector is expected to lead the growth as China

rebalances its economy and increases its thrust on domestic consumption.

Other emerging markets too are expected to grow strongly, with Indian demand growth expected to be in double digits. The Indian aluminium consumption prospects remain strong with an expected demand pull from the power sector. India's demand for housing, retail and office space is expected to rise rapidly as the urbanisation ratio is set to increase from 31% in 2011 to 40% by 2030 with an estimated 610 million people living in the cities by 2030.

In the developed world, the demand will mostly continue to be consumer driven. US demand is expected to be robust over the short term with auto sector growing strongly and some recovery seen in the housing and construction sectors. The transportation sector is expected to display the strongest growth, driven by higher vehicle production and increased substitution of steel by aluminium as vehicle lightweighting gathers pace. This will lead to higher demand for auto body sheet throughout the forecast period.

The outlook for Europe is again not too bright having been plagued with several macro-economic issues. In the mature Japanese market, demand will remain relatively static, but the falling Yen should help keep Japanese manufacturing exports competitive.

The supply is expected to remain strong as several producers continued to produce despite low LME. High physical premiums too worked as an incentive to continue production. Global Aluminium production is expected to grow at a rate matching the demand growth over the next five years. Bulk of production increase will come from China and Middle East. Production from both these regions is expected to grow at around 8-9%.

In the recent past, there have been some capacity curtailments but overall production continued to increase, especially in China. New Chinese capacities in the North West/Western China are expected to come on stream over next few years.

An estimated 10 Mn tonnes capacity is getting added in interior China while some of the high cost capacities in the eastern China are expected to close down. While many of these closures are logical, the timing is uncertain due to subsidies from provincial government. In China, smelters will be challenged by the issues in sourcing alumina / bauxite, especially considering the recent restrictions on bauxite export from Indonesia and logistic challenges/cost inflation in transportation of bauxite/alumina to the interior China.

Business Outlook

Over the years, your Company has successfully demonstrated benefits of an integrated approach with low cost upstream operations and significant abilities and reach in the downstream business. The robustness of Novelis' de-risked business model and focused approach to leverage the dominance in its chosen product segments has yielded desired outcome in challenging times.

Hindalco's aggressive Greenfield expansion programme is on the verge of delivering, despite tough ground conditions at its project locations. Once these projects stabilise fully, they will ensure long term sustainability of your Company built on a sound strategy; thus yielding superior returns and value addition.

Greenfield Projects

Greenfield Projects have made significant progress during the year. These projects, with their vertical integration and logistical advantages, shall enhance the cost competitiveness of aluminium business and will establish it as the 'Last Man Standing'.

- **Utkal Alumina International Ltd (UAIL):**

  The construction of the alumina refinery, along with a 90 MW captive co-generation plant at UAIL, a 100% subsidiary of the Company is at the final stages of completion. The commissioning activities and trial run production are expected to commence shortly. The output from UAIL would be sufficient to feed alumina to the Mahan and the Aditya Smelters.

Utkal Alumina International Ltd.

- **Mahan Aluminium project:**

  This 360 KTPA Aluminium Smelter, along with 900 MW captive power plant, is set up in Bargawan, Madhya Pradesh. The state of the art facility set up is also at the final stages of completion and the first metal was tapped in April, 2013. This is now gearing up for phased commissioning and subsequent ramp up.

  These projects will re-define Hindalco's aluminium business since all these projects will have a world beating cost structure once they get on stream in totality.

  Mahan coal block has received stage 1 clearance from MOEF and is expected to gear up for coal production after obtaining stage 2 clearance.

- **Aditya Aluminium project:**

  A 360 KTPA, Aluminium smelter along with a 900 MW captive power plant, identical to the Mahan Aluminium project, is coming up in Odisha. The project is slated for commissioning activities in 2013.

Brownfield Projects:

There were important developments in India w.r.t. your Company's strategic goal of higher VAP proportion.

The Hirakud FRP project has been commissioned. This project, which involved relocation of equipment from an idled facility of Novelis, is the first and the only facility that will have the capability to produce canbody stock in India. This facility that is now under ramp up; will take Hindalco's FRP play on a higher plateau in terms of capability and profitability in the coming years.

Novelis:

Novelis is now in the consolidation phase and is investing in some strategic projects that would enable it to build on the current solid foundation. Rolling mill expansion in Brazil has been commissioned in FY 13. The other major strategic expansions in South Korea and the United States are progressing well with expected commissioning of both in FY 14. Novelis has also progressed well in China, and will initially focus on automotive sheet finishing capabilities. It has also invested in

Mahan Aluminium project

the US in the same segment; these investments will enable us in solidifying our global automotive leadership position.

In FY13, Novelis' capex crossed $ 0.75 billion. It is planning to spend another $ 0.65-0.70 bn in the current fiscal. The capex initiatives of Novelis have a clear tilt towards emerging markets, auto industry applications and recycling – which are aligned to the key trends in Aluminium industry globally and will place Novelis in a very strong position to benefit from these trends as they evolve further in future.

Novelis invested in major recycling initiatives in all four operating regions, including advanced equipment and technology to process diversified scrap inputs, which will enable the Company to achieve recycled content of 50% in its products by 2015.

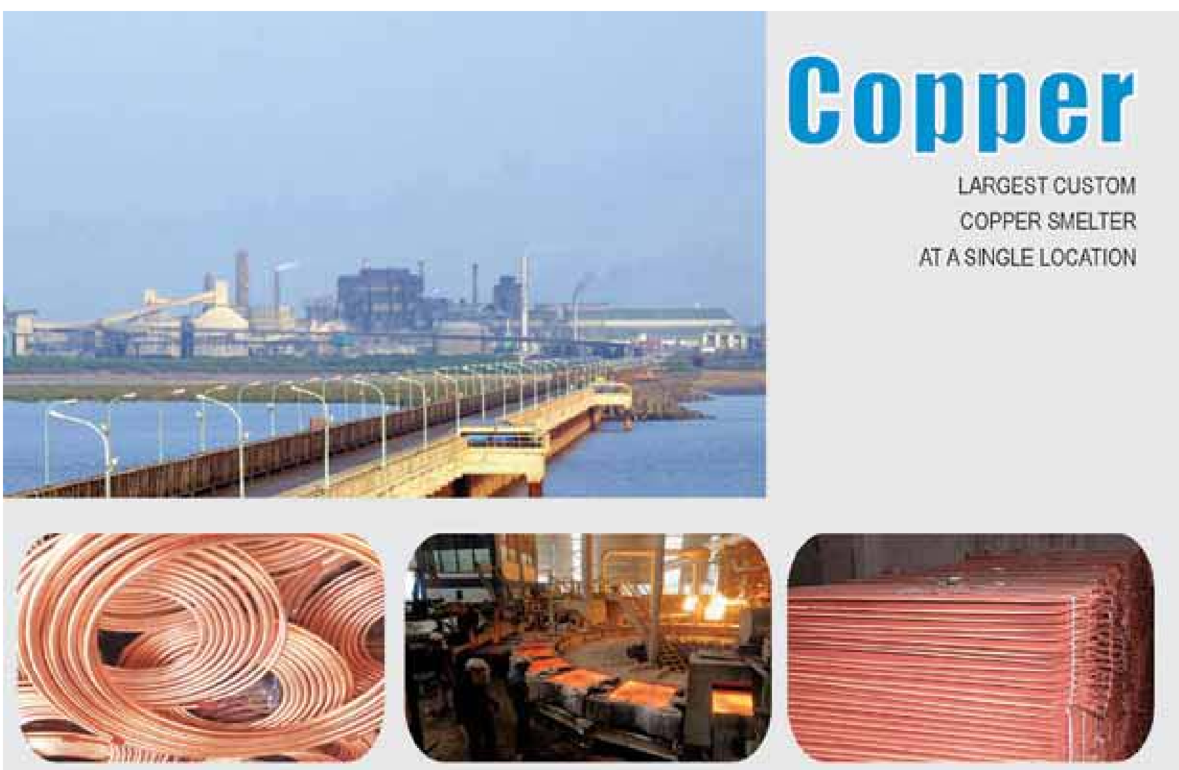
Copper Business

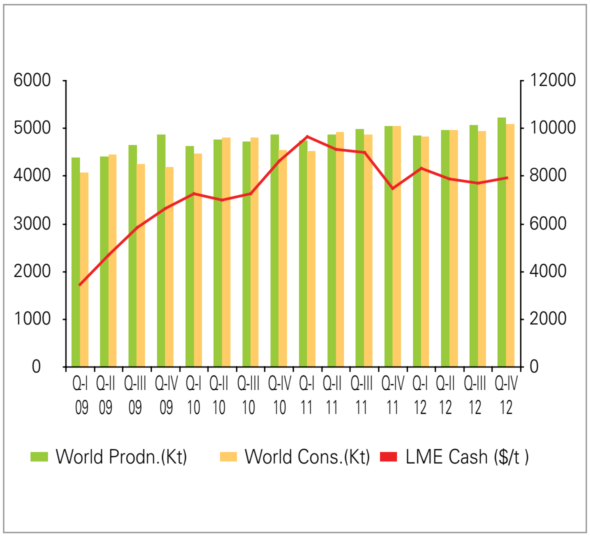
Industry Review

In 2012, world refined consumption was static at 19.7Mt. Refined consumption grew in Asia, Middle East, North America and Latin America last year, but declined in Europe, Africa and Oceania. The main reason for stagnation in 2012 was a 2.2% year-on-year fall in consumption in the second quarter, which is usually the strongest in the year, as growth slowed abruptly in China. Despite this sharp slowdown in 2012, Chinese demand increased at around 5%, accounting for around 42% of Global copper demand.

In the USA, financial fears had weighed on demand in the latter part of 2012, although 2013 seems to have started on a firmer footing. Continued improvement in key end use sectors is also expected to propel demand through the balance of the year. The construction market has been a focus of attention for some time following stellar growth in housing starts and this now seems to be feeding through into consumption of cathode.

European consumption declined by almost 7% as industrial growth dropped sharply amidst the fears of Euro breakdown. The demand in Japan, the other large consumer, remained stagnant.





The refined copper supply was in surplus throughout the year with supply outstripping demand.

Copper produced from scrap (at smelters, refineries and in direct use) amounted to 9.97Mt in 2012, an increase of 1.8% on the prior year and accounting for 38.6% of all copper consumed.

During the year, LME stocks increased and now are at the highest level in last ten years. Stocks in China too have increased sharply. Total exchange stocks at 0.9 Mn tonnes are at levels not seen since 2002.

The treatment and refining charges (TC/RC) for the CY 2012, were better than CY 11, as a slowdown in demand provided a window of opportunity to the custom smelters. In CY 12, benchmark TC/RC were ~ 15% higher than CY 2011 benchmark. Spot TC/RC showed a significant volatility throughout the year partly on account of mine disruptions, strikes and demand fluctuations. Average spot TC/RC levels for 2012 were over 30% lower than in 2011. The smelters also suffered on account of incessant cost push.

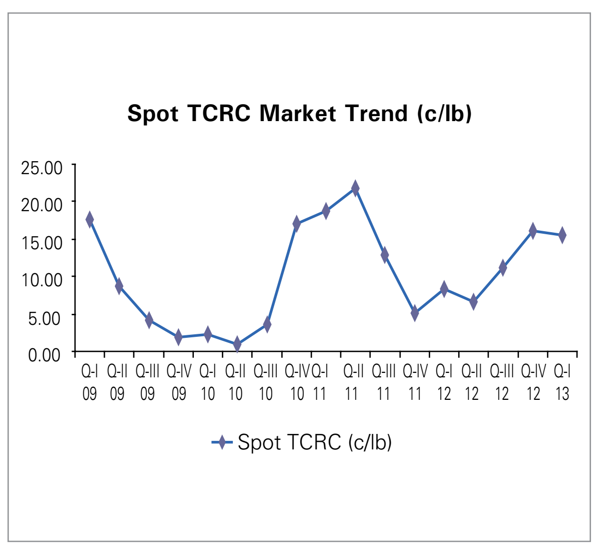
Business Performance:

Copper business got impacted due to plant shutdowns in the first half that resulted in decline in production. The output for the year at 314 KT was 5% lower than the previous year. Despite this, the endeavour to maximise VAP production resulted in higher volumes of CCR. The TC/RC for the year was marginally better, though co-product prices were significantly lower as industrial growth slowed down.

For custom smelters like your Company, copper prices are just a pass through and the margins are largely determined by TC/RC and other value drivers, viz. co-products. This year, while higher TC/RC were supportive, weak co-product prices and high input costs along with plant shutdowns negated the impact of better TC/RC. With improved product and market mix, and better operating efficiencies, copper business managed to deliver a robust performance. The EBIT for the year stood at ₹ 768 crore as compared to ₹ 802 crore in the previous year.

Outlook

In the short-term, the pace of copper supply growth relative to demand is expected to keep the market in surplus till 2017. Industry forecasts expect growth in refined copper consumption to be 4.9% in 2013, driven largely by China and North America. Smelter capacity is expected to continue growing with a CAGR of 5.8% p.a. till 2016.



On account of the market surplus and risk averse macroeconomic environment, copper prices are expected to remain subdued over next 1-2 years. This may lead to delays and/or deferrals in those projects that are either in construction or due to come on line over the coming years. Overall mine production capacity is forecast to rise from 16.2Mt in 2011 to 21.3Mt by 2015, an increase of 32%. Beyond 2015, mine production may be subdued due to reserve depletion.

Long term TC/RC for 2013 is around 10% better than in 2012. However, spot TC/RC are expected to remain volatile depending on the news flow.

Copper demand globally is expected to be little subdued and so are the prices. Over the period 2016 to 2018, projected deficits as a result of the slower pace of production growth should see prices recovering.

However, your Company's business which is predominantly converter business is largely insulated from copper prices. Better TC/RC due to surplus of mine metal, recovery in the Indian economy and manufacturing sector augurs well for the business. A weak rupee will also support the performance.

Financial Review & Analysis

- Hindalco's consolidated revenue stood at ₹80,193 crore as compared with ₹ 80,821 crore in FY 12. Profit before depreciation, interest and taxes stood at ₹ 8,849 crore as compared with ₹ 8,967 crore in FY12. This decline was only marginal against the backdrop of significant challenges faced by your company such as lower aluminium LME realisations, strong cost pressures, certain one offs that afflicted both Hindalco and Novelis; and weakness in demand in certain geographies following macroeconomic headwinds.
- Standalone revenue for the year was stable at ₹ 26,057 crore. Profit before interest and depreciation was ₹ 3,187 crore vs. ₹ 3,721 crore in FY12.

Other Income

- Standalone other Income at ₹ 983 crore was higher on account of better yields and higher treasury corpus and dividend from subsidiaries.

Interest

- Consolidated Interest expenses increased from ₹ 1,758 crore to ₹ 2,079 crore. In standalone business, finance costs went up from ₹ 294 crore to ₹ 436 crore due to increase in debt levels in line with drawl of new debt.

Depreciation

- Consolidated depreciation (including impairment) was steady at ₹ 2,861 crore (₹ 2,864 crore in FY 12).
- Standalone depreciation charges (including impairment) were at ₹ 704 crore in FY13 as compared to ₹ 690 crore in FY12.

Taxes

- The provision for tax was at ₹ 348 crore in standalone business and ₹ 886 crore in consolidated business.

Profit

- Net profit attributable to the shareholders stood at ₹3,027 crore as compared with ₹3,397 crore in FY 12.
- Standalone Net profit for the year stood at ₹1,699 crore vs. ₹ 2,237 crore in FY12. Net profit declined owing to higher financing costs which increased with higher average debt levels.

CASH FLOW ANALYSIS

₹ in Crore

Particulars	FY12	FY13	%
SOURCE OF CASH			
Cash from operations	2,122	(352)	-3%
Non-operating income	550	514	5%
Net debt Inflows	5,534	9,932	98%
Equity Raised	543	-	-
Capital Subsidy	-	5	
Return of Capital by subsidiaries	67	-	-
Divestments of investments (Net)	624	-	-
Total	**9,440**	**10,099**	**100%**
APPLICATION OF CASH			
Short-term Investments (Net)	-	2,704	26%
Net capital expenditure	7,157	5,510	52%
Investment/Loans in subsidiaries	451	542	5%
Interest & Finance Charges	1,019	1,520	14%
Dividend payout	324	331	3%
Total	**8,951**	**10,607**	**100%**
Increase/(Decrease) in Cash and Cash Equivalents	**489**	**(508)**	

Cash from operations was significantly lower compared to last year due to increase in working capital and lower operating profits. Net increase in borrowing of ₹ 9,932 crore was mainly to finance the capital expenditure of ₹ 5,510 crore and increase in working capital.

Risk Management

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

Internal controls

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

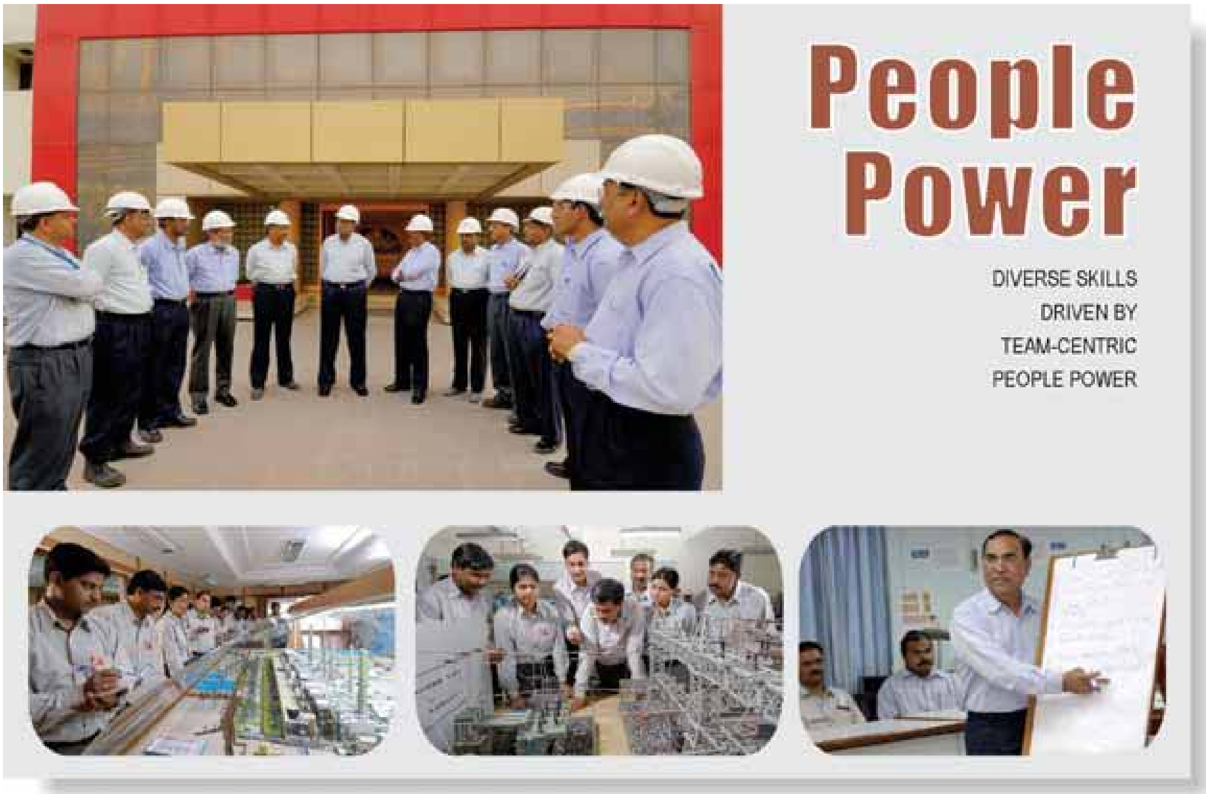
Sustainability

Your Company has always believed in sustainable operations. Hindalco has published its second Sustainability Report-2011-12 covering Hindalco globally, including Hindalco India, Novelis and Aditya Birla Minerals Limited, Australia. The report covers various aspects of sustainability that are practised in your Company's global operations. It reports the performance in terms of economic, environmental, people related and social parameters as per GRI G 3.1 guidelines. Novelis has published its sustainability report as well.

Your Company has taken several steps to ensure compliance and proactive steps towards sustainable and responsible growth.

Human capital

Aditya Birla Group has time and again been adjudged amongst the best employer in India by global agencies such as Hewitt. Its culture and reputation as a business leader in the industry enables it to recruit and retain the best available talent in India.



Your Company's professionals are its most important assets. The Company is committed to remaining among the industry's leading employers. It has a pool of around 20,000 employees in its fold. The Group has a well laid talent development plan that ensures attracting the talent and provides for nurturing and enhancement of talent.

Training and Development

Your Company's training, continuing education and career development programs are designed to ensure that its professionals enhance their business skills. Various Group initiatives and learning campus provide continuous learning opportunities. In-house faculty conducts integrated training for new employees. Leadership development is a core part of the Company's training program.

Summing Up

With global economic recovery still being weak and with the continued presence of downside macroeconomic risks, outlook for the commodities sector and for the metals industry remains cautious. However, your Company's performance in the recent years, including in FY13, demonstrates its ability to perform in the face of strong headwinds in business environment – thanks to its balanced portfolio model and the continuous pursuit of operational excellence.

Even during these turbulent times, your Company has doggedly pursued its three-pronged strategy, comprising of:

- Aggressive growth in aluminium in India to create 'Last Man Standing' assets,
- Robust conversion businesses (Novelis and Copper) to cushion the impact of volatility in LME, and
- Thrust on value-added products in each line of business.

With its aggressive expansion programme approaching the stage of commissioning in

FY13, your Company is well poised to achieve its strategic goals. Indeed, with its low cost advantage, balanced business portfolio and a footprint aligned to secular industry trends, your Company will be in a sweet spot when global economic recovery gathers momentum – catapulting it to far greater heights in the coming years.

CAUTIONARY STATEMENT

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance refers to the systems and policies that influence a corporation's administration. It involves regulatory and market mechanisms, and the roles and relationships between a Company's management, board, shareholders and other stakeholders.

Corporate Governance at the Aditya Birla Group is a continuing process. The Group is committed to the adoption of best governance practices and their adherence in true spirit at all times.

Your Company continuously strives to achieve excellence in corporate governance through its values – Integrity, Commitment, Passion, Seamlessness and Speed.

In terms of Clause 49 of the Listing Agreement executed with stock exchanges, the details of compliance are as follows:

BOARD OF DIRECTORS

Composition of the Board

Your Company's Board comprises of 10 Non-Executive Directors as on 31st March, 2013, with considerable experience in their respective fields. Of these, 7 Directors are Independent Directors. Clause 49 of the Listing Agreement, requires that if the Non Executive Chairman of the Company is the promoter then at least half of the Board of Directors of such Company should consist of Independent Directors and we are in compliance with the same.

None of the Directors on the Board is a Member of more than 10 Committees or a Chairman of more than 5 Committees (as specified in Clause 49), across all the Companies in which they hold Directorships. All the Directors have periodically intimated about their Directorship and Membership in the various Boards/Committees of other companies. The same is within the permissible limits as provided by the Companies Act, 1956, and Clause 49 of the Listing Agreement.

The details of the attendance of each Director at the Board Meetings and General Meetings held during the year and Directorships, Membership/Chairmanship in Board Committees of other Companies are as follows:

Director	Category	No. of Board Meetings Attended	Attendance at last AGM	No. of other Directorships Held[3]	Companies Committee Positions Held[4]	
				Public	Member	Chairman
Mr. Kumar Mangalam Birla	Non-Executive	6	Yes	9	—	—
Mrs. Rajashree Birla	Non-Executive	3	No	6	1	—
Mr. A.K. Agarwala [2]	Non-Executive	5	Yes	6	—	—
Mr. C.M. Maniar	Independent	4	Yes	13	6	—
Mr. M.M. Bhagat	Independent	6	Yes	4	2	1
Mr. K.N. Bhandari	Independent	6	Yes	9	2	1
Mr. N.J. Jhaveri	Independent	5	Yes	6	1	3
Mr. Jagdish Khattar	Independent	4	Yes	2	1	—
Mr. Ram Charan[6]	Independent	—	No	—	—	—
Mr. M. Damodaran[5]	Independent	4	No	9	5	2
Mr. D. Bhattacharya	Managing Director	6	Yes	3	—	1

1. Independent Director means a director defined as such under Clause 49 of the Listing Agreement.
2. Mr. A. K. Agarwala was an Executive Director till 10th September, 2003. Thereafter, he has moved to other responsibilities in the Aditya Birla Group.
3. Excludes Directorship held in Private Companies, Foreign Companies and Companies incorporated under Section 25 of the Companies Act, 1956.
4. Represents only Membership/Chairmanship of Audit Committee and Shareholders'/Investors' Grievance Committee of Indian Public Limited Companies.
5. Appointed as a Director w.e.f. 16th April, 2012.
6. However he has attended four meetings through tele conference.

Board's Functioning and Procedure

Hindalco's Board of Directors play a primary role in ensuring good governance and functioning of the Company. All statutory and other significant and material information including information as mentioned in Annexure IA to Clause 49 of the Listing Agreement is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Company has a procedure to inform the Board members about risk assessment and minimisation procedure. The procedure is reviewed by the Board to ensure that the Company manages risks through the means of a properly defined framework. The Board also reviews on a regular basis conformity to all the applicable laws by the Company. The Members of the Board have complete freedom to express their opinion, and decisions are taken after detailed discussion. The details of Board meetings held during the FY 2012-2013 are as outlined below:

Date of Board Meeting	City	No. of Directors Present
8th May, 2012	Mumbai	8 out of 11
27th June 2012	Mumbai	6 out of 11
14th August 2012	Mumbai	9 out of 11
11th September 2012	Mumbai	8 out of 11
6th November 2012	Mumbai	9 out of 11
8th February 2013	Mumbai	9 out of 11

Board Meetings

The Company Secretary drafts the agenda for each meeting along with the explanatory notes. Every Board member is free to suggest items for inclusion in the agenda. The Board meets at least once in a quarter to review the quarterly results as such items as may be expedient. Additional meetings are held when necessary.

COMMITTEES OF THE BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Constitution of Audit Committee and its Functions

Your Company has an Audit Committee, at the Board level, which acts as a link between the management, the statutory and the internal auditors and the Board of Directors, and oversees the financial reporting process. The Committee presently comprises of four Non-Executive Directors, all of whom are Independent Directors. During the year, the Audit Committee met 6 times to deliberate on various matters. The details of the attendance by the Committee members are as follows:

Name of Director	Attended
Mr. C.M. Maniar	4
Mr. K.N. Bhandari	6
Mr. M.M. Bhagat	6
Mr. N.J. Jhaveri	5

1. The Chairman of the Audit Committee, Mr. M.M. Bhagat was present at the last Annual General Meeting of your Company held on 11th September, 2012.
2. The Managing Director, CFO, the Representative of the Statutory Auditor, Head of the Internal Audit are permanent invitees of the Audit Committee. The Representative of the Cost Auditors is invited to the Audit Committee Meetings whenever matters relating to cost audit are considered.
3. Mr. Anil Malik, Company Secretary, acted as Secretary to the Committee.

The Audit Committee is endowed with the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other independent professional advice.
4. To secure attendance of outsiders with relevant experience and expertise, when considered necessary.

Role of Audit Committee

The role of the Committee includes the following:

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditor.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Directors' Responsibility Statement in the Board's report pursuant to Clause (2AA) of Section 217 of the Companies Act, 1956.
   b. Changes, if any, in accounting policies and practices, and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgement by the management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any Related Party transactions.
   g. Qualifications, if any, in draft audit report.
5. Reviewing, with the management, the quarterly financial results before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the officials heading the departments, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors on any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Reviewing the following information:
    i. Management discussion and analysis of financial condition and results of operations;
    ii. Statement of significant related party transactions (as defined by the audit committee), submitted by the management;
    iii. Management letters/letters of internal control weaknesses issued by the statutory auditor; and
    iv. Internal audit reports relating to internal control weaknesses; appointment, removal and terms of remuneration of the Chief Internal Auditor.
15. Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Agreement, Companies Act and other statutes, as amended from time to time.

INVESTOR GRIEVANCE COMMITTEE

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

The composition of the Committee is as follows:

Mr. C.M. Maniar - Chairman

Mr. K.N. Bhandari - Member

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

During the year under review, the Committee met four times to deliberate on various matters referred above. Details of attendance by Directors for the Committee meetings are as follows:

Name of the Director	Attended
Mr. C.M. Maniar	4
Mr. K.N. Bhandari	4

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

Details of complaints received, disposed off and pending during the year, number of shares transferred during the year, time taken for affecting these transfers and the number of share transfers pending are furnished in the "Shareholder Information" section of this Annual Report.

Non-Executive Directors' Compensation and Disclosure

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

Remuneration of Directors and Others

Since the Company has one Executive Director, your Company does not have a Remuneration Committee. The Board of Directors decide the remuneration of the Managing Director.

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

Besides sitting fees @ ₹ 5,000/- per meeting of the Board or Committee thereof, the Company also pays Commission to the Non- Executive Directors.

For the FY- 2012-13, the Board has approved payment of ₹ 10 Crore (Previous Year ₹ 14 Crore) as Commission to the Non-Executive Directors of the Company pursuant to the authority given by the shareholders at the Annual General Meeting held on 23rd September, 2011, to pay Commission not exceeding 1% of the net profits of the Company to the Non-Executive Directors of the Company. The amount of Commission payable is determined after assigning weightage to attendance and the type of meeting and other responsibilities.

Executive Director is paid remuneration within the limits envisaged under Schedule XIII of The Companies Act, 1956. The said remuneration is approved by the Board as well as Shareholders of the Company.

The details of Remuneration package, fees paid, etc., to Directors for the year ended 31st March, 2013 are as follows:

(a) Non-Executive Directors:

Name of Director(s)	Sitting Fees Paid (In ₹)	Commission Payable (₹ in Lakhs)	Total Payments Paid/Payable in 2012-13 (₹ in Lakhs)
Mr. Kumar Mangalam Birla	30,000	923.46	923.76
Mrs. Rajashree Birla	15,000	16.69	16.84
Mr. A. K. Agarwala	70,000	7.77	8.47
Mr. M. M. Bhagat	65,000	10.27	10.92
Mr. C. M. Maniar	1,05,000	7.75	8.80
Mr. K. N. Bhandari	85,000	11.64	12.49
Mr. N.J. Jhaveri	50,000	8.52	9.02
Mr. Ram Charan	—	4.00	4.00
Mr. Jagdish Khattar	20,000	4.98	5.18
Mr. M. Damodaran	20,000	4.92	5.12

Notes:

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

(b) Paid to Executive Director

Executive Director	Relationship with other Directors	Business Relationship with the Company, if any	Remuneration paid during 2012-13			
			All elements of remuneration package i.e., salary, benefits, bonuses, pension, etc.	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock Options details, if any
Mr. D. Bhattacharya	None	Managing Director	₹ 20,60,90,764	See Note (a)	See Note (b)	See Note (c)

(a) *Mr. D. Bhattacharya was paid a sum of ₹ 6,51,00,740 towards performance bonus linked to achievement of targets.*

(b) *The appointment is subject to termination by three months notice in writing on either side. Mr. D. Bhattacharya had been re-appointed for a further period of 5 years w.e.f. 1st October, 2008. No severance fee is payable to the Managing Director.*

(c) *2,70,100 & 7,00,000 stock options were granted on 23rd August, 2007 & 25th January, 2008, respectively, out of which 87,525 Options were exercised by Mr. D. Bhattacharya.*

Employee Stock Options Scheme – 2006:

In accordance with applicable SEBI Guidelines, ESOS Compensation Committee of the Board of Directors of the Company on 23rd August, 2007, granted 1,940,250 stock options at a price of ₹ 98.30 per share (1st Tranche) and on 25th January, 2008, granted 1,033,140 stock options at a price of ₹ 150.10 per share (2nd Tranche) and on 3rd September, 2010, granted 5,72,160 options at a price of ₹ 118.35 per share (3rd Tranche), to the eligible employees. Each option is convertible 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 Annexure 'A' to the Directors' Report).

Details of Stock Options granted to Mr. D. Bhattacharya: Managing Director, are as under:

Managing Director	1st Tranche			2nd Tranche		
	No. of Options Granted	Vesting Date & (Percent Vesting)	Exercise Period	No. of Options Granted	Vesting Date & (Percent Vesting)	Exercise Period
Mr. D. Bhattacharya	2,70,100	23.08.08 (25%)	By 22.08.2013	7,00,000	25.01.09 (25%)	By 24.01.2014
		23.08.09 (25%)	By 22.08.2014		25.01.10 (25%)	By 24.01.2015
		23.08.10 (25%)	By 22.08.2015		25.01.11 (25%)	By 24.01.2016
		23.08.11 (25%)	By 22.08.2016		25.01.12 (25%)	By 24.01.2017

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

Details of Shareholding of Directors as on 31st March, 2013, are as follows:

NAME OF THE DIRECTORS	SHARES (₹ 1 paid-up)
Mr. Kumar Mangalam Birla	8,65,740
Mrs. Rajashree Birla	6,12,470
Mr. A.K. Agarwala	1,16,148
Mr. C.M. Maniar	47,565
Mr. M.M. Bhagat	4,050
Mr. K.N. Bhandari	3,571
Mr. N.J. Jhaveri	5,000
Mr. Ram Charan	NIL
Mr. Jagdish Khattar	2,500
Mr. M. Damodaran	NIL
Mr. D. Bhattacharya	90,740

Code of Conduct

The Hindalco Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, Senior Management/Employees of the Company. The Code is available on the Company's website.

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

Declaration as required under Clause 49 of the Listing Agreement

We hereby confirm that:

All Directors and Senior Management have affirmed compliance with Code of Conduct for the financial year ended 31st March, 2013.

Place: Mumbai D. Bhattacharya
Managing Director

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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

SUBSIDIARY COMPANIES

Your Company does not have any material non-listed Indian Subsidiary Company. The Audit Committee reviews the financial statements and investments made by unlisted subsidiary companies once in a year. The minutes of the Board meetings as well as statements of all significant transactions of the unlisted subsidiary companies are placed before the Board for their review.

DISCLOSURES

(A) Basis of Related Party Transaction

All the related party transactions are strictly done on arm's length basis. The Company places all the relevant details of related party transaction, entered in the normal course of business, before the Audit Committee from time to time. There was no material related party transaction, which is not in the normal course of the business, entered into by the Company during the year. Attention of the Members is drawn to the disclosures of transactions with the related parties set-out in Notes on Accounts forming part of the financial statements.

(B) Non Compliances/Strictures/Penalties Imposed

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

(C) Disclosure of Accounting Treatment

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

(D) Risk Management

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

(E) Proceeds from Public Issues, Rights Issues, Preferential Issues, etc:

The Company has allotted 15,00,00,000 warrants on a preferential basis to the Promoter Group on 22nd March, 2012 entitling them to apply for and obtain allotment of one equity share of ₹ 1/- each fully paid-up at a price of ₹ 144.35 per share against each such warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. The Company has received ₹ 541.31 crore being 25%, against these warrants. The entire amount so received is being utilised for various Greenfield and Brownfield Projects expenditure as per the terms of issue.

(F) Remuneration of Directors

This is included separately in this Section.

(G) Management

Management Discussion and Analysis Report is prepared in accordance with the requirements laid out 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.

(H) Shareholders

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

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

CEO/CFO Certification

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

a. They have reviewed the financial statements and the Cash Flow statement for the year and that to the best of their knowledge and belief :

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   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.

b. There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

d. They have indicated to the auditors and the Audit Committee the following:

   i. significant change if any in internal control over financial reporting during the year;

   ii. significant changes in accounting policies if any during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

REPORT ON CORPORATE GOVERNANCE

A separate section on Corporate Governance forms part of the Annual Report. The Certificate from the Statutory Auditors confirming compliance with all the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement forms part of this report.

GENERAL BODY MEETINGS

Details of Annual General Meetings:

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

Year	AGM	Location	Date	Time
2011-12	AGM	Ravindra Natya Mandir	11th September, 2012	2.30 pm
2010-11	AGM	Ravindra Natya Mandir	23rd September, 2011	2.30 pm
2009-10	AGM	Ravindra Natya Mandir	3rd September, 2010	2.30 pm

In the last three years special resolution as set out in the respective notices for AGM's were passed by shareholders.

Whether any special resolution passed last year through postal ballot? No

Person who conducted the postal exercise: Not Applicable

Whether any special resolution is proposed to be conducted through postal ballot: No

MEANS OF COMMUNICATION

- Quarterly Results:

Newspaper	Cities of Publication
Financial Express (English)	All editions
Navshakti (Marathi)	Mumbai Edition only

- Any website, where displayed : www.hindalco.com
  www.adityabirla.com

- Whether the Company Website displays
  - All official news releases : Yes
  - Presentation made to Institutional Investors/Analysts : Yes

Besides that, Annual Reports, Quarterly Results, Shareholding Pattern Statement, etc., are posted on the Corporate Filing and Dissemination System as per the requirements of Clause 52 of the Listing Agreement.

General Shareholder Information

Provided in the 'Shareholder Information' section.

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 available to enable him discharge his responsibilities effectively.
2. The Company has a policy of conducting an orientation for a new director on the business model in order to get him acquainted with the operation and functioning of the Company.
3. Your Company does not have a Remuneration Committee. The Board of Directors fixes the remuneration of the Managing Director.
4. "Performance Update" consisting of financial and operational performance for the first six months of the financial year has been sent to the shareholders since 2000-01. However, this practice has been discontinued from 2008-09. Analyst Report is uploaded in the Company's website, which is more elaborative and informative.

5. During the period under review, there is no audit qualification in the financial statements.
6. The Management and the Executive Director give extensive briefings to the Board members on the Business model. The Company has also formed a Risk Management Board comprising of Directors and Executives of the Company which meets periodically to review Commodity and Foreign Exchange exposures and actions taken thereon.
7. All the Aditya Birla Group Companies have common "Corporate Principles and Code of Conduct" applicable to all the employees. *Inter alia*, it provides mechanism to enforce and report violations of the principles and the code, if any.
8. We have a Whistle Blower Policy and the Audit Committee reviews the same.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Hindalco Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Hindalco Industries Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

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

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.

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

Camp: Mumbai
Dated: the 28th day of May, 2013.
1-B, Old Post Office Street,
Kolkata – 700 001.

(RAJIV SINGHI)
Partner
Membership No. 53518

1. Annual General Meeting

– Date and Time	:	10th September, 2013 at 2.30 p.m.
– Venue	:	Ravindra Natya Mandir P.L. Deshpande Maharashtra Kala Academy Prabhadevi Mumbai - 400 025

2. Financial Year

– Financial reporting for the quarter ending June 30, 2013	:	On or before 14th August, 2013
– Financial reporting for the half year ending September 30, 2013	:	On or before 14th November, 2013
– Financial reporting for the quarter ending December 31, 2013	:	On or before 14th February, 2014
– Financial reporting for the year ending March 31, 2014 (Audited)	:	On or before 30th May 2014
– Annual General Meeting for the year ended March 31, 2014	:	September, 2014

3. Dates of Book Closure	:	3rd September, 2013 to 10th September, 2013
4. Dividend Payment Date	:	After 13th September, 2013 (Within 30 days from the date of AGM subject to approval of shareholders)
5. Registered Office	:	Century Bhavan, 3rd Floor, Dr. Annie Besant Road, Worli, Mumbai - 400 030. Tel: (91-22) 6662 6666 Fax: (91-22) 2422 7586 / 2436 2516 E-Mail: anil.malik@adityabirla.com Website: www.adityabirla.com

6. a. Listing Details:

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

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

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

c. Domestic Custodian of GDRs : Citibank, N.A.
Trent House Plot No. C-60
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 051
Tel.: 91-22- 40296118

7. ISIN : Equity Share: ISIN INE038A01020
GDR: ISIN US4330641022
USIP No. 433064300

8. Details of Debenture issued:

Interest Payment Date	Interest	Series	Date of Allotment	Tenure	Maturity Date	Record Date	ISIN No.
25th April	Annually	9.55% Series (2012)-I	25th April, 2012	10 Years	25th April, 2022	7 days prior to each Interest and/or Redemption Payment	INE038A07258
27th June	Annually	9.55% Series (2012)-II	27th June, 2012	10 Years	27th June, 2022	7 days prior to each Interest and/or Redemption Payment	INE038A07266
2nd August	Annually	9.60% Series (2012)-III	2nd August, 2012	10 Years	2nd August, 2022	7 days prior to each Interest and/or Redemption Payment	INE038A07274

9. Stock Code:

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

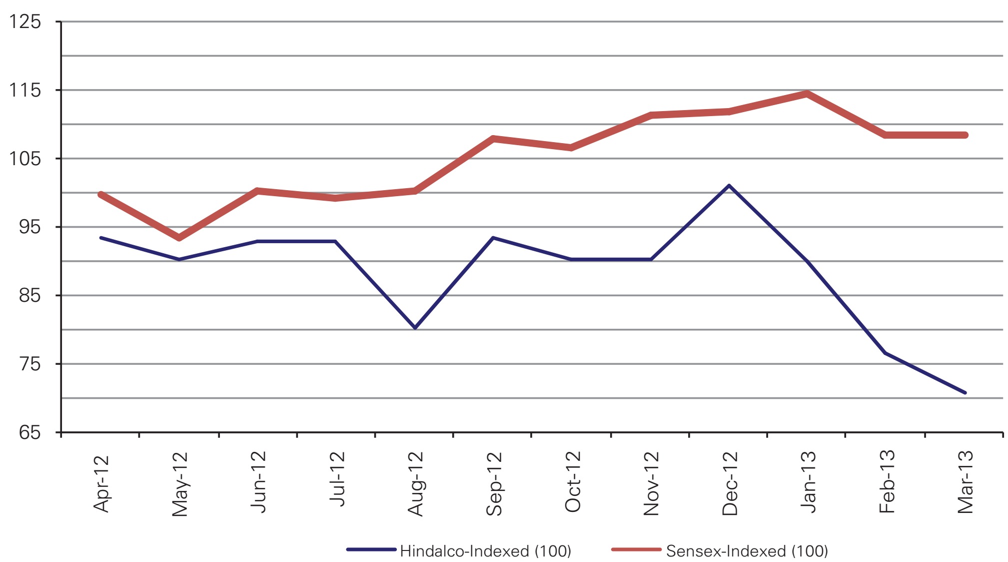
Stock Exchange	**Reuters**	**Bloomberg**
Bombay Stock Exchange	HALC.BO	HNDL IN
National Stock Exchange	HALC.NS	NHNDL IN
Luxembourg Stock Exchange (GDRs)	(GDRs)	HDCD LI

Name and Address of Debenture Trustee : IDBI TRUSTEESHIP SERVICES LIMITED
Asian Building, Ground Floor, 17, R. Kamani Marg,
Ballard Estate, Mumbai - 400 001

10. Stock Price Data:

	Bombay Stock Exchange				National Stock Exchange				Luxembourg Stock Exchange		
	High	Low	Close	Volume	High	Low	Close	Volume	High	Low	Close
	(In ₹)			(In Nos.)	(In ₹)			(In Nos.)	(In US$)		
Mar-13	102.50	86.90	91.50	23,569,441	102.60	86.90	91.60	194,054,995	1.87	1.56	1.69
Feb-13	117.35	98.50	99.35	23,405,702	117.40	98.00	98.90	183,860,325	2.16	1.81	1.83
Jan-13	137.00	112.80	115.75	18,677,800	137.10	112.70	116.20	168,545,579	2.51	2.10	2.17
Dec-12	133.75	115.00	130.60	18,041,637	133.75	115.00	130.50	168,393,583	2.43	2.13	2.38
Nov-12	118.75	104.90	116.35	12,829,285	118.80	104.80	116.60	113,117,166	2.19	1.89	2.14
Oct-12	126.35	110.60	116.45	14,279,936	126.50	100.00	116.55	132,553,246	2.43	2.00	2.16
Sep-12	121.85	100.15	120.50	17,225,123	121.90	100.00	120.70	181,380,944	2.31	1.81	2.28
Aug-12	124.00	102.35	103.75	15,715,243	124.75	102.30	103.85	139,362,630	2.22	1.87	1.87
Jul-12	127.80	113.00	119.90	17,425,858	127.90	113.00	120.10	143,099,006	2.30	2.04	2.16
Jun-12	126.80	112.80	119.90	17,620,153	127.00	112.70	119.90	158,786,322	2.23	2.01	2.16
May-12	121.95	105.35	116.70	24,439,512	121.95	105.35	116.65	243,197,117	2.27	1.91	2.08
Apr-12	133.60	115.50	120.60	20,327,717	133.65	115.50	120.75	179,749,330	2.61	2.00	2.29

11. Stock Performance:



12. Stock Performance over the past few years:

Absolute Returns (in %)			
	1YR	3YR	5YR
Hindalco	-29.2%	-49.5%	-38.8%
SENSEX	8.2%	7.5%	20.4%
NIFTY	7.3%	8.3%	20.0%

Annualised Returns (in %)			
	1YR	3YR	5YR
Hindalco	-29.2%	-20.3%	-9.4%
SENSEX	8.2%	2.4%	3.8%
NIFTY	7.3%	2.7%	3.7%

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

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

14. Share Transfer System : Share transfer in physical form are registered and returned within a period of 15 days of receipt, provided the documents are clear in all respects. Officers of the Company have been authorised to approve transfers upto 10,000 shares in physical form under one transfer deed, and one Director of the Company has been authorised to approve the transfers exceeding 10,000 shares under one transfer deed.

The total number of shares transferred in the physical form during the year was 1,857,182.

	2012-13			2011-12		
Transfer period (in days)	No. of Transfers	%	No. of Shares	No. of Transfers	%	No. of Shares
1-10	5,088	99.20	1,831,268	637	77.31	673,645
11-15	37	0.72	16,694	147	17.84	108,703
15 and above	3	0.08	9,220	40	4.85	41,193
Total	**5,128**	**100.00**	**1,857,182**	**824**	**100.00**	**823,541**

15. Investor Services:

a. Complaints received during the year:

Nature of Complaints	2012-13		2011-2012	
	Received	Cleared	Received	Cleared
Relating to Transfers, Transmissions Dividend, Interest, Redemption, Demat – Remat, Rights Issue and Change of Address etc.	49	47*	30	30

*Note: In the last quarter two complaints were pending due to non-receipt of demand draft from bank towards dividend payment.

b. Shares pending for transfer: Nil

16. Distribution of Shareholding of as on 31st March:

No. of Equity Share Held	2013			
	No. of Shareholders	% of Shareholders	No. of Shares Held	% Share Holding
1-1000	409,555	92.83	69,316,890	3.62
1001-2000	14,785	3.35	21,858,049	1.14
2001-5000	9,914	2.25	31,646,760	1.65
5001-10000	3,645	0.83	26,092,227	1.36
10001-50000	2,511	0.57	49,465,780	2.58
50001-100000	271	0.06	19,589,548	1.02
100001 and above	485	0.11	1,696,613,814	88.63
Total	**441,166**	**100**	**1,914,583,068**	**100**

17. Dematerialisation of Shares and Liquidity : Around 97% of outstanding shares have been dematerialised. Trading in Hindalco Shares is permitted only in the dematerialized form from 5th April, 1999, as per notification issued by the Securities and Exchange Board of India.

18. Details on use of public funds obtained in 3 years : Not Applicable

19. Outstanding GDRs/Warrants/Convertible Bonds : 159,663,688 GDRs are outstanding as on 31st March, 2013. Each GDR represents one underlying equity share.

20. Investor Correspondence :

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

21. Plant Locations:

Aluminium & Power

Renukoot Plant*
P.O. Renukoot -231217
Dist Sonebhadra
Uttar Pradesh.
Tel : (05446) 252077-9
Fax: (05446) 252107/426

Renusagar Power Division
P. O. Renusagar
Dist. Sonebhadra,
Uttar Pradesh.
Tel:(05446)277161-3/ 278592-5
Fax: (05446) 277164/

Hirakud Smelter
Hirakud 768 016
Dist: Sambalpur
Odisha
Tel: (0663) 2481307/1452
Fax: (0663) 2481356

Hirakud Power
Post Box No.12
Hirakud 768 016
Dist: Sambalpur
Odisha
Tel: (0663) 2481307
Fax: (0663) 2481342/342/365
Fax: (0663) 2541642

Mahan Aluminium
Hindalco Industries Ltd.
NH-75 E, Singrauli Sidhi Road,
P.O., Bargawan, Pin-486886,
District - Singrauli, M.P.
Telephone No. 07805281014

Aditya Aluminium
Hindalco Industries Limited
Lapanga
District - Sambalpur - 768212,
Odisha
Phone: 0663 – 2114424
Fax: 0663 - 2590434

Copper

Birla Copper Division
P.O. Dahej, Lakhigam
Dist. Bharuch – 392 130
Gujarat
Tel: (02641) 256004/06, 251009
Fax: (02641) 251002

Chemicals

Muri
Post Chotamuri-835 101
Dist: Ranchi, Jharkhand
Phone:
(06522) 244253/334
Fax: (06522) 244342

Belgaum
Village Yamanapur
Belgaum 590 010
Karnataka
Tel: (0831) 2472716
Fax: (0831) 2472728

Mines

Chandgad Mines
At Post: Chandgad 416509
Dist: Kolhapur
Maharashtra
Tel/Fax: (02320) 213342

Durgmanwadi Mines
At Post Radhanagri
Dist: Kolhapur,
Maharashtra - 416 212
Tel: (02321) 2371008
Fax: (02321) 237478

Lohardaga Mines
Dist: Lohardaga 835 302
Jharkhand
Tel/ Fax: (06526) 224112

Talabira Mines
Talabira-1, Coal Project
Qrs. No. A6/1
Saraswati Vihar
P.O. Sankarma
Dist. Sambalpur, Orissa
Tel: (0663) 2230573

Samari Mines
P.O: Kusumi 497222
Dist : Sarguja
Chattisgarh
Tel/Fax(07778)274325

FRP, Foil & Packaging and Extrusions

Silvassa Foils
Village Khutli, Khanvel,
Silvassa-396 230
U.T. of Dadra & Nagar Haveli
Tel: (0260) 2677021 - 4
Fax: (0260) 2677025

Belur FRP
39, Grand Trunk Road
Belurmath 711 202
Dist: Howrah
West Bengal
Tel: (033) 2654 7210/12
Fax: (033) 2654 9982/5740

Taloja FRP
Plot 2, MIDC Industrial Area
Taloja A.V.
Dist : Raigad
Navi Mumbai - 410 208
Maharashtra
Tel: (022) 2741 2261
66292929
Fax: (022) 2741 2430/31

Alupuram Extrusions
Alupuram, P.B. No.30
Kalamassery - 683 104
Dist: Ernakulam, Kerala
Tel: (0484) 2532441-48
Fax: (0484) 2532468

Mouda
Village Dahali
Ramtek Road, Mouda
Nagpur – 441 104
Tel: (07115) 660777/786

Kollur Foils
Village- Kollur
Re Puram Mandal
Via Mutangi Medak Dist
Andhra Pradesh – 502 300
Tel: (08413) 234300, 234204/05
Fax: (08455) 288829

Hirakud FRP
Hindalco Industries Limited
Hirakud - 768016
District - Sambalpur, Odisha
Telephone No.: 0663-6625000
Fax No.: 0663-2481344

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

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

	2013				2012			
Category	**No. of Share-holders**	**% of Share-holders**	**No. of Shares Held**	**% Share Holding**	**No. of Share-holder**	**% of Share-holders**	**No. of Shares Held**	**% Share Holding**
Promoters	21	0.01	613,797,188	32.06	21	0.01	613,797,188	32.06
Mutual Funds & UTI	154	0.03	38,908,908	2.03	208	0.05	55,205,320	2.88
Banks/ Financial Institutions/Ins/Govt.	139	0.03	257,642,547	13.45	133	0.03	230,734,741	12.05
FIIs	417	0.09	468,425,836	24.46	486	0.13	514,065,053	26.85
Corporates	4,040	0.92	137,646,452	7.19	3,866	1.01	126,797,076	6.62
Individuals/Shares in Transit/Trust	427,519	96.91	193,631,127	10.12	370,523	96.56	169,637,949	8.86
NRIs/ OCBs/Foreign Nationals	8,875	2.01	44,867,322	2.35	8,483	2.21	43,556,986	2.28
GDRs*	1	0.00	159,663,688	8.34	1	0.00	160,747,995	8.40
Total	**441,166**	**100.00**	**1,914,583,068**	**100.00**	**383,721**	**100.00**	**1,914,542,308**	**100.00**

*14542309 GDR's are held by Promoter and Promoter Group.

23. Per share data:

Particulars	**2012-13**	**2011-12**	**2010-11**	**2009-10**	**2008-09**
Net Earnings (₹ in Crore)	1,699	2,237	2,137	1,916	2,230
Cash Earnings (₹ in Crore)	2,403	2,927	2,824	2,583	2,875
EPS (₹)	8.9	11.7	11.2	10.8	14.8
CEPS (₹)	12.6	15.3	14.8	14.6	19.1
Dividend per Share (₹)	1.4@	1.6	1.5	1.4	1.4
Dividend Pay Out (%)	17.6@	15.0	15.6	15.70	12.0
Book Value per Share (₹)	177.4	167.3	155.1	145.9	139.7
Price to Earnings (x)*	10.3	11.1	18.7	16.8	3.5
Price to Cash Earnings (x)*	7.3	8.5	14.2	12.4	2.7
Price to Book Value (x)*	0.5	0.8	1.3	1.2	0.4

**Stock Prices as on 31st March.*

@ Proposed Dividend

24. OTHER USEFUL INFORMATION FOR SHAREHOLDERS

Shareholders, who have not yet encashed their dividend warrants for the years 2006-2007 to 2011-2012, may approach the Company for revalidation/issue of duplicate dividend warrants quoting reference of their Ledger Folio numbers/DP and Client ID.

Shareholders of 6% Cumulative Redeemable Preference Shares, who have not yet encashed their dividend warrants for the years 2007-2008, 2008-2009 and Redemption warrants may approach the Company for revalidation/issue of duplicate dividend warrants quoting reference of their Ledger Folio numbers/DP and Client ID.

The Unclaimed dividend for the financial year 2005-2006 has been transferred by the Company to the Investor Education and Protection Fund, constituted by the Central Government under Section 205A and 205C of the Companies Act, 1956.

Shareholders are advised that dividends for the financial year ended 2006-2007 onwards, which remains unpaid/unclaimed over a period of 7 years, have to be transferred by the Company to Investor Education and Protection Fund (IEPF), constituted by the Central Government under Sections 205A and 205C of the Companies Act, 1956. Shareholders, who have not claimed the dividend for this period, are requested to lodge their claim with the Company, as under the amended provisions of Section 205B of the Act, no claim shall lay for the unclaimed dividends from IEPF by the Members.

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

Date of Declaration	Financial Year of Dividend	Due Date of Transfer to the Government
28th July, 2006	2005-06	August 2013
12th March, 2007	2006-07	April 2014
19th September, 2008	2007-08	October 2015
19th September, 2008	2007-08 (Dividend on Preference Shares)	October 2015
14th March, 2009	2008-09 (Dividend on Preference Shares)	April 2016
18th September, 2009	2008-09	October 2016
3rd September, 2010	2009-10	October 2017
23rd September, 2011	2010-2011	October 2018
11th September, 2012	2011-2012	October 2019

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

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

Keeping in view the aforesaid green initiative of MCA, your Company shall send the Annual Report and other documents to its shareholders in electronic form at the e-mail address provided by them and made available to us by the Depository. Shareholders may also register their e-mail IDs with the Company for receiving Annual Reports and Notices through e-mail.

Unclaimed Shares in Physical Form

In pursuant to Clause 5A of the Listing Agreement, the Company has already sent three remainders to all the shareholders whose shares are returned undelivered, in the Company's Rights Issue offer made in the years 2005 and 2008. The Company has taken all steps to comply with Clause 5A of the Listing Agreement.

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 has sent three remainders under Registered Post to the shareholders, whose share certificates were returned undelivered and are lying unclaimed so far.

The Company has transferred and dematerialized 1,344,056 Equity Shares in the escrow account named "Hindalco Industries Limited Unclaimed Shares Suspense Account". No shares were transferred from the account to the shareholders accounts during the year.

In terms of the applicable SEBI guidelines and amended listing agreement. The shares certificate return undelivered are no longer in physical form and hence the shares may be provided in demat account and said demat account should be in the name and style as stated in our register of members.

For claiming of Undelivered Shares, the shareholder should approach to the Company with demat account details together with the certified copy of the client master list, a self certified copy of the PAN Card along with a request letter duly signed as per specimen signature lodged with our records and proof of residence for change of address (if any)/credit of shares in demat account and payment of unclaimed dividend and redemption amount.

INVESTOR SERVICES

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

ii. Shareholders/Beneficial Owners are requested to quote their Folio Nos./DP and Client ID Nos., as the case may be, in all correspondence with the Company. All correspondences regarding shares and debentures of the Company should be addressed to the Investor Service Department of the Company at Ahura Centre, 1st Floor, 'B' Wing, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, and not to any other office(s) of the Company.

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

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

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

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

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

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

Further, please note that Securities and Exchange Board of India (SEBI),vide its Circular No MRD/DoP/Cir-05/2009, dated 20th May, 2009,has made it mandatory for the transferee(s) to furnish the copy of the PAN Card to the Company for registration of physical transfer of shares.

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

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

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

x. Section 109A 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 of the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form.

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

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

In case of any query contact –

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

"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 mandate, your Company has moved forward with a slew of positive steps towards improved sustainability and resource conservation, synergizing growth with responsibility.

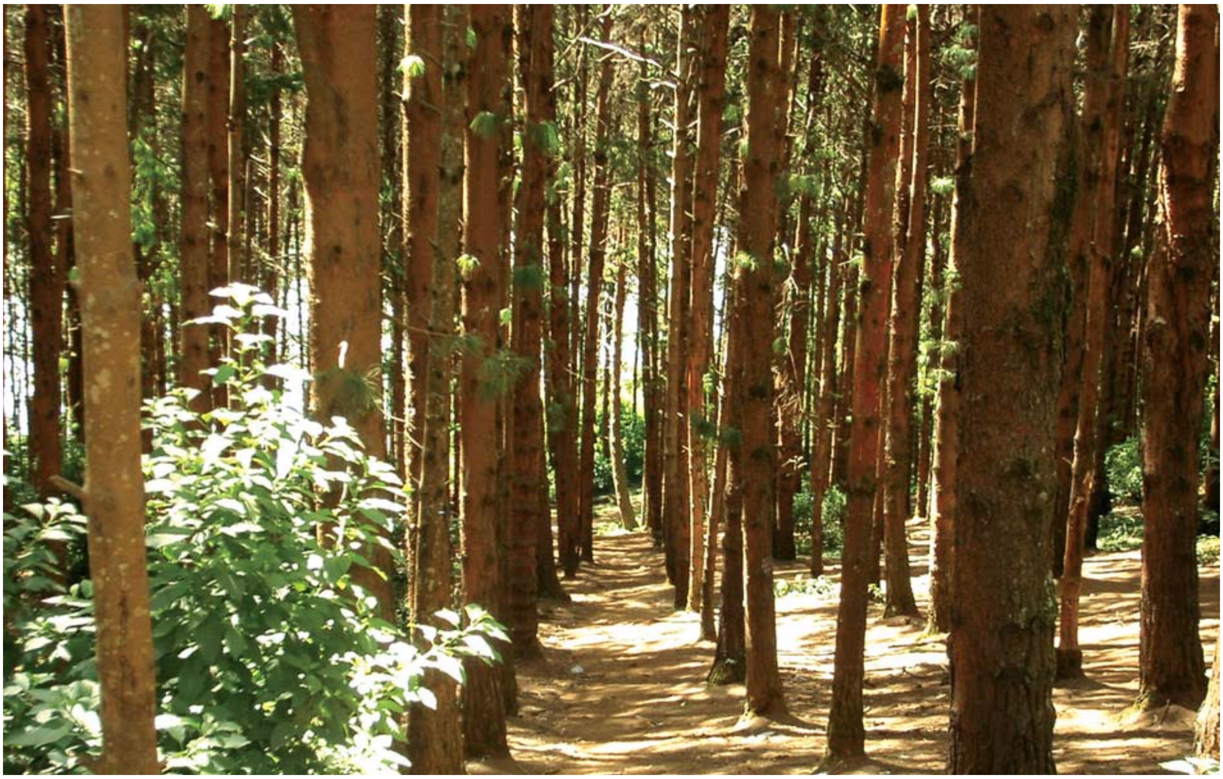
Our key focus areas include – leadership in sustainability activities in the company and its subsidiaries, comprehensive Environment Management system, Energy conservation, Emissions Reduction, Waste Management and Reduction, Water Conservation, as well as enhanced environmental performance in the Greenfield plants and projects.

Environment Management System

Your company operates its plants on the principle of sustainable development and the commitment for preservation and protection of clean and green environment. Environmental Management is one of the vital dimensions for sustainable development and enduring growth. Your company cares for and continually improves environmental results through technological interventions, introduction of greener technologies, equipment, application of state-of-art environment monitoring systems, procedures and best practices as well as self-imposition of stringent targets. While growing in capacity, Greenfield and Brownfield expansions, your company has ensured minimal impact on its Environment and best utilization of resources by conservation and maximizing reuse/recycle. In all units and projects of your company, adequate mitigation measures in the areas of water, air, energy and wastes have been installed.

Most of the Manufacturing Sites of your Company are ISO-9001:2008 (QMS), ISO-14001:2004(EMS) and OHSAS-18001:2007(OHS) certified. The plant level Environment Management Cell works closely with the Corporate Environment Team and the Corporate Compliance Monitoring Cell to ensure implementation of pollution prevention measures and to comply with all regulatory requirements. Design, Development and Implementation of Integrated Management System covering QMS, EMS and OHSAS are currently in progress at the Nagpur and Hirakud FRP Plants.

Your company is a Member of TERI Business Council for Sustainable Development (BCSD), a National level body, driving initiatives in climate protection, emission reduction and efficient use of resources.



Environment Policy and Plan

Your company's management has adopted the guidelines provided by the Ministry of Environment and Forests (MoEF). This entails adaptation of Corporate Environmental Responsibility that declares the intent to implement and promote self-regulation covering all aspects of the business cycle, and to commit necessary resources to meet the applicable environmental regulations. In response, a policy to 'Strengthen the Environment Management System conforming to National / International Standards and continually improve the performance' will be adopted by your company. The organization structure to support the same has been put in place. In addition, a rigid and foolproof compliance assurance system is under implementation across all units and operations of your company.

Self Monitoring and Reporting on Environmental Aspects

Your company has features of its Corporate Sustainability Report that covers 'sustainability of planet' (environment) as a key section online. Two annual Sustainability Reports have been released in 2010-11 and 2011-12, covering Hindalco's India Operations including Greenfield projects, along with its overseas subsidiaries, Aditya Birla Minerals- Australia and Novelis. The report for 2011-12 titled 'Enduring Growth for Global Leadership' has been assured an A+ rating as by Global Reporting Initiatives (GRI) standards by an external independent assessing agency.

One important environmental self-declaration by your company is the quarterly internal publication of its Carbon-Footprint, that is now in its third year. The report measures and reports internally, its scope-I and II CO_2 footprint as 14.9 million TPA of CO_2 equivalent. A program is in place to reduce its CO_2 footprint. The Renukoot complex has been awarded Green House Gas verification certificate as per ISO 14064-2006 standard by an international certifying agency during 2011-12.

Water

Water has been a focus area in your company. Various manufacturing units have adopted the zero-discharge concept, putting up state of art facilities to increase processing, reuse and recycle of waste water.

At its Renukoot complex, industrial and domestic effluent streams are treated to get water quality as per the local Pollution Control Board norms.

The total treated industrial effluent and partial domestic effluent is recycled back for process and horticulture use. At Renusagar Power Division, Effluent Treatment Plant (ETP), Sewage Treatment Plant (STP) and Ash Water Recovery Treatment Plant (AWRTP) are in operation to treat all the effluent generated and the treated effluent is recycled in plant operation. Zero Process Discharge concepts have been established at Renukoot, Renusagar and Bauxite Mines Operations.

The Dahej Complex has installed additional Sewage Treatment Plant based on Membrane Bio-Reactor technology. This new technology is capable of generating good quality of treated water, that is recycled to the process units, as well as for gardening purposes.

The Muri Alumina refinery is totally dependent on the water of Subarnarekha River, in Jharkhand, to operate the plant. Due to the changing rainfall pattern, in the summer season, the water level in the river goes down and it becomes very critical to operate the alumina refinery, as the river bed level becomes insufficient for withdrawing water. There is a real challenge to operate the plant in the summer season. To overcome the critical water availability and to ensure smooth operation of the plant, projects were identified and implemented to conserve fresh water. Projects like recycling of treated water from ETP in Plant, utilization of treated water from the sewage treatment plant water for dust suppression, in place of fresh water, has reduced the water consumption from 12.91 m3/T of alumina in FY 10 to 7.42 m3/MT of Alumina in FY 13. In addition, a Rain water harvesting project has been implemented to recharge the water bed under the ground, and to help raise the ground water table in the region.

The Hirakud Complex has installed a 500 kilo litres per day Sewage Treatment Plant (STP) for treatment of all sewage water coming from Smelter and Captive Power Plant. Additional a 250 kilo litres per day Effluent Treatment Plant has been installed for treatment of excess fluoride contaminated waste water. All the treated water is recycled / reused in the smelter process . In all, we will be recycling 17,000 kilo litres per month of waste water in the smelter after treatment. The quality of treated water is monitored using online Fluoride Analyzers, to ensure the safety of reuse.

At the Greenfield project at Mahan Aluminium, all waste water generated from process/ site is treated at state of art effluent treatment plant for recycle and re-use. In the smelter complex, a drainage network has been established to collect all rain water to the effluent treatment plant and to use the treated water for process, and horticulture.

The construction of water reservoirs and rain water harvesting facilities has been a feature in all the Greenfield projects of your company. At Mahan Aluminium Project, a facility to collect rain water runoff in the large raw water reservoir has been set up. During the monsoon of 2011-12, about 24 Lakh cubic meter of rain water was collected, and this fulfilled the water requirement during the last phase of construction as well as during the commissioning runs of the power plant.

Air Pollution Management

All our Aluminium pot-lines are equipped with state of art efficient Dry Scrubbing System. These ensure that the quality of emissions are well below the prescribed standard. Advanced Electro-static precipitators installed in our Calciners and Boilers ensure that the quality of particulate emission from stacks well below prescribed standard of the respective local Pollution Control Boards. The use of state of art Fume-Treatment-Plant and Wet scrubbing system in anode baking furnaces in the aluminium potlines at Renukoot maintain the baking furnace stacks within the prescribed limits. A state of art facility for anode baking furnaces is also planned at Renukoot to replace the old anode baling furnaces, leading to further improvement in air emission quality.

In the Greenfield Aluminium smelter complex at Mahan, state of art air pollution control facilities such as Bag Filters, Dust Suppression Systems, Electrostatic Precipitator, Gas Treatment Center, Fume Treatment Centre etc have been installed, and commissioned. A contemporary design of dry scrubber to capture any Fluorides & other pollutants from pot room off gases has been commissioned. In the captive power plant at Mahan, Electrostatic Precipitators are provided to capture particulate emission from the Power plant, and to maintain the quality of stack off-gases. All the major stacks are equipped with online monitoring systems to keep a close watch.

In the Remelt and Recycling Furnaces in your Taloja Plant, the use of furnace oil has been replaced by Piped Natural Gas, that has been available at site during this year. Piped natural gas as a cleaner fuel, has helped in lowering the emission and improving the net energy requirement of the plant.

In line with the revised notification from the Ministry of Environment & Forests, your company's plants and projects have provided for Ambient Air Quality Monitoring stations, to monitor the quality of ambient air within the neighborhood. This ensures protection from any detrimental effect of our operations on the surrounding.

Waste Management through Value Addition

Your company's businesses are resource intensive; and resources are getting scarcer day by day. In these trying times, your company has adopted the innovative approach of developing waste as an additional resource of value.

The Renukoot Plant has established the practice of upgrading all solid wastes in an environment-friendly manner. Spen-pot-Lining waste from the Aluminium Pot Lines is processed to recover cryolite and carbon for reuse. Sludge from the effluent treatment plant is processed to make soil conditioner for the plantation. Sludge from sewage treatment plant is utilized as manure in the company's horticulture activities. Renukoot and Renusagar power plants have a facility for dry ash collection in all our Boilers. The entire fly ash generated in Renukoot and Renusagar is sold to cement plants; while dumped ash is used for making fly ash bricks used for in-house construction activities. The Renukoot plant has a process ready to recover alumina from the dross. This is waste generated during handling of molten metal.

The Dahej copper plant uses discard slag from its copper smelter for road building, as well as an alternative to river sand in sand-blasting, construction activities etc. Waste phosphogypsum from the phosphoric acid plant is sold to cement plants or used for soil conditioning, thus saving the mined natural gypsum. The Copper plant has started recovering valuable minor metals such as bismuth, selenium, tellurium from process sludge. Technology for recovering copper from effluent to create significant value is being developed.

The Taloja plant is developing a technology for cost effective recovery of oil vapours, otherwise lost from the rolling mill stacks.

Disposal of the bauxite residue after recovery of alumina, in red mud ponds, is an established practice in aluminium industry worldwide. In the Muri alumina facility, the red mud disposal area has become a constraint, bringing up the need for a new red mud pond. The Muri Plant has successfully completed a study on utilization of Red Mud in Cement Industries. Based on the study, 14,430 MT of Red Mud was sent to a large local cement producer for use in their process as raw material.

For management of hazardous waste, Hirakud has constructed and put in use 5,600 M3 capacity of Secured Land Fill (SLF) for Scientific disposal of hazardous waste generated in the processes such as sludge from effluent treatment plant, fluoride contaminated dust, ladle cleaning residues, used bag filters from fume treatment plant, fluoride laden dust from pot cleaning, Shot blasting dust / resins / fullers earth etc. The Hirakud unit has also entered into an agreement with a government recognized waste disposal facility in Sukinda, Jajpur, Odisha, for Waste Management and safe disposal of Hazardous waste, as per the prevailing regulations.

The Mouda Plant has installed a Vacuum Distillation Unit for capture, reprocessing and reuse of spent rolling Oil recovering value as well as protecting the environment in the process.

Mining:

In the various bauxite mines of your company, any dust generated during mining is suppressed by sprinkling of water on haul roads. Rain water is harvested specifically for use in dust suppression, so that the ground water in mine area is saved. Garland drains are provided around the mining pits to prevent the rainwater entering into our mine pits. Check Dams are constructed to recharge water and to improve the water table in the region.

Your company has an established practice of reclaiming the mined-out land systematically by laying topsoil to conserve the land in its original state. The reclaimed land is used for afforestation as well as for agricultural purpose. The total number of trees planted in Samri Mines during the year 2012-13 are 18,200 and in Lohardaga, 50,000 saplings have been planted during last 3 years through TERI (The Energy and Resource Institute, New Delhi). Most of the saplings planted are of medicinal varieties.

Green Belt Development

In all units of Hindalco, one has to look for the manufacturing plant within a large number of green plants.

In Mahan site, 500 hectares of land has been assigned for green belt development and over 15,000 plants of local variety have been planted.

Dahej has a fully developed green belt spanning 117 hectares, with over 3 lakh plants with a remarkable survival rate of over 85%.

In Muri, tree plantation has been done in 4 new areas in and around the plant premises. The total number of saplings planted in these areas is approximately 9,800.

The Hirakud Plant has planted 25,800 saplings in Smelter in SLF area, Road side, School area, and in ash mound area. In addition, 15,700 saplings have been planted in Talabira Coal Mines area.

With the focus provided by the Chairman and Board of Directors of your Company, Hindalco endeavours to become one of the leading global company for sustainable business practices in the world of non-ferrous metals, across its global operations, balancing its economic growth with environmental and societal interests.

> ***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 as CSR Committee at the Board level with – Mrs. Rajashree Birla, Chairperson, Mr. Askaran Agarwala, Director, Mr. N. Jhaveri, 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 660 villages and 10 urban slums in proximity to your Company's 21 Units spread across 11 states in India. We reach out to a rural populace of 32 lakh. Through our focused endeavours in healthcare, education, sustainable livelihood, infrastructure support and social causes, we work towards alleviating poverty.

Healthcare

Through our 2,382 medical camps and healthcare awareness and various projects, we reached out to 3,30,000 villagers in the deep interiors. Those diagnosed with serious ailments were referred to our hospitals for treatment.

At the eye camps organised by us, over 5,000 people were examined. Of these, 2,876 patients were operated for cataract and provided with intraocular lenses for better sight.

Over 76,398 villagers participated in the speciality medical camps organized across the company's plants for tuberculosis, malaria, hepatitis, dental checkups and other health problems. In addition, Aids awareness programmes were organised across all the Units wherein 7,573 adults participated.

More than 2,51,000 villagers enlisted for general health checkups and treatment at Hindalco's hospitals.

Mother and Child Health Care

In collaboration with the district health department, 487,465 children were immunized against polio.

Additionally 12,820 women took advantage of the anti-natal, post natal, mass immunization, nutrition programmes and escort services for institutional delivery. These form part of our Reproductive and Child Health Care programmes.

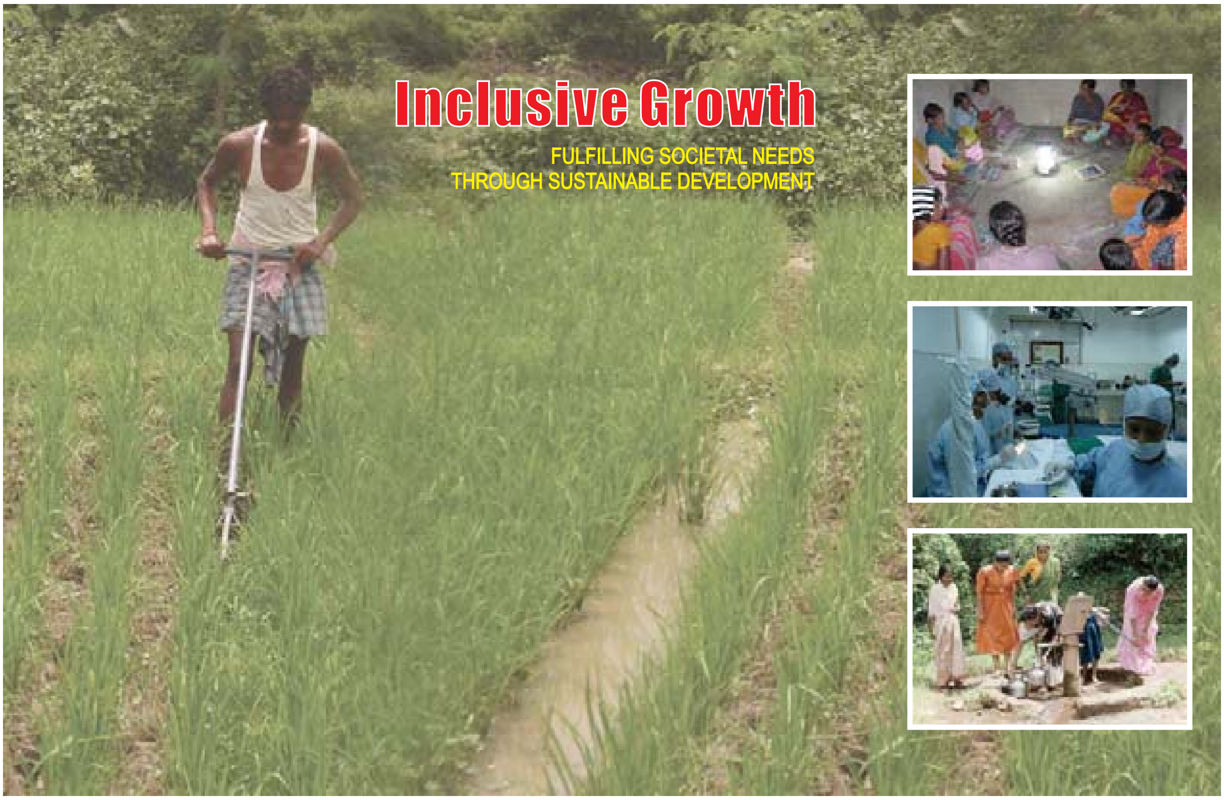
Awareness programmes relating to reproductive issues were attended by 6279 ladies. Under the National family welfare programme, we organised 25 family planning camps in co-ordination with the local government.

Education

Working closely with the district authorities, we foster the education of the girl child. Under the Sarva Shiksha Abhiyan and the Rashtrya Madhyamik Shiksha Abhiyan's - Kasturba Gandhi Balika Vidyalayas (KGBV), we have been able to enlist 120 rural girls, who had earlier abandoned studies, to rejoin the learning stream. We have successfully enrolled them at the KGBVs. We run four Aditya Bal Vidya Mandir Schools in the villages in Uttar Pradesh. We have 1,000 students studying at these schools.

Our career counselling programmes saw the active participation of 7,849 students. Subsequently, many of them joined the ITIs, while some of them opted for vocational training at our various units.

The Government's Balwadi and Anganwadi projects at various places are running successfully. At the balwadis that we support, 14,000 preschoolers have taken their first steps towards informal learning



processes. At our local schools, most of which are attached to our plants, more than 22,500 students are provided with quality education.

Merit scholarships have been accorded to 11,000 students, studying at the village schools, supported by us.

We support the delivery of the midday meals programmes in schools at Dahej and Hirakud.

Our adult literacy programmes have benefitted 1,400 learners.

Safe Drinking Water and Sanitation

Construction of check dams, ponds, digging bore wells and setting up portable water systems continue. Over a 100 low cost toilets were constructed. This year, these projects have made a qualitative difference to 39,135 families engaged in agriculture.

Sustainable Livelihood

At the Aditya Birla Rural Technology Park, more than 360 programmes were organised. The thrust continued on the repair and maintenance of diesel pump sets, repair of electric and electronic goods, hand pumps, making of rexine bags, soft toys, ropes, tailoring and knitting, ways to enhance agricultural output, veterinary science and dairy products.

Through our Sustainable Livelihood projects, the skill sets of 7,793 rural youths have been honed. This has enabled them stand on their feet.

On the agricultural front, we have reached out to 47,478 farmers, helping them to earn better. Training in crop diversification, floriculture, integrated pest management and post harvest technology has been a value addition to their skills.

Over 42 Farmers from the Silli Block of Ranchi district of Jharkhand were taken for an exposure visit to Namkum Lakh Research Centre, Ranchi to understand the process of making items from lac.

To ensure cost optimization through economies of scale in the procurement of inputs, to realise better margin through collective marketing of agricultural produces, to avail all the facilities and services under different schemes and to enrich knowledge by exchanging ideas and information. We promoted 11 farmer clubs in 11 peripheral villages in Odisha. These clubs have been promoted in line with NABARD guidelines, involving the agriculture, horticulture, veterinary departments along with financial institutions. It is proposed to federate the members of these clubs to a producer's company.

Under the social forestry programme and with the help of the forest department we ensured the distribution of seedlings and saplings to 100,000 farmers.

Self Help Groups and Income Generation

Across Hindalco over 2,200 Self Help Groups empowered 26,000 households economically and socially. Most of the SHGs have been linked with the economic schemes of NABARD and the District Industries Centre. At the various centres, women engaged in a series of activities like tailoring, weaving, knitting crafting, bamboo baskets, san sutli (rope) vermin compost, rearing saplings, mushroom cultivation, making pickles and spices, vegetable cultivation and fruit vending, grocery shops etc that generate income for them.

To enhance livelihoods of families of our project peripheral villages, we have initiated commercial broiler poultry farming involving 14 farmers of 5 villages in Odisha. These farmers have formed an association "**Maa Manikswari Kukuda Palan Sangha**", for facilitating backward and forward linkages. It has also established one retail outlet for maximizing profit.

Infrastructure Development

Our activities are varied. We have helped to build better roads, set up potable water systems, bio gas plants, community centres, animal sheds, street lights and electricity along with low cost housing etc. We have reached out to 3,88,432 people. At some of the locations, we support the local population in maintaining their panchayat meeting halls, community halls and school buildings.

More than 400 families in UP gained with our having assisted them replace the traditional "choolas" (stoves) with smokeless "smart stoves".

Espousing Social Causes

In partnership with the Govt. district authorities, village panchayats, other like minded NGOs and the community, we organised dowry less widow remarriage programme at Renukoot. Over 156 widows became wives once again.

Our Investments

For the year 2012-13, our CSR spend was ₹ 29.79 crore – which is 1.48% of the average net profit for the last 3 years. In addition, we mobilised ₹ 65.40 crores through the 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.

A SNAPSHOT OF YOUR COMPANY'S WORK

Company's CSR activities extend to 660 villages and 10 urban slums, in proximity to its plants, across the country.

Dear Shareholders,

Your Directors are pleased to present the 54th Annual Report along with the audited annual standalone and consolidated accounts of your Company for the year ended 31st March, 2013.

1. Financial Performance

The FY 13 was one of the toughest years for non-ferrous metal industry. Globally Aluminum prices continued to remain depressed, plagued with overcapacity, inventory overhang to add to the weak sentiments for the commodities.

In the Indian context, slowdown in manufacturing sector and power sector impacted demand in a low pricing (LME) scenario, the cost continued to remain high, primarily driven by high crude prices. While the prices of crude and its derivatives continued to remain globally high, depreciating rupee resulted in an additional burden. The coal prices continued to increase in India, even as the Global coal prices cooled off.

Financial Performance Summary (₹ Crore)

Particulars	Standalone		Consolidated	
	Year Ended 31/03/2013	Year Ended 31/03/2012	Year Ended 31/03/2013	Year Ended 31/03/2012
Revenue from Operations	**26,057**	**26,597**	**80,193**	**80,821**
EBITDA	**2,204**	**3,105**	**7,837**	**8,184**
Other income	983	616	1,012	783
Profit Before Interest, Tax, Depreciation and Amortisation	**3,187**	**3,721**	**8,849**	**8,967**
Depreciation	704	690	2,861	2,864
Finance Costs	436	294	2,079	1,758
Profit Before Tax	**2,047**	**2,737**	**3,909**	**4,345**
Tax Expenses	348	500	886	786
Net Profit Before Minority Interest and Share in Associates	**1,699**	**2,237**	**3,023**	**3,559**
Share in Profit/(Loss) of Associates (Net)			**(16)**	**50**
Minority Interest			**(20)**	**211**
Net Profit for the Period	**1,699**	**2,237**	**3,027**	**3,397**
Basic EPS	8.88	11.69	15.81	17.74

2. Standalone Results

The Standalone revenue for the year is flat at ₹ 26,057 crore as in FY 12. Profit before interest and depreciation was ₹ 3,187 crore vs. ₹ 3,721 crore in FY 12. This was achieved despite a significantly lower LME and a constant escalation of input costs, largely mitigated by improved efficiencies and higher other income.

Net profit for the year stood at ₹ 1,699 crore vs. ₹ 2,237 crore in FY 12.

The Financial Year 2013 was marked by consistently low Aluminium LME and constantly increasing costs. As a result, Aluminium companies across the globe suffered during this year. However, Hindalco was able to mitigate impact of the above factors by improved efficiencies and higher volumes. Consequently, the Company's results in this business segment stand out on almost every parameter in the peer group – both domestic and international.

3. Consolidated Results

Despite a sluggish market and headwinds in all businesses of the Company, the

Consolidated Revenue as well as Profit before Depreciation, Interest and Tax for the year at ₹ 80,193 and ₹ 8,849 crore, respectively, compare well with last year's corresponding figures. With regard to segment results, Aluminium Segment has done particularly well by maintaining its EBIT at ₹ 4,388 crore on consolidated basis.

Net profit attributable to the shareholders stood at ₹ 3,027 crore.

4. Dividend

For the year ended 31st March, 2013, the Board of Directors of the Company have recommended dividend of ₹ 1.40 per share (Previous year ₹ 1.55 per share) to equity shareholders aggregating to ₹ 313.60 crore (Previous year ₹ 344.89 crore) including Dividend Distribution Tax of ₹ 45.56 crore for the year ended 31st March, 2013.

5. Appropriations:

Allocation and Appropriations of surplus in the statement of Profit and Loss account in FY13 are as under:

Summary of appropriation of Profit and Loss Account	FY 13	FY 12
Balance as at the beginning of the year	400.00	350.00
Add: Profit for the year	1,699.20	2,237.20
Less: Transferred to Debenture Redemption Reserve	(150.00)	-
Less: Dividend on Equity Shares - (a)	(268.05)	(296.76)
Less: Dividend Distribution Tax - (a) & (b)	(31.67)	(38.41)
Less: Transferred to General Reserve	(899.48)	(1,852.03)
Balance as at the end of the year	**750.00**	**400.00**

(a) Dividend on Equity Shares and Tax on Dividend include ₹ 0.01 crore (Previous year ₹ 0.01 crore) pertaining to previous year for Equity shares issued before the record date of dividend.

(b) Tax on Dividend is net of ₹ 13.89 crore (Previous year ₹ 9.73 crore) being dividend distribution tax paid by a subsidiary.

6. Growth Plans underway in Aluminium

Your Company is pursuing various brownfield and greenfield growth oppurtunities in Aluminium as described below:

Projects – in India

Location	Description of Expansion	Estimated Capacity (at full capacity)	Actual or estimated Commission Date/ Progress Update
Hirakud, Odisha	Smelter Expansion	52 Kt	Under Commissioning
	Captive Power Plant Expansion	100 MW	
	Rolling Plant	135 Kt	Partially Commissioned
Rayagada, Odisha (Utkal Alumina)	Alumina Refinery	1500 Kt	Under Commissioning
	Captive Power Plant	90 MW	
Bargawan, Madhya Pradesh (Mahan Aluminium)	Aluminium Smelter	360 Kt	First Metal Tapped, commissioning being undertaken in phased manner
	Captive Power Plant	900 MW	
Lapanga, Odisha (Aditya Aluminium)	Aluminium Smelter	360 Kt	2013
	Captive Power Plant	900 MW	

All these ongoing projects of the Company with a cumulative investment of around ₹ 28,000 crores have either been commissioned or are in advanced stages of commissioning/implementation.

Project - Overseas

Location	Description of Expansion	Estimated Capacity (at full capacity)	Actual or Estimated Commission Date/ Progress Update
North America			
Oswego, NY	Automotive Sheet Finishing Plant	200 Kt	Mid CY 2013
Europe			
Nachterstedit, Germany	Recycling Expansion	250 Kt	Mid CY 2014
Asia			
Ulsan and Yeoungiu, South Korea	Rolling Expansion	350 Kt	Mid CY 2013
Yeoungiu, South Korea	Recycling Expansion	265 Kt	October 12
Changzhou, China	Automotive Sheet Finishing Plant	120 Kt	End CY 2014
South America			
Pinda Brazil	Rolling Expansion	220 Kt	December 12
Pinda, Brazil	Can coating line	100 Kt	End CY 2013
Pinda, Brazil	Recycling expansion	190 Kt	End CY 2013

7. Finance

Financial closure of Aditya Smelter was achieved of ₹ 9,896 crore. The tenure of the loan has been kept at 12.50 years to allow the project to have enough operational cash surplus for servicing the loan. The Company received an overwhelming response from the lenders despite a tight credit market.

Debenture Issue: To further augment financial resources, the Company has issued 10-year 9.55 per cent and 9.60 per cent secured redeemable non-convertible debentures for a total amount of ₹ 4,500 crore and ₹ 1,500 crore respectively on private placement basis. These debentures are listed on the wholesale debt market segment of National Stock Exchange (NSE).

Repayment of Term Loan: During the year, your Company also repaid the loan taken earlier of ₹ 5,143 crore.

8. Consolidated Financial Statements

In accordance with Accounting Standards AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

9. Management Discussion and Analysis Report

The Management Discussion and Analysis Report forming part of Directors' Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s), forms part of the Annual Report. The report provides a strategic direction and a more detailed analysis on the performance of individual businesses and their outlook.

10. Corporate Governance

Your Directors reaffirm their commitment to the corporate governance standards as prescribed by the Listing Agreement with the Stock Exchange(s). A separate section on Corporate Governance together with a certificate from the Auditors of the Company regarding full compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

11. Directors' Responsibility Statement

Your Directors affirm that the audited accounts containing financial statements for the financial year 2012-13 are in full conformity with the requirements of the Companies Act, 1956. They believe that the financial statements reflect fairly, the form and substance of transactions carried out during the year, and reasonably present the Company's financial condition and results of operations. These statements were audited by the statutory auditors of the Company, M/s. Singhi & Co., Chartered Accountants.

Your Directors further 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, if any;

(ii) the accounting policies have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;

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

(iv) the annual accounts have been prepared on a going-concern basis.

Your Company's internal Auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures have been followed.

12. Novelis Inc. (wholly owned subsidiary)

The performance of Novelis was negatively impacted by pricing pressures from competitors, supply chain disruptions due to the implementation of a new ERP system in two North American plants, as well as production challenges and softer demand.

Shipments of flat rolled products are marginally lower at 2,786 Kt for the year ended 31st March, 2013, compared to 2,838 Kt in the prior year. Net sales was 11% lower, primarily driven by a 15% decline in average aluminium prices and a fall in flat rolled product volumes by 2%.

13. Aditya Birla Minerals Limited (51 per cent subsidiary)

The Company's copper production extended by 16% mainly on account of restart of Mt Gordon mine. Sales volume is up by 14% compared to the previous year. The revenue in value terms was sustained. Profitability was adversely affected given lower realisation of copper compared to the previous year and higher average unit cost of production, because of higher volume from Mt Gordon operations at higher cost.

At Nifty, the ore mined was 2.27 million tonnes up by 8% over the previous year. At Mt Gordon, the ore mined was 1.10 million tonnes representing a step up of 59% over the previous year.

Mt Gordon mines operations is currently placed under care and maintenance.

14. Employee Stock Options Scheme

ESOS-2006

The shareholders of the Company has approved an Employee Stock Options Scheme ("ESOS-2006"), formulated by the Company, under which the Company may issue 6,475,000 options to its permanent employees in the management cadre, in one or more tranches, whether working in India or out of India, including the Whole-Time Directors of the Company. Each option when exercised would be converted into one fully paid-up equity share of ₹ 1/- each of the Company. The ESOS-2006 is administered by the Compensation Committee of the Board of Directors of the Company ("the Committee"). Under the ESOS 2006, the Committee has granted 3,545,550 options to its eligible employees in three tranches. Disclosure pursuant to the provisions of the Securities and Exchange Board of India (Employee Stock Options Scheme) Guidelines, 1999, is given in Annexure–A.

ESOS–2013

At a meeting held on 28th May, 2013, the Board of Directors approved the formulation of a new Employee Stock Options Scheme, viz., "Hindalco Industries Limited Employee Stock Options Scheme–2013" (ESOS–2013) in terms of the SEBI Guidelines. The Board mandated the existing ESOS Compensation Committee to implement and administer the ESOS-2013.

Resolutions seeking your approval for introduction and implementation of ESOS-2013 and granting such number of Stock Options exercisable into not more than 54,62,000 equity shares of ₹ 1/- each to the permanent employees, including any Managing or Whole-time Director(s) of your Company and its holding and/or subsidiary companies are included in the Notice convening the Annual General Meeting together with the Explanatory Statement.

15. 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 B).

In accordance with the provisions of Sections 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 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.

16. Fixed Deposits

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

17. Directors

In accordance with Article 146 of the Articles of Association of the Company, Mr. Kumar Mangalam Birla, Mr. Askaran Agarwala retire from office by rotation and, being eligible, offer themselves for reappointment.

Mr. Jagdish Khattar was appointed as a Director in casual vacancy caused due to demise of Mr. E.B. Desai and holds office upto the forthcoming Annual General Meeting, and is eligible for reappointment.

The term of appointment of Mr. D. Bhattacharya as Managing Director is expiring on 30th September, 2013. The Board has reappointed him as Managing Director for the further period of five years w.e.f 30th September, 2013. The approval of the members in the ensuing Annual General Meeting would be sought for his reappointment.

During the year, Mr. Satish Pai was appointed as an Additional Director under Section 260 of the Companies Act, 1956, and as a Whole-time Director for a period of five years. The approval of the members in the ensuing Annual General Meeting would be sought for his appointment, subject to approval of Central Government.

18. Awards and Recognitions

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

- Renukoot Complex wins Greentech Safety Gold Award-2012 in the Mining & Metals category, for exemplary efforts towards Occupational Health and Safety, presented by Greentech Foundation, New Delhi.
- Renukoot Complex wins the Safety Innovation Award-2012, for implementing innovative safety management systems, presented by the The Institute of Engineers (India).
- Renukoot Complex wins the Greentech CSR Gold Award-2012, presented by Greentech Foundation, New Delhi. The award recognises the noteworthy efforts towards "Land and Watershed Management" carried out in various villages surrounding Renukoot, Renusagar and Mines Division - Jharkhand & Chattisgarh.

- Renukoot Complex wins the Greentech Environment Excellence Gold Award-2012 under the category of Mining & Metal Sector for its outstanding efforts towards Environment Management by Greentech Foundation, New Delhi.
- Renukoot Complex is conferred the Golden Peacock National Quality Award-2012, in the Mining & Metals sector, presented by the Institute of Directors, for its efforts towards "Quality", meeting international parameters.
- Renukoot Complex wins Greentech Platinum Award for Best HR Practices 2012-13, in the Best Strategy category, presented by Greentech Foundation, New Delhi.
- Renusagar Power Plant wins the Greentech Environment Excellence Gold Award-2012, for the fifth consecutive year, for its outstanding contribution towards Environment Management System, presented by Greentech Foundation, New Delhi.
- Renusagar Power Plant wins Greentech Safety Gold Award-2012, in the power Plant category, for exemplary efforts in Occupational Health and Safety, presented by Greentech Foundation, New Delhi.
- Renusagar Power Division wins the Safety Innovation Award-2012, in the Power Sector category, for outstanding achievement in safety management, presented by Institute of Directors.
- Renusagar was awarded the Greentech Training Excellence Gold Award-2012 and 3rd Annual Greentech HR Award-2013 for Training Excellence, by Greentech Foundation, Delhi.
- Dahej Harbour & Infrastructure Ltd. (DHIL), wins the Gujarat Star Award (Runners Up) 2011-12, as the "Dry Bulk/ Break Bulk Handling Port of the Year", for its impressive performance and improvements in the areas of vessel turnaround time in port, increased productivity and accident-free operations.
- Dahej Copper Complex wins the Greentech Gold Environment Award-2012, for its outstanding achievement in Environment Management.
- Muri Alumina Plant wins the Greentech Gold Environment Award-2012, presented by Greentech Foundation, New Delhi.
- Hirakud Power Plant wins CII Odisha Award-2012 (2nd Runners Up), for Best Practices in Environment, Safety and Health.
- Taloja Rolling Plant wins the overall title for "Maharashtra Safety Awards-2011", competition organised by the National Safety Council - Maharashtra Chapter, in the Heavy Engineering category for its commendable safety performance, Scheme-I, Lowest Average Accident Frequency Rate.
- The Quality Circles from Renukoot earned Six Gold Medals and one Silver Medal at the Kanpur Chapter Convention.
- The Quality Circles of Renusagar earned "Par Excellence" awards at the national convention of Quality Circle Forum of India.
- Quality Circle of Birla Copper Dahej won the Bronze medal at Gujarat State Level Quality Circle Competition-2012, organised by Quality Circle Forum of India.
- Hirakud Quality Circle won the Best Analysis & Process Award at the 17th All Odisha Quality Circle Convention.
- Hirakud members earned the Certificate of Appreciation at the 12th CII National Supervisory Skill Competition in Repair & Maintenance Category.

Jharkhand & Chhattisgarh Mines Division

- National Safety Awards for 2009-10 and 2010-11 presented to Samri Mines Division during 2012.
- Overall Best in Mines Safety Week-2012 and "Minerals Exploration & Minerals Conservation Week-2012 Award" to Bagru Hill Bauxite Mines during 2012-13, for Ranchi region.
- Mr. D Bhattacharya, Managing Director, received the "Fray International Sustainability Award" for leadership in developing & applying new innovative business plans & operations for sustainability development of the Company in the environmental economic & social point of view.

19. Environment Protection and Pollution Control

Your Company is committed to sustainable development. A separate chapter in this report deals at length with your Company's initiatives and commitment to environment conservation.

20. Auditors

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

M/s. Singhi & Company, Chartered Accountants and Auditors of the Company, retire, and being eligible, offer themselves for appointment.

Cost Auditors

For the Financial Year 2012-13 M/s R. Nanabhoy & Co. and M/s Mani & Co. were joint cost auditors of the Company. For timely completion of Company level audit as per the new cost audit rules and to avoid coordination and logistical issues, your directors have appointed a single cost auditor, M/s. R. Nanabhoy & Co.

In pursuance to Section 233 B (2) of the Companies Act, 1956, read with Ministry of Corporate Affairs, Cost Audit Branch Order dated 6th November 2012, your directors have appointed M/s. R. Nanabhoy & Co, cost accountants as Cost Auditors, subject to approval of the Central Government, to conduct cost audit of the Company, for the financial year 2013-14, pertaining to products or activities related to Aluminium and Aluminium Products, Inorganic Chemical and their Derivatives, Mineral Products, Miscellaneous Chemical Products, Copper and Copper Products, Pearl, Diamonds, Stones and Jewellery Articles, Mineral / Chemical Fertilizers - Others, and any other products as are covered under the subject Order of Ministry of Corporate Affairs.

The due date for filing Cost Audit Reports for the Financial Year 2011-12 was February 28, 2013 and the same was filed by the Cost Auditors on January 20, 2013.

21. General Exemption under Section 212(8) of the Companies Act, 1956

The Ministry of Corporate Affairs, Government of India vide its Circular No.5/12/2007-CL-III dated 8th February , 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, profit and loss account and other documents of the subsidiary companies to the balance sheet of the Company provided certain conditions are fulfilled. The Company has satisfied the conditions stipulated in the Circular and hence is entitled to the exemption. However annual accounts of the subsidiary companies and the related detailed information will be made available to the holding and subsidiary companies investor's seeking such information at any point of time. The annual accounts of the subsidiary companies are available for inspection by any shareholder's at the Registered office of the Company. The annual accounts of the subsidiary companies are also available for inspection at their respective registered office. Further, in line with the Listing Agreement and in accordance with the Accounting Standard 21 (AS-21), the Consolidated Financial Statements prepared by the Company include financial information of its subsidiaries.

22. Appreciation

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

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

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

For and on behalf of the Board

Mumbai
Dated 13th August, 2013

Chairman

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

	Nature of Disclosure	Particulars
a)	Options Granted	3,545,550
b)	The pricing Formula	Tranche-I The exercise price was determined by averaging the daily closing price of the Company's equity shares during the 7 days immediately preceding the date of grant and discounting it by 30%. (Exercise price - ₹ 98.30 Per option) Tranche-II The exercise price was the closing market price, prior to the date of grant. (Exercise prce - ₹ 150.10 Per option) Tranche-III The exercise price was determined by averaging the daily closing price of the Company's equity shares during the 7 days immediately preceding the date of grant and discounting it by 30%. (Exercise price - ₹ 118.35 Per option)
c)	Options vested/exercisable as at March 31, 2013	1,785,257
d)	Options Exercised during the year	40,760
e)	The total number of shares arising as a result of exercise of options	40,760
f)	Options Lapsed/Cancelled	86,360
g)	Variation in terms of options	Nil
h)	Money realised on exercise of options	(₹ Crore) 0.40
i)	Total number of options in force	1,984,453
j)	Employee-wise details of options granted:	
	i) Senior Managerial Personnel:	Mr. D Bhattacharya - 970,100
	ii) Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during that year	Nil
	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
k)	Diluted Earnings per Share	NA
l)	Difference between the employee compensation cost computed using 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.	₹ 0.23 crore

DIRECTORS' REPORT

	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	
			₹ Crores
		Particulars	**2012-13**
		Net Profit as Reported	1,699.20
		Less: Dividend on Preference Shares (including Tax)	0.00
		Net Profit attributable to Equity Shareholders	1,699.20
		Add: Compensation Cost under ESOS as per intrinsic value included in the Net Profit	0.27
		Less: Compensation Cost under ESOS as per fair value	-0.50
		Proforma Net Profit	1,698.97
		Weighted-average number of Basic Equity Shares Outstanding	1,914,567,153
		Weighted-average number of Diluted Equity Shares Outstanding	1,914,662,748
		Face Value of Equity Shares (in ₹)	1
		Reported Earning per Share (EPS):	
		Basic EPS (in ₹)	8.88
		Diluted EPS (in ₹)	8.87
		Proforma Earning per Share (EPS):	
		Basic EPS (in ₹)	8.87
		Diluted EPS (in ₹)	8.87
m)	i) Weighted-average exercise prices and weighted-average fair values of options whose exercise price equals the market price of the stock	Options granted under Tranche-II Exercise price (₹) 150.10 Fair value (₹) 57.11	
	ii) Weighted-average exercise prices and weighted-average fair values of options whose exercise price is less than the market price of the stock	**Options granted under Tranche-I** Exercise price (₹) 98.30 Fair value (₹) 65.78	**Options granted under Tranche-III** Exercise price (₹) 118.35 Fair value (₹) 102.96
	iii) Weighted-average exercise prices and weighted-average fair values of options whose exercise price exceeds the market price of the stock		
n)	A description of method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:		
	i) Risk-free Interest rate (%)	8	
	ii) Expected Life (No. of Years)	5	
	iii) Expected Volataility (%)	Tranche-I 34% Tranche-II 37% Tranche-II 53%	
	iv) Dividend Yield (%)	Tranche-I & II ₹ 170	Tranche-III ₹ 135
	v) The price of the underlying shares in the market at the time of options grant	Tranche-I ₹ 138.95 Tranche-II ₹ 150.10 Tranche-II ₹ 173.65	

ANNEXURE 'B' TO THE DIRECTORS' REPORT

[Statement of particulars under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988]

A. CONSERVATION OF ENERGY

"**Last Man Standing; First Man Forward**" the mantra given by your Chairman, if deciphered, highlights the importance of Energy and its efficient usage in your Industry. Energy conservation and sustainable foot-print is intrinsic to your company's working. Energy conservation and its efficient usage presents itself as an opportunity to mitigate the high cost pressure in today's scenario. Your company is focused more aggressively than ever before, to set benchmark standards in utilization of energy, use of renewable and alternate forms of energy. Its definitive Energy policy along with robust Energy Management Organization structure, gives guideline to channelize efforts towards improving energy efficiency. Each Unit with its trained professionals follows a Bottom Up and Top Down approach to mobilize and implement energy saving measures. Walk-Through and detailed Energy Audits, Quality Circles, WCM Committees, Energy Conservation Month, Suggestion Scheme are some among many efforts at Plant level towards energy efficiency. Through Suggestion Scheme employees are encouraged, recognized and suitably rewarded to come up with energy savings ideas. All these measures ensure increased participation across the hierarchy.

Each Unit of your Company has dedicated Energy Cells with Energy Manager / Energy Auditor Certified by "**Bureau of Energy Efficiency"**. This workforce is responsible for planning energy conservation initiatives, track latest technological developments in the field of energy conservation and explore Renewable and Eco-friendly Green sources of energy. They review and recommend suggestions for implementing such initiatives with the objective of increasing Energy productivity and reducing the impact on environment. Renukoot Unit of your company has taken the first step to verify its Base-Line GHG emission by getting the "**ISO-14064-1:2006 GHG Verification Statement**".

The Bureau of Energy Efficiency (BEE) under the aegis of Ministry of Power, Government of India has also notified **PAT** (Perform Achieve and Trade) reduction targets as regards SEC for all Units of Hindalco. Under this scheme companies achieving SEC lower than the set target would be eligible for tradable e-Certificates where as those unable to achieve would have to buy Certificates or incur penalties. To get e-Certificates and thereby move closer to our goal of attaining high Energy efficiency standards, the Company has put dedicated team to monitor and implement measures.

a. ENERGY CONSERVATION MEASURES TAKEN

GENERAL MEASURES

i. Interlocking of Cooling Tower fan motor through temperature switch.

ii. Installation of capacitor banks to improve power factor.

iii. Installation of small PLC logo to optimize AC temp and running time.

iv. Replacement of convectional light/ballast by CFL, LED/electronic ballast.

v. Modification in lighting circuit, installation of occupancy sensor in toilets, department canteens for ON/OFF control of lights.

vi. Installation of transparent sheet in roof to utilize the natural light.

vii. Rationalization of motor HP, pump impeller size and stages.

viii. Interlocking of auxiliary equipments with main equipment.

ix. Regular walkthrough audit of Steam and compressed air lines to arrest the losses.

x. Regular monitoring and benchmarking of Energy Intensive equipments.

xi. Energy audit from external agencies.

xii. Optimization of transformer load.

xiii. Replacement of electrically operated exhaust fans with roof wind-ventilators.

xiv. Replacement of Metallic Fan blades of Cooling Towers with FRP blades.

xv. Application of Corrosion resistant coating in pumps and blowers.

1. ALUMINA PLANTS:

i. Installation of Pregnant liquor flashing unit in precipitation area to reduce steam consumption.

ii. Power saving by conversion of idle lying slurry Geho (single-stage high pressure) pump into Liquor pump to stop running of 3-stage liquor pumping station in Digestion unit IV.

iii. Gravity overflow line provided from Desilication Tank#3 to #4 to stop intermediate underflow pumping.

iv. Motor rationalisation of Digestion unit I and III Blow-off Pump.

v. Phasing out inefficient fluid coupling system with VFDs in phased manner (9 Nos. Fluid coupling replaced with VFDs.)

vi. In Digestion unit III, waste heat from last flashing vessel arrested through providing an additional pipe line to heat sink in washer area.

vii. Piping and condensate management system modified in Digestion unit III for better heater upkeep and heat recovery.

viii. Cake-relay tank#2 piping modified to avoid running of agitator (Bypass line from Kelly press#2 to repulperP#3).

ix. Replacement of old inefficient pumps (16 numbers) with efficient pumps.

x. Increased Ball Mill loading to 110% from 97% resulting in reduced energy consumption.

xi. Energy Efficient Glass Flake Coating in the Water Supply 945 KW Intermediate pump at River pump House to reduce friction losses.

xii. Installation of dedicated Cooling Tower for special compressors.

xiii. Use of Mechanical Seals for liquor pumps in 13A evaporator section.

xiv. Fuel substitution from Furnace Oil to Natural Gas in Boilers and Kilns by replacing existing FO burners by dual fired efficient FO/NG Burners.

xv. Reduction of steam consumption in Misc. Header by providing isolation.

2. SMELTERS:

i. Compressed air consumption reduction by providing regulators in tapping air Line in line-9, 10 and 11.

ii. Reduced power consumption of alumina transfer system by replacing existing air slide fan with lower capacity fan.

iii. Smaller size impeller installed in pot line-6 DSS ID-Fan to reduce power consumption.

iv. Mechanical locking arrangement provided for centre punch holding in 400 pots to reduce compressed Air consumption.

v. Replacement of pneumatic jack hammer, grinder and drill machine by electrically operated machine for reduction of outside pot-activity air consumption.

vi. Installation of airlift tank in bath crushing area for alumina tanker unloading to reduce the compressed air consumption.

vii. Increase in anode length to optimise current density.

viii. Use of larger collector bar to reduce lining drop in new pots.

ix. Increase in anode ring bus size to reduce voltage drop.

x. Modification in furnace oil preheating system in Baking furnaces to reduce power consumption and better temperature control.

xi. Twin-Zebra conductor provided on 132 KV Renusagar-Hindalco transmission lines TL #5 and #6 to reduce transmission losses.

xii. 40 MVAR Capacitor Bank with harmonic filter banks installed at Rectifier for reduction in losses.

xiii. Conventional air conditioning system replaced with inverter-type split air conditioning system at the guesthouse to reduce energy consumption.

xiv. Modification of Metal transfer trolley from pneumatic drive to motorised drive.

xv. Use of centrifugal blower in place of compressed air in selected areas.

xvi. VFD provided in the auto crusher motor, Coldwell Pump-1 and 2 of Compressor Cooling Tower.

3. FABRICATION PLANTS:

i. Installation of Sky light at Soaking pits.

ii. Water used for Annealing Furnace#1and2 AC, Annealing Furnace#4 AC, BSL CTL line and Junker Furnace AC units were supplied from respective pumps. Now these pumps are removed and Cold water to the AC units is being supplied by connecting a pipe line in the water line of Cold well pumps. With this modification, 3 Cooling Tower fans for these units have also been removed.

iii. Increased in load/Charge in Furnace#5 from 16 MT to 24 MT by modification of Loading Car Rake in Circle Final-Annealing Furnace.

iv. Revamping of Annealing Furnace#1 to reduce heat losses in Plant 2.

v. Change in SOP of AA 3105 alloy (about 200 MT) from inter-annealing route to partial-annealing route at low temperature to reduce power consumption.

vi. Revised annealing practice in Annealing Furnace Plant#1 for AA3003, AA100 alloys from 430^{0}C metal temp. to 400^{0}C.

vii. Increased net load/charge in Annealing Furnace PL-1 from 25 MT to 29 MT (width widening) by modification in Charging Car Rake.

viii. Minimising of heat loss through chimney by optimising Damper opening practices in Plant-2 Annealing furnaces.

ix. Reduction in operating time from 3 shifts to 2 shifts of Cut-to-Length Line by modification and practice change.

x. Increase in number of slabs to 10 instead of 8 in Soaking Pit#7 by putting thinner spacer and utilizing the full height.

xi. Revamping of Soaking Pit#2 to reduce heat losses.

xii. Re-insulation of Batch Annealing Furnace No. 4 and replacement of old circulating–fan motor by energy efficient motor.

xiii. Replacement of Old Circulating Pump Motor at New Remelt Furnace by Energy Efficient Pump Motor.

xiv. Modification of Hydraulic Circuit system for operating Davy Cold mill with only two hydraulic pumps.

xv. Reduction in heat loss through Remelt furnace door by minimising door gap.

xvi. Fuel switching from Furnace Oil to LNG at Recycling, Remelt and TL burners.

xvii. Reduction in Furnace Oil Consumption at Caster through better process control and optimisation.

4. POWER PLANTS/CO-GENERATION UNITS:

i. Renovation and Modernisation (R&M) of Economiser by Installation of green Economiser in Spare Boiler and Boiler#1 for improving efficiency.

ii. Installed Electronic-Governing system in TG#4 and retrofitting of Electronic Governor in 5.6 MW Turbine to minimize plant parameters variation.

iii. Used self developed fuel additive for dozing inside the furnace to improve thermal efficiency in all Boilers by 1.00%

iv. Installed control valve in soot blowing steam drain line to control steam flow as per requirement of steam temperature.

v. Installed smaller size rotating elements in Cold Well Pumps of Unit Nos. 1, 8, 9 and 10 for about 120 days operation during winter season.

vi. Efficiency improvement of 9 Nos. Cold Well pumps by erosion resistant coating.

vii. Installed dry ash disposal system in place of wet system in Boiler#9.

viii. Modified the Boiler Feed Pump impeller of TG#9 and 10 along with mechanical seals.

ix. Replaced inefficient imported Boiler Feed Pump#5B with efficient indigenous pump.

x. Operation of 3 Units (TG#4, 5 and 6) with two CW Pump during winter.

xi. Modified PA duct opening in Spare Boiler Air Preheater.

xii. Reduced Boiler#9 ESP hopper temperature setting from 150^0 C to 120^0 C to minimise the operating duration of hopper heaters.

xiii. Installed industrial rain shed over crushed coal yard of CHP-III to avoid coal flow interruption during rainy season.

xiv. Upgradation of Motor capacity of Boiler#4 PA Fan at Co-Generation Unit to make system run on one Fan.

xv. Improvements through R&M to enhance the performance of Boiler#3 Rotary Air Preheater to reduce flue gas temperature at APH outlet by 22^0 C approx.

xvi. Replacement of complete Ball assembly of Cogen-2 CW pumps to optimise Aux. power consumption.

xvii. Installation of air canon in Boiler#3 and 4 coal bunker outlet to remove choking resulting saving in oil consumption.

xviii. Increase in evaporation ratio by operation of de-aerator at higher temp.

xix. Impeller trimming of four number water intake pumps.

xx. Pressure optimisation of compressed air system.

xxi. Installation of VFD in both PA Fans of Boiler#8

xxii. Installation of 5 Nos. of VFD in Cooling Tower Fans.

xxiii. Reducing Instrument air header pressure by 20% thereby reducing the number of air compressor in use.

xxiv. Belt conveyer and discharge chute modified resulting in stopping of idle running of coal handling plant.

xxv. Advanced Boiler process control implemented in Boiler#8 to improve efficiency.

5. FOILS DIVISION:

i. Reduction in Remelting furnace fuel consumption through reduction in door opening time with improved scrap charging method, tighter excess air control and maintaining optimum fuel oil temperature.

ii. Installation of VFD for Melting Furnace combustion and atomizing blowers to reduce fuel and power consumption.

iii. Replacement of old blower motor of melting furnace with energy efficient motor.

iv. Reduction in LT distribution losses through optimum voltage setting of 3 distribution transformers.

v. 40 Nos. of energy meters installed in foil mill, conversion plant and FRP plant for better energy monitoring.

6. COPPER DIVISION:

i. Variable Frequency Drive installed for PA FAN and ID FAN of Boiler-1.

b. ADDITIONAL INVESTMENT AND PROPOSALS BEING IMPLEMENTED

1. ALUMINA PLANTS:

i. To install Process Heater Shell side acid cleaning system for improving heat recovery.

ii. Installation of Pipe master at Mill-Pulp slurry heater for improved heater cleaning and in situ machining to enhance the reliability and maintainability of the heater.

iii. Replacement of the old over-aged heater tubes with new tubes and installation of other heater upkeep facility to reduce steam consumption.

iv. Introduction of new system of Precipitator tank cleaning by taking hot liquor in place of cold liquor to reduce steam consumption.

v. Piping modification to take out 1.1 bar excess steam from Digestion unit-IV for use in other heat sink.

vi. To Increase flashing stages in Digestion unit-II from 3 to 4 numbers for better heat recovery.

vii. To modify vibrating screen of Hammer Mill#3 for increasing throughput.

viii. To provide coating in vacuum water pumps to increase efficiency.

ix. IWR cooling tower pump motor rating to be optimise in view of change in evaporation circuit.

x. To install VFD and correct Drum filtrate and Washer#1 Over-flow tank Pump size.

xi. To replace Drum-area Cloth-wash pump with multistage pump.

xii. Relocate Additive-area Lime pump to 10% lime tank area in order to avoid intermittent pumping.

xiii. POP (pump off slurry pump) in precipitation area to be replaced with Washer#1 O/F pump.

xiv. To install VFD in ISC (inter stage cooling) slurry discharge pump (E).

xv. To convert Ball Mill #2 and 3 from discharge-type to overflow-type to reduce specific power consumption.

xvi. To take Ball Mill#2 and 3 discharge slurry on the DSM screen on SH Tank#4 to reduce pumping of Reject pump.

xvii. To stop refrigeration unit of vanadium Plant by employing a new concept of spray cooling and taking advantage of ambient temperature during winters.

xviii. Using VAM refrigeration unit in place of conventional air conditioning unit in central office.

xix. Modification in precipitator air nozzles to reduce compressed air consumption.

xx. Replacement of 250 HP motor for #45A alumina plant Compressor with EE motor.

xxi. 75 HP VFD panel with VFDs installed for 45A Cooling Tower cold well pumps.

xxii. Waste Heat recovery of SGAC (special grade alumina calcinations) through introduction of Hydrate drying system.

xxiii. Upgradation of Liquor Decanter.

2. SMELTERS:

i. To install Air-washer for centrifugal compressor to reduce specific power.

ii. Redesigning of bag house of line-1 and 6 DSS to reduce pressure drop.

iii. Mechanical locking arrangement for centre punch holding in next 626 pots.

iv. Vacuum cruces nozzle modification for reducing compressed air consumption.

v. Replacement of two running ID fans of DSS line-4 pilot plant with bigger size fan.

vi. Installation of new design filter bag in pot line-4 pilot plant for reducing the pressure drop.

vii. Installation of smaller size impeller of ID Fan in DSS Potline-5.

viii. Installation of single ID fan in place of 2 ID fans in DSS line-1.

ix. Direct conveying of alumina from conveyor to DSS primary silo in line-8.

x. Replacement of old Vibrating screen with efficient screen in pot line-8.

xi. Trial of new design Pot to run pot at higher amperage.

xii. Horizontal replication of Project Gemini in four pot lines.

xiii. Installation of state-of-the-art Cathode block pre-heater to reduce resistance by eliminating uneven heating before putting into new pots.

xiv. Installation of 300 KW Solar Power Plant and Solar area-lights for utilisation of renewable energy sources.

xv. Installation of power factor correction equipment to improve power factor at compressor feeders.

xvi. Replacement of old 60 MVA regulating transformer of PL#2 with new 75 MVA transformer to minimise loss in transformer.

xvii. Reduction in voltage drop in DC bus bar joints of Rectifier units by use of ECOCONTACT technique.

xviii. Reduction in transmission loss by conductor replacement on transmission line#3 and 4 from GOAT to AL59.

xix. Pot voltage reduction through multiple actions like Yoke, Clamp control.

xx. Reducing Anode Effect frequency and duration through EPC software logic tuning.

xxi. On line Pot shut and startup system in all Pot lines.

xxii. Replacement of Line#2 and 3 Rectifier with efficient rectifier.

xxiii. Arresting air ingress in pots and reduce power consumption of FTP ID fans.

xxiv. Optimisation of excess air and pressure control system at Cast House–1, 2, 3 and Caster furnaces to reduce fuel consumption.

xxv. Reduce furnace heat loss by improving insulation at Cast House-1, 2 and Caster.

xxvi. Improvement in insulated–covers for launders and pouring doors at Cast House-1, 2, 3 & Caster.

xxvii. Improvement in insulation of covers for the crucibles.

3. FABRICATION PLANTS:

i. 90 T AC to be stopped for 6 months during winter season by providing dedicated AC for Thyrisror room.

ii. To provide a dedicated panel AC on the Automax panel, Bronx CTL Control so that room AC temp. could be raised from 20^0 to 25^0 to save energy.

iii. Removal of 90TAC Pump, Computer room AC pump and Aux cooling tower motors by supplying the water directly to respective AC unit from Cold Well pump Pipe line.

iv. Removal of Office AC Pump, BSL Slitting Line AC Pump and Roll Former AC pump by removing their Cooling Towers and supplying the water to respective AC units directly from Cold Well pump.

v. Installation of VFD in Caster Nitrogen Plant Reciprocation compressor.

vi. To install VFD in Scrap Baller motor of old STL, Bronx and DCM Roll coolant pump AM#10 to synchronize the speed with line speed.

vii. Installation of Sky light at Mecesa and Circle Packing Area.

viii. To install VFD in Annealing furnace#1 for reducing speed during soaking time.

ix. To install VFD for Extrusion Press#1 finished-product Saw-hydraulic motor, Extrusion Press#5 finished-product Saw-hydraulic motors and Run Out Table hydraulic motor to avoid the idle running.

x. To make inter-locking arrangement for stoppage of Vapour Exhaust fans of DC#2 and 4 with casting station.

xi. Installation of Aqua Cool Fanless cooling tower in place of ID-Fan Cooling Tower in Billet area.

xii. Installation of DOC Hybrid system in S3 furnace of Cast House to reduce 30% fuel consumption.

xiii. Change in SOP of AA 3105 alloy (about 500 MT) from inter-annealing route to partial-annealing route at low temperature to reduce power consumption.

xiv. Installation of Emulsion Technology in Billet Casting Furnace to reduce FO consumption.

xv. Revamping of 3 Nos. Soaking Pits to reduce power consumption.

xvi. Revamping of Remelting Furnace and Annealing Furnace No. 7

xvii. Installation of Energy Efficient Pump Motor in Hot-mill Roll Coolant System

xviii. VFD for cutter drive in scalper, hot mill feed pump and sump pump in CM1.

xix. Further control of Cold Mill Heat Exchanger pumps based on temperature/pressure using VFD.

xx. Cycle time reduction in Soaking Pit through increased blower air circulation rate.

xxi. Compressed air pressure reduction at CP with new air receiver installation.

xxii. Revamping of Soaking Pit Furnace#4

4. POWER PLANTS/CO-GENERATION UNITS:

i. Enhancement of Boiler Efficiency and reducing heat rate by modification of Super-heater of Boiler#3 and 4.

ii. R&M of TG#1 and 2 including governing and excitation system for heat rate improvement.

iii. Renovation and Modernization (R&M) of Economizer of Boiler#5,6,7and 8 by installing Green Economiser for enhancing boiler efficiency thereby reducing Coal Consumption in Boilers.

iv. Installation of wide range Coal Burners in all the Boilers.

v. Installation of Waste Heat Recovery System.

vi. Use of self-developed fuel additives in all boilers for improving efficiency.

vii. Modification in Cooling Tower#2, 3, 6 and 7 for reducing cooling water temp by 1^0C.

viii. Installation of Electronic Governing System in TG#3.

ix. Installation of smaller size rotating elements in CW Pump of Unit#2, 3 and 7 for operation during winter season for about 120 days.

x. Replacement of inefficient and bigger size fan impeller of PA Fan of Boiler#5 and Spare, FD Fan of Boiler#3 and 4 with suitable size impeller.

xi. Installation of dry ash disposal system in Boiler#10 in place of wet system.

xii. Replacement of 17 sets of FRP Cooling Tower Fan blades with more efficient New Profile FRP blades.

xiii. Modification of oil firing system of Spare Boiler by installation of HEA rod in oil gun.

xiv. Construction of industrial rain shed over crushed coal yard of CHP-IV.

xv. Installation of HP heater in Co-gen.-II to improve cycle efficiency.

xvi. Installation of VFD in Boiler#2 PA Fan and B#1 both ID fans.

xvii. Replacement of less efficient Boiler Feed Pump (Boiler#3 and 4) with efficient indigenous pump.

xviii. Revamping of Cogen-2 condensing-cum-extraction Turbine (BTG-2), for heat rate improvement.

xix. Implementation of Coordinated control system to improve power to steam ratio.

xx. Use of aerodynamic exhaust fan to reduce auxiliary power consumption.

xxi. Replacement of B#4 PA fan with high efficient fan to reduce Aux. Power consumption.

xxii. Modification of one Cogen-1 CW pumping system for winter season to optimize auxiliary power consumption.

xxiii. Heat recovery and recycling of Boiler blow down steam.

xxiv. Installation of De-aerator Pressure control System.

xxv. Optimisation of boiler feed pump for efficient operation.

xxvi. Installation of VFD in Boiler PA fan of Unit#2, 3 and 5, VFD in place of Dynodrive at Unit#1.

xxvii. Over hauling of TG-2 and 3.

xxviii. Control of Coal moisture by putting another rain shed in coal yard.

5. FOILS DIVISION:

i. Replacement of 3 Nos. of old pump motor sets of cooling tower with energy efficient sets of reduced rating.

6. COPPER DIVISION:

i Installation of variable frequency drive.

c. IMPACT OF MEASURES IN (a) AND (b) ABOVE

The various Energy Conservation measures undertaken by your Company have yielded encouraging results in most production centres. Efforts continue to further optimise energy productivity through ongoing and planned measures.

d. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER TON OF PRODUCTION (As per Form "A" below)

FORM A

A. Power and Fuel Consumption	**2012-13**	**2011-12**
1 Electricity		
a) Purchased from SEB's		
Units (KWH in thousands)	3,17,355	3,47,139
Total Amount (₹ in crore) (excluding Minimum Demand Charges)	184	204
Rate/Unit (₹)	5.81	5.89
b) Own Generation		
i) Through Steam Turbine/Generator		
Units (KWH in thousands)	97,14,967	97,89,805
Cost/Unit (₹) (Coal and Fuel only)	1.83	1.65
ii) Through Diesel Generator		
Units (KWH in thousands)	1,624	728
Cost/Unit (₹)	17.77	15.62
2 Steam Coal (for Generation of Steam)*		
Quantity (Tonnes)	93,21,661	88,80,428
Total Amount (₹ in Crore)	2,014	1,727
Average Rate (₹)	2,160	1,944
3 Furnace Oil (Fuel Oil, L.D.Oil, HSD Oil)		
Quantity (KL)	1,70,730	1,98,594
Total Amount (₹ in Crore)	706	694
Average Rate (₹)	41,334	34,939
4 Steam (Purchased)		
Quantity (Tonnes)	27,965	31,882
Total Amount (₹ in Crore)	1	1
Average Rate (₹)	530	185

* Coal includes other Sources of Energy.

B **Consumption per Unit of Production (per MT)**

		Unit	2012-13	2011-12
1	Aluminium Metal (including Alumina)			
	Electricity	kWh	16,312	15,882
	Furnace Oil	Litres	188	200
	Steam Coal	MT	1.553	1.630
2	Redraw Rods (including Alloy Rods)			
	Electricity	kWh	54	53
	Furnace Oil	Litres	20	20
3	Fabricated Products (Rolled and Extrusion)			
	Electricity	kWh	1,037	1,024
	Furnace Oil	Litres	67	66
4	Aluminium Foil			
	Electricity	kWh	1,255	1,119
5	Copper Cathodes			
	Electricity	kWh	1,636	1,532
	Furnace Oil	Litres	19	12
	Propane	Kg	-	0.11
	Naphtha	Kg	-	0.68
	RLNG	SCM	93	91
6	Copper Rods			
	Electricity	kWh	65	62
	RLNG	SCM	54	48
7	Di Ammonium Phosphate (DAP/NPK)			
	Electricity	kWh	176	186

B. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorptions

RESEARCH AND DEVELOPMENT (R&D)

FORM B

A. ALUMINIUM BUSINESS

(1) Specific Areas in which R&D has been carried out:

a. Process Improvement:

- Cooling efficiency improvement in Cold Rolling Mill by improving pumps capacity, new nozzle design and spray optimisation.
- Process development for NDT&E of pipes and tubes of Thermal Power Plants.
- Process parameters optimisation for high Silica low grade bauxite.
- Studies and experimentation to add value to the recovered Vanadium.
- Bauxite beneficiation studies using mechanical processes.
- Designing of improved roll coolant system for sheet and foil rolling mills.
- Installation of state-of the-art sheet ingot casting facilities using wagstaff LHC technology.
- Development/designing of new process for PG foils (new ID and Coil density).
- Liquid D-rake upgradation with Cable torque technology.

b. Products Development:

- Development of Bomb Shell in AA 6351 T6 for Ordnance factories.
- Development of AA 3003 H 14 FRP for Rail Tank application.
- Development of High elongation AA 5052 H 32 stock for various forming applications.
- Development of Muff Tube in AA 1060 'F' for heat transfer in Refineries, chemical and petrochemical plants.
- Development of Boat Stock AA 5052 H34 for overseas customer.
- Development of High Security Registration Plate Stock.
- Development of alloy having high corrosion resistance and conductivity for radiator fin application.
- Development of new product and process route for Al Sheet for power coating sheet.
- Development of 35 micron foil in AA 1235 alloy for air filter application.
- Design and development of aluminium alloy roofing profile for roof-on-roof application.
- Development of Inverted Front fork for bikes in AA 6082 T6 alloys.
- Development of series of Façade profile/false ceiling import substitution products.
- Development of series of architectural profile around 60 Nos. for doors and windows and construction segment.
- Development of alloys for radiator fin application having high corrosion resistance and conductivity.
- Development of Ceramic grade Alumina.

c. Energy saving and Waste to Wealth Projects:

- Improvement in process for Dross recycling for production of reduction grade Alumina.
- Preparation of alum liquor from rejected aluminium dross to use in the settling of ash pond, ETP outlet slurry and precipitation of cryolite from dugout material.
- Annealing power productivity improvement using PLC controller and VFD leading to cycle time reduction and TAT improvement.
- Cold air burner system for reduction in oil consumption.

- Natural gas usage in place of Furnace oil with dual fuel arrangement.
- Studies on recovery of values from bauxite residue.
- Development of modified AA 8011 alloy with homogenization.

(2) Benefits Derived as a result of above improvement:

a. Increase in market share and profitability.
b. Increased export volume.
c. Improved plant operation and OEE.
d. Energy saving and reduction in GHG emission.
e. Enhancement in customer satisfaction.

(3) Future Plan of Action:

a. To identify opportunities for process improvement and cost reduction.
b. To work on energy reduction projects.
c. Development of new and value added products.
d. To explore possibility of entering in new market segment.
e. To identify new waste to wealth projects.

B. COPPER BUSINESS

(1) Specific Area in which R&D has been carried out:

a. Recycle of effluent from Gypsum back to PAP.
b. Provision of burner port in FSF settler wall (SCF side) for operation of oxy fuel burner.
c. Addition of Metallurgical coke during processing at PMR.
d. Tellurium Recovery from Anode Slime, all pilot test completed and Commercial scale project planned this year.
e. Water saving measures adopted, viz., Use of pit water taken from RVDF for neutralisation at WTP in place of fresh water and CPP cooling tower water for make up in smelter slag granulation.
f. Process improvement in Refinery through injection of SO_2 at flash tank in Slime Treatment Area.

(2) Benefits derived as a result of above improvement

a. Reduction in Phosphoric Acid loss in Gypsum, Improvement in Acid recovery
b. Reduction in plant downtime and improvement in furnace operations.
c. Reduction in Ag loss in Primary slag.
d. Recovery of High Purity Tellurium.
e. Reduction in fresh water intake.
f. Improvement in Selenium Recovery.

(3) Future Plan of Action:

a. Continuation of Slow Cooled Converter Slag Floatation Project.
b. Commercial production and process stabilisation of Pure Tellurium Production from Anode Slime.
c. To work for process improvement and cost reduction exercises.

Expenditure on R&D (₹ Crore)

	2012-13	**2011-12**
a) Capital	1.13	2.40
b) Recurring	24.97	20.87
c) Total (a+b)	26.10	23.27
d) Total R&D Expenditure as % of Total Turnover	0.10%	0.09%

Technology Absorption, Adaptation and Innovation

(i) Efforts in Brief

The company has improved quality and fuel efficiency, reduced cost of production and introduced new products into the market through technology absorption.

(ii) Benefit derived

- Advancement of basic skill and knowledge.
- Conservation of natural resources.

(iii) Details of technology Imported in the past 5 years

Technology Imported for	Year of Import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reason thereof and future plan of action
ALUMINIUM			
Anode Baking Furnace from M/s. Riedhammer for Renukoot Plant	2011-12	No	Project is in the process of commissioning.
Aluminium Smelting Technology from Aluminium Pechiney for Mahan Aluminium	2008-09	No	Project is partially commissioned.
Aluminium Smelting Technology from Aluminium Pechiney for Aditya Aluminium	2008-09	No	Project is in the process of commissioning.
Aluminium Smelting Technology from Chalieco (GAMI 235 kA) for Hirakud smelter	2009-10	No	Project is in the final stage of commissioning
Alumina Refinery Technology from Rio Tinto Alcan for Aditya Alumina Refinery Project	2008-09	No	Pre-Project activities in progress
COPPER			
Molecular Recognition Technology for Bismuth Recovery	2008-09	Yes	NA
Continuous Cast Rod Plant-II from Southwire, USA	2009-10	Yes	NA
3D TRASAR Technology for Reverse Osmosis plant from M/s NALCO, USA	2010-11	Yes	NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities related to Exports

Exports during the year were ₹ 7,571.55 Crore.

b) Total Foreign Exchange used and earned

Foreign exchange used ₹ 18,555.55 Crore.

Foreign exchange earned ₹ 7,572.30 Crore.

As per Clause 55 of the Listing Agreement, top 100 listed entities based on market capitalization at BSE Limited and National Stock Exchange of India Limited as on March 31, 2012 are required to include Business Responsibility Reports as part of Annual Report. However, in sync with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business “Guidelines” and Securities and Exchange Board of India(SEBI) Circular dated 13th August, 2011, those listed entities which have been submitting sustainability reports to overseas regulatory agencies/stakeholders based on internationally accepted reporting frameworks need not prepare a separate report for the purpose of these guidelines but only furnish the same to their stakeholders along with the details of the framework under which their BR Report has been prepared and a mapping of the principles contained in these guidelines to the disclosures made in their sustainability reports.

Hindalco has adopted the Global Reporting Initiative (GRI) Framework and prepared Sustainability Report for FY11 and FY12. We have released Hindalco Sustainability Report covering Hindalco India Operations including Greenfield projects, along with its overseas subsidiaries, Aditya Birla Minerals Ltd. - Australia and Novelis Inc. The report for 2011-12 titled ‘Enduring Growth for Global Leadership’ has been assured as A+ rating based on Global Reporting Initiatives (GRI G 3.1) standards by an external independent assessing agency.

The Company shall publish a comprehensive Sustainability Report 2012-13 based on GRI framework. In line with the press release and FAQs dated 10th May, 2013 issued by SEBI, your Company’s Sustainability Report will be hosted on its website www.hindalco.com. Any shareholder interested in obtaining a physical copy of the same may write to the Company Secretary at the Registered Office of your Company.

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L27020MH1958PLC011238	
2. Name of the Company	Hindalco Industries Limited	
3. Registered Address	3rd Floor, Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai: 400030	
4. Website	www.hindalco.com	
5. E-mail ID	anil.malik@adityabirla.com	
6. Financial Year Reported	1st April,2012 to 31st March,2013	
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	ITC Code 7601 7606 7605 740311 740710	Product Description Aluminium Ingots Aluminium Rolled Products Aluminium Redraw Rods Copper Cathodes Continuous Cast Copper Rods
8. List three key products/services that the Company manufactures/provides (as in the Balance Sheet):	(i) Aluminium Rolled Products (ii) Copper Cathodes (iii) Concast Copper Rods	
9. Total number of locations where business activity is undertaken by the Company	i. Number of International Locations (Provide details of major 5): • USA • Australia • Europe • Brazil • South Korea	

	ii. Number of National Locations: • 2 Aluminium Units • 1 Copper Unit • 3 Chemical Units • 3 Power Units • 5 Rolled FRP • 2 Extrusions • 3 Foils • Cluster of mines in Jharkhand, Chattisgarh, Maharashtra, and Odisha. • Registered Office and Zonal Marketing Offices			
10. Markets Served by the Company	Local ✓	State ✓	National ✓	International ✓

Section B: Financial Details of the Company

1. Paid-up Capital (INR)	₹ 191.48 Crores
2. Total Turnover (INR)	₹ 26056.93 Crores
3. Total Profit After Tax (INR)	₹ 1699.20 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	The Company's total spending on CSR was ₹ 29.79 crores which is 1.48% of the average net profit for the last three years.
5. List of activities in which expenditure in 4 above has been incurred	a. Education b. Health Care c. Women empowerment d. Sustainable Livelihood e. Infrastructure Development

Section C: Other Details

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

   Yes, the Company has 63 (sixty three) subsidiaries - 13 (Thirteen) domestic and 50 (fifty) foreign.

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

   Hindalco Sustainability Report covers Hindalco India Operations including Greenfield Projects, along with overseas subsidiaries Aditya Birla Minerals Ltd. – Australia and Novelis Inc. Further, Novelis Inc., also publishes Sustainability Report based of Global Reporting Initiative (GRI) framework.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business 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%]:

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

Section D: BR Information

1. Details of Director/Directors responsible for BR

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

DIN Number	00198912
Name	Mr. N.J. Jhaveri
Designation	Independent Director

   b) Details of the BR head

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

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

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

The mapping of the aforesaid principles to the disclosures made in the Sustainability Report 2012-13 will be made available on our website www.hindalco.com.

FINANCIAL STATEMENTS

TO THE MEMBERS OF HINDALCO INDUSTRIES LIMITED

We have audited the accompanying financial statements of HINDALCO INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 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 principles generally accepted in India, including 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 auditor's 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 auditor considers 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 the 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 31st March, 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.

   c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d) In our opinion, the 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 Companies Act, 1956.

   e) On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.

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

(RAJIV SINGHI)
Partner
Membership No. 53518

Camp : Mumbai
Dated : the 28th day of May, 2013.

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Hindalco Industries Limited ("the Company")

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

(b) Fixed Assets have been physically verified by the management according to a phased program designated to cover all items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of fixed assets has been physically verified by the management during the year and no material discrepancies between book record and physical inventory has been noticed.

(c) No substantial part of fixed assets has been disposed of during the year, which has bearing on the going concern assumption.

II. (a) Physical verification of inventory (except stocks in transit and stocks lying with third parties, confirmation for which has been obtained) have been conducted at reasonable intervals, during the year, by the management/outside agencies.

(b) In our opinion, 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 has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory as compared to book records.

III. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

IV. On the basis of checks carried out during the course of audit and as per explanations given to us, we are of the opinion that there is 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. Further, on the basis of our examination of the records of the Company and according to the information and explanations given to us, no major weakness has been noticed or reported in the internal controls.

V. (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into register maintained under Section 301 of the Companies Act, 1956 have been so entered.

(b) As per the information and explanations given to us and the records of the Company examined by us, there are no contract or arrangements made for transactions exceeding Rupees 5,00,000 in respect of each party, for sale and purchase of goods and services in pursuance of Section 301 of the Company's Act,1956.

VI. The Company has not accepted any deposit from the public within the meaning of Sections 58A and 58AA of the Companies Act 1956 and the rules framed there under.

VII. The Company has an internal audit system, which in our opinion is commensurate with the size and nature of its business.

VIII. We have broadly reviewed the books of accounts maintained by the Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under Section 209 (1) (d) of the Companies Act 1956 and are of the opinion that, *prima facie*, the prescribed records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

IX. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, no undisputed statutory dues as above were outstanding as at 31st March, 2013 for a period of more than 6 months from the date they became payable.

(b) According to the information and explanations given to us, the dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax and Cess which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March 2013 are as under:

Name of the Statue	Nature of Dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where the disputes are pending
Central Sales Tax Act and Local Sales Tax Act	Sales Tax	9.67	1986-1987, 1989-1991, 1992-1993, 1995-1996, 2003-2004, 2004-2005, 2006-2007	The High Court
		7.04	1994-1995,1997-1998 to 2000-2001, 2001-2002 to 2008-2009	Tribunal
		63.44	1991-1992, 1994-1995 to 2011-2012	Asst. Commissioner/ Commissioner/Revisionery Authorities Level
The Central Excise Act, 1944	Excise Duty	155.31	1999-2000 to 2007-2008	The Supreme Court
		21.43	1994-1995, 2000-2001, 2007-2008 to 2011-2012	The High Court
		46.43	1988-1990, 1991-1992, 1993-1994,1999-2000 to 2010-2011	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		37.19	1987-1988, 1996-1997 to 2009-2010	Asst. Commissioner/ Commissioner/Revisionery Authorities Level
The Service Tax under the Finance Act, 1994	Service Tax	50.63	1996-1997 to 1999-2000, 2003-2004 to 2011-2012	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		18.14	2001-2002, 2004-2005 to 2006-2007, 2008-2009 to 2011-2012	Asst. Commissioner/ Commissioner/Revisionery Authorities Level
The Customs Act, 1962	Customs Duty	5.29	2006-2007	Asst. Commissioner/ Commissioner/Revisionery Authorities Level
Adhosanrachna Vikas Evam Parayavaran Upkar Adhiniyam, 2005	Chhattisgarh Development and Environment Cess	0.35	2005-2006 to 2011-2012	The Supreme Court
Shakti Nagar Special Area Development Authority	Cesson Coal	9.38	1997-1998 to 2011-2012	The Supreme Court
The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act & Rules ("BOCW Act")	Cess	100	2011-2012	The Supreme Court

X. The Company does not have any accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

XI. The Company has not defaulted in repayment of dues to Financial Institutions or Banks or Debenture holders.

XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of Shares, Debentures and other Securities.

XIII. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.

XIV. The Company is not in the business of dealing or trading in shares. The Company has maintained proper records of transactions and contracts in respect of Shares, Securities, Debentures and other Investments and timely entries have been made therein. The Shares, Securities, Debentures and other Investments have been held by the Company, in its own name except to the extent of exemption, granted under Section 49 of the Companies Act, 1956.

XV. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given corporate guarantees for loans taken by its Subsidiary from Banks and Financial Institutions are not *prima facie* prejudicial to the interest of the Company.

XVI. Based on information and explanations given to us and records of the Company examined by us, in our opinion, the term loans have been applied for the purpose for which they were obtained. Though unutilized funds which were not required for immediate use for capital expenditure have been temporarily invested in mutual funds / bank deposit.

XVII. According to the information and explanations given to us and on the basis of our overall examination of the Balance Sheet and Cash Flow Statement, we report that no funds raised on short term basis have been used for long term investment of the Company.

XVIII. During the year under Audit, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act 1956.

XIX. During the year under audit, the Company has issued secured debentures and has created securities / charges in respect of the same.

XX. The Company has not raised any money by Public Issues during the year.

XXI. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practice in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the Management.

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

(RAJIV SINGHI)
Partner
Membership No. 53518

Camp : Mumbai
Dated : the 28th day of May, 2013.

(₹ Crore)

	Note No.	As at 31/03/2013	As at 31/03/2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	'2'	191.48	191.48
Reserves and Surplus	'3'	33,239.60	31,299.68
Money received against Share Warrants	'4'	541.31	541.31
		33,972.39	**32,032.47**
Non-Current Liabilities			
Long-term Borrowings	'5'	20,443.05	11,115.13
Deferred Tax Liabilities (Net)	'6'	1,191.14	1,224.56
Other Long-term Liabilities	'7'	974.28	953.10
Long-term Provisions	'8'	300.94	287.32
		22,909.41	**13,580.11**
Current Liabilities			
Short-term Borrowings	'9'	3,701.72	3,456.78
Trade Payables	'10'	3,051.52	4,659.77
Other Current Liabilities	'11'	1,924.09	998.61
Short-term Provisions	'12'	1,059.43	919.88
		9,736.76	**10,035.04**
		66,618.56	**55,647.62**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	'13'	7,071.00	7,125.95
Intangible Assets	'14'	26.65	24.25
Capital Work-in-Progress		23,605.11	16,256.70
Intangible Assets under Development		0.01	0.24
Non-Current Investments	'15'	14,050.17	13,503.70
Long-term Loans and Advances	'16'	1,681.08	2,249.53
Other Non-Current Assets	'17'	34.51	7.81
		46,468.53	**39,168.18**
Current Assets			
Current Investments	'18'	6,431.96	4,583.40
Inventories	'19'	7,702.61	7,742.86
Trade Receivables	'20'	1,515.04	1,427.45
Cash and Bank Balances	'21'	1,497.82	722.30
Short-term Loans and Advances	'22'	2,272.42	1,647.65
Other Current Assets	'23'	730.18	355.78
		20,150.03	**16,479.44**
		66,618.56	**55,647.62**
Significant Accounting Policies	'1'		

The accompanying Notes are an integral part of the Financial Statements

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

RAJIV SINGHI
Partner
Membership No. 53518

Camp: Mumbai
Dated: The 28th day of May, 2013

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

Kumar Mangalam Birla – Chairman
D. Bhattacharya – Managing Director
M.M. Bhagat – Director

(₹ Crore)

	Note No.	Year ended 31/03/2013	Year ended 31/03/2012
INCOME			
Gross Revenue from Operations	'24'	28,069.78	28,296.96
Less: Excise Duty		2,012.85	1,700.18
Net Revenue from Operations		**26,056.93**	**26,596.78**
Other Income	'25'	983.09	615.79
Total Income		**27,040.02**	**27,212.57**
EXPENSES			
Purchases of Stock-in-Trade	'26'	0.38	205.98
Cost of Raw Materials Consumed	'27'	17,136.51	17,843.08
Changes in Inventories	'28'	127.94	(407.31)
Employee Benefits Expenses	'29'	1,200.80	1,113.35
Power and Fuel	'30'	3,073.04	2,870.67
Finance Costs	'31'	435.98	293.63
Depreciation and Amortization	'32'	686.95	689.97
Impairment Loss/(Reversal) (Net)	'33'	17.25	-
Other Expenses	'34'	2,314.54	1,866.25
Total Expenses		**24,993.39**	**24,475.62**
Profit before Tax		**2,046.63**	**2,736.95**
Tax Expenses:	'35'		
Current Tax		381.41	562.68
Deferred Tax		(33.98)	(62.93)
Profit for the year		**1,699.20**	**2,237.20**
Earnings per Equity Share:	'36'		
Basic (₹)		8.88	11.69
Diluted (₹)		8.87	11.68
Significant Accounting Policies	'1'		

The accompanying Notes are an integral part of the Financial Statements

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

RAJIV SINGHI
Partner
Membership No. 53518

Camp: Mumbai
Dated: The 28th day of May, 2013

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

Kumar Mangalam Birla – Chairman
D. Bhattacharya – Managing Director
M.M. Bhagat – Director

STANDALONE FINANCIAL STATEMENTS

(₹ Crore)

	Year Ended 31/03/2013	Year Ended 31/03/2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	2,046.63	2,736.95
Adjustment for:		
Finance Costs	435.98	293.63
Depreciation and Amortization	686.95	689.97
Impairment Loss/(Reversal) (Net)	17.25	-
Employee Stock Option Scheme	0.27	1.29
Provisions/Provisions written-back (Net)	14.24	(39.92)
Unrealised Foreign Exchange (Gain)/Loss (Net)	6.03	52.38
Loss/(Gain) on Derivative Transactions (Net)	17.87	(3.34)
Investing Activities (Net)	(935.54)	(562.01)
Operating profit before working capital changes	2,289.68	3,168.95
Changes in working Capital:		
Inventories	40.24	(91.46)
Trade and other Receivables	(407.48)	(1,018.06)
Trade and other Payables	(1,638.03)	532.12
Cash generation from Operation	284.41	2,591.55
Payment of Direct Taxes	(636.75)	(469.48)
Net Cash generated/(used) - Operating Activities	**(352.34)**	**2,122.07**
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(5,530.84)	(7,168.16)
Sale of Fixed Assets	20.69	11.20
Return of Capital from Subsidiary	-	66.86
Purchase/Sale of shares in Subsidiaries (Net)	(541.58)	(520.94)
Purchase/Sale of Investments (Net)	(1,454.91)	623.67
Proceeds/Repayment of Loans and Deposits (Net)	(1,249.09)	70.04
Interest Received	254.01	94.09
Dividend Received	259.65	456.28
Net Cash Generated/(Used) - Investing Activities	**(8,242.07)**	**(6,366.96)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Shares (Net of Expenses)	0.40	1.46
Proceeds against Share Warrants	-	541.31
Capital Subsidy Received	4.50	-
Proceeds from Long-term Borrowings	14,818.09	5,969.11
Repayment of Long-term Borrowings	(1.53)	(1.53)
Prepayment of Long-term Borrowings	(5,142.99)	-
Proceeds/Repayment of Short-term Borrowings (Net)	258.55	(433.58)
Finance Cost Paid	(1,519.85)	(1,019.18)
Dividend Paid (including Dividend Distribution Tax)	(331.01)	(324.03)
Net Cash Generated/(Used) - Financing Activities	**8,086.16**	**4,733.56**
Net Increase/(Decrease) in Cash and Cash Equivalents	**(508.25)**	**488.67**
Add: Opening Cash and Cash Equivalents	713.63	224.96
Closing Cash and Cash Equivalents	**205.38**	**713.63**

Notes:

1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash Flow Statement" as specified in the Companies (Accounting Standard) Rules 2006.
2. Figures have been regrouped/rearranged wherever necessary.

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

RAJIV SINGHI
Partner
Membership No. 53518

Camp: Mumbai
Dated: The 28th day of May, 2013

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of
Hindalco Industries Limited

Kumar Mangalam Birla – Chairman
D. Bhattacharya – Managing Director
M.M. Bhagat – Director

1. Significant Accounting Policies:

A. **Accounting Convention**

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956 of India.

B. **Use of Estimates**

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

C. **Fixed Assets**

(a) Tangible Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

(b) Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Cost includes any directly attributable expenditure on making the asset ready for its intended use.

(c) Machinery spares which can be used only in connection with an item of Tangible Asset and whose use is not of regular nature are written off over the estimated useful life of the relevant asset.

(d) Certain directly attributable pre-operative expenses during construction period are included under Capital Work in Progress. These expenses are allocated to the cost of Fixed Assets when the same are ready for intended use.

D. **Depreciation and Amortization**

(a) Depreciation on Tangible Assets, except leasehold land, has been provided using Straight Line Method at the rates and manner prescribed under Schedule XIV of Companies Act, 1956 of India. Leasehold lands are amortized over the period of lease on straight line basis.

(b) Intangible assets, except mining rights, are amortized over their estimated useful lives on straight line basis. Mining Rights are amortized over the period of lease on straight line basis.

E. **Impairment**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

F. **Leases**

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

G. **Investments**

(a) Long term investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.

(b) Current investments are stated at lower of cost and fair value.

H. **Inventories**

(a) Inventories of stores and spare parts are valued at or below cost after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Inventory of other items are valued 'At cost or Net Realizable Value, whichever is lower'. Cost is generally determined on weighted average cost basis and wherever required, appropriate overheads are taken into account. Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

(b) Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and enters into the determination of earnings when the inventory is sold.

I. **Foreign Currency Transactions**

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

J. **Employee benefits**

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

K. **Employee Share Based Payments**

Equity settled stock options granted to employees pursuant to the Company's stock option schemes are accounted for as per the intrinsic value method prescribed by Employee Stock Option Scheme and permitted by the SEBI guidelines, 1999 and the Guidance Note on Share Based Payment issued by the Institute of Chartered Accountants of India (ICAI). The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to Employees Stock Options Outstanding Account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. In case of forfeiture stock option which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the employees Stock Options Outstanding Account are transferred to the General Reserve.

L. **Revenue Recognition**

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

M. **Borrowing Cost**

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

N. **Taxation**

Provision for current income tax is made in accordance with the Income tax Act, 1961. Deferred tax assets and deferred tax liabilities are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

O. **Derivative Financial Instruments**

(a) The Company uses derivative financial instruments such as Forwards, Swaps, Options, etc. to hedge its risks associated with foreign exchange fluctuations. Risks associated with fluctuations in the price of the Company's products (Copper, Alumina, Aluminium and precious metals) are minimized by undertaking appropriate hedging transactions. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts. In some cases, the embedded derivatives may be designated in a hedge relationship. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date. Such derivative financial instruments are used as risk management tools only and not for speculative purposes.

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

(c) For derivative financial instruments designated as Fair Value hedges, the fair value of both the derivative financial instrument and the hedged item are recognized in 'Revenue from Operations', 'Cost of Raw Materials Consumed' or 'Other Expenses' in the Statement of Profit and Loss till the period the relationship is found to be effective. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, future gains or losses on the derivative financial instruments are recognized in 'Other Expenses' in the Statement of Profit and Loss.

(d) If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through the Statement of Profit and Loss and included in 'Other Expenses'.

P. **Research and Development**

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

Q. **Government Grants**

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

R. **Provisions, Contingent Liabilities and Contingent Assets**

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

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
2. SHARE CAPITAL		
Authorized:		
2,100,000,000 (Previous year 2,100,000,000) Equity Shares of ₹ 1/- each	210.00	210.00
25,000,000 (Previous year 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each	5.00	5.00
	215.00	**215.00**
Issued:		
1,915,136,714 (Previous year 1,915,095,954) Equity Shares of ₹ 1/- each **#**	191.51	191.51
	191.51	**191.51**
Subscribed and Paid-up:		
1,915,129,317 (Previous year 1,915,088,557) Equity Shares of ₹ 1/- each fully paid-up	191.51	191.51
Less: Face value of 546,249 (Previous year 546,249) Equity Shares forfeited	0.05	0.05
	191.46	**191.46**
Add: Forfeited Shares (Amount originally Paid-up)	0.02	0.02
	191.48	**191.48**

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

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

	2012-13 Numbers	2012-13 ₹ Crore	2011-12 Numbers	2011-12 ₹ Crore
Equity Shares outstanding at the beginning of the period	1,914,542,308	191.46	1,914,397,914	191.44
Equity Shares allotted pursuant to exercise of ESOP	40,760	-	144,394	0.02
Equity Shares outstanding at the end of the period	**1,914,583,068**	**191.46**	**1,914,542,308**	**191.46**

(b) Rights, preferences and restrictions attached to Equity Shares:

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

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

	31/03/2013 Number of Shares held	31/03/2013 Percentage of Holding	31/03/2012 Number of Shares held	31/03/2012 Percentage of Holding
(i) IGH Holdings Private Limited	228,963,487	11.96	228,963,487	11.96
(ii) Turquoise Investment and Finance Limited	99,012,468	5.17	99,012,468	5.17
(iii) Morgan Guaranty Trust Company of New York (represents GDRs)	159,663,688	8.34	160,747,995	8.40
(iv) Life Insurance Corporation of India and its Associates	209,341,326	10.93	190,713,686	9.96

(d) Shares reserved for issue under options:

The Company has reserved equity shares for issue against warrants allotted on preferential basis to the Promoter Group. The Company has also reserved equity shares for issue under the Employee Stock Option Scheme.

Please refer Note No. 4 on "Money received against Share Warrants" share warrants allotted to the Promoter Group and Note No. 40 on "Share Based Payment" for details of Employee Stock Option Scheme.

	As at	
	31/03/2013	**31/03/2012**
3. RESERVES AND SURPLUS:		
Capital Reserve		
Balance as at the beginning of the year	139.54	139.54
Add: Capital Subsidy received during the year - (a)	4.50	-
Balance as at the end of the year	**144.04**	**139.54**
Capital Redemption Reserve		
Balance as at the beginning of the year	**101.57**	**101.57**
Business Reconstruction Reserve (refer Note No. 38)		
Balance as at the beginning of the year	**8,580.39**	**8,580.39**
Securities Premium Account		
Balance as at the beginning of the year	2,754.35	2,752.32
Add: Premium on issue of shares under ESOS scheme	0.56	2.03
Less: Debenture Issue Expenses	(19.99)	-
Balance as at the end of the year	**2,734.92**	**2,754.35**
Debenture Redemption Reserve		
Created during the year	150.00	-
Employees Stock Options Outstanding		
Balance as at the beginning of the year	5.17	4.47
Add: Compensation for the year (refer Note No. 29)	0.27	1.29
Less: Transferred to Securities Premium Account on exercise of Options	(0.16)	(0.59)
Less: Transferred to General Reserve on unexercised Options expired	(0.32)	-
Balance as at the end of the year	**4.96**	**5.17**
Hedging Reserve (refer Note No. 45 (g))		
Balance as at the beginning of the year	(133.55)	(19.83)
Gain/(Loss) recognized during the year	222.28	(608.21)
(Gain)/Loss recycled during the year	332.98	494.49
Balance as at the end of the year	**421.71**	**(133.55)**
General Reserve		
Balance as at the beginning of the year	19,452.21	17,600.18
Add: Transferred from Employees Stock Option Outstanding	0.32	-
Add: Transferred from Surplus in the Statement of Profit and Loss	899.48	1,852.03
Balance as at the end of the year	**20,352.01**	**19,452.21**

Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	400.00	350.00
Add: Profit for the year	1,699.20	2,237.20
Less: Transferred to Debenture Redemption Reserve	(150.00)	-
Less: Dividend on Equity Shares - (b)	(268.05)	(296.76)
Less: Dividend Distribution Tax - (b) & (c)	(31.67)	(38.41)
Less: Transferred to General Reserve	(899.48)	(1,852.03)
Balance as at the end of the year	**750.00**	**400.00**
	33,239.60	**31,299.68**

(a) Represents amount received from State government towards capital investment subsidy at Muri, Jharkhand.

(b) Dividend on Equity Shares and Tax on Dividend include ₹ 0.01 crore (Previous year ₹ 0.01 crore) pertaining to previous year for Equity shares issued before the record date of dividend.

(c) Tax on Dividend is net of ₹ 13.89 crore (Previous year ₹ 9.73 crore) being dividend distribution tax paid by a subsidiary.

4. Money received against Share Warrants:

The Company has allotted 150,000,000 warrants on a preferential basis to the Promoter Group on 22nd March, 2012 entitling them to apply for and obtain allotment of one equity share of ₹ 1/- each fully paid-up at a price of ₹ 144.35 per share against each such warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment in one or more tranches. The Company has received ₹ 541.31 crore being 25% against these warrants. The entire amount so received has been utilised for various Greenfield and Brownfield projects expenditure.

5. **Long-term Borrowings:**

(₹ Crore)

	Non-current Portion		Current Maturities*		Total	
	31/03/2013	**31/03/2012**	**31/03/2013**	**31/03/2012**	**31/03/2013**	**31/03/2012**
Secured						
Debentures - (a)	6,000.00	-	-	-	6,000.00	-
Term Loans:						
From Banks - (b), (c) & (d)	13,716.14	11,033.76	307.15	-	14,023.29	11,033.76
From Other Parties - (c), (d) & (e)	725.02	78.35	54.54	-	779.56	78.35
Unsecured						
Deferred Payment Liabilities - (f)	1.89	3.02	1.13	1.53	3.02	4.55
	20,443.05	**11,115.13**	**362.82**	**1.53**	**20,805.87**	**11,116.66**

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

(a) Debentures comprise of following:

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

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

(b) Term Loans from Banks of ₹ 5,142.99 crore (as at March 31, 2012) have been prepaid by the Company on June 30, 2012.

(c) Term Loans from Banks of ₹ 7,227.05 crore (Previous year ₹ 5,890.77 crore) and from Other Parties of ₹ 92.95 crore (Previous year ₹ 78.35 crore) are secured by a first ranking charge/mortgage/security interest in respect of all the movable assets (except Current Assets) and all the immovable properties of Mahan Aluminium Project, both present and future, and a second ranking charge/mortgage/security interest, in favour of the Security Trustee, in respect of the Current Assets. However, security creation is pending on 1,086.15 hectres of land due to non availability of approval from the appropriate authority.

Above loans carry interest at the State Bank of India's base rate plus 1.75% and are repayable in 42 quarterly instalments commencing from September 30, 2013 and ending on December 31, 2023. The repayment in each financial year in percentage is 4.25, 7.75, 9, 9, 10, 10, 10, 10, 10.75, 11 and 8.25 of the loan amount.

Post Commercial Operation Date of the Mahan Aluminium Project, the Company will have an option to prepay all or any portion of this Loan, without payment of Prepayment Penalty within 15 (fifteen) days after any annual Margin Reset Date.

(d) Term Loans from Banks of ₹ 6,796.24 crore (Previous year ₹ Nil) and from Other Parties of ₹ 143.75 crore (Previous year ₹ Nil) are secured by a first ranking charge/mortgage/security interest in favour of the Security Trustee, in respect of all the movable and immovable properties both present and future and a second charge in respect of all the inventory related to Aditya Aluminium Project. However, security on 2,510.61 acres land is pending due to non availability of approval from the appropriate authority.

Above loans carries interest at the State Bank of India's base rate plus 1.25% and are repayable in 40 quarterly instalments commencing from June 1, 2015 and ending on March 1, 2025. The repayment in each financial year in percentage is 2.32, 4.20, 6.20, 8.60, 9, 11, 12.50, 15, 14 and 17.18 of the loan amount.

The Company will have an option to prepay all or any portion of this Loan, without payment of Prepayment Penalty within 30 (Thirty) days after any annual Interest Reset Date.

(e) Term Loans from Other Parties include Foreign Currency Term Loans from Export Development Canada (EDC) of USD 100 million (Previous year USD Nil) are secured by a first charge on all movable assets of the Mahan Aluminium Project and a second charge on the current assets of the Company, both present and future.

Above loan carry interest at the LIBOR plus 1.25% and are repayable in 43 quarterly instalments commencing from June 30, 2013 and ending on December 31, 2023. The repayment in each financial year in percentage is 9.30, 9.30, 9.30, 9.30, 9.30, 9.30. 9.30. 9.30, 9.30, 9.30 and 7 of the loan amount.

Subject to the prevailing RBI ECB Regulations, the Company may prepay all or any part of the Loan at any time.

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

	(₹ Crore)	
	As at	
	31/03/2013	31/03/2012

6. **Deferred Tax Liabilities (Net):**

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

	(₹ Crore)	
	As at	
	31/03/2013	31/03/2012
Deferred Tax Liabilities		
Depreciation and Amortization Expenses	1,330.04	1,338.01
	1,330.04	**1,338.01**
Less: Deferred Tax Assets		
Employee's Separation and Retirement Expenses	71.92	69.81
Expenses/Provisions Allowable	66.98	43.64
	138.90	**113.45**
	1,191.14	**1,224.56**
7. Other Long-term Liabilities:		
Trade Payables	11.53	1.92
Derivative Liabilities (refer Note No. 45 (c))	-	45.81
Liability for Capital Expenditure	954.04	896.84
Security and other Deposits	2.15	1.43
Other Payables	6.56	7.10
	974.28	**953.10**
8. Long-term Provisions:		
Provision for Employee Benefits	300.94	287.32
	300.94	**287.32**
9. Short-term Borrowings:		
Secured		
From Banks:		
Cash Credit, Export Credit etc. - (a)	79.85	164.05
	79.85	**164.05**
Unsecured		
From Banks:		
Buyers Credit	2,284.47	2,664.43
Packing Credit	1,297.40	599.79
Payable under Trade Financing Arrangements - (b)	—	28.51
Others	40.00	—
	3,621.87	**3,292.73**
	3,701.72	**3,456.78**

(a) Cash Credit, Export Credit etc. granted under the Consortium Lending Arrangement are secured by a first pair-passu charge by way of hypothecation of entire stocks of raw materials, work-in-process, finished goods, consumable stores and spares and also book debts pertaining to the Company's Aluminium business. Working Capital Loan of State Bank of India for the Copper business is secured by a first pari-passu charge by way of hypothecation of stocks of raw materials, work-in-process, finished goods and consumable stores and spares of Copper business, both present and future.

(b) Payable under Trade Financing Arrangements comprise of unsecured credit availed from Banks for payment to suppliers for raw materials purchased by the Company. The arrangements are interest-bearing and are normally payable within 180 days.

10. **Trade Payables:**

(₹ Crore)

	As at	
	31/03/2013	**31/03/2012**
Micro, Small and Medium Enterprises (refer Note No. 47)	2.15	1.31
Others	3,049.37	4,658.46
	3,051.52	**4,659.77**

11. **Other Current Liabilities:**

Current maturities of Long-term Debts	362.82	1.53
Interest accrued but not due on Borrowings/Deposits	479.09	15.84
Unclaimed Dividends - (a)	7.02	7.43
Application/Call Money received due for refund - (a)	0.31	0.44
Advance from Customers	90.21	126.77
Derivative Liabilities (refer Note No. 45 (c))	89.99	207.53
Liability for Capital Expenditure	692.40	430.10
Security and other Deposits	20.15	24.36
Statutory dues payable	137.10	152.82
Other Payables	45.00	31.79
	1,924.09	**998.61**

(a) These figures do not include any amount, due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 0.07 crore (Previous year ₹ 0.07 crore) which is held in abeyance due to legal cases pending.

12. **Short-term Provisions:**

Provision for Employee Benefits	24.07	25.21
Proposed Dividends (including Dividend Distribution Tax)	313.60	344.89
Provision for Current Tax (Net of Advance Tax)	696.74	532.03
Other Provisions (refer Note No. 42)	25.02	17.75
	1,059.43	**919.88**

13. **Tangible Assets:**

(₹ Crore)

	ORIGINAL COST				DEPRECIATION				IMPAIRMENT				NET BOOK VALUE	
	As at 31st March, 2012	Additions	Disposals/ Adjustments	As at 31st March, 2013	As at 31st March, 2012	Additions	Disposals/ Adjustments	As at 31st March, 2013	As at 31st March, 2012	Recognised/ Reversal	Deductions/ Adjustments	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Leasehold Land	44.55	4.25	-	48.80	6.66	0.61	-	7.27	-	-	-	-	41.53	37.89
Freehold Land	81.09	0.52	0.05	81.56	0.13	0.01	-	0.14	0.70	-	-	0.70	80.72	80.26
Buildings	1,280.22	43.18	1.25	1,322.15	359.80	35.39	0.91	394.28	12.58	2.61	-	15.19	912.68	907.84
Plant and Equipment	12,261.01	599.42	32.04	12,828.39	6,380.21	605.15	26.53	6,958.83	192.40	14.64	1.06	205.98	5,663.58	5,688.40
Furniture and Fixtures	108.51	5.06	1.12	112.45	71.73	5.30	0.98	76.05	-	-	-	-	36.40	36.78
Vehicles and Aircraft	396.86	10.77	43.83	363.80	99.24	24.19	25.37	98.06	-	-	-	-	265.74	297.62
Office Equipment	125.33	8.03	5.13	128.23	97.42	6.63	3.77	100.28	-	-	-	-	27.95	27.91
Railway Sidings	72.70	0.64	-	73.34	23.45	7.49	-	30.94	-	-	-	-	42.40	49.25
	14,370.27	671.87	83.42	14,958.72	7,038.64	684.77	57.56	7,665.85	205.68	17.25	1.06	221.87	7,071.00	7,125.95
Previous Year	14,183.53	261.65	74.91	14,370.27	6,404.88	688.18	54.42	7,038.64	217.96	-	12.28	205.68	7,125.95	7,560.69

(a) Leasehold Land includes land amounting ₹ 20.73 crore (Previous year ₹ 20.73 crore) for which registration is pending. (Net Book Value ₹ 18.69 crore; Previous year ₹ 18.90 crore)

(b) Freehold Land include ₹ 3.20 crore (Previous year ₹ 0.30 crore) towards alternate land made available for acquiring right to use the forest land, ownership of which vests with the state government authorities. (Net Book Value ₹ 3.14 crore; Previous year ₹ 0.27 crore)

(c) Buildings include:

i. ₹ 2.98 crore (Previous year ₹ 2.93 crore) being contribution for construction of road, the ownership of which vests with the state government authorities. (Net Book Value ₹ 0.45 crore; Previous year ₹ 0.45 crore)

ii. ₹ 16.36 crore (Previous year ₹ 16.36 crore) towards right to occupy and use of certain premises for which the Company has invested ₹ 13.18 crore (Previous year ₹ 13.18 crore) in Shares & Debentures of a company. (Net Book Value ₹ 12.36 crore; Previous year ₹ 12.64 crore).

(d) Plant and Equipment include ₹ 18.76 crore (Previous year ₹ 18.76 crore) being the amount spent for laying power line and water pipe line, the ownership of which vests with the state government authorities. (Net Book Value ₹ 7.68 crore; Previous year ₹ 8.61 crore)

(e) Railway Sidings include ₹ 9.13 crore (Previous year ₹ 9.13 crore) being railway siding not owned by the Company. (Net Book Value ₹ 5.69 crore; Previous year ₹ 6.31 crore)

(f) Company's share in Jointly owned assets has been grouped together with the relevant class of fixed assets. The proportion of the cost and net carrying amounts included in relevant class of assets are given below:

Leasehold Land - ₹ 51.92 crore (Previous year ₹ 51.92 crore). (Net Book Value ₹ 51.92 crore; Previous year ₹ 51.92 crore)
Freehold Land - ₹ 0.52 crore (Previous year ₹ 0.52 crore). (Net Book Value ₹ 0.43 crore; Previous year ₹ 0.43 crore)
Buildings - ₹ 51.22 crore (Previous year ₹ 51.22 crore). (Net Book Value ₹ 41.76 crore; Previous year ₹ 42.61 crore)
Plant and Equipment - ₹ 73.44 crore (Previous year ₹ 73.70 crore). (Net Book Value ₹ 46.15 crore; Previous year ₹ 50.27 crore)
Furniture and Fixtures - ₹ 10.27 crore (Previous year ₹ 10.19 crore). (Net Book Value ₹ 5.28 crore; Previous year ₹ 5.82 crore)
Vehicles and Aircraft - ₹ 24.95 crore (Previous year ₹ 60.84 crore). (Net Book Value ₹ 14.70 crore; Previous year ₹ 33.48 crore)
Office Equipment - ₹ 10.42 crore (Previous year ₹ 10.14 crore). (Net Book Value ₹ 1.81 crore; Previous year ₹ 1.78 crore)

14. **Intangible Assets:**

(₹ Crore)

	ORIGINAL COST				AMORTISA TION				IMPAIRMENT				NET BOOK VALUE	
	As at 31st March, 2012	Additions	Disposals/ Adjustments	As at 31st March, 2013	As at 31st March, 2012	Additions	Disposals/ Adjustments	As at 31st March, 2013	As at 31st March, 2012	Recognised/ Reversal	Deductions/ Adjustments	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Mining Rights	38.94	3.72	-	42.66	19.17	1.89	-	21.06	-	-	-	-	21.60	19.77
Computer Software	36.35	3.01	0.09	39.27	33.24	2.19	(0.12)	35.55	-	-	-	-	3.72	3.11
Technology	32.31	0.27	-	32.58	30.94	0.31	-	31.25	-	-	-	-	1.33	1.37
	107.60	7.00	0.09	114.51	83.35	4.39	(0.12)	87.86	-	-	-	-	26.65	24.25
Previous Year	103.78	5.02	1.20	107.60	80.09	4.45	1.19	83.35	-	-	-	-	24.25	23.69

(a) Mining Rights are for 20/30 years and amortised proportionately.

(b) The useful life of Computer Software is considered 2-3 years and that of Technology is considered 4-6 years.

15. **Non-Current Investments:**

(₹ Crore)

	Face value per Unit	Numbers - As at 31/03/2013	Numbers - As at 31/03/2012	As at 31/03/2013	As at 31/03/2012
LONG TERM TRADE INVESTMENTS					
Investments in Equity Instruments					
Investment in Subsidiaries					
Utkal Alumina International Limited	₹ 10	2,047,164,068	1,517,164,068	2,157.43	1,627.43
Dahej Harbour & Infrastructure Limited	₹ 10	50,000,000	50,000,000	50.00	50.00
Birla Resources Pty Limited	-	650,000	650,000	1.79	1.79
Minerals & Minerals Limited	₹ 10	50,000	50,000	0.17	0.17
Hindalco-Almex Aerospace Limited	₹ 10	172,115,744	172,115,744	169.30	169.30
A V Minerals (Netherlands) B.V.	EUR 773.24	2,202,076	2,202,076	10,423.90	10,423.90
Tubed Coal Mines Limited	₹ 10	17,970,000	7,170,000	17.97	7.17
East Coast Bauxite Mining Company Pvt. Limited	₹ 10	7400	7400	0.01	0.01
Mauda Energy Limited	₹ 10	165,000	150,000	0.16	0.15
Aditya Birla Chemicals (India) Limited	₹ 10	12,004,987	12,004,987	12.45	12.45
Aditya Birla Minerals Limited	-	159,820,001	159,820,001	480.76	480.76
Hindalco Guinea SARL (incorporated during current year)	GNF 100000	100	0	0.01	-
Investment in Joint Ventures					
Mahan Coal Limited	₹ 10	27,000,000	22,000,000	27.00	22.00
Hydromine Global Minerals GMBH Limited	USD 100	45	45	0.02	0.02
Investment in Associate					
Aditya Birla Science & Technology Company Limited	₹ 10	9,800,000	9,800,000	9.80	9.80
Investment in Other Entities					
Sanjana Cryogenic Limited	₹ 10	780,000	780,000	3.12	3.12
MNH Shakti Limited	₹ 10	12,765,000	12,765,000	12.77	12.77
Aditya Birla Ports Limited	₹ 10	100,000	100,000	0.10	0.10
				13,366.76	**12,820.94**
OTHER LONG TERM INVESTMENTS					
Investments in Equity Instruments					
Investment in Subsidiaries					
Renuka Investments & Finance Limited	₹ 10	9,250,000	9,250,000	9.25	9.25
Renukeshwar Investments & Finance Limited	₹ 10	4,795,000	4,795,000	4.80	4.80
Suvas Holdings Limited	₹ 10	2,784,600	2,024,700	2.78	2.03
Lucknow Finance Company Limited	₹ 10	12,002,500	12,002,500	12.00	12.00
Investment in Associate					
IDEA Cellular Limited	₹ 10	228,340,226	228,340,226	228.34	228.34
Investment in Other Entities					
National Aluminium Company Limited	₹ 5	28,667,404	28,667,404	75.20	75.20
Aditya Birla Nuvo Limited	₹ 10	8,650,412	8,650,412	127.11	127.11
Grasim Industries Limited	₹ 10	2,299,059	2,299,059	72.54	72.54
Ultra Tech Cement Limited	₹ 10	1,313,748	1,313,748	12.50	12.50
Birla International Limited	CHF 100	2,500	2,500	0.53	0.53
Bharuch-Dahej Railway Company Limited	₹ 10	13,530,000	13,530,000	13.53	13.53

15. **Non-Current Investments: (Contd.)**

(₹ Crore)

	Face value per Unit	Numbers - As at 31/03/2013	Numbers - As at 31/03/2012	As at 31/03/2013	As at 31/03/2012
Investments in Preference Shares					
Investment in Subsidiaries					
Renuka Investments & Finance Limited - 15% Redeemable Cumulative	₹ 100	150	150		
Renukeshwar Investments & Finance Limited - 15% Redeemable Cumulative	₹ 100	150	150		
Investment in Other Entities					
Aditya Birla Health Services Limited - 3.50% Redeemable Cumulative	₹ 100	2,500,000	2,500,000	25.00	25.00
Investments in Debentures or Bonds					
7.90% Corporation Bank Bonds	₹ 1,000,000	300	300	30.00	30.00
6.85% Tax Free Unsecured Non-Convertible Bond of IIFCL	₹ 100,000	1000	1000	10.00	10.00
9.20 % HDFC Limited Bonds	₹ 1,000,000	349	349	35.25	35.35
8.30% Bond of National Highways Authority of India	₹ 1,000	24,724	24,724	2.47	2.47
Investments in Government Securities					
6.83% Government of India Bond, 2039				20.11	20.11
Investments in Mutual Funds					
Units of Morgan Stanley Fund - Growth Plan				2.00	2.00
				683.41	**682.76**
				14,050.17	**13,503.70**

(a) Although the book/market value of certain investments (amount not ascertained) is lower than cost, considering the strategic and long term nature of the investments and asset base of the investee companies, in the opinion of the management such decline is temporary in nature and no provision is necessary for the same.

(b) Aggregate amount of Quoted and Unquoted Investments, market value of Quoted Investments and aggregate provision for diminution in value of Investments are given below:

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
Aggregate amount of Unquoted Investments	12,941.44	12,394.87
Aggregate amount of Quoted Investments	1,108.73	1,108.83
Aggregate market value of Quoted Investments	5,025.76	4,713.49
Aggregate provision for diminution in value of Investments	0.64	0.53

16. **Long-term Loans and Advances:**

(Unsecured, Considered Good unless otherwise stated)

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
Capital Advances	711.53	1,397.68
Loans, Advances and Deposits to Related Parties - (a)	95.97	101.85
Security Deposits	73.88	55.08
Advances recoverable in cash or in kind		
Unsecured, Considered Good	275.27	239.46
Doubtful	0.02	-
	275.29	239.46
Less: Provision for doubtful amount	0.02	-
	275.27	239.46
Other Advances and Balances		
Prepaid Expenses	2.25	0.71
Others - (b)	522.18	454.75
	1,681.08	**2,249.53**

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

(b) Others include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc. primarily relating to ongoing projects.

17. **Other Non Current Assets:**

	31/03/2013	31/03/2012
Long Term Trade Receivables		
Doubtful	19.27	15.54
Less: Provision for doubtful amount	19.27	15.54
	-	-
Deposits with Bank exceeding 12 months maturity	0.03	0.28
Derivative Assets (refer Note No. 45 (c))	34.46	7.53
Other Receivables	0.02	-
	34.51	**7.81**

(₹ Crore)

	Face value per Unit	Numbers - As at 31/03/2013	Numbers - As at 31/03/2012	As at 31/03/2013	As at 31/03/2012
18. **Current Investments:**					
Investments in Debentures and Bonds					
Investment in Associate					
9.45% NCD of IDEA Cellular Limited	₹ 100	1,000,000	-	10.00	-
Investment in Other Entities					
8.40% Non Convertible Debenture of Cairn India Limited	₹ 1,000,000	-	15.00	-	1.53
9.55% EXIM Bank Ltd Bonds	₹ 1,000,000	500	-	49.94	-
8.10% NCD of IRFC	₹ 1,000	29,785	-	3.16	-
9.41% NCD of IIFCL	₹ 1,000,000	135	-	14.18	-
9.05% NCD Rallis India Limited	₹ 1,000,000	350	-	34.90	-
9.61% NCD NHB	₹ 1,000,000	500	-	49.92	-
9.90% NCD IDFC	₹ 1,000,000	500	-	49.96	-
8.64% NCD of BIHAR SDL	₹ 100	1,183,500	-	11.84	-
8.69% NCD Damodar Valley Corporation	₹ 1,000,000	115	-	11.50	-
8.57% NCD MTNL	₹ 1,000,000	575	-	57.50	-
10.30% NCD of Sundaram Finance Limited	₹ 1,000,000	250	-	25.22	-
8.90% NCD of Sundaram Finance Limited	₹ 1,000,000	100	-	10.25	-
9.75% NCD of Sundaram Finance Limited	₹ 1,000,000	250	-	25.04	-
9.80% NCD of Sundaram Finance Limited	₹ 1,000,000	250	-	25.04	-
7.30% NCD of LIC Housing Finance Limited	₹ 1,000,000	50	-	4.95	-
8.40% NCD of LIC Housing Finance Limited	₹ 1,000,000	300	-	29.83	-
8.48% NCD of LIC Housing Finance Limited	₹ 1,000,000	300	-	29.90	-
8.75% NCD of LIC Housing Finance Limited	₹ 1,000,000	50	-	4.98	-
9.65% NCD of LIC Housing Finance Limited	₹ 1,000,000	350	-	35.90	-
9.70% NCD of LIC Housing Finance Limited	₹ 1,000,000	450	-	44.80	-
9.97% NCD of LIC Housing Finance Limited	₹ 1,000,000	250	-	24.50	-
8.15% NCD of Bajaj Auto Finance Limited	₹ 10,000,000	25	-	24.83	-
9.35% NCD of Bajaj Auto Finance Limited	₹ 1,000,000	250	-	27.97	-
8.12% NCD of REC Limited	₹ 1,000	20,817	-	2.25	-
7.93% NCD of REC Limited	₹ 1,000	6,047	-	0.65	-
7.22% NCD of REC Limited	₹ 1,000	5,020	-	0.50	-
7.38% NCD of REC Limited	₹ 1,000	4,671	-	0.47	-
8.84% NCD - PFC	₹ 100	2,500,000	-	25.10	-
8.90% NCD - PFC	₹ 100	2,500,000	-	24.98	-
8.94% NCD - PFC	₹ 100	2,000,000	-	19.99	-
9.55% NCD of HDB Financial Services Ltd	₹ 1,000,000	200	-	20.00	-
9.63% NCD of HDB Financial Services Ltd	₹ 1,000,000	250	-	25.00	-
10.47% NCD of M & M Financial Services	₹ 1,000,000	150	-	15.03	-
9.55% NCD of M & M Financial Services	₹ 1,000,000	250	-	25.00	-
9.89% NCD of M & M Financial Services	₹ 1,000,000	150	-	15.03	-

(₹ Crore)

	Face value per Unit	Numbers - As at 31/03/2013	Numbers - As at 31/03/2012	As at 31/03/2013	As at 31/03/2012
18. **Current Investments: (Contd.)**					
10.64% NCD of Cholamandalam Inv Fin Co. Limited	₹ 1,000,000	350	-	35.11	-
10.85% NCD of Cholamandalam Inv Fin Co. Limited	₹ 1,000,000	250	-	25.05	-
7.36% NCD - PFC	₹ 1,000	6,079	-	0.61	-
8.20% NCD - PFC	₹ 1,000	27,793	-	3.01	-
8.30% NCD - PFC	₹ 1,000	10,163	-	1.01	-
10.25% NCD Tata Sons Limited	₹ 1,000,000	50	-	5.05	-
9.78% NCD Tata Sons Limited	₹ 1,000,000	100	-	10.07	-
9.98% NCD Tata Sons Limited	₹ 1,000,000	100	-	10.10	-
7.34% HUDCO Bonds	₹ 1,000	100,000	-	9.92	-
7.51% HUDCO Bonds	₹ 1,000	50,000	-	5.00	-
9.65% NCD Tourism Finance Corporation of India	₹ 1,000,000	230	-	23.20	-
9.50% NCD Tourism Finance Corporation of India	₹ 1,000,000	150	-	15.00	-
9.60% NCD Tourism Finance Corporation of India	₹ 1,000,000	170	-	17.11	-
9.10% NCD HDFC Limited	₹ 1,000,000	500	-	49.91	-
9.60% NCD HDFC Limited	₹ 1,000,000	850	-	90.56	-
9.65% NCD HDFC Limited	₹ 1,000,000	200	-	21.02	-
8.99% IDBI Bank Bonds	₹ 1,000,000	125	-	12.50	-
Investments in Commercial Papers					
ICICI Securities Primary Dealership Limited	₹ 500,000	-	1000	-	49.57
IL & FS	₹ 500,000	500	-	23.23	-
Kotak Mahindra Prime Limited	₹ 500,000	627	-	29.97	-
L & T Finance Ltd	₹ 500,000	500	-	23.92	-
IL & FS Financial Services	₹ 500,000	340	-	16.16	-
Morgan Stanley India Capital Private Limited	₹ 500,000	500	-	24.32	-
Shapoorji Pallonji Co. Limited	₹ 500,000	1,000	-	48.88	-
PFC	₹ 500,000	1,000	-	47.82	-
Housing Development Finance Corporation Limited	₹ 500,000	1,500	1000	73.26	48.63
Aditya Birla Finance Limited	₹ 500,000	-	2060	-	100.58
Investments in Certificate of Deposits					
State Bank of Travancore	₹ 100,000	-	5000	-	48.39
Allahabad Bank	₹ 100,000	10,000	5000	98.43	48.73
State Bank of Bikaner and Jaipur	₹ 100,000	-	7500	-	69.93
Syndicate Bank	₹ 100,000	-	2500	-	23.15
Punjab National Bank	₹ 100,000	500	15000	4.66	136.46
United Commercial Bank	₹ 100,000	-	2500	-	24.06
HDFC Bank	₹ 100,000	-	2500	-	23.05
ICICI Bank	₹ 100,000	2,500	5000	23.92	46.21
IDBI Bank	₹ 100,000	2,500	10000	23.40	94.30
Andhara Bank	₹ 100,000	-	2500	-	23.40
Federal Bank	₹ 100,000	-	2500	-	23.51

(₹ Crore)

	Face value per Unit	Numbers - As at 31/03/2013	Numbers - As at 31/03/2012	As at 31/03/2013	As at 31/03/2012
18. **Current Investments: (Contd.)**					
Axis Bank	₹ 100,000	5000	-	49.18	-
Corporation Bank	₹ 100,000	10000	-	91.61	-
State Bank of Mysore	₹ 100,000	7500	-	70.11	-
Central Bank of India	₹ 100,000	2500	-	23.28	-
State Bank of Hyderabad	₹ 100,000	2500	-	23.31	-
The Jammu and Kashmir Bank Limited	₹ 100,000	2500	-	23.00	-
Investments in Mutual Funds					
Investments in Debt Schemes of Mutual Funds - (b)				4,432.97	3,760.69
				6,265.77	**4,522.19**
Current portion of Long-term Investments					
Investments in Government Securities					
7.95% GOI FCI Special Bonds, 2026				5.04	4.80
6.65% GOI FCI Special Bonds, 2023				18.92	17.90
7.00% GOI FCI Special Bonds, 2022				28.16	26.72
6.20% GOI FCI Special Bonds, 2022				12.50	11.79
8.33% GOI GS CG				56.12	-
8.20% GOI GS CG				45.45	-
				166.19	61.21
				6,431.96	**4,583.40**

(a) Aggregate amount of Quoted and Unquoted Investments, market value of Quoted Investments and aggregate provision for diminution in value of Investments are given below:

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
Aggregate amount of Unquoted Investments	5,312.79	3,561.10
Aggregate amount of Quoted Investments	1,119.17	1,022.30
Aggregate market value of Quoted Investments	1,120.89	1,049.21
Aggregate provision for diminution in value of Investments	7.33	10.74

(b) Investments in Mutual Funds include units of ₹ 1.00 crore (Previous year ₹ 1.00 crore) being deposit as margin for derivative transactions.

19. **Inventories:**

(₹ Crore)

	As at 31/03/2013			As at 31/03/2012		
	Stock	**Transit**	**Total**	**Stock**	**Transit**	**Total**
Raw Materials	1,352.35	1,882.49	3,234.84	659.27	2,691.81	3,351.08
Work-in-Progress	3,442.06	-	3,442.06	3,481.10	-	3,481.10
Finished Goods	324.12	2.83	326.95	419.56	3.30	422.86
Stores and Spares	325.61	15.12	340.73	285.20	15.30	300.50
Coal and Fuel	223.80	134.23	358.03	89.10	98.22	187.32
	5,667.94	**2,034.67**	**7,702.61**	**4,934.23**	**2,808.63**	**7,742.86**

20. **Trade Receivables:**

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
Outstanding for a period exceeding six months		
Unsecured, Considered Good	17.09	8.61
Doubtful	23.71	20.86
Outstanding for a period less than six months		
Secured, Considered Good	-	1.78
Unsecured, Considered Good	1,497.95	1,417.06
	1,538.75	1,448.31
Less: Allowance for doubtful amount	23.71	20.86
	1,515.04	**1,427.45**

21. **Cash and Bank Balances:**

Cash and Cash Equivalents		
Balance with Banks:		
Deposits with less than 3 months initial maturity	45.52	157.10
Current Accounts	90.59	144.53
Cheques and drafts on hand - (a)	68.86	411.72
Cash on hand	0.41	0.28
	205.38	**713.63**
Other Balances		
Balance with Banks:		
Earmarked Balances	8.11	8.66
Deposits with more than 3 months initial maturity	1,284.33	0.01
	1,292.44	8.67
	1,497.82	**722.30**

(a) Include ₹ 41.82 crore (Previous year ₹ Nil) remittances in transit.

22. **Short-term Loans and Advances:**

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
Loans, Advances and Deposits to Related Parties		
Unsecured, Considered Good	27.41	20.29
Inter Corporate Loans, Advances and Deposits		
Unsecured, Considered Good	15.00	50.00
Security Deposits		
Unsecured, Considered Good	21.85	26.12
Doubtful	0.25	0.25
	22.10	26.37
Less: Provision for doubtful amount	0.25	0.25
	21.85	26.12
Advances recoverable in cash or in kind		
Unsecured, Considered Good	1,439.25	959.14
Doubtful	13.17	12.80
	1,452.42	971.94
Less: Provision for doubtful amount	13.17	12.80
	1,439.25	959.14
Other Advances and Balances - Unsecured, Considered Good		
Balance with Government Authorities	41.35	34.42
Prepaid Expenses	21.27	16.21
Others - (a)	706.29	541.47
	2,272.42	**1,647.65**

(a) Others under head "Other Advances and Balances" mainly include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc.

23. **Other Current Assets:**

	31/03/2013	31/03/2012
Accrued Export and Other Incentives	110.10	101.02
Accrued Interest	104.01	26.45
Derivative Assets (refer Note No. 45 (c))	485.70	206.82
Assets held for Sale	0.22	0.54
Other Receivables	30.15	20.95
	730.18	**355.78**

24. **Revenue from Operations:**

	(₹ Crore)	
	Year ended	
	31/03/2013	**31/03/2012**
Sale of Products - (a)	27,797.16	28,053.24
Other Operating Revenues	272.62	243.72
Gross Revenue from Operations	**28,069.78**	**28,296.96**
Less: Excise Duty	2,012.85	1,700.18
Net Revenue from Operations	**26,056.93**	**26,596.78**
(a) Details of Sale of Products are given below:		
Sale of Finished Goods:		
Aluminium Business:		
Alumina	905.78	833.98
Aluminium and Aluminium Products	8,400.50	8,633.85
Others	264.14	244.51
Copper Business:		
Copper and Copper Products - (i)	14,590.90	14,207.10
Precious Metals - (i)	2,436.10	2,278.99
Others - (ii)	1,199.23	1,657.00
	27,796.65	**27,855.43**
Sale of Traded Goods:		
Copper Cathode	-	181.78
Others	0.51	16.03
	0.51	197.81
	27,797.16	**28,053.24**

(i) Sales of Continuous Cast Copper Rod and Copper Cathode are accounted for provisionally, pending finalization of price. Variations are accounted for in the year of settlement. Final price receivable from sale of Copper for which quotational price was not finalized in previous year, were realigned at year end rate based on LME Rate and reversal of Sale of ₹ 8.21 crore (Previous year reversal of sales of ₹ 8.86 crore) were accounted for. During the Year final price was settled at ₹ 47.27 crore (Previous year ₹ 13.20 crore) and further reversal of sales of ₹ 39.06 crore (Previous year further sales of ₹ 4.33 crore) was taken into account. As on 31st March, 2013, sale of Copper, Gold, Silver and Anode Slime/Dore Slag amounting to ₹ 126.92 crore (Previous year ₹ 737.22 crore) pending for price finalization were realigned at year-end rate of LME and reversal of sales of ₹ 1.84 crore (Previous year additional sales of ₹ 8.21 crore) was accounted for. Actual inflow or outflow is expected on finalization of price.

(ii) Include sales of DAP including nutrient based subsidy of P&K ₹ 298.27 crore (Previous year ₹ 421.97 crore).

25. **Other Income:**

	(₹ Crore) Year ended 31/03/2013	31/03/2012
Interest Income		
On Long-term Investments	7.84	8.24
On Current Investments	70.52	35.04
On Others - (a)	253.21	68.35
Dividend Income		
On Long-term Investments - (b)	144.54	146.92
On Current Investments	115.11	309.36
Gain/(Loss) on sale of Investments (Net)		
On Long-term Investments	-	2.49
On Current Investments	396.46	(1.58)
Adjustments to the carrying amount of Investments (Net)		
On Long-term Investments	(0.11)	(0.11)
On Current Investments	3.41	(0.77)
Profit/(Loss) on Fixed Assets sold/discarded (Net)	(4.32)	2.97
Rent Income	4.82	4.38
Liabilities no longer required written back	40.55	48.58
Other Non-Operating Income (Net)	2.18	0.82
	1,034.21	**624.69**
Less: Transfer to Finance Costs - (c)	51.12	8.90
	983.09	**615.79**

(a) Interest Income on others include ₹ 146.38 crore (Previous year ₹ 2.00 crore) of interest received from Income Tax Department.

(b) Dividend Income on long term investments include ₹ 130.24 crore (Previous year ₹ 130.24 crore) of dividend received from subsidiary companies.

(c) Income derived from temporary deployment of surplus fund out of specific borrowing for various projects deducted from borrowing costs.

26. **Purchases of Stock-in-Trade:**

	31/03/2013	31/03/2012
Copper Cathode	-	190.88
Others	0.38	15.10
	0.38	**205.98**

27. **Cost of Raw Materials Consumed:**

	31/03/2013	31/03/2012
Copper Concentrate - (a)	14,223.65	15,245.98
Bauxite	192.86	188.07
Caustic Soda	587.22	468.08
Calcined Petroleum Coke	432.97	427.70
Rock Phosphate	354.71	338.26
Others	1,346.09	1,175.01
	17,137.50	17,843.10
Less: Transfer to Capital Work-in-Progress	0.99	0.02
	17,136.51	**17,843.08**

(a) Purchase of Copper Concentrate is accounted for provisionally pending finalisation of contents in the concentrate, price, and custom duty including interest. Variations are accounted for in the year of settlement. Final price payable on purchase of Copper Concentrate for which quotational price and quantity were not finalized in previous year, were realigned based on monthly average of LME & LMBA rate at the year end copper and precious metals respectively and accordingly provision for ₹ 141.51 crore (Previous year ₹ 3.54 crore) was made. During the year final price payable was settled at ₹ 10.78 crore (Previous year receivable of ₹ 58.66 crore) and accordingly further receivable of ₹ 130.73 crore (Previous year receivable of ₹ 62.20 crore) have been adjusted in raw material consumption. Further, reveivable of ₹ 122.82 crore (Previous year payable of ₹ 141.51 crore) was provided on realignment of receipt of copper concentrate as on 31st March, 2013. Actual outflow is expected on finalization of quotational price and quantity in the next financial year.

28. **Changes in Inventories:**

(₹ Crore)

	Year ended 31/03/2013	Year ended 31/03/2012
Opening Inventories		
Work-in-Progress	3,481.10	3,182.98
Finished Goods	422.86	309.45
	3,903.96	**3,492.43**
Less: Closing Inventories		
Work-in-Progress	3,442.06	3,481.10
Finished Goods	326.95	422.86
	3,769.01	**3,903.96**
	134.95	(411.53)
Add: (Increase)/Decrease of Excise Duty on Inventories	(7.01)	4.22
	127.94	**(407.31)**

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

(₹ Crore)

	Work-in-Progress			Finished Goods		
	31/03/2013	31/03/2012	31/03/2011	31/03/2013	31/03/2012	31/03/2011
Aluminium Business:						
Alumina	266.20	224.36	233.07	55.51	42.31	27.81
Aluminium and Aluminium Products	299.25	265.09	230.17	101.45	82.44	73.92
Others	372.59	301.56	250.17	8.98	1.73	1.80
Copper Business:						
Copper and Copper Products	1,428.15	1,231.10	1,454.24	70.03	169.68	169.28
Precious Metals	1,057.75	1,448.08	1,009.21	67.94	95.84	5.88
Others	18.12	10.91	6.12	23.04	30.86	30.76
	3,442.06	**3,481.10**	**3,182.98**	**326.95**	**422.86**	**309.45**

29. **Employee Benefits Expenses:**

(₹ Crore)

	Year ended 31/03/2013	Year ended 31/03/2012
Salaries and Wages	1,039.96	936.29
Contribution to Provident and other Funds	117.69	120.07
Employee Stock Option Scheme	0.27	1.29
Employee Welfare	111.29	101.62
	1,269.21	**1,159.27**
Less: Transfer to Capital Work-in-Progress	68.41	45.92
	1,200.80	**1,113.35**

30. **Power and Fuel:**

(₹ Crore)

	Year ended 31/03/2013	Year ended 31/03/2012
Power and Fuel	3,121.82	2,881.74
Less: Transfer to Capital Work-in-Progress	48.78	11.07
	3,073.04	**2,870.67**
31. **Finance Costs:**		
Interest Expenses - (a)	1,901.31	1,014.55
Other Borrowing Costs	81.79	12.85
	1,983.10	1,027.40
Less: Income on Specific Borrowing - (b)	51.12	8.90
	1,931.98	1,018.50
Less: Transfer to Capital Work-in-Progress	1,496.00	724.87
	435.98	**293.63**

(a) Interest Expenses include ₹ 0.07 crore (Previous year ₹ 0.10 crore) of interest paid to Income Tax Department.

(b) Income derived from temporary deployment of surplus fund out of specific borrowing for various projects deducted from borrowing costs incurred.

32. **Depreciation and Amortization:**

Depreciation and Amortization	689.16	692.63
Less: Transfer to Capital Work-in-Progress	2.21	2.66
	686.95	**689.97**

33. **Impairment Loss/(Reversal) (Net):**

Certain assets of copper business have been impaired as a result of uneconomical operation. Accordingly, an amount of ₹ 17.25 crore (Previous year ₹ Nil) has been recorded as impairment loss during the year.

34. **Other Expenses:**

Consumption of Stores and Spares	587.10	499.15
Repairs to Buildings	34.34	31.12
Repairs to Machinery	261.22	234.66
Rates and Taxes	19.13	15.02
Rent	31.97	22.53
Insurance	73.11	61.73
Payments to Auditors - (a)	3.27	2.88
Research and Development	24.97	20.87
Freight and Forwarding Expenses (Net)	504.58	469.75
Provision for Doubtful Loans, Advances and Receivables (Net)	6.97	8.65
Bad Loans, Advances and Receivables written off/(written back) (Net)	0.41	1.42
Prior Period Items (Net)	0.32	(1.58)
Donation - (b)	11.77	27.58
Directors' Fees and Commission	10.05	14.05

34. **Other Expenses:** (Contd.)

(₹ Crore)

	Year ended 31/03/2013	Year ended 31/03/2012
(Gain)/Loss on Change in Fair Value of Derivatives (Net)	96.99	(126.50)
Cost of own Manufactured Products Capitalized/Used	(103.50)	(91.85)
Miscellaneous Expenses - (c)	808.67	736.24
	2,371.37	1,925.72
Less: Transfer to Capital Work-in-Progress	56.83	59.47
	2,314.54	**1,866.25**
(a) Details of Payments to Auditors are as follows:		
Statutory Auditors:		
Statutory Audit Fees	1.76	1.60
Tax Audit Fees	0.29	0.28
Certification and management services	0.99	0.85
Out of pocket expenses	0.14	0.09
Cost Audit Fees and expenses	0.09	0.06
	3.27	**2.88**

(b) Donation includes ₹ 1.00 crore (Previous year ₹ 0.20 crore) paid to General Electoral Trust as political donation.

(c) Miscellaneous Expenses include :

i. ₹ 0.05 crore (Previous year ₹ 0.01 crore) paid to a firm of solicitors in which Director is a partner

ii. ₹ Nil crore (Previous year ₹ 0.01 crore) paid as pension to a Director who was president of the Company before appointment as Director

35. **Tax Expenses**

	31/03/2013	31/03/2012
Current Tax		
Current Tax for the year	381.41	562.68
Tax adjustments for earlier years (Net)	-	-
	381.41	562.68
Deferred Tax		
Deferred Tax for the year	(33.98)	(62.93)
	(33.98)	**(62.93)**

36. **Earnings per Share (EPS)**

	31/03/2013	31/03/2012
Profit for the period (₹ Crore)	1,699.20	2,237.20
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of Basic Equity Shares outstanding	1,914,567,153	1,914,479,614
Shares deemed to be issued for no consideration in respect of Employee Stock Options	95,595	201,570
Weighted average number of Diluted Equity Shares outstanding	1,914,662,748	1,914,681,184
Face value of per share (₹)	1.00	1.00
Basic EPS (₹)	8.88	11.69
Diluted EPS (₹)	8.87	11.68

37. **Segment Reporting**

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

(a) The Company has two reportable segments viz. Aluminium and Copper which have been identified in line with the Accounting Standard 17 on Segment Reporting, taking into account the organizational structure as well as differential risk and return of these segments. Details of products included in each segments are as under:

(i) Aluminium : Hydrate & Alumina, Aluminium and Aluminium Product

(ii) Copper : Continuous Cast Copper Rods, Copper Cathode, Sulphuric Acid, DAP & Complexes, Gold and Silver

(b) Inter-segment transfers are based on market rates.

(c) The details of the revenue, results, assets, liabilities and other information from operations by reportable business segments are under:

(₹ Crore)

	Year ended 31/03/2013			Year ended 31/03/2012		
	Aluminium	**Copper**	**Total**	**Aluminium**	**Copper**	**Total**
REVENUE						
External	8,776.15	17,280.78	26,056.93	9,036.88	17,559.90	26,596.78
Inter Segment	2.87	24.49	27.36	4.29	14.66	18.95
Total	**8,779.02**	**17,305.27**	**26,084.29**	**9,041.17**	**17,574.56**	**26,615.73**
RESULTS						
Segment Results	929.84	768.01	1,697.85	1,821.68	801.63	2,623.31
Unallocated Corporate Income			942.52			565.27
Unallocated Corporate Expenses			(157.76)			(158.00)
Finance Costs			(435.98)			(293.63)
Tax Expenses			(347.43)			(499.75)
Profit for the period			**1,699.20**			**2,237.20**
OTHER INFORMATION						
Assets:						
Segment Assets	34,766.51	8,478.95	43,245.46	26,622.38	9,373.80	35,996.18
Unallocated Corporate Assets			23,373.10			19,651.44
Total Assets			**66,618.56**			**55,647.62**
Liabilities:						
Segment Liabilities	2,824.39	2,563.17	5,387.56	2,608.61	4,255.29	6,863.90
Unallocated Corporate Liabilities			27,258.61			16,751.25
Total Liabilities			**32,646.17**			**23,615.15**
Capital Expenditure	7,292.06	50.75		8,394.18	35.91	
Depreciation and Amortization	492.69	171.42		494.74	172.48	
Impairment Loss/(Reversal) (Net)	-	17.25		-	-	
Other Non-Cash Expenses	5.36	2.02		1.63	8.49	

B. **Secondary Segment Reporting (by Geographical demarcation):**

(a) The secondary segment is based on geographical demarcation i.e. India and Rest of the World.

(b) The Company's revenue from external customers and information about its assets and others by geographical location are as under:

(₹ Crore)

	Year ended 31/03/2013			Year ended 31/03/2012		
	India	Rest of the World	Total	India	Rest of the World	Total
Revenue	18,453.74	7,630.55	26,084.29	18,700.11	7,915.62	26,615.73
Assets	42,672.45	573.01	43,245.46	35,503.85	492.33	35,996.18
Capital Expenditure	7,342.81	-	7,342.81	8,430.09	-	8,430.09

38. The Company had formulated a scheme of financial restructuring under Sections 391 to 394 of the Companies Act 1956 ("the Scheme") between the Company and its equity shareholders approved by the High Court of judicature of Bombay to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created during the year 2008-09 by transferring balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme. Accordingly, the Company has transferred ₹ 8,647.37 crore from Securities Premium Account to BRR and so far ₹ 66.98 crore adjusted against BRR.

39. For the year ended 31st March, 2013, the Board of Directors of the Company have recommended dividend of ₹ 1.40 per share (Previous year ₹ 1.55 per share) to equity shareholders aggregating to ₹ 313.60 crore (Previous year ₹ 344.89 crore) including Dividend Distribution Tax.

40. **Share Based Payment**

Employee stock option scheme

The shareholders of the Company has approved on 23rd January, 2007 an Employee Stock Option Scheme ("ESOS 2006"), formulated by the Company, under which the Company may issue 3,475,000 options to its permanent employees in the management cadre, in one or more tranches, whether working in India or out of India, including the Whole Time Directors of the Company. The shareholders have also approved giving discount up to 30% of the average price of the equity shares of the Company in the immediate preceding seven day period on the stock exchange. The ESOS 2006 is administered by the Compensation Committee of the Board of Directors of the Company ("the Committee"). Each option when exercised would be converted into one fully paid-up equity share of ₹ 1/- each of the Company. The options will vest in 4 equal annual instalments after one year of the grant. The maximum period of exercise is 5 years from the date of vesting. Further, forfeited/expired options are available to the Committee for grant. These options do not carry rights to dividends or voting rights till the date of exercise. Further, on 23rd September, 2011 the ESOS 2006 has been partially modified by which the Company may now issue 6,475,000 options.

However, under the ESOS 2006, so far the Committee has granted 3,545,550 options (Previous year 3,545,550 options) to its eligible employees in three tranches out of which 880,145 options (Previous year 706,901 options) have been forfeited/expired and are available to the Committee for grant as per term of the Scheme.

The compensation cost of stock options granted to employees have been accounted by the Company using the intrinsic value method. Accordingly, Employee benefits expenses includes ₹ 0.27 crore (Previous year ₹ 1.29 crore) being the amortization of intrinsic value for the year ending 31st March, 2013.

Movement of Options Granted:

The movement of the options under ESOS 2006 for the year ended 31st March, 2013 are as under:

Particulars	Stock Options (Numbers)	Range of Exercise Price (₹)	Weighted Average Exercise Price (₹)	Weighted Average Remaining Contractual life (Years)
Outstanding at beginning of the year	2,198,457	98.30-150.10	124.11	3.99
Granted during the year	-	-	-	-
Forfeited during the year	(86,884)	118.35	118.35	-
Exercised during the year	(40,760)	98.30-98.30	98.30	-
Expired during the year	(86,360)	98.30-150.10	127	-
Outstanding at the end of the year	1,984,453	98.30-150.10	124.77	2.90
Exercisable at the end of the year	1,785,257	98.30-150.10	125.49	2.56

The movement of the options under ESOS 2006 for the year ended 31st March, 2012 are as under:

Particulars	Stock Options (Numbers)	Range of Exercise Price (₹)	Weighted Average Exercise Price (₹)	Weighted Average Remaining Contractual life (Years)
Outstanding at beginning of the year	2,348,478	98.30-150.10	122.63	4.92
Granted during the year	-	-	-	-
Forfeited during the year	(5,627)	98.30-98.30	98.30	-
Exercised during the year	(144,394)	98.30-150.10	100.95	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,198,457	98.30-150.10	124.11	3.99
Exercisable at the end of the year	1,769,337	98.30-150.10	125.51	3.40

The weighted average share price at the date of exercise of stock options exercised during the year ended 31st March, 2013 and 31st March, 2012 was ₹ 117.41 and ₹ 149.92 respectively.

Fair Valuation:

At grant date, the estimated fair value of stock options granted in Tranche I, Tranche II and Tranche III under ESOS 2006 was ₹ 65.78, ₹ 57.11 and ₹ 102.96 respectively. The fair valuation of stock options has been done by an independent valuer using Black and Scholes Model. For fair valuation, expected volatility is based on the historical share price volatility over the past 5 years. The details of stock options granted and the key assumptions taken into account for fair valuation are as under:

Particulars	Tranche I	Tranche II	Tranche III
Number of Option Granted	19,40,250	10,33,140	5,72,160
Grant Date	23.08.2007	25.01.2008	03.09.2010
Risk Free interest Rate (%)	8.00	8.00	8.00
Option Life (Years)	5	5	5
Expected Volatility	0.3391	0.3655	0.527
Expected Dividend Yield (%)	170.00	170.00	135.00
Share price at options grant date (₹ per Share)	138.95	150.10	173.65

Had the compensation cost for the stock options granted been recognized based on fair value at the date of grant (calculated using Black and Scholes Option Pricing Model), the proforma amount of net profit and earnings per share of the Company would have been as under:

(₹ Crore)

	Year ended	
	31/03/2013	**31/03/2012**
Reported Net Profit for the period	1,699.20	2,237.20
Add: Compensation cost under ESOS as per intrinsic value	0.27	1.29
Less: Compensation cost under ESOS as per fair value	(0.50)	(2.63)
Proforma Net Profit for the period	**1,698.97**	**2,235.86**

	Reported		Proforma	
	31/03/2013	**31/03/2012**	**31/03/2013**	**31/03/2012**
Weighted average number of shares used in the calculation of EPS:				
Weighted average number of Basic Equity Shares outstanding	1,914,567,153	1,914,479,614	1,914,567,153	1,914,479,614
Shares deemed to be issued for no consideration in respect of Stock Options	95,595	201,570	95,595	201,570
Weighted average number of Diluted Equity Shares outstanding	1,914,662,748	1,914,681,184	1,914,662,748	1,914,681,184
Face value of per share (₹)	1.00	1.00	1.00	1.00
Reported Earnings per Share (EPS):				
Basic EPS (₹)	8.88	11.69	8.87	11.68
Diluted EPS (₹)	8.87	11.68	8.87	11.68

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

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

(₹ Crore)

	31/03/2013	**31/03/2012**
(a) **Change in Obligations over the year ended 31 March 2013**		
Present value of Defined Benefit Obligations at the beginning of the year	462.57	420.25
Current Service Cost	28.48	28.56
Past Service Cost	-	-
Interest Cost	36.34	33.01
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Plan Amendments	-	-
Actuarial (Gain) or Loss	1.97	(3.50)
Benefits Paid	(16.51)	(15.75)
Present value of Defined Benefit Obligations at the end of the year	**512.85**	**462.57**

(₹ Crore)

		31/03/2013	31/03/2012
(b)	**Change in Plan Assets(Reconcilation of opening and closing balances)**		
	Fair value of Plan Assets at the beginning of the year	286.32	246.28
	Expected return on Plan assets	22.35	17.89
	Actuarial Gain or (Loss)	-	-
	Contributions	39.44	37.90
	Benefits Paid	(16.51)	(15.75)
	Fair value of Plan Assets at the end of the year	331.60	286.32
(c)	**Reconciliation of fair value of assets and obligations**		
	Fair value of Plan Assets at the end of the year	331.60	286.32
	Present value of Defined Benefit Obligations at the end of the year	(512.85)	(462.57)
	Amount recognised in Balance Sheet	(181.25)	(176.25)
(d)	**Expense recognised during the year**		
	Current Service Cost	28.48	28.56
	Past Service Cost	-	-
	Interest Cost	36.34	33.01
	Curtailment Cost/ (Credit)	-	-
	Settlement Cost/ (Credit)	-	-
	Actuarial (Gain) or Loss	3.44	(0.80)
	Expected return on Plan assets	(23.82)	(20.59)
		44.44	40.18
(e)	**Investments details of Plan Assets:**		
	Insurer Managed Funds	95.18%	94.27%
	Government Securities	0.00%	0.00%
	Corporate Bonds	0.00%	0.00%
	Others	4.82%	5.73%
(f)	**Principal Actuarial Assumptions:**		
	Discount rate (based on the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities)	8.00%	8.00%
	Expected rate of return on assets	8.00%	8.00%
	Salary increases taking into account inflation, seniority, promotion and other relevant factors.	6.00%	6.00%

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

B. In respect of defined Contribution Schemes:

(a) As required under Guidance Note on Implementation of Accounting Standard 15 (revised) issued by the ICAI in respect of exempted Provident Fund, the Company has ascertained shortfall in interest payable to the members of Provident Fund based on actuarial valuation and made appropriate provision in the books. The Company contributes 12% of salary for all eligible employees towards Provident Fund managed either by approved trusts or by the Central Government. The amount debited to statement of profit and loss during the year was ₹ 62.56 Crore (previous year ₹ 58.30 Crore). In view of typical nature of such Provident fund scheme involving defined benefit underpin in respect of interest payable to members as declared by The Employees Provident Fund Organisation, the defined benefit obligation relating to interest shortfall is considered to be Other Long Term Employee Benefits.

(b) The Company contributes a certain percentage of salary for all eligible employees in managerial cadre towards Superannuation Funds managed by approved trusts or by Life Insurance Corporation of India. The amount debited to Statement of Profit and Loss during the year was ₹ 12.52 Crore (previous year ₹ 11.92 Crore).

42. **Provisions:**

The details of other provisions and its movement included in Note 12 are as under:

(₹ Crore)

	As at 31/03/2012	Addition	Utilised	Unused Reversed	As at 31/03/2013
(a) Provision for claims against the Company	14.50	8.02	-	0.75	21.77
(b) Others	3.25	-	-	-	3.25
	17.75	8.02	-	0.75	25.02
Previous Year	17.75	-	-	-	17.75

	As at 31/03/2013	As at 31/03/2012
Non-curent portion	-	-
Curent portion	25.02	17.75

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

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

(₹ Crore)

	Year ended 31/03/2013	Year ended 31/03/2012
Revenue from Operations	(431.87)	(535.59)
Cost of Materials Consumed	(105.86)	(193.87)
Power and Fuel	(2.54)	(5.62)
Other Expenses	(14.04)	(83.34)
	(554.31)	**(818.42)**

44. **Operating Lease**

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

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
Not later than one year	0.40	0.40
Later than one year and not later than five years	1.60	1.60
Later than five years	1.67	2.07

45 **Derivative Financial Instruments**

(a) The Company has adopted Accounting Standard 30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India so far as it relates to derivative accounting.

(b) In the ordinary course of business, the Company is exposed to risks resulting from changes in prices of commodity, exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through derivative financial instruments. It uses derivative instruments such as forwards, futures, swaps and options to manage these risks. These derivative financial instruments reduce the impact of both favourable and unfavourable fluctuations. Except where noted, the derivative contracts are marked-to-market (MTM) and the related gains and losses are included in the Statement of Profit and Loss in the current accounting period.

The Company's risk management activities are subject to the management, direction and control of Risk Management Board (RMB). The RMB is composed of two directors including Managing Director, Chief Financial Officer and other officers and employees selected by the Managing Director. The RMB reports to the Board of Directors on the scope of its activities.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is always linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Company is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The credit levels are reviewed to ensure that there is not an inappropriate concentration of outstanding to any particular counterparty.

Commodity Price Risk

Copper and Precious Metals

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

Aluminium

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

As a condition of sale, customers often require the Company to enter into fixed price commitments. These commitments expose the Company to the risk of fluctuating aluminum prices between the time the order is committed and the time that the material is shipped. The Company may enter into derivative financial instruments to mitigate the risk arising out of the fixed price commitments. Consequently, the gain or loss resulting from movements in the price of aluminum on these contracts would generally be offset by an equal and opposite impact on the net sales and purchases being hedged.

Foreign Currency Exchange Risk

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

Embedded derivatives

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

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

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

₹ Crore

Particulars	Nature of Risk being Hedged	31st March, 2013			31st March, 2012		
		Liability	Asset	Net Fair Value	Liability	Asset	Net Fair Value
Current							
Cash flow hedges							
- Commodity contracts	All cash flow risk other than foreign currency	(1.79)	277.72	275.93	(11.69)	56.73	45.04
- Foreign currency contracts	Exchange rate movement risk	(41.95)	130.69	88.74	(157.42)	19.20	(138.22)
Fair Value Hedge							
- Embedded Derivatives*	Risk of change in Fair Value of unpriced inventory	(0.04)	191.05	191.01	(215.44)	15.75	(199.69)
Non-designated hedges							
- Commodity contracts		(35.50)	74.54	39.04	(18.92)	109.85	90.93
- Foreign currency contracts		(10.75)	2.75	(8.00)	(19.50)	5.29	(14.21)
Total		**(90.03)**	**676.75**	**586.72**	**(422.97)**	**206.82**	**(216.15)**
Non - current							
Cash flow hedges							
- Commodity contracts	All cash flow risk other than foreign currency	-	28.17	28.17	-	2.12	2.12
- Foreign currency contracts	Exchange rate movement risk	-	-	-	(45.81)	-	(45.81)
Non-designated hedges							
- Commodity contracts		-	6.29	6.29	-	5.41	5.41
- Foreign currency contracts		-	-	-	-	-	-
Total		**-**	**34.46**	**34.46**	**(45.81)**	**7.53**	**(38.28)**
Grand Total		**(90.03)**	**711.21**	**621.18**	**(468.78)**	**214.35**	**(254.43)**

* Fair Value of ₹ Crore 191.01 is part of Trade Payables.

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

Particulars	Currency Pair	31st March, 2013			31st March, 2012		
		Average exchange rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ Crore)	Average exchange rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ Crore)
Foreign currency forwards							
Cash flow hedges							
Buy	EUR_INR	72.20	5.66	0.28	68.40	13.40	0.98
Buy	GBP_INR	83.04	0.04	-	-	-	-
Buy	USD_INR	55.51	7.97	0.59	50.41	29.92	3.03
Sell	USD_INR	57.60	815.94	85.80	49.77	764.50	(188.04)
Total				**86.67**			**(184.03)**
Non-Designated							
Buy	AUD_INR	58.54	1.71	(0.31)	53.63	2.52	(0.08)
Buy	CHF_INR	60.29	0.19	(0.03)	57.45	0.25	0.17
Buy	EUR_INR	72.73	22.64	(4.55)	69.24	35.26	0.86
Buy	GBP_INR	85.68	0.66	(0.10)	80.88	0.95	0.14
Buy	NOK_INR	9.69	2.37	(0.06)	8.90	3.16	0.09
Buy	USD_INR	54.85	166.19	(5.48)	51.80	187.27	(9.37)
Sell	USD_INR	55.04	14.47	0.49	51.64	53.83	(6.02)
Total		-	-	**(10.04)**	-	-	**(14.21)**
Foreign currency Options							
Cash flow hedges							
Sell	USD_INR	56.88	11.85	2.07	-	-	-
Non-Designated							
Sell	USD_INR	55.50	20.00	2.04	-	-	-
Total				**4.11**			**-**

(e) The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2013:

		Average Price (USD/Unit)	Quantity	Unit	Notional value (USD in millions)	Fair Value Gain/(Loss) (₹ Crore)
Commodity Futures/Forwards						
Cash Flow Hedge						
Aluminium	Sell	2,128.28	260,225	MT	553.83	272.35
Copper	Sell	7,829.63	2,350	MT	18.40	3.27
Gold	Sell	1,609.57	91,971	TOZ	148.03	5.94
Silver	Sell	31.28	1,457,256	TOZ	45.59	22.55
Total						**304.11**
Non Designated hedges						
Aluminium	Buy	1,914.14	38,425	MT	73.55	(6.00)
Aluminium	Sell	2,112.14	54,700	MT	115.53	63.11
Copper	Buy	7,724.13	41,350	MT	319.39	(40.40)
Copper	Sell	7,646.14	28,700	MT	219.44	14.47
Gold	Sell	1,652.52	3,942	TOZ	6.51	1.17
Silver	Buy	28.75	353,750	TOZ	10.17	(0.73)
Silver	Sell	28.88	339,507	TOZ	9.80	0.94
Coal	Buy	85.17	75,000	MT	6.39	(1.76)
Gold	Sell		*	TOZ	-	14.50
Silver	Sell		*	TOZ	-	0.03
Total						**45.33**
Embedded derivatives						
Fair Value Hedge						
Copper	Sell	7,902.95	93,042	MT	735.30	184.65
Gold	Sell	1,639.59	12,746	TOZ	20.90	2.92
Silver	Sell	30.87	256,761	TOZ	7.93	3.44
Total						**191.01**

* Represent derivatives matured within 31st March, 2013 for which cash flow to happen on settlement date during April, 2013.

The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2012:

		Average Price (USD/Unit)	Quantity	Unit	Notional value (USD in millions)	Fair Value Gain/ (Loss) (₹ Crore)
Commodity Futures/Forwards						
Cash Flow Hedge						
Aluminium	Sell	2,396.22	15,325	MT	36.73	16.68
Copper	Sell	8,637.51	1,250	MT	10.80	1.19
Gold	Sell	1,702.33	99,503	TOZ	171.52	30.63
Silver	Sell	32.83	1,672,332	TOZ	53.73	(1.34)
Total						**47.16**
Non Designated hedges						
Aluminium	Buy	2,182.47	36,950	MT	80.84	(17.15)
Aluminium	Sell	2,338.91	52,175	MT	126.14	75.51
Copper	Buy	8,342.70	23,375	MT	195.36	22.39
Copper	Sell	8,445.79	2,825	MT	23.85	0.46
Gold	Buy	1,710.28	1,397	TOZ	2.40	(4.48)
Gold	Sell	1,663.41	41,752	TOZ	69.46	4.76
Silver	Buy	-	*	TOZ	-	(0.53)
Silver	Sell	32.41	278,664	TOZ	9.03	11.89
Total						**92.85**
Commodity Options (Non Designated hedges)						
Aluminium	Sell	-	*	MT	-	3.49
Total						**3.49**
Embedded derivatives						
Fair Value Hedge						
Copper	Sell	8,102.36	113,333	MT	918.27	(202.78)
Gold	Sell	1,689.66	40,362	TOZ	68.20	5.68
Silver	Sell	31.55	710,744	TOZ	22.43	(2.59)
Total						**(199.69)**

* Represent derivatives matured within 31st March, 2012 for which cash flow to happen on settlement date during April, 2012.

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

₹ Crore

Hedge Instrument Type	Products/ Currency Pair	31st March, 2013			31st March, 2012		
		Closing Value in Hedging Reserve as at 31st March, 2013	Release		Closing Value in Hedging Reserve as at 31st March, 2012	Release	
			In less than 12 Months	After 12 Months		In less than 12 Months	After 12 Months
		Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
Commodity Forwards	Aluminium	284.37	256.86	27.51	54.41	52.43	1.98
	Copper	2.91	2.81	0.10	1.15	1.01	0.14
	Gold	19.06	19.06	0.00	39.90	39.90	-
	Silver	22.72	22.72	-	12.47	12.47	-
Total		**329.06**	**301.45**	**27.61**	**107.93**	**105.81**	**2.12**
Debt		**10.16**	**10.16**	-	**20.37**	**20.37**	-
Liability for Copper Concentrate		**(7.58)**	**(7.58)**	-	**(82.06)**	**(82.06)**	-
Foreign currency Forwards	AUD_INR				(0.18)	-	(0.18)
	EUR_INR	0.37	0.29	0.08	2.40	3.55	(1.15)
	GBP_INR	(0.01)	(0.01)	-	-	-	-
	NOK_INR				(0.03)	-	(0.03)
	USD_INR	87.85	86.16	1.69	(181.98)	(136.20)	(45.78)
Total		**88.21**	**86.44**	**1.77**	**(179.79)**	**(132.65)**	**(47.14)**
Foreign currency Options	USD_INR	**1.86**	**1.86**	-	-	-	-
Grand Total		**421.71**	**392.33**	**29.38**	**(133.55)**	**(88.53)**	**(45.02)**

(g) The following tables presents the amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2012-13:

₹ Crore

Item	Opening Balance	Net Amount recognised	Recycled			Closing Balance
			Net Amount to P&L	Net Amount added to	Total Amount recycled Non-Financial Assets	
Commodity	107.93	362.91	140.07	1.71	141.78	329.06
Forex	(241.48)	(140.63)	(482.73)	7.97	(474.76)	92.65
Total	**(133.55)**	**222.28**	**(342.66)**	**9.68**	**(332.98)**	**421.71**

The following tables presents the amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2011-12:

₹ Crore

Item	Opening Balance	Net Amount recognised	Recycled			Closing Balance
			Net Amount to P&L	Net Amount added to	Total Amount recycled Non-Financial Assets	
Commodity	(93.09)	212.32	11.30	-	11.30	107.93
Forex	73.26	(820.53)	(516.72)	10.93	(505.79)	(241.48)
Total	**(19.83)**	**(608.21)**	**(505.42)**	**10.93**	**(494.49)**	**(133.55)**

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

₹ Crore

Note No.	Schedule Line Item	2012-13	2011-12
24a	Aluminium and Aluminium Products	(16.26)	190.73
24a	Copper and Copper Products	(350.71)	(411.18)
24a	Precious Metals	24.31	(284.97)

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

₹ Crore

	2012-13	2011-12
Copper	(184.55)	207.85
Gold	(2.92)	(5.33)
Silver	(3.45)	2.73
Total	**(190.92)**	**205.25**

Sensitivities

The following table presents the estimated potential changes in the fair values of the foreign currency derivative financial instruments given a 10% changes in their respective indexes.

₹ Crore

Currency Pair	Change in Rate/Price	31st March, 2013			31st March, 2012		
		Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve	Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve
Forwards							
USD_INR	10%	329.35	(108.58)	437.93	311.82	86.38	225.44
EUR_INR	10%	38.13	33.76	4.37	62.83	54.05	8.78
GBP_INR	10%	1.11	1.07	0.04	1.48	1.48	-
NOK_INR	10%	0.01	0.01	0.01	0.01	-	-
CHF_INR	10%	0.00	0.00	0.14	0.14	-	-
AUD_INR	10%	1.94	1.94	-	2.51	2.51	-
Options							
USD_INR	10%	6.69	3.51	3.17	-	-	-
Debt	10%	513.15	89.48	423.67	565.63	304.15	261.48

STANDALONE FINANCIAL STATEMENTS

The following table presents the estimated potential change in the fair values of the commodity derivative financial instruments, given a 10% change in their respective indexes (LME in case of Aluminium and Copper, LBMA in case of Gold and Silver).

₹ Crore

Types of Derivatives	Change in Rate/Price	31st March, 2013			31st March, 2012		
		Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve	Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve
Forwards	10%	353.23	(13.43)	366.66	101.25	(32.49)	133.74
Embedded derivatives	10%	395.48	395.48	-	532.56	532.56	-

46 **Contingent Liabilities and Commitments**

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
A **Contingent Liabilities**		
(a). Claims against the Company not acknowledged as debt: Following demands are disputed by the Company and are not provided for:		
(i) Demand notice by Asstt. Collector Central Excise Mirzapur for excise duty on power generated by Company's captive power plant, Renusagar Power Company Limited (Since amalgamated).	9.12	9.12
* Writ petition is pending with the Hon'ble High Court of Delhi. Earlier demand raised was quashed by the Hon'ble High Court of Delhi. The amount has been sequestered in the Aluminium Regulation account. According to the terms of settlement dated 05th December, 1983 between the Central Govt. and the Company, this amount will be reimbursed to the Company in the event the case is decided against the Company.		
(ii) Demand of interest on past dues of the Aluminium Regulation account up to 31st December, 1987.	6.33	6.33
* The demand is in dispute with Controller of Aluminium Regulation Account.		
(iii) Retrospective Revision of Water Rates by UP Jal Vidyut Nigam Limited (April 1989 to June 1993 & Jan 2000 to Jan 2001).	4.08	4.08
* Writ petition pending with Lucknow Bench of Hon'ble High Court of Allahabad. The demand has been stayed vide order dated 11th May, 2001.		
(iv) Transit fees levied by Divisional Forest officer, Renukoot, on Coal and Bauxite.	134.38	111.78
* Appeal pending with the Hon'ble High Court of Allahabad and payment of transit fee has been stayed. According to the legal opinion received by the Company, the Forest department has no authority to levy such fees.		

46 **Contingent Liabilities and Commitments (Contd.)**

(₹ Crore)

		As at	
		31/03/2013	**31/03/2012**
	The Company has filed a transfer application before the Hon'ble Supreme Court.The Hon'ble Supreme Court of India on while issuing notice on our Transfer Petition stayed the further proceedings of the Company's Writ Petiition pending before the Hon'ble Allahabad High Court.		
(v)	M.P Transit Fee on Coal demanded by Northern Coal Fields Limited.	23.43	23.05
	*Company had challenged the demand towards MP transit Fee on Coal and filed Writ Petition before the Hon'ble Jabalpur High Court. The Hon'ble High Court has struck down the levy and also ordered for refund of the amount paid under protest. The State government has filed an Appeal against the order of the Hon'ble Supreme Court of India and the Hon'ble High Court's order has been stayed.The Counter affidavit in the matter has been filed . The rejoinder has also been filed by the state. To be listed along with the similar matter before Supreme Court of India.		
(vi)	Imposition of Cess on Coal by Shaktinagar Special Area Development Authority.	9.38	7.56
	* Writ petition pending before Allahabad High Court, Allahabad. Demand and levy stayed. However the company has moved a transfer petition before the Hon'ble Supreme court for the tagging the matter with CA no. 1883 of 06.The matter is tagged with ORISED.		
(vii)	Demand of Royalty on Vanadium by District Mining officer, Lohardaga.	8.44	8.44
	* Appeal is pending with the Hon'ble High Court of Allahabad. The demand has been stayed on certain conditions.		
(viii)	The demand of Excise Duty on gold.	155.31	155.31
	* Part of the demand was confirmed against which our ROM request is pending at CESTAT. Department's appeal is pending before the Hon'ble Supreme Court for the part of the demand and penalty that was dropped.		
(ix)	Tax under MPGATSVA, 2005 @ 5% on basic price of coal w.e.f. 30th September, 2005 by M.P. State Government.	60.76	56.91
	*Writ petition has been filed before the Hon'ble High Court of Madhya Pradesh at Jabalpur. Demand has been stayed.		
(x)	Demand raised on the assessment for entry tax with retrospective effect from the period November,1999 to till date.	271.96	218.55
	* The Hon'ble Allahabad High Court vide order dt. 23.12.2011 dismissed the Entry Tax Writ Petitions		

6 **Contingent Liabilities and Commitments (Contd.)**

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
alongwith other similar Petitions.An SLP was filed before Apex court declaring liability up to Nov'11 against the order of the Hon'ble Allahabad High Court which came up for hearing on 10.02.2012. The Apex court passed an interim order staying the judgement and order dated 23.12.2011 subject to the condition to deposit arrears of liability up to Nov'11,50% in cash and balance by way of BG. The interim order also required to pay the liability after Nov'11 at applicable rate in cash.The Company is depositing entry tax amount on month to month basis under protest.		
(xi) Demand raised on assessment under CST Act and UP Sales Tax Act.	6.39	6.52
* Appeals have been filed with Sales Tax Tribunal and JC Appeal for different years.		
(xii) Revision of surface rent on land by Government of Jharkhand w.e.f. 16th June, 2005.	22.56	18.05
* Matter is in dispute at Hon'ble High Court of Jharkhand.		
(xiii) Demand made by Nayab Tehsildar Kusmi / Collector under Chattisgarh as per Adhosanrachna Vikas evam Parayavaran Upkar Adhiniyam, 2005 @ 5% as environment tax on royalty plus 5% as development tax.	5.55	4.46
* The Writ petition which has been filed by the Company before Hon'ble High Court of Chhattisgarh at Bilaspur, has been transferred to the Hon'ble Supreme Court and tagged with other Civil Appeals.		
(xiv) Service tax paid on Goods Transport Agency and Business Auxiliary Services.	11.27	11.27
* Commissioner has confirmed the demand. Appeal is being filed at CESTAT New Delhi.		
(xv) M.P Transit fee on Bauxite.	1.30	1.30
* Writ petition pending with the Hon'ble High Court at Jabalpur.		
(xvi) Demand for Entry Tax relating to valuation dispute of 2004-05 to 2005-06, for which appeals have been filed.	1.18	1.18
* Appeal has been filed with Additional CCT, Sambalpur.		
(xvii) CST demand on reopening of assessments for 1999-00 to 2003-04.	8.81	8.81
* Appeals have been filed.		
(xviii) Demand of penalty on excess CENVAT Credit taken.	1.09	1.00
*Appeal pending with CESTAT, Mumbai.		
(xix) Demand for Sales Tax u/s 15B for A.Y. 2001-02 & 2002-03.	7.96	8.17
* Appeal is pending with J. C Appellate Authority, Baroda.		

6 **Contingent Liabilities and Commitments (Contd.)**

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
(xx) Service tax on insurance policy attributable to Renusagar.	3.97	3.20
* Commissioner has confirmed the demand. Appeal is pending before the CESTAT, New Delhi.		
(xxi) Demand of Interest on differential duty on account of final assessment of Bill of Entries.	-	17.63
* Commissioner (Appeal) remanded back the case to Dy.Commssioner. Demand vacated		
(xxii) Disallowance of CENVAT credit.	5.29	5.29
* The matter is pending with CESTAT, Ahmedabad.		
(xxiii) Demand for interest on claim with IFFCO, Kandla.	-	7.71
*Appeal against Delhi High Court order being filed. Since provided in books		
(xxiv) Demand raised on assessment under CST Act and APGST Act for various years.	6.55	6.55
* Appeals have been filed with appropriate authorities.		
(xxv) Demand for Service Tax on Consulting Engineer Services and Scientific & Tech Service.	3.84	3.84
* Appeal pending with Commissioner (Appeals), Ahmedabad.		
(xxvi) Excise duty on Dross	16.16	17.30
*Company has challenged the letter issued by Excise department to pay Excise duty on dross before Hon'ble Allahabad High court.		
(xxvii) Alleged Cenvat taken without receipt of Alumina Hydrate inside the factory	3.46	3.46
* Appeal filed with Hon'ble CESTAT		
(xxviii) Demand of Duty debited through DEPB Licenses	-	2.31
*Since Adjusted		
(xxix) Alleged Cenvat Availed on the Input services at capitve Mines	36.07	-
*Appeal pending with CESTAT		
(xxx) Cenvat of Service Tax Credit availed on Supplimentary Invoices	3.12	-
*Pending with appropriate Authority		
(xxxi) Clearence of Silver at Nil Rate of Duty under Notification No.5/2006	8.96	-
*Appeal pending before CESTAT.		
(xxxii) Excess rebate has been sanctioned to the extend duty paid by supplementary invoices	7.65	-
*Appeal pending with Commissioner of Customs (Appeals),Mumbai		

6 **Contingent Liabilities and Commitments (Contd.)**

		(₹ Crore)
	As at	
	31/03/2013	**31/03/2012**
(xxxiii) Disallowance of CENVAT on input services. *Appeals filed / to be filed before CESTAT	5.40	-
(xxxiv) Service tax on reverse charge basis Appeal and stay application filed at CESTAT Kolkata	31.10	-
(xxxv) Other Contingent Liabilities in respect of Excise, Customs, Sales Tax etc. each being for less than ₹ 1 Crore. * The demands are in dispute at various legal forums.	13.33	13.82
	894.20	**743.00**
(b). Corporate Guarantees Outstanding (₹ 48.42 Crore (previous year ₹48.42 Crore) given on behalf of subsidiary companies)	88.98	88.98
(c). Other money for which the Company is contingently liable:		
i. Bills discounted with Banks	-	0.19
ii. Customs duty on Capital Goods and Raw Materials imported under EPCG Scheme/ Advance Licence, against which export obligation is to be fulfilled (excluding cenvatable portion).	359.09	263.55

iii. The Company has received a notice dated 24th March, 2007 from collector (Stamp) Kanpur, Uttar Pradesh alleging that stamp duty of ₹ 252.96 Crore is payable in view of order dated 18th November, 2002 of Hon'ble High Court of Allahabad approving scheme of arrangement for merger of Copper business of Indo Gulf Corporation Limited with the Company. The Company is of the opinion that it has a very strong case as there is no substantive/ computation provision for levy/calculation of stamp duty on court order approving scheme of arrangement under Companies Act, 1956 within the provisions of Uttar Pradesh Stamp Act, moreover the properties in question are located in the State of Gujarat and thus the collector (stamp) Kanpur has no territorial jurisdiction to make such a demand. It is pertinent to note that the Company in 2003-04 has already paid stamp duty which has been accepted as per the provisions of the Bombay Stamp Act 1958 with regard to transfer of shareholding of Indo Gulf Corporation Limited as per the Scheme of Arrangement. Furthermore, the demand made is on an incorrect assumption. The Company's contention amongst the various other grounds made is that the demand is illegal, against the principles of natural justice, incorrect, bad in law and malafide. The Company has filed a writ petition before the Hon'able High Court of Allahabad, inter alia, on the above said grounds, which is pending determination.

iv. Against the notifications issued by the State Electricity Regulatory Commissions of Uttar Pradesh and Odisha States under the provisions of Electricity Act, 2003 in respect of Renewable Purchase Obligation (RPO), the Company has filed writ petitions before jurisdictional high courts on the ground, inter alia, that RPO cannot be made applicable to captive users and the High Court(s) at Allahabad and Cuttack have granted stay on the applicability of the RPO. Pending disposal of these, no provision has been considered necessary at this stage.

v. Pursuant to directions of Dispute Resolution Panel (DRP) disposing of the objections filed by the Company against the draft assessment order for AY 2008-09, the Assessing Officer has framed the assessment by making adjustment, inter alia, amounting to ₹ 270 Crore to total income on account of purported arms length fee of Corporate Guarantee provided to foreign banks for granting loan to wholly owned subsidiary AV Minerals B.V. at Netherlands. The Company has been advised, considering facts of the case no provision is deemed necessary. Appeal against the order has been filed before Hon'ble ITAT.

vi. For AY 2009-10, the Assessing Officer has made adjustment of ₹ 1,063 Crore, inter alia, by imputing guarantee fee of 11.84% and 9.79% on two corporate guarantees provided by the Company to foreign banks for granting loan to wholly owned subsidiary AV Minerals B.V. at Netherlands without giving cognizance to directions of Dispute Resolution Panel for earlier year on similar facts restricting the adjustment on account of purported arms length fee of Corporate Guarantee to 2.50% which has not been challenged by the department.The Company has been advised, considering facts of the case no provision is deemed necessary. Appeal against the order has been filed before CIT(A).

(₹ Crore)

	As at	
	31/03/2013	**31/03/2012**
B **Commitments**		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	2,957.37	7,188.61

(b) The Company, along with Aditya Birla Nuvo Limited, Grasim Industries Limited and Birla TMT Holdings Pvt. Limited (the Sponsors), being promoters of Idea Cellular Limited (Idea) has given the following undertakings to the Facility Agent:

i. The Sponsors shall collectively continue to hold at least 33% of the equity capital of Idea till the end of FY 2015-16 and shall not without prior written approval of the Facility Agent, divest, transfer, assign, dispose of, pledge, charge, create any lien or in any way encumber 33% of shareholdings in Idea. Consequent upon the infusion of fresh equity capital of Idea, if the Sponsors' stake gets diluted from 40% to 33% in the equity capital of Idea, the Sponsors agree and undertake to obtain the prior consent of the Rupee Facility Agent and in other circumstances, the Sponsors agree and undertake to obtain the prior consent of the secured lenders representing 51% of the aggregate outstanding secured loans.

ii. The Sponsors shall collectively continue to hold 26% of the equity capital of Idea after FY 2015-16 and shall not without the prior written approval of the Rupee Facility Agent, divest, transfer, assign, dispose of, pledge, charge, create any lien or in any way encumber 26% shareholdings in the capital of Idea.

iii. Not without prior approval of the Facility Agent in writing divest shareholdings in the equity capital of Idea that may result in a single investor along with its affiliates holding more than 25% of the equity capital of Idea.

(c) As the Sponsor, the Company has executed a Common Rupee Loan Agreement (CRLA) to avail financing of ₹ 4,906 Crore for project undertaken by Utkal Alumina International Limited (Utkal), a wholly-owned subsidiary of the Company. Under the CRLA, the Company has following obligations:

i. To infuse base equity of ₹ 2,103 Crore in Utkal.

ii. To ensure that debt: equity ratio in Utkal is always maintained at 70:30.

iii. To hold minimum 51% equity shares in Utkal.

iv. To bring funds for meeting cost overrun of the project.

v. If Utkal exercises its right or requires to replace any lender under the CRLA and to enable to bring other lender to replace such a lender within the permitted time, the Company is required to infuse funds for prepayment of the loan to such lender and for undrawn portion of such rupee lender.

(d) The Company has issued a Corporate guarantee of ₹ 400 Crore for debt servicing of above loan for a period of six months as per requirement of loan agreement.

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

(₹ Crore)

		As at	
		31/03/2013	**31/03/2012**
(a)	Principal amount due	2.15	1.31
(b)	Interest on Principal amount due	Nil	Nil
(c)	Interest and Principal amount paid beyond appointment day	Nil	Nil
(d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act.	Nil	Nil
(e)	The amount of interest accrued and remaining unpaid at the end of the year.	Nil	Nil
(f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSME Development Act.	Nil	Nil

48. Disclosure relating to amount outstanding at year end and maximum outstanding during the year of loans and advances, in nature of loan, required as per clause 32 of the Listing Agreement, are given below.:

(₹ Crore)

Particulars	As at 31/03/2013	Maximum Outstanding during 2013	As at 31/03/2012	Maximum Outstanding during 2012
(a). Subsidiary: Hindalco-Almex Aerospace Ltd.	-	-	-	70.00
(b). Associate: Aditya Birla Science & Technology Company Limited	57.94	57.94	57.94	57.94

49. The Company is one of the promoter members of Aditya Birla Management Corporation Private Limited (ABMCPL), a Company limited by guarantee which has been formed to provide common facilities and resources to its members, with a view to optimize the benefits of specialization and minimize cost for each member. The Company is one of the participants in the common pool and shares the expenses incurred by ABMCPL and accounted for under appropriate heads.

50. **Interests in Joint Ventures:**

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

		Proportion of ownership interests as at	
Name of Entities	Country of Incorporation	**31/03/2013**	**31/03/2012**
Mahan Coal Limited	India	50%	50%
Hydromine Global Minerals (GMBH) Limited	British Virgin Islands	45%	45%

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

(₹ Crore)

	Year ended/ As at	
	31/03/2013	31/03/2012
50. **Interests in Joint Ventures: (Contd.)**		
Income	0.22	0.07
Expenses	0.95	1.65
Assets	56.46	49.18
Liabilities	3.26	2.63
Contingent Liabilities	16.71	16.71
Commitments (Net of advance)	1.02	0.07

51. **Related Party Disclosures:**

A List of Related Parties:

(a) **Enterprises where control exists:**

i. **Subsidiaries:**

1 Hindalco Guinea SARL
2 Minerals & Minerals Limited
3 Aditya Birla Chemicals (India) Limited
4 Utkal Alumina International Limited
5 Suvas Holdings Limited
6 Renukeshwar Investments & Finance Limited
7 Renuka Investments & Finance Limited
8 Dahej Harbour and Infrastructure Limited
9 Lucknow Finance Company Limited
10 Hindalco-Almex Aerospace Limited
11 HAAL USA Inc. (dissovled w.e.f. 23rd April 2012)
12 Tubed Coal Mines Limited
13 East Coast Bauxite Mining Company Private Limited
14 Mauda Energy Limited
15 Birla Resources Pty Limited
16 Aditya Birla Minerals Limited
17 Birla Maroochydore Pty Limited
18 Birla Nifty Pty Limited
19 Birla Mt. Gordon Pty Limited
20 AV Minerals (Netherlands) B.V.
21 AV Metals Inc.
22 Novelis MEA Ltd (Dubai)
23 Novelis Inc.
24 Albrasilis - Aluminio do Brazil Industria e Comercia Ltda
25 Novelis do Brasil Ltda.
26 4260848 Canada Inc.
27 4260856 Canada Inc.
28 Novelis Cast House Technology Ltd.
29 Novelis No. 1 Limited Partnership
30 Novelis Sheet Ingot GmbH
31 Novelis Lamines France SAS

32 Novelis PAE SAS
33 Novelis Aluminum Beteiligungs GmbH
34 Novelis Deutschland GmbH
35 Novelis Aluminum Holding Company
36 Novelis Italia SpA
37 Novelis (Shanghai) Aluminum Trading Company
38 Aluminum Company of Malaysia Berhad
39 Alcom Nikkei Specialty Coatings Sdn Berhad
40 Al Dotcom Sdn Berhad #
41 Novelis (India) Infotech Ltd.
42 Novelis de Mexico SA de CV
43 Novelis Korea Ltd.
44 Novelis AG
45 Novelis Switzerland SA
46 Novelis Europe Holdings Limited
47 Novelis UK Ltd.
48 Aluminum Upstream Holdings LLC (Delaware)
49 Eurofoil, Inc. (USA) (New York)
50 Logan Aluminum Inc. (Delaware)
51 Novelis Corporation (Texas)
52 Novelis Madeira, Unipessoal, Limited
53 Novelis Services Limited
54 Novelis Brand LLC (Delaware)
55 Novelis PAE Corp (Delaware)
56 Novelis South America Holdings LLC
57 Novelis (China) Aluminum Products Company Ltd.
58 8018227 Canada Inc.
59 8018243 Canada Limited
60 Novelis Acquisitions LLC (Delaware)
61 Novelis North America Holdings Inc. (Delaware)
62 Novelis Delaware LLC (Delaware)
63 Novelis Vietnam Company Ltd.

(b) **Other Related Parties:**

i. **Associates:**

1 Aditya Birla Science and Technology Company Limited
2 Idea Cellular Limited
3 Aluminum Norf GmbH
4 Consorcio Candonga
5 MiniMRF LLC (Delaware)
6 Deutsche Aluminum Verpackung Recycling GmbH
7 France Aluminum Recyclage SA

ii. **Joint Ventures:**

1 Mahan Coal Limited
2 Hydromine Global Minerals (GMBH) Limited

iii. **Trust of the Company:**

1 Trident Trust

iv. **Key Managerial Personnel:**

Mr. D. Bhattacharya - Managing Director

B The following transactions were carried out with the Related Parties in the ordinary course of business:

(a) **Subsidiaries, Associates and Joint Ventures:** (₹ Crore)

Sl. No.	Transaction during the year	2012-13			2011-12		
		Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
1	***Sales and Conversion***	**111.73**	**-**	**-**	**89.46**	**-**	**-**
	(a) Aditya Birla Chemicals (India) Limited	75.87	-	-	59.78	-	-
	(b) Hindalco - Almex Aerospace Limited	15.20	-	-	29.68	-	-
	(c) Utkal Alumina International Limited	20.66	-	-	-		
2	***Services rendered***	**0.48**	**0.02**	**0.03**	**0.03**	**0.04**	**-**
	(a) Dahej Harbour and Infrastructure Limited	0.01	0.02	-	0.03	-	-
	(b) Idea Cellular Limited	-	-	-	-	0.04	-
	(c) Utkal Alumina International Limited	0.47	-	-	-	-	-
	(d) Others	0.00	-	0.03	0.00	-	-
3	***Interest and dividend received***	**130.58**	**4.22**	**-**	**131.82**	**3.35**	**-**
	(a) Aditya Birla Science & Technology Company Limited	-	3.83	-	-	3.35	-
	(b) Aditya Birla Chemicals (India) Limited	0.60	-	-	0.60	-	-
	(c) Aditya Birla Minerals Limited	44.64	-	-	69.64	-	-
	(d) Hindalco - Almex Aerospace Limited	0.34	-	-	1.58	-	-
	(e) Dahej Harbour and Infrastructure Limited	85.00	-	-	60.00	-	-
	(f) Idea Cellular Limited	-	0.39	-	-	-	-
4	***Purchase of materials and Capital Equipments***	**2,914.36**	**-**	**-**	**2,070.52**	**-**	**-**
4.1	***Purchase of materials***	**2,900.72**	**-**	**-**	**2,036.32**		
	(a) Aditya Birla Chemicals (India) Limited	381.64	-	-	241.49	-	-
	(b) Birla (Nifty) Pty Limited	1,971.84	-	-	1,678.55	-	-
	(c) Birla Mt Gordon Pty Limited	496.68	-	-	74.94	-	-
	(d) Minerals and Minerals Ltd.	7.10	-	-	12.81	-	-
	(e) Novelis Inc.	43.39	-	-	28.50	-	-
	(f) Others	0.07	-	-	0.03	-	-
4.2	***Purchase of Capital Equipments***	**13.64**	**-**	**-**	**34.20**	**-**	**-**
	(a) Novelis Inc.	13.64	-	-	34.20	-	-
5	***Services received***	**36.17**	**18.61**	**-**	**40.34**	**14.93**	**-**
	(a) Aditya Birla Science & Technology Company Limited	-	16.89	-	-	13.74	-
	(b) Dahej Harbour and Infrastructure Limited	31.53	-	-	28.97	-	-
	(c) Idea Cellular Limited	-	1.72	-	-	1.19	-
	(d) Novelis Inc.	4.08	-	-	10.83	-	-
	(e) Others	0.56	-	-	0.54	-	-

(₹ Crore)

Sl. No.	Transaction during the year	2012-13			2011-12		
		Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
6	***Investments, Deposits, loans and advances made during the year***	**541.57**	**10.24**	**6.23**	**520.94**	**10.63**	**11.84**
	(a) Aditya Birla Science & Technology Company Limited	-	-	-	-	10.63	-
	(b) Mahan Coal Limited	-	-	5.00	-	-	10.13
	(c) Hydromine Global Minerals GMBH Limited	-	-	1.23	-	-	1.71
	(d) A V Minerals (Netherlands) B.V.	-	-	-	-	-	-
	(e) Utkal Alumina International Limited	530.00	-	-	379.00	-	-
	(f) Hindalco - Almex Aerospace Limited	-	-	-	138.94	-	-
	(g) Idea Cellular Limited	-	10.24	-	-	-	-
	(h) Tubed Coal Mines Ltd.	10.80	-	-	3.00	-	-
	(i) Others	0.77	-	-	-	-	-
7	***Investments, Deposits, loans and advances received back during the year***	**-**	**-**	**-**	**136.86**	**3.92**	**2.63**
	(a) Aditya Birla Science & Technology Company Limited	-	-	-	-	3.92	-
	(b) Mahan Coal Limited	-	-	-	-	-	2.63
	(c) Utkal Alumina International Limited	-	-	-	-	-	-
	(d) A V Minerals (Netherlands) B.V.	-	-	-	66.86	-	-
	(e) Hindalco - Almex Aerospace Limited	-	-	-	70.00	-	-
	(f) Others	-	-	-	-	-	-
8	***Guarantees and Collateral securities given***	**400.00**	**-**	**-**	**14.76**	**-**	**-**
	(a) Utkal Alumina International Limited	400.00	-	-	14.76	-	-
9	***Licence and Lease arrangements***						
	Licence Fees :	**0.01**	**-**	**-**	**0.01**	**-**	**-**
	(a) Dahej Harbour and Infrastructure Limited	0.01	-	-	0.01	-	-
10	***Outstanding balance as at 31st March***						
1	**Debit Balances**	**5.46**	**0.40**	**0.03**	**7.15**	**0.00**	**-**
	(a) Idea Cellular Limited	-	0.40	-	-	0.00	-
	(b) Aditya Birla Chemicals (India) Limited	5.10	-	-	1.26	-	-
	(c) Aditya Birla Minerals Limited	-	-	-	0.00	-	-
	(d) Utkal Alumina International Limited	0.14	-	-	1.44	-	-
	(e) Hindalco - Almex Aerospace Limited	-	-	-	4.39	-	-
	(f) Others	0.22	-	0.03	0.06	-	-

(₹ Crore)

Sl. No.	Transaction during the year	2012-13			2011-12		
		Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
2	**Credit Balances**	**384.38**	**0.00**	**-**	**316.53**	**0.05**	**-**
	(a) Idea Cellular Limited	0.00		-	-	0.05	-
	(b) Aditya Birla Chemicals (India) Limited	19.07	-	-	15.08	-	-
	(c) Birla (Nifty) Pty Limited	253.42	-	-	267.70	-	-
	(d) Birla Mt. Gordon Pty Limited	98.83	-	-	-	-	
	(e) Novelis Inc.	1.50	-	-	29.63	-	-
	(f) Dahej Harbour and Infrastructure Limited	2.48	-	-	2.62	-	-
	(g) Utkal Alumina International Limited	9.02	-	-	-	-	-
	(h) Others	0.06	-	-	1.50	-	-
3	**Investments, Deposits, loans and advances**	**13,342.96**	**306.32**	**57.79**	**12,801.38**	**296.08**	**51.57**
	(a) Aditya Birla Science & Technology Company Limited	-	67.74	-	-	67.74	-
	(b) Idea Cellular Limited	-	238.58	-	-	228.34	-
	(c) A V Minerals (Netherlands) B.V.	10,423.90	-	-	10,423.90	-	-
	(d) Aditya Birla Minerals Limited	480.76	-	-	480.76	-	-
	(e) Utkal Alumina International Limited	2,157.43	-	-	1,627.43	-	-
	(f) Mahan Coal Limited	-	-	27.00	-	-	22.00
	(g) Hydromine Global Minerals GMBH Limited	-	-	30.79	-	-	29.57
	(h) Others	280.87	-	-	269.29	-	
4	**Guarantees and Collateral securities given**	**448.42**	**-**	**16.71**	**48.42**	**-**	**16.71**
	(a) A V Minerals (Netherlands) B.V.	-	-	-	-	-	-
	(b) Dahej Harbour and Infrastructure Limited	4.50	-	-	4.50	-	-
	(c) Utkal Alumina International Limited	426.88	-	-	26.88	-	-
	(d) Mahan Coal Limited	-	-	16.71	-	-	16.71
	(e) Others	17.04	-	-	17.04	-	-

STANDALONE FINANCIAL STATEMENTS

		(₹ Crore)	
		As at	
		31/03/2013	31/03/2012
(b)	**Trident Trust:**		
	Beneficiary Interest in the Trust	34.45	34.45
(c)	**Key Managerial Personnel:**		
	Managerial Remuneration (including perquisites) *	20.61	19.50

*Excluding gratuity, leave encashment provisions and compensation under Employee Stock Option Scheme.

52. Additional information pursuant to paragraphs 5 (viii) of Part II of Schedule VI to the Companies Act, 1956 are follows:

A. C.I.F. value of imports by the Company (Excluding imported items purchased locally):

	(₹ Crore)	
	As at	
	31/03/2013	31/03/2012
Raw Materials	16,075.25	15,081.29
Coal and Fuel	401.19	259.03
Stores and Spares	72.43	89.62
Capital Goods	1,773.83	1,300.25
Trading Goods	-	204.70

B. Expenditure in foreign currency during the year:

	(₹ Crore)	
	As at	
	31/03/2013	31/03/2012
Technical Know-how and Professional or consultation fees	194.48	59.58
Interest	62.62	60.56
Others*	(24.25)	(160.34)

* Includes cashflow arising on commodity derivatives.

C. Value of Raw Materials and Stores and Spares consumed during the year ended:

	Value (₹ Crore)		Percentage (%)	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Raw Materials:				
Imported	15,293.00	16,090.26	89.24%	90.18%
Indigenous	1,843.52	1,752.82	10.76%	9.82%
	17,136.52	**17,843.08**		
Stores and Spares:				
Imported	47.84	42.27	8.15%	8.47%
Indigenous	539.26	456.87	91.85%	91.53%
	587.10	**499.14**		

D. Remittance in foreign currencies on account of dividend:

(₹ Crore)

	Year ended 31/03/2013	Year ended 31/03/2012
Amount of Dividend remitted (₹ Crore)	29.97	30.76
Year to which dividend relates	2011-12	2010-11
Number of non-resident shareholders	483	494
Number of shares held	193,392,481	205,079,907

E. Earnings in Foreign Exchange:

(₹ Crore)

	Year ended 31/03/2013	Year ended 31/03/2012
Export of Goods on F.O.B. basis	7,571.55	7,856.60
Other Income	0.75	0.04

53. Previous year figures have been reclassified/regrouped to conform to this year's classification.

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

RAJIV SINGHI
Partner
Membership No. 53518

Camp: Mumbai
Dated: The 28th day of May, 2013

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

Kumar Mangalam Birla – Chairman
D. Bhattacharya – Managing Director
M.M. Bhagat – Director

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

(₹ Crore)

	Name of the Subsidiary Company	Financial year of the Subsidiary ended on	Extent of the Holding Company's interest (%)	Net aggregate amount of the Profit/(Loss) of the Subsidiary, so far as it concerns the members of the Holding Company				Additional Informations under section 212 (5)
				Not dealt with in the Holding Company's Accounts		Dealt with in the Holding Company's Accounts		
				For the Financial Year of the Subsidiary	For the previous Financial Years since they become Subsidiary	For the Financial Year of the Subsidiary	For the previous Financial Year since they become Subsidiary	
1	Minerals & Minerals Limited	31.03.2013	100.00%	0.18	1.29	Nil	Nil	N.A.
2	Renuka Investments & Finance Limited	31.03.2013	100.00%	3.83	41.76	Nil	0.65	N.A.
3	Renukeshwar Investments & Finance Limited	31.03.2013	100.00%	2.20	28.70	Nil	0.10	N.A.
4	Suvas Holdings Limited	31.03.2013	51.00%	0.03	(0.04)	Nil	Nil	N.A.
5	Utkal Alumina International Limited	31.03.2013	100.00%	(98.57)	(31.45)	Nil	Nil	N.A.
6	Aditya Birla Chemicals (India) Limited	31.03.2013	54.65%	10.74	173.52	0.60	10.74	N.A.
7	Hindalco-Almex Aerospace Limited	31.03.2013	97.18%	(33.34)	(22.95)	Nil	Nil	N.A.
8	HAAL USA Inc $	31.03.2013	97.18%	(0.09)	0.04	Nil	Nil	N.A.
9	Lucknow Finance Company Limited	31.03.2013	100.00%	2.13	12.34	Nil	Nil	N.A.
10	Dahej Harbour and Infrastructure Limited	31.03.2013	100.00%	47.88	348.45	85.00	60.00	N.A.
11	East Coast Bauxite Mining Company Private Limited	31.03.2013	74.00%	(0.00)	(0.01)	Nil	Nil	N.A.
12	Tubed Coal Mines Limited	31.03.2013	60.00%	(0.16)	(0.16)	Nil	Nil	N.A.
13	Mauda Energy Limited	31.03.2013	100.00%	(0.01)	Nil	Nil	Nil	N.A.
14	Aditya Birla Minerals Limited - Consolidated *	31.03.2013	51.00%	38.44	306.13	44.64	134.69	N.A.
15	Birla Resources Pty Limited *	31.03.2013	100.00%	(0.00)	(8.67)	Nil	Nil	N.A.
16	A V Minerals (Netherlands) B.V. *	31.03.2013	100.00%	(0.40)	(1856.95)	Nil	Nil	N.A.
17	A V Metals Inc # *	31.03.2013	100.00%	(0.01)	(15.71)	Nil	Nil	N.A.
18	Novelis Inc - Consolidated # # *	31.03.2013	100.00%	3393.61	(130.68)	Nil	Nil	N.A.
19	Hindalco Guinea SARL	31.03.2013	100.00%	0.00	0.00	Nil	Nil	N.A.

* Translated at Average exchange rate.
$ Disolved w.e.f 23rd April 2012.
\# Subsidiary of AV Minerals (Netherlands) B.V.
\## Subsidiary of AV Metals Inc.

Note:

1. As the Financial Year of the Subsidary Companies coincide with the Financial Year of the Holding Company, Section 212 (5) of the Companies Act, 1956, is not applicable.

For and on behalf of the Board of Hindalco Industries Limited

Praveen Kumar Maheshwari
Chief Financial Officer

Kumar Mangalam Birla – *Chairman*
D. Bhattacharya – *Managing Director*
M. M. Bhagat – *Director*

Anil Malik
Company Secretary

Dated: The 28th day of May, 2013.

STANDALONE FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Hindalco Industries Limited

We have audited the accompanying Consolidated Financial Statements of Hindalco Industries Limited ("the Company") its subsidiaries, joint venture and associates (collectively referred as Group) which comprise the Consolidated Balance Sheet as at 31st March 2013, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of the 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.

Auditors' 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 auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group'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 and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the Financial Statements /Consolidated Financial Statements of the Subsidiaries, joint venture and associates as noted below, the consolidated financial statements, read with the comments and effects of the matter referred to paragraphs below on Emphasis of Matter, give a true and fair view in conformity with the accounting principles generally accepted in India and other recognised accounting principles:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 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

Attention is drawn to Note No. 45 of Notes to Consolidated Financial Statements regarding accounting policy of Novelis Inc a wholly owned subsidiary with respect to recognition of actuarial losses relating to pension and other post retirement benefit plans in the Actuarial Gain/(Loss) Reserve instead of Statement of Profit and Loss. Had the group followed the policy of recognition of actuarial losses on the aforesaid defined benefit plans in the Consolidated Statement of Profit and Loss as per the Accounting Standard (AS 15) on Employee Benefits, the employee benefits expenses would have been higher by ₹ 542.43 Crore (Previous Year ₹ 1,014.91 Crore), tax expenses would have been lower by ₹ 159.38 Crore (Previous Year ₹ 299.88 Crore), the consolidated profit before taxes and minority interest would have been lower by ₹ 542.43 Crore (Previous Year ₹ 1,014.91 Crore), Actuarial Gain / (Loss) Reserve would have been ₹ Nil and Foreign Currency Translation Reserve would have been lower by ₹ 50.82 Crore (Previous Year ₹ 44.39 Crore). Our opinion is not qualified in respect of this matter.

Other Matter

a) We did not audit the financial statements of 12 Indian subsidiaries whose financial statements reflect the Group's Share of total assets of ₹ 8,739.17 Crore as at 31st March, 2013, total revenue of ₹ 854.51 Crore and net cash flow amounting to ₹ 97.01 Crore for the year then ended. These financial statements and other financial informations have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of other auditors.

b) The Consolidated Financial Statements of foreign subsidiaries namely Novelis Inc. and Aditya Birla Minerals Ltd and the Standalone Financial Statements of A V Minerals (Netherlands) B.V., A V Metals Inc., and Birla Resources Pty Ltd. considered in the consolidated financial statements have not been audited by us. These financial statements have been audited by other auditors as appointed under the respective laws.

i) Of the above, certain foreign subsidiaries namely Novelis Inc (Group), A V Minerals (Netherlands) B.V and A. V. Metals Inc. whose consolidated financial statements/financial statements reflect Group's Share of total assets of ₹ 53,905.22 Crore as at 31st March, 2013 (net of investment of fellow foreign subsidiaries), total revenue of ₹ 53,600.46 Crore and net cash flow amounting to ₹ 59.62 Crore for the year then ended, have been considered in the consolidated financial statements, which have been prepared by the management of the Company and its subsidiaries in accordance with the generally accepted accounting principles in India and other recognized accounting policies and principles followed by the Company. These financial statements have been audited by a firm of Chartered Accountants and have been included in the consolidated financial statements of the Group on the basis of their Fit For Consolidation Report ("FFC") received from them and our opinion is based on the FFC report of the other auditors.

ii) The consolidated financial statements and financial information reflects the Group's Share of total assets of ₹ 3,792.06 Crore as at 31st March, 2013 and total revenue of ₹ 2,808.42 Crore and net cash flow amounting to ₹ 104.55 Crore for the year then ended of foreign subsidiaries namely Aditya Birla Minerals Ltd (Group) and Birla Resources Pty Ltd. whose consolidated financial statements/ financial statements has been converted into Indian GAAP by the management to the extent possible and have been reviewed by us.

c) The consolidated financial statements and financial information reflect the Group's proportionate Share of total assets of ₹ 26.64 Crore as at 31st March, 2013, total revenue of ₹ Nil and net cash flow amounting to ₹ 0.17 Crore for the year then ended, of a foreign Joint venture Hydromine Global Minerals (GMBH) Limited, which is based on financial statements audited by a firm of Chartered Accountants in accordance with Indian GAAP and our opinion is based on the report of the other auditor.

d) The Company's share of profit in a associates aggregating to ₹ 71.10 Crore and the net carrying cost of investment as at 31st March, 2013 of ₹ 1,002.07 Crore have been accounted for based on audited financial statements audited by other auditors and our opinion is based on the report of the other auditors.

Our report is not qualified on these other matters.

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

(RAJIV SINGHI)
Partner
Membership No. 53518

Camp : Mumbai
Dated: the 28th day of May, 2013.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ Crore)

	Note No.	As at 31/03/2013	As at 31/03/2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	'7'	191.48	191.48
Reserves and Surplus	'8'	34,597.45	31,178.53
Money Received against Share Warrants	'9'	541.31	541.31
		35,330.24	**31,911.32**
Minority Interest		**1,759.27**	**1,709.05**
Non Current Liabilities			
Long-term Borrowings	'10'	49,856.85	37,127.21
Deferred Tax Liabilities (Net)	'11'	3,467.68	3,605.01
Other Long-term Liabilities	'12'	1,333.62	1,460.03
Long-term Provisions	'13'	5,690.68	5,288.76
		60,348.83	**47,481.01**
Current Liabilities			
Short-term Borrowings	'14'	6,442.06	3,731.34
Trade Payables		9,612.94	11,052.14
Other Current Liabilities	'15'	5,485.91	4,140.31
Short-term Provisions	'16'	1,610.36	1,377.07
		23,151.27	**20,300.86**
		120,589.61	**101,402.24**
ASSETS			
Non Current Assets			
Fixed-Assets			
Tangible Assets	'17'	21,489.65	19,871.36
Intangible Assets	'18'	16,435.26	15,428.91
Capital Work-in-Progress		33,749.20	22,598.15
Intangible Assets under Development		81.87	199.95
Non-Current Investments	'19'	5,806.18	5,691.46
Long-term Loans and Advances	'20'	3,170.09	3,773.68
Other Non-Current Assets	'21'	749.29	821.61
		81,481.54	**68,385.12**
Current Assets			
Current Investments	'22'	6,807.56	4,859.56
Inventories	'23'	14,331.68	13,246.03
Trade Receivables	'24'	8,952.28	8,017.17
Cash and Bank Balances	'25'	3,769.51	3,295.99
Short-term Loans and Advances	'26'	3,257.30	2,158.66
Other Current Assets	'27'	1,989.74	1,439.71
		39,108.07	**33,017.12**
		120,589.61	**101,402.24**
Significant Accounting Policies	'2'		

The accompanying Notes are an integral part of the Financial Statements

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

RAJIV SINGHI
Partner
Membership No. 53518

Camp: Mumbai
Dated: The 28th day of May, 2013

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

Kumar Mangalam Birla – Chairman
D. Bhattacharya – Managing Director
M.M. Bhagat – Director

	Note No.	Year ended 31/03/2013	Year ended 31/03/2012
			(₹ Crore)
INCOME			
Gross Revenue from Operations	'28'	82,242.99	82,549.03
Less: Excise Duty		2,050.19	1,727.66
Net Revenue from Operations		**80,192.80**	**80,821.37**
Other Income	'29'	1,012.23	783.07
Total Income		**81,205.03**	**81,604.44**
EXPENSES			
Purchases of Stock-in-Trade		41.94	207.11
Cost of Materials Consumed	'30'	49,180.04	50,401.79
Changes in Inventories	'31'	(666.29)	663.29
Employee Benefits Expenses	'32'	6,525.61	6,248.85
Power and Fuel	'33'	5,200.13	4,762.68
Finance Costs	'34'	2,079.11	1,757.98
Depreciation and Amortization	'35'	2,821.92	2,645.17
Impairment Loss/(Reversal) (Net)	'36'	39.17	219.01
Other Expenses	'37'	12,074.60	10,353.62
Total Expenses		**77,296.23**	**77,259.50**
Profit before Tax		**3,908.80**	**4,344.94**
Tax Expenses:	'38'		
Current Tax		1,033.21	887.54
Deferred Tax		(147.47)	(101.30)
Profit before Minority Interest and share in Associates		**3,023.06**	**3,558.70**
Share in Profit/(Loss) of Associates (Net)		(15.76)	49.56
Profit before Minority Interest		**3,007.30**	**3,608.26**
Minority Interest		(19.59)	211.31
Profit for the year		**3,026.89**	**3,396.95**
Earnings per Equity Share:	'39'		
Basic (₹)		15.81	17.74
Diluted (₹)		15.81	17.74
Significant Accounting Policies	'2'		

The accompanying Notes are an integral part of the Financial Statements

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

RAJIV SINGHI
Partner
Membership No. 53518

Camp: Mumbai
Dated: The 28th day of May, 2013

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

Kumar Mangalam Birla – Chairman
D. Bhattacharya – Managing Director
M.M. Bhagat – Director

(₹ Crore)

	Year ended 31/03/2013	Year ended 31/03/2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	3,908.80	4,344.94
Adjustment for :		
Finance Costs	2,079.11	1,757.98
Depreciation and Amortization	2,821.92	2,645.17
Impairment Loss/(Reversal) (Net)	39.17	219.01
Employee Stock Option Scheme	0.27	1.29
Provisions/Provisions written-back (Net)	25.91	(154.43)
Unrealised Foreign Exchange (Gain)/Loss (Net)	48.44	121.87
Loss/(Gain) on Derivative transactions (Net)	(132.41)	262.05
Impact of Foreign Exchange translation (Net)	191.75	915.32
Write-off and Amortization of Fair Value Adjustments	(8.74)	30.34
Pre-operative/Incidental Expenditure Written-off	4.15	-
Prior Period Adjustments (Net)	65.51	5.40
Loss on Assets held for sale	(17.14)	-
Investing Activities (Net)	(827.39)	(524.62)
Operating Profit before Working Capital Changes	**8,199.35**	**9,624.32**
Changes in working Capital:		
Inventories	(799.49)	855.89
Trade and other Receivables	(1,249.87)	(1,007.54)
Trade and other Payables	(1,824.62)	(780.55)
Cash Generation from Operation	**4,325.37**	**8,692.12**
Payment of Direct Taxes	(1,347.80)	(1,090.13)
Net Cash Generated/(used) - Operating Activities	**2,977.57**	**7,601.99**
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(11,871.13)	(12,511.88)
Sale of Fixed Assets	160.76	111.16
Purchase/Sale of Shares in Subsidiaries (Net)	(50.65)	(1,852.19)
Purchase/Sale of Investments (Net)	(1,562.23)	508.18
Proceeds/Repayment of Loans and Deposits (Net)	(925.23)	(17.66)
Interest Received	323.17	198.72
Dividend Received	160.26	343.41
Net Cash Generated/(Used) - Investing Activities	**(13,765.05)**	**(13,220.26)**

(₹ Crore)

	Year ended 31/03/2013	Year ended 31/03/2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares (Net of Expenses)	8.33	3.46
Proceeds against Share Warrants	-	541.31
Capital Subsidy Received	4.50	5.25
Proceeds from Long-term Borrowings	18,026.05	9,475.75
Repayment of Long-term Borrowings	(612.55)	(139.55)
Prepayment of Long-term Borrowings	(5,142.99)	-
Proceeds/Repayment of Short-term Borrowings (Net)	2,065.12	(385.06)
Finance Cost Paid	(3,672.82)	(2,853.11)
Dividend Paid (including Dividend Distribution Tax)	(397.74)	(411.00)
Net Cash Generated/(Used) - Financing Activities	**10,277.90**	**6,237.05**
Net Increase/(Decrease) in Cash and Cash Equivalents	(509.58)	618.78
Add : Opening Cash and Cash Equivalents	2,729.49	2,165.68
Add : Foreign Exchange variation on Cash and Cash Equivalents	(35.73)	(54.97)
Closing Cash and Cash Equivalents	**2,184.18**	**2,729.49**

Notes:

1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash Flow Statement" as specified in the Companies (Accounting Standard) Rules 2006.
2. Figures have been regrouped/rearranged wherever necessary.

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

RAJIV SINGHI
Partner
Membership No. 53518

Camp: Mumbai
Dated: The 28th day of May, 2013

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

Kumar Mangalam Birla – Chairman
D. Bhattacharya – Managing Director
M.M. Bhagat – Director

1. **Principles of Consolidation**

The Consolidated Financial Statements (CFS) relate to Hindalco Industries Limited (the Company), its Subsidiaries and its interest in Joint Ventures and Associates (the Group). The CFS have been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" (AS 21), Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" (AS 23) and Accounting Standard 27 on "Financial reporting of interests in Joint Ventures" (AS 27) and are prepared on the following basis:

(a) The financial statements of the Company and its Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating inter-group balances and inter-group transactions including unrealized profits/losses in period end assets, such as inventories, fixed assets etc. The difference between the Company's cost of investments in the Subsidiaries, over its portion of equity at the time of acquisition of shares is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Minority Interest's share in net profit/loss of consolidated subsidiaries for the year is adjusted against the income of the Group in order to arrive at the net income attributable to equity shareholders of the Company. Minority Interest's share in net assets of consolidated subsidiaries is presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders. Minority Interest in the consolidated financial statements is identified and recognized after taking into consideration:

(i) The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.

(ii) The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.

(iii) The losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary.

(iv) The excess of loss over the minority interest in the equity, is adjusted against General Reserve of the Company.

(b) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities and equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve".

(c) Investments in Associates are accounted for using equity method in accordance with AS 23. For this purpose investments are initially recorded at cost. Any Goodwill/Capital Reserve arising at the time of acquisition are identified and carrying amount of investment are adjusted thereafter for the post acquisition share of profits or losses. Adjustment for any change in equity that has not been included in the Profit and Loss Account are directly made in the carrying amount of investments without routing it through the Consolidated Profit and Loss Account. The corresponding debit/credit are made in the relevant head of the equity interest in the Consolidated Balance Sheet.

(d) Interests in jointly controlled entities, where the Company is a direct venturer, are accounted for using proportionate consolidation in accordance with AS 27. The difference between costs of the Company's interests in jointly controlled entities over its share of net assets in the jointly controlled entities, at the date on which interest is acquired, is recognized in the CFS as Goodwill or Capital Reserve as the case may be.

(e) The CFS are prepared by using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any and to the extent possible, are made in the CFS and are presented in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this schedule.

2. **Significant Accounting Policies**

A. **Accounting Convention**

The financial statements are prepared under the historical cost convention, on accrual basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956 of India.

In the absence of any specific guidance being available under generally accepted accounting principles in India on accounting for business combination through purchase of shares (to the extent not covered under Accounting Standard 14 on 'Accounting for Amalgamations' and under Accounting Standard 10 on 'Accounting for Fixed Assets'), the Company has adopted the principles of International Financial Reporting Standards 3 (IFRS 3 - Accounting for Business Combinations), effective from financial year ended 31st March 2008. Accordingly, the aggregate of consideration (purchase price and transaction costs) paid by the acquirer company has been allocated to the assets acquired and liabilities assumed of the acquiree company, at their acquisition-date fair values.

B. **Use of Estimates**

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

C. **Fixed Assets**

(a) Tangible Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

(b) Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Cost includes any directly attributable expenditure on making the asset ready for its intended use.

(c) Machinery spares which can be used only in connection with an item of Tangible Asset and whose use is not of regular nature are written off over the estimated useful life of the relevant asset.

(d) Certain directly attributable pre-operative expenses during construction period are included under Capital Work in Progress. These expenses are allocated to the cost of Fixed Assets when the same are ready for intended use.

D. **Depreciation and Amortization**

(a) Depreciation on Tangible Fixed Assets are provided using straight line method based on estimated useful life or on the basis of depreciation rates prescribed under respective local laws.

(b) Mining Rights and leasehold land are amortized over the period of lease on straight line basis.

(c) Intangible assets, other than Goodwill, are amortized over their estimated useful lives on straight line basis.

(d) Depreciation on assets acquired under finance lease is spread over the lease term.

E. **Impairment**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

F. **Leases**

(a) Lease payments under an operating lease are recognized as expense in the profit and loss account as per terms of lease agreement.

(b) Finance leases prior to 1st April, 2001: Lease rental recognized as expense in the profit and loss account as per terms of lease agreement.

(c) Finance leases on or after 1st April, 2001: The lower of the fair value of the assets and the present value of the minimum lease rental is recorded as fixed assets with corresponding amount shown as unsecured Loan. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to profit and loss account as interest cost.

G. **Investments**

(a) Long term investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.

(b) Current investments are stated at lower of cost and fair value.

H. **Inventories**

(a) Inventories of stores and spare parts are valued at or below cost after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Inventory of other items are valued 'At cost or Net Realizable Value, whichever is lower'. Cost is generally determined on weighted average cost basis and wherever required, appropriate overheads are taken into account. Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

(b) Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and enters into the determination of earnings when the inventory is sold.

I. **Foreign Currency Transactions**

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

J. **Employee benefits**

Employee benefits of short term nature are recognized as expense as and when these accrue. Long term employee benefits and post employment benefits, whether funded or otherwise, are recognized as expense based on actuarial valuation at year end using the projected unit credit method. For discounting purpose, market yield of government bonds, at the balance sheet date, is used except in case of Novelis Inc. for which such discounting is done on the basis of high quality country-specific corporate bond yield. Actuarial gains or losses are recognized immediately in the Statement of Profit & Loss except in case of Novelis Inc. for which such gains or losses are accounted directly in Reserves and Surplus as it is not considered practicable to adopt a common accounting policy due to potential volatility caused by periodic changes in the assumptions underlying the computation of the actuarial liabilities.

K. **Employee Share Based Payments**

Equity settled stock options granted to employees pursuant to the Company's stock option schemes are accounted for as per the intrinsic value method prescribed by Employee Stock Option Scheme and permitted by the SEBI guidelines, 1999 and the Guidance Note on Share Based Payment issued by the Institute of Chartered Accountants of India (ICAI). The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to Employees Stock Options Outstanding Account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. In case of forfeiture stock option which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the employees Stock Options Outstanding Account are transferred to the General Reserve.

L. **Revenue Recognition**

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

M. **Borrowing Cost**

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

N. **Taxation**

Provision for current income tax is made in accordance with local laws. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference.

O. **Derivative Financial Instruments**

(a) The Company uses derivative financial instruments such as Forwards, Swaps, Options, etc. to hedge its risks associated with foreign exchange fluctuations. Risks associated with fluctuations in the price of the Company's products are minimized by undertaking appropriate hedging transactions. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts. In some cases, the embedded derivatives may be designated in a hedge relationship. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date. Such derivative financial instruments are used as risk management tools only and not for speculative purposes.

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

(c) For derivative financial instruments designated as Fair Value hedges, the fair value of both the derivative financial instrument and the hedged item are recognized in 'Revenue from Operations', 'Cost of Raw Materials Consumed', 'Finance Costs' or 'Other Expenses' in the Statement of Profit and Loss till the period the relationship is found to be effective. If the hedging relationship ceases to be effective or it becomes probable that the expected transaction will no longer occur, future gains or losses on the derivative financial instruments are recognized in 'Other Expenses' in the Statement of Profit and Loss.

(d) For derivative financial instruments designated as Net Investment Hedges in Foreign Operations, gains and losses on derivative instruments are included, net of taxes, to the extent the hedges are effective, in the Foreign Currency Translation Reserve. The ineffective portion of net investment hedges in foreign operations, if any, are recognized as gains or losses and included in 'Other Expenses'.

(e) If no hedging relationship is designated, the fair value of the derivative financial instruments is marked to market through Statement of Profit and Loss and included in 'Other Expenses'.

P. **Research and Development**

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

Q. **Government Grants**

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

R. **Provisions, Contingent Liabilities and Contingent Assets**

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

3. The list of subsidiaries, joint ventures and associates which are included in the CFS of the Group and the Group's effective ownership interest therein are as under:

Name of the Company	Relationship	Country of Incorporation	Group's proportion of Ownership Interest	
			31/03/2013	31/03/2012
Minerals & Minerals Limited	Subsidiary	India	100.00%	100.00%
Aditya Birla Chemicals (India) Limited	Subsidiary	India	54.65%	54.65%
Utkal Alumina International Limited	Subsidiary	India	100.00%	100.00%
Suvas Holdings Limited	Subsidiary	India	51.00%	51.00%
Renukeshwar Investments & Finance Limited	Subsidiary	India	100.00%	100.00%
Renuka Investments & Finance Limited	Subsidiary	India	100.00%	100.00%
Dahej Harbour and Infrastructure Limited	Subsidiary	India	100.00%	100.00%
Lucknow Finance Company Limited	Subsidiary	India	100.00%	100.00%
Hindalco-Almex Aerospace Limited	Subsidiary	India	97.18%	97.18%
HAAL USA Inc. #	Subsidiary	USA	-	97.18%
Tubed Coal Mines Limited	Subsidiary	India	60.00%	60.00%
East Coast Bauxite Mining Company Private Limited	Subsidiary	India	74.00%	74.00%
Mauda Energy Limited	Subsidiary	India	100.00%	100.00%
Birla Resources Pty Limited	Subsidiary	Australia	100.00%	100.00%
Aditya Birla Minerals Limited - (a)	Subsidiary	Australia	51.00%	51.00%
AV Minerals (Netherlands) B.V.	Subsidiary	Netherland	100.00%	100.00%
AV Metals Inc.	Subsidiary	Canada	100.00%	100.00%
Novelis Inc. - (b)	Subsidiary	Canada	100.00%	100.00%
Hindalco Guinea SARL ##	Subsidiary	South Africa	100.00%	-
Mahan Coal Limited	Joint Venture	India	50.00%	50.00%
Hydromine Global Minerals (GMBH) Limited	Joint Venture	British Virgin Islands	45.00%	45.00%
Idea Cellular Limited	Associate	India	6.89%	6.90%
Aditya Birla Science & Technology Company Limited	Associate	India	49.00%	49.00%

\# Dissolved on 23rd April, 2012. Group's proportion of voting power was 100%.

\## Incorporated during FY 2012-13.

(a) For the purpose of consolidation, the consolidated financial statements of Aditya Birla Minerals Limited reflecting consolidation for following entities as at 31st March, 2013 prepared in accordance with International Financial Reporting Standards have been restated, where considered material, to comply with Generally Accepted Accounting Principles in India. Disclosures in respect of these foreign subsidiaries are given to the extent of available information.

Name of the Company	Relationship	Country of Incorporation	Group's proportion of Ownership Interest	
			31/03/2013	31/03/2012
Birla Maroochydore Pty Limited #	Subsidiary	Australia	51.00%	51.00%
Birla Nifty Pty Limited #	Subsidiary	Australia	51.00%	51.00%
Birla Mt. Gordon Pty Limited #	Subsidiary	Australia	51.00%	51.00%

\# Group's proportion of voting power is 100%.

(b) For the purpose of consolidation, the consolidated financial statements of Novelis Inc. reflecting consolidation for following entities as at 31st March, 2013 have been prepared in accordance with Generally Accepted Accounting Principles in India and other recognized accounting practices and policies followed by the Company.

Name of the Company	Relationship	Country of Incorporation	Group's proportion of Ownership Interest	
			31/03/2013	31/03/2012
Albrasilis - Aluminio do Brasil Industria e Comercia Ltda	Subsidiary	Brazil	99.99%	99.99%
Novelis do Brasil Ltda.	Subsidiary	Brazil	99.99%	99.99%
4260848 Canada Inc.	Subsidiary	Canada	100.00%	100.00%
4260856 Canada Inc.	Subsidiary	Canada	100.00%	100.00%
8018227 Canada Inc	Subsidiary	Canada	100.00%	100.00%
8018243 Canada Limited	Subsidiary	Canada	100.00%	100.00%
Novelis Cast House Technology Ltd.	Subsidiary	Canada	100.00%	100.00%
Novelis No. 1 Limited Partnership	Subsidiary	Canada	100.00%	100.00%
Novelis (China) Aluminum Products Co. Limited *	Subsidiary	China	100.00%	-
Novelis (Sanghai) Aluminum Trading Company *	Subsidiary	China	100.00%	-
Novelis Foil France SAS **	Subsidiary	France	100.00%	100.00%
Novelis Lamines France SAS	Subsidiary	France	100.00%	100.00%
Novelis PAE SAS	Subsidiary	France	100.00%	100.00%
Novelis Aluminium Beteiligungs GmbH	Subsidiary	Germany	100.00%	100.00%
Novelis Deutschland GmbH	Subsidiary	Germany	100.00%	100.00%
Novelis Sheet Ingot GmbH *	Subsidiary	Germany	100.00%	-
Novelis Aluminium Holding Company	Subsidiary	Ireland	100.00%	100.00%
Novelis Italia SpA	Subsidiary	Italy	100.00%	100.00%
Novelis Luxembourg SA **	Subsidiary	Luxembourg	-	100.00%
Aluminum Company of Malaysia Berhad	Subsidiary	Malaysia	59.15%	58.24%
Alcom Nikkei Specialty Coatings Sdn Berhad #	Subsidiary	Malaysia	59.15%	58.24%
Al Dotcom Sdn Berhad #	Subsidiary	Malaysia	59.15%	58.24%
Novelis (India) Infotech Ltd.	Subsidiary	India	100.00%	100.00%
Novelis de Mexico SA de CV	Subsidiary	Mexico	100.00%	100.00%
Novelis Korea Ltd.	Subsidiary	South Korea	99.99%	99.24%
Novelis AG	Subsidiary	Switzerland	100.00%	100.00%
Novelis Switzerland SA	Subsidiary	Switzerland	100.00%	100.00%
Novelis Europe Holdings Limited	Subsidiary	UK	100.00%	100.00%
Novelis UK Ltd.	Subsidiary	UK	100.00%	100.00%
Aluminum Upstream Holdings LLC (Delaware)	Subsidiary	USA	100.00%	100.00%
Eurofoil, Inc. (USA) (New York)	Subsidiary	USA	100.00%	100.00%
Logan Aluminium Inc. (Delaware) ##	Subsidiary	USA	40.00%	40.00%
Novelis Corporation (Texas)	Subsidiary	USA	100.00%	100.00%
Novelis Madeira, Unipessoal, Limited	Subsidiary	Portugal	100.00%	100.00%

Name of the Company	Relationship	Country of Incorporation	Group's proportion of Ownership Interest	
			31/03/2013	31/03/2012
Novelis Services Limited	Subsidiary	UK	100.00%	100.00%
Novelis Brand LLC (Delaware)	Subsidiary	USA	100.00%	100.00%
Novelis PAE Corp (Delaware)	Subsidiary	USA	100.00%	100.00%
Novelis South America Holdings LLC	Subsidiary	USA	100.00%	100.00%
Evermore Recycling LLC **	Subsidiary	USA	-	55.80%
Novelis Acquisitions LLC (Delaware)	Subsidiary	USA	100.00%	100.00%
Novelis North America Holdings LLC (Delaware)	Subsidiary	USA	100.00%	100.00%
Novelis Delaware LLC (Delaware)	Subsidiary	USA	100.00%	100.00%
Novelis Vietnal Company Limited *	Subsidiary	Vietvam	100.00%	-
Novelis MEA Limited (Dubai) *	Subsidiary	UAE	100.00%	-
Consorcio Candonga	Associate	Brazil	50.00%	50.00%
France Aluminium Recyclage SA	Associate	France	20.00%	20.00%
Aluminium Norf GmbH	Associate	Germany	50.00%	50.00%
Deutsche Aluminium Verpackung Recycling GmbH	Associate	Germany	30.00%	30.00%
MiniMRF LLC (Delaware)	Associate	USA	50.00%	50.00%

Group's proportion of voting power is 100%.

Subsidiary on account of management control.

* Acquired/Incorporated during FY 2012-13.

** Disposed/Dissolved during FY 2012-13.

4. The consolidated accounts for the year ended 31st March, 2012 include ₹ 62.02 crore being share of profit of the Group in Idea Cellular Limited relating to the year ended 31st March, 2011 which due to non availability of account at that time was not included in the consolidated accounts of the Group for the year ended 31st March, 2011. Consequently, consolidated net profit of the previous year was higher by the said amount and hence current year consolidated net profit is not comparable to that extent.

5. Accounting Policy in respect of "Environment and Rehabilitation Expenditure" followed by the Company's Australian subsidiaries namely Aditya Birla Minerals Limited, Birla Maroochydore Pty Limited, Birla Nifty Pty Limited, Birla Mt. Gordon Pty Limited and Birla Resources Pty Limited are different from the accounting policies followed by the Company. The difference between the accounting policy followed and the amount involved is given below:

Accounting Policy		2012-13		2011-12	
Parent	Subsidiary	₹ Crore	Proportion	₹ Crore	Proportion
The cost of reclamation of mined out land, forestation are treated as part of Other Expenses when cost incurred.	Provision for estimated future cost of environmental and rehabilitation using net present value are made and capitalized as mine properties and amortized over remaining life of the mine. Any change in net present value at Balance Sheet date is considered as finance cost.	297.45	100%	246.88	100%

Further, in view of different sets of environment in which foreign subsidiaries operate in their respective countries, provision for depreciation is made to comply with local laws and by use of management estimate. It is practically not possible to align rates of depreciation of such subsidiaries with those of the Company. However on review, the management is of the opinion that provision of such depreciation is adequate.

6. **Interests in Joint Ventures:**

The Group's interests in jointly controlled entities are accounted for using proportionate consolidation. The aggregate amount of each of the assets, liabilities, income, expenditure, contingent liabilites and commetments related to the Group's interests in its jointly controlled entities included in these CFS are given below:

(₹ Crore)

	As at	
	31/03/2013	**31/03/2012**
BALANCE SHEET		
Equity and Liabilities		
Shareholders' Funds		
Share Capital	27.02	22.02
Reserves and Surplus	(3.37)	(3.92)
	23.65	**18.10**
Share Application Money pending allotment	29.55	28.45
Non Current Liabilities		
Long-term Provisions	0.02	0.01
	0.02	**0.01**
Current Liabilities		
Short-term Borrowings	0.60	0.36
Trade Payables	0.01	0.01
Other Current Liabilities	2.53	2.21
Short-term Provisions	-	-
	3.14	**2.58**
	56.36	**49.14**
Assets		
Non Current Assets		
Fixed Assets		
Tangible Assets	10.82	10.06
Intangible Assets	0.01	0.01
Capital Work-in-Progress	38.71	34.74
Long-term Loans and Advances	1.18	0.38
	50.72	**45.19**
Current Assets		
Cash and Bank Balances	5.12	3.55
Short-term Loans and Advances	0.47	0.34
Other Current Assets	0.05	0.06
	5.64	**3.95**
	56.36	**49.14**

STATEMENT OF PROFIT AND LOSS

(₹ Crore)

	Year ended	
	31/03/2013	**31/03/2012**
Income		
Other Income	0.22	0.07
Total Income	**0.22**	**0.07**
Expenses		
Employee Benefits Expenses	0.01	0.01
Finance Costs	0.01	-
Depreciation and Amortization	0.03	0.01
Other Expenses	0.90	1.63
Total Expenses	**0.95**	**1.65**
Profit before Tax	(0.73)	(1.58)
Current Tax	0.07	0.02
Profit/(Loss) for the year	**(0.80)**	**(1.60)**

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
Contingent Liabilites and Commitments		
Contingent Liabilites - Guarantees	16.71	16.71
Capital Commitments (Net of Advances)	1.02	0.07
7. **Share Capital:**		
Authorized:		
2,100,000,000 (Previous year 2,100,000,000) Equity Shares of ₹ 1/- each	210.00	210.00
25,000,000 (Previous year 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each	5.00	5.00
	215.00	**215.00**
Issued:		
1,915,136,714 (Previous year 1,915,095,954) Equity Shares of ₹ 1/- each #	191.51	191.51
	191.51	**191.51**
Subscribed and Paid-up:		
1,915,129,317 (Previous year 1,915,088,557) Equity Shares of ₹ 1/- each fully paid-up	191.51	191.51
Less: Face value of 546,249 (Previous year 546,249) Equity Shares forfeited	0.05	0.05
	191.46	**191.46**
Add: Forfeited Shares (Amount originally Paid-up)	0.02	0.02
	191.48	**191.48**

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

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

	2012-13 Numbers	2012-13 (₹ Crore)	2011-12 Numbers	2011-12 (₹ Crore)
Equity Shares outstanding at the beginning of the period	1,914,542,308	191.46	1,914,397,914	191.44
Equity Shares allotted pursuant to exercise of ESOP	40,760	-	144,394	0.02
Equity Shares outstanding at the end of the period	1,914,583,068	191.46	1,914,542,308	191.46

8. **Reserves and Surplus:**

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
Capital Reserve	572.96	541.56
Capital Redemption Reserve	101.57	101.57
Securities Premium Account	3,352.31	3,345.74
Debenture Redemption Reserve	150.64	-
Acturial Gain/(Loss) Reserve (refer Note No. 45)	(1,193.28)	(759.42)
Stock Options Outstanding Account	6.43	7.58
Foreign Currency Translation Reserve	1,257.22	801.76
Hedging Reserve (refer Note No. 41)	431.61	(204.47)
Special Reserve	10.81	10.03
Business Reconstruction Reserve (refer Note No. 44)	6,664.93	6,664.93
Business Restructuring Reserve	-	1.16
General Reserve	20,389.23	19,485.78
Surplus in the Statement of Profit and Loss - (a)	2,853.02	1,182.31
	34,597.45	**31,178.53**

(a) Allocations and Appropriations in Surplus in Statement of Profit and Loss are as under:

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
Balance as at the beginning of the year	1,182.31	14.03
Adjustment on Acquisition, disposal and change in holding interest in Group Companies	(0.12)	(6.65)
Add: Profit for the year	3,026.89	3,396.95
Less: Dividend on Equity Shares	(268.05)	(296.76)
Less: Dividend Distribution Tax - (i)	(34.77)	(62.04)
Less: Transfer to Special Reserve	(0.78)	(1.04)
Less: Transfer to Debenture Redemption Reserve	(150.64)	-
Less: Transfer to General Reserve	(901.82)	(1,862.18)
	2,853.02	**1,182.31**

(i) Dividend Distribution Tax also include tax of on dividend paid/proposed by the Group Companies.

9. **Money received against Share Warrants:**
The Company has allotted 150,000,000 warrants on a preferential basis to the Promoter Group on 22nd March, 2012 entitling them to apply for and obtain allotment of one equity share of ₹ 1/- each fully paid-up at a price of ₹ 144.35 per share against each such warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment in one or more tranches. The Company has received ₹ 541.31 crore being 25% against these warrants. The entire amount so received has been utilised for various greenfield and brownfield projects expenditure.

10. **Long-term Borrowings:**

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
Secured		
Bonds/Debentures/Notes	6,000.00	-
Term Loans:		
From Banks	28,342.96	23,454.65
From Other Parties	725.02	78.35
	35,067.98	**23,533.00**
Unsecured		
Bonds/Debentures/Notes	13,571.25	13,089.01
Term Loans		
From Banks	968.16	302.90
Deferred Payment Liabilities	1.89	3.02
Long term maturities of Finance Lease obligations	247.57	199.28
	14,788.87	**13,594.21**
	49,856.85	**37,127.21**

11. **Deferred Tax Liabilities (Net):**

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
Major components of deferred tax arising on account of temporary timing differences are given below:		
Deferred Tax Liabilities		
Depreciation and Amortization Expenses	4,990.73	5,073.72
Inventory Valuation Reserves	496.64	474.69
Other Timing Differences	548.71	628.02
	6,036.08	**6,176.43**
Less: Deferred Tax Assets		
Unabsorbed Business Losses	523.99	669.75
Employee's Separation and Retirement Expenses	72.01	141.66
Provision for Doubtful Debts, Loans and Advances	1,684.56	1,536.16
Other Timing Differences	287.84	223.85
	2,568.40	**2,571.42**
	3,467.68	**3,605.01**

12. **Other Long-term Liabilities:**

	31/03/2013	31/03/2012
Trade Payables	11.53	1.92
Derivative Liabilities (refer Note No. 41)	157.60	235.75
Liability for Capital Expenditure	1,023.67	1,109.68
Security and other Deposits	4.40	3.68
Other Payables	136.42	109.00
	1,333.62	**1,460.03**

13. **Long-term Provisions:**

	31/03/2013	31/03/2012
Provision for Employee Benefits	4,421.04	3,916.26
Provision for Claims against Company	101.75	179.98
Provision for Assets Retirement Obligations	77.52	74.47
Provision for Restructuring	4.65	6.99
Provision for Rehabilitation	276.17	204.02
Provision for Tax contingencies	777.17	872.25
Other Provisions	32.38	34.79
	5,690.68	**5,288.76**

14. **Short-term Borrowings:**

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
Secured		
Loans repayable on demand		
From Banks	106.22	25.64
From Other Parties	-	-
From Banks:		
Cash Credit, Export Credit etc.	79.85	164.05
Others	1,718.62	-
	1,904.69	**189.69**
Unsecured		
Loans repayable on demand		
From Banks		
From Other Parties	27.89	-
	65.23	159.52
From Banks:		
Payable under Trade Financing Arrangements	-	28.51
Buyers Credit	2,284.47	2,664.43
Packing Credit	1,297.40	599.79
Others	862.38	89.40
	4,537.37	**3,541.65**
	6,442.06	**3,731.34**

15. **Other Current Liabilities:**

	31/03/2013	31/03/2012
Current maturities of Long-term Debts	607.17	157.92
Current maturities of Finance Lease obligations	44.64	25.43
Interest accrued but not due on Borrowings/Deposits	1,009.91	353.77
Unclaimed Dividends	7.31	12.33
Application/Call Money received due for refund	0.31	0.44
Advance from Customers	236.82	238.92
Derivative Liabilities (refer Note No. 41)	602.00	731.62
Liability for Capital Expenditure	1,408.39	1,181.01
Security and other Deposits	28.75	30.07
Statutory dues payable	461.25	453.18
Other Payables	1,079.36	955.62
	5,485.91	**4,140.31**

16. **Short-term Provisions:**

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
Provision for Employee Benefits	234.23	210.81
Proposed Dividends (including Dividend Distribution Tax)	315.06	359.40
Provision for Current Tax (Net of Advance Tax)	800.60	563.57
Provision for Claims against Company	2.41	3.42
Provision for Restructuring	171.82	133.44
Provision for Rehabilitation	-	16.53
Provision for Warranties	2.06	1.47
Other Provisions	84.18	88.43
	1,610.36	**1,377.07**

17. **Tangible Assets:**

(₹ Crore)

	Cost		Accumulated Depreciation		Accumulated Impairment		Net Carrying Amount	
	31/03/2013	**31/03/2012**	**31/03/2013**	**31/03/2012**	**31/03/2013**	**31/03/2012**	**31/03/2013**	**31/03/2012**
Leasehold Land	127.97	106.12	13.06	11.11	-	-	114.91	95.01
Leasehold Improvements	220.84	36.42	48.58	25.60	1.13	-	171.13	10.82
Freehold Land	1,195.53	1,076.24	23.64	16.15	46.54	43.63	1,125.35	1,016.46
Buildings	6,128.89	5,339.20	2,030.55	1,626.28	15.88	12.56	4,082.46	3,700.36
Plant and Equipment	30,732.99	27,629.56	15,317.88	13,188.26	266.70	242.65	15,148.41	14,198.65
Furniture and Fixtures	817.12	832.56	473.55	469.77	-	-	343.57	362.79
Vehicles and Aircraft	503.76	504.89	171.56	141.94	-	-	332.20	362.95
Office Equipment	336.88	207.89	222.47	144.92	0.34	-	114.07	62.97
Railway Sidings	87.19	86.55	35.40	27.25	-	-	51.79	59.30
Rehabilitiation Assets	11.00	5.13	5.24	3.08	-	-	5.76	2.05
	40,162.17	**35,824.56**	**18,341.93**	**15,654.36**	**330.59**	**298.84**	**21,489.65**	**19,871.36**

18. **Intangible Assets:**

(₹ Crore)

	Cost		Accumulated Amortisation		Accumulated Impairment		Net Carrying Amount	
	31/03/2013	**31/03/2012**	**31/03/2013**	**31/03/2012**	**31/03/2013**	**31/03/2012**	**31/03/2013**	**31/03/2012**
Goodwill on Consolidation	11,839.74	11,066.49	-	-	-	-	11,839.74	11,066.49
Brands/Trademarks	779.17	747.15	234.57	176.11	-	-	544.60	571.04
Computer Software	676.27	318.66	301.39	225.37	-	-	374.88	93.29
Mining Rights	2,067.99	1,753.18	1,184.43	933.17	-	-	883.56	820.01
Technology	961.90	910.16	396.80	307.67	-	-	565.10	602.49
Licences	22.36	22.36	4.10	1.86	-	-	18.26	20.50
Favorable Contracts	748.11	703.67	513.13	418.76	-	-	234.98	284.91
Customer Relationship	2,495.28	2,367.92	727.72	575.36	-	-	1,767.56	1,792.56
Rehabilitation Assets	297.44	246.88	90.86	69.26	-	-	206.58	177.62
	19,888.26	**18,136.47**	**3,453.00**	**2,707.56**	**-**	**-**	**16,435.26**	**15,428.91**

19. **Non-Current Investments:**

(₹ Crore)

	As at 31/03/2013	As at 31/03/2012
Long-term Investments in Equity Instruments		
Associates - (a)	5,275.73	5,193.10
Others	355.56	356.26
Long-term Investments in Preference Shares	45.03	25.00
Long-term Investments in Debentures and Bonds	107.75	94.99
Long-term Investments in Government Securities	20.11	20.11
Long-term Investments in Mutual Funds	2.00	2.00
	5,806.18	**5,691.46**

(a) Investments in Associates include ₹ 4,209.97 crore (Previous year ₹ 3,943.19 crore) towards goodwill arising on the acquisition of these Associates.

20. **Long-term Loans and Advances:**
(Unsecured, Considered Good unless otherwise stated)

	31/03/2013	31/03/2012
Capital Advances	1,833.68	2,573.22
Loans, Advances and Deposits to Related Parties - (a)	139.70	156.34
Inter Corporate Loans, Advances and Deposits	-	26.78
Security Deposits	74.77	55.84
Advances recoverable in cash or in kind		
Unsecured, Considered Good	566.09	340.00
Doubtful	0.02	-
	566.11	340.00
Less: Provision for doubtful amount	0.02	-
	566.09	**340.00**
Other Advances and Balances		
Advance Income Tax (Net of Provision for Taxation)	28.86	19.25
Balance with Government Authorities	-	143.44
Prepaid Expenses	2.58	1.98
Others - (b)	524.41	456.83
	3,170.09	**3,773.68**

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

(b) Others include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc. primarily relating to ongoing projects.

21. **Other Non-Current Assets:**

	(₹ Crore) As at 31/03/2013	31/03/2012
Long Term Trade Receivables		
Doubtful	19.27	15.54
Less: Provision for doubtful amount	19.27	15.54
Deposits with Bank exceeding 12 months maturity	1.95	27.45
Inventories (Work-in-Progress)	432.04	402.69
Interest Accrued	0.16	1.98
Derivative Assets (refer Note No. 41)	38.87	16.02
Unamortized Expenses	91.11	86.64
Other Receivables	185.16	286.83
	749.29	**821.61**

22. **Current Investments:**

Investments in Government Securities	287.57	198.78
Investments in Debentures and Bonds		
Associates	10.00	-
Others	1,105.81	3.22
Investments in Certificate of Deposits	430.93	614.43
Investments in Mutual Funds	4,807.06	3,981.92
Current portion of Long-term Investments		
Investments in Government Securities	166.19	61.21
	6,807.56	**4,859.56**

23. **Inventories:**

Raw Materials	4,950.54	5,045.06
Work-in-Progress	6,185.66	5,462.14
Finished Goods	1,737.75	1,589.67
Stock-in-Trade	1.05	-
Stores and Spares	1,099.31	962.12
Coal and Fuel	357.37	187.04
	14,331.68	**13,246.03**

24. **Trade Receivables:**

Outstanding for a period exceeding six months		
Unsecured, Considered Good	41.95	24.93
Doubtful	37.86	41.46
Outstanding for a period less than six months		
Secured, Considered Good	63.58	102.34
Unsecured, Considered Good	8,846.75	7,889.90
Doubtful	7.72	7.99
	8,997.86	**8,066.62**
Less: Provision for doubtful amount	45.58	49.45
	8,952.28	**8,017.17**

	(₹ Crore)	
	As at	
	31/03/2013	31/03/2012
25. **Cash and Bank Balances:**		
Cash and Cash Equivalents		
Balance with Banks:		
Deposits with less than 3 months initial maturity	1,034.09	1,243.22
Current Accounts	1,080.70	1,073.58
Cheques and drafts on hand	68.88	411.80
Cash on hand	0.51	0.89
	2,184.18	**2,729.49**
Other Balances		
Balance with Banks:		
Earmarked Balances	8.25	8.81
Margin Money Account	5.18	10.20
Deposits with more than 3 months initial maturity	1,571.90	547.49
	1,585.33	**566.50**
	3,769.51	**3,295.99**
26. **Short-term Loans and Advances:**		
Loans, Advances and Deposits to Related Parties		
Unsecured, Considered Good	226.90	187.63
Inter Corporate Loans, Advances and Deposits		
Unsecured, Considered Good	53.26	72.69
Security Deposits		
Unsecured, Considered Good	30.09	33.11
Doubtful	0.25	0.25
	30.34	**33.36**
Less: Provision for doubtful amount	0.25	0.25
	30.09	**33.11**
Advances recoverable in cash or in kind		
Unsecured, Considered Good	1,905.66	1,244.83
Doubtful	13.17	12.80
	1,918.83	**1,257.63**
Less: Provision for doubtful amount	13.17	12.80
	1,905.66	**1,244.83**
Other Advances and Balances - Unsecured, Considered Good		
Advance Income Tax (Net of Provision for Taxation)	26.78	0.97
Balance with Government Authorities	259.47	34.74
Prepaid Expenses	48.51	43.07
Others	706.63	541.62
	3,257.30	**2,158.66**

(a) Others under head "Other Advances and Balances" mainly include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc.

27. **Other Current Assets:**		
Accrued Export and Other Incentives	111.63	102.25
Accrued Interest	111.57	46.31
Derivative Assets (refer Note No. 41)	1,260.52	811.32
Assets held for Sale	45.59	132.48
Unamortized Expenses	1.50	1.50
Other Receivables	458.93	345.85
	1,989.74	**1,439.71**

28. **Revenue from Operations:**

(₹ Crore)

	Year ended 31/03/2013	Year ended 31/03/2012
Sale of Products	81,725.04	82,096.53
Sale of Services	30.66	24.14
Other Operating Revenues	487.29	428.36
Gross Revenue from Operations	**82,242.99**	**82,549.03**
Less: Excise Duty	2,050.19	1,727.66
Net Revenue from Operations	**80,192.80**	**80,821.37**

29. **Other Income:**

	31/03/2013	31/03/2012
Interest Income		
On Long-term Investments	8.97	9.72
On Current Investments	82.57	45.62
On Others	295.60	170.27
Dividend Income		
On Long-term Investments	16.79	20.77
On Current Investments	143.61	315.17
Gain/(Loss) on sale of Investments (Net)		
On Long-term Investments	1.68	10.82
On Current Investments	407.35	2.58
Adjustments to the carrying amount of Investments (Net)		
On Long-term Investments	(0.11)	(0.11)
On Current Investments	3.41	(0.77)
Profit/(Loss) on Fixed Assets sold/discarded (Net)	(51.26)	(34.69)
Rent Income	11.12	16.50
Liabilities/Provisions no longer required written back	40.88	164.68
Other Non-Operating Income (Net)	133.11	77.94
	1,093.72	**798.50**
Less: Transfer to Capital Work-in-Progress/Finance Costs - (a)	81.49	15.43
	1,012.23	**783.07**

(a) Include ₹ 81.22 crore (Previous year ₹ 14.76 crore) income derived from temporary deployment of surplus fund out of specific borrowing for various projects deducted from borrowing costs.

30. **Cost of Materials Consumed:**

(₹ Crore)

	Year ended 31/03/2013	Year ended 31/03/2012
Raw Materials	49,170.42	50,392.97
Packing Materials	10.68	8.84
	49,181.10	**50,401.81**
Less: Transfer to Capital Work-in-Progress	1.06	0.02
	49,180.04	**50,401.79**

31. **Changes in Inventories:**

	Year ended 31/03/2013	Year ended 31/03/2012
		(₹ Crore)
Opening Inventories		
Work-in-Progress	5,864.83	5,805.72
Finished Goods	1,589.67	1,775.73
Stock-in-Trade	-	-
	7,454.50	**7,581.45**
Less: Closing Inventories		
Work-in-Progress	6,617.70	5,864.83
Finished Goods	1,737.75	1,589.67
Stock-in-Trade	1.05	-
	8,356.50	**7,454.50**
	(902.00)	126.95
Add: Inventories on acquisation of Business	-	8.81
Add: Increase/Decrease of Excise Duty on Inventories	(5.52)	5.41
Add: Foreign Currency Translation Adjustments	241.23	522.12
	(666.29)	**663.29**

32. **Employee Benefits Expenses:**

	31/03/2013	31/03/2012
Salaries and Wages	5,473.42	5,085.69
Contribution to Provident and other Funds	223.94	314.31
Employee Stock Option Scheme	0.27	1.29
Employee Welfare	1,032.56	982.98
	6,730.19	**6,384.27**
Less: Transfer to Capital Work-in-Progress	204.58	135.42
	6,525.61	**6,248.85**

33. **Power and Fuel:**

	31/03/2013	31/03/2012
Power and Fuel	5,251.03	4,774.21
Less: Transfer to Capital Work-in-Progress	50.90	11.53
	5,200.13	**4,762.68**

34. **Finance Costs:**

	31/03/2013	31/03/2012
Interest Expenses	4,198.12	2,792.21
Other Borrowing Costs	129.53	48.68
(Gain)/Loss on foreign currency transactions and translation (Net)	-	1.10
	4,327.65	**2,841.99**
Less: Income on Specific Borrowing (refer Note No. 29 (a))	81.22	14.76
	4,246.43	**2,827.23**
Less: Transfer to Capital Work-in-Progress	2,167.32	1,069.25
	2,079.11	**1,757.98**

35. **Depreciation and Amortization:**

	31/03/2013	31/03/2012
Depreciation and Amortization	2,831.26	2,650.69
Less: Transfer to Capital Work-in-Progress	9.34	5.52
	2,821.92	**2,645.17**

36. **Impairment Loss/(Reversal) (Net):**
The Group has carried out impairment test of various assets and identified impairment loss amounting to ₹ 39.17 crore (Previous year ₹ 219.01 crore) as a result of uneconomical operation.

37. **Other Expenses:**

(₹ Crore)

	Year ended 31/03/2013	Year ended 31/03/2012
Consumption of Stores and Spares	2,907.52	2,548.79
Repairs to Buildings	160.95	129.46
Repairs to Machinery	1,684.62	1,563.90
Rates and Taxes	125.32	101.28
Rent	168.45	162.83
Insurance	175.30	155.49
Payments to Auditors	34.99	43.76
Research and Development	275.09	230.25
Freight and Forwarding Expenses (Net)	3,101.78	2,489.82
Provision for Doubtful Loans, Advances and Receivables (Net)	(3.61)	3.03
Bad Loans, Advances and Receivables written off/(written back) (Net)	26.18	5.92
Pre-operative/Incidental Expenditure written off	4.15	-
Prior Period Items (Net)	65.50	3.80
Donation	19.65	35.51
Directors' Fees and Commission	21.41	17.25
(Gain)/Loss on on assets held for sale	(17.14)	-
(Gain)/Loss on Change in Fair Value of Derivatives (Net)	(127.31)	(688.47)
Cost of own Manufactured Products Capitalized/Used	(103.50)	(91.86)
Tolling Expenses	758.61	488.58
Miscellaneous Expenses	3,180.27	3,499.48
	12,458.23	**10,698.82**
Less: Transfer to Capital Work-in-Progress	383.63	345.20
	12,074.60	**10,353.62**

38. **Tax Expenses**

	31/03/2013	31/03/2012
Current Tax		
Current Tax for the year	1,060.28	925.04
Less: MAT Credit Entitlement	9.82	3.33
	1,050.46	**921.71**
Tax adjustments for earlier years (Net)	(17.25)	(34.17)
	1,033.21	**887.54**
Deferred Tax		
Deferred Tax for the year	(147.47)	(101.30)
	(147.47)	**(101.30)**

The Tax Expenses, Current as well as Deferred, are aggregate of the amount of tax expenses appearing in the separate financial statements of the Parent and its subsidiaries as well as joint ventures.

39. **Earnings per Share (EPS)**

	31/03/2013	31/03/2012
Profit for the period (₹ Crore)	3,026.89	3,396.95
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of Basic Equity Shares outstanding	1,914,567,153	1,914,479,614
Shares deemed to be issued for no consideration in respect of Employee Stock Options	95,595	201,570
Weighted average number of Diluted Equity Shares outstanding	1,914,662,748	1,914,681,184
Face value of per share (₹)	1.00	1.00
Basic EPS (₹)	15.81	17.74
Diluted EPS (₹)	15.81	17.74

40. **Segment Reporting**

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

(a) The Group has three reportable segments viz. Aluminium, Copper and Others which have been identified in line with the Accounting Standard 17 on Segment Reporting, taking into account the organizational structure as well as differential risk and return of these segments. Details of products included in each segments are as under:

i. Aluminium : Hydrate & Alumina, Aluminium and Aluminium Product.

ii. Copper : Continuous Cast Copper Rods, Copper Cathode, Sulphuric Acid, DAP & Complexes, Gold and Silver.

iii. Others : Caustic and Others.

(b) Inter-segment transfers are based on market rates.

(c) The details of the revenue, results, assets, liabilities and other information from operations by reportable business segments are follows:

(₹ Crore)

Particulars	Year ended 31/03/2013				Year ended 31/03/2012			
	Aluminium	Copper	Others	Total	Aluminium	Copper	Others	Total
REVENUE								
External	62,190.88	17,518.21	483.71	80,192.80	62,058.76	18,364.33	398.28	80,821.37
Inter Segment	67.73	24.49	322.53	414.75	60.34	14.66	216.26	291.26
Total	62,258.61	17,542.70	806.24	80,607.55	62,119.10	18,378.99	614.54	81,112.63
RESULTS								
Segment Results	4,387.95	740.32	132.28	5,260.55	4,495.24	1,119.35	82.97	5,697.56
Unallocated Corporate Income				892.52				566.11
Unallocated Corporate Expenses				(165.16)				(160.75)
Finance Costs				(2,079.11)				(1,757.98)
Tax Expenses				(885.74)				(786.24)
Share in Profit/(Loss) of Associates				(15.76)				49.56
Minority Interest				19.59				(211.31)
Profit for the period				3,026.89				3,396.95
OTHER INFORMATION								
Assets:								
Segment Assets	91,463.64	11,888.21	1,417.61	104,769.46	74,851.55	12,454.21	1,232.09	88,537.85
Unallocated Corporate Assets				15,820.15				12,864.39
Total Assets				120,589.61				101,402.24
Liabilities:								
Segment Liabilities	17,257.67	2,694.18	180.71	20,132.56	16,224.00	4,613.47	87.84	20,925.31
Unallocated Corporate Liabilities				63,367.54				46,856.56
Total Liabilities				83,500.10				67,781.87
Capital Expenditure	13,506.17	401.65	181.68		12,794.89	162.44	844.42	
Depreciation and Amortization	2,223.35	515.36	60.37		2,145.56	427.88	54.02	
Impairment Loss/ (Reversal) (Net)	21.92	17.25	-		219.01	-	-	
Other Non-Cash Expenses	27.95	2.04	3.33		6.11	8.56	0.08	

B. **Secondary Segment Reporting (by Geographical demarcation):**

(a) The secondary segment is based on geographical demarcation i.e. India and Rest of the World.

(b) The Group's revenue from external customers and information about its assets and others by geographical location are follows:

(₹ Crore)

	Year ended 31/03/2013			Year ended 31/03/2012		
	India	Rest of World	Total	India	Rest of World	Total
Revenue	19,195.41	61,412.14	80,607.55	19,280.38	61,832.25	81,112.63
Assets	51,287.91	53,481.55	104,769.46	41,943.47	46,594.38	88,537.85
Capital Expenditure	9,562.80	4,526.70	14,089.50	10,969.84	2,831.91	13,801.75

41. Derivative Financials Instruments and Risk Management:

(a) The Company has adopted Accounting Standard 30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India so far as it relates to derivative accounting.

(b) In the ordinary course of business, the Company is exposed to risks resulting from changes in prices of commodity, exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through derivative financial instruments. It uses derivative instruments such as forwards, futures, swaps and options to manage these risks. These derivative financial instruments reduce the impact of both favourable and unfavourable fluctuations. Except where noted, the derivative contracts are marked-to-market (MTM) and the related gains and losses are included in the Statement of Profit & Loss in the current accounting period.

The Company's risk management activities are subject to the management, direction and control of Risk Management Board (RMB). The RMB is composed of two directors including Managing Director, Chief Financial Officer and other officers and employees selected by the Managing Director. The RMB reports to the Board of Directors on the scope of its activities.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is always linked to the timing of the underlying exposure, with the connection between the two being regularly monitored.

The Company is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The credit levels are reviewed to ensure that there is not an inappropriate concentration of outstanding to any particular counterparty.

Commodity Price Risk

Copper and Precious Metals

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

Aluminium

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

As a condition of sale, customers often require the Company to enter into fixed price commitments. These commitments expose the Company to the risk of fluctuating aluminum prices between the time the order is committed and the time that the material is shipped. The Company may enter into derivative financial instruments to mitigate the risk arising out of the fixed price commitments. Consequently, the gain or loss resulting from movements in the price of aluminum on these contracts would generally be offset by an equal and opposite impact on the net sales and purchases being hedged.

Natural Gas

The Company purchases natural gas on the open market in Europe, Asia and South America which exposes the Company to market price fluctuations. The Company mitigates the future exposure to natural gas prices through the use of forward purchase contracts.

Electricity

The Company has entered into an electricity swap in North America to fix a portion of the cost of electricity requirement in North America.

Foreign Currency Exchange Risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on our operating results. In addition to the foreign exchange flow from exports, the commodity prices in the domestic market are derived based on the landed cost of imports in India where LME prices and USD/INR exchange rate are the main factors. In case of conversion business, the objective is to match the exchange rate of outflows and related inflows through derivative financial instruments. With respect to Aluminium business where costs are predominantly in INR, the strengthening of INR against USD adversely affects the profitability of the business and benefits when INR depreciates against USD. The company enters into various foreign exchange contracts to protect profitability.

The Company enters into various cross currency swaps to manage the exposure to fluctuating exchange rate arising from loans given to and net investments made in various European subsidiaries.

The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign currency exchange rate movement in foreign currency contracts executed with foreign suppliers to procure capital items for its project activities.

Interest Rate Risk

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

Embedded derivatives

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

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

Net Investment Hedges

For derivative instruments that are designated as hedges of net investment in foreign operations, gains and losses on derivative instruments are included (net of taxes), to the extent the hedges are effective, in Cumulative Translation Adjustment (CTA). The ineffective portions of hedges of net investments in foreign operations, if any, are recognised as gains or losses and included in 'Other Expenses' in the Statement of Profit & Loss.

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

(₹ Crore)

Particulars	Nature of Risk being Hedged	31st March, 2013			31st March, 2012		
		Liability	Asset	Net Fair Value	Liability	Asset	Net Fair Value
Current							
Cash flow hedges							
- Commodity contracts	All cash flow risk other than foreign currency	(4.08)	452.98	448.90	(38.20)	145.49	107.29
- Interest rate contracts	Exchange rate movement risk	(2.10)	-	(2.10)	-	0.32	0.32
- Foreign currency contracts	Exchange rate movement risk	(77.57)	195.86	118.29	(188.55)	80.71	(107.84)
Fair value Hedges							
- Commodity contracts		(6.58)	-	(6.58)	(30.25)	2.72	(27.54)
- Embedded derivatives *		(0.04)	191.05	191.01	(215.44)	15.75	(199.69)
Net Investment Hedges							
- Foreign currency contracts	Exchange rate movement risk			-	-	11.51	11.51
Non-designated hedges							
- Commodity contracts		(435.55)	490.80	55.25	(391.48)	425.19	33.70
- Foreign currency contracts		(76.12)	120.88	44.76	(81.48)	129.65	48.17
- Interest rate contracts		-	-	-	(1.66)	-	(1.66)
Total		**(602.04)**	**1,451.57**	**849.53**	**(947.06)**	**811.32**	**(135.74)**
Non - current							
Cash flow hedges							
- Commodity contracts	All cash flow risk other than foreign currency	(0.72)	28.18	27.46	-	2.12	2.12
- Interest rate contracts	Exchange rate movement risk	(2.28)	-	(2.28)	-	0.67	0.67
- Foreign currency contracts	Exchange rate movement risk	(42.58)	2.00	(40.58)	(79.40)	5.08	(74.32)
Fair value Hedges							
- Commodity contracts	All cash flow risk other than foreign currency	(3.57)	0.00	(3.56)	(0.61)	0.20	(0.41)
Non-designated hedges							
- Commodity contracts		(108.40)	8.22	(100.18)	(153.78)	6.86	(146.92)
- Foreign currency contracts		(0.05)	0.47	0.42	(1.97)	1.08	(0.89)
- Interest rate contracts		-	-	-	-	-	-
Total		**(157.60)**	**38.87**	**(118.72)**	**(235.75)**	**16.02**	**(219.74)**
Grand Total		**(759.64)**	**1,490.44**	**730.80**	**(1,182.81)**	**827.34**	**(355.48)**

* Fair Value of ₹ Crore 191.01 is part of Trade Payables.

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

Foreign currency forwards	Currency Pair	31st March, 2013			31st March, 2012		
		Average exchange rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ Crore)	Average exchange rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ Crore)
Cash flow hedges							
Buy	AUD_INR				54.05	0.04	(0.00)
Buy	CHF_EUR	0.83	12.46	(0.79)	-	-	-
Buy	EUR_INR	72.20	5.66	0.29	68.40	14.99	0.98
Buy	GBP_INR	83.04	0.04	-	-	-	-
Buy	USD_INR	55.51	7.97	0.59	50.41	29.92	3.03
Buy	BRL_USD	0.50	366.77	12.10	0.54	469.22	19.58
Buy	EUR_USD	1.33	45.94	3.77	1.40	85.65	(6.41)
Buy	EUR_KRW	1,520.03	15.02	(4.61)	1,516.37	75.23	5.43
Buy	USD_CAD	0.98	27.28	0.05	0.99	94.01	1.64
Buy	USD_KRW	1,124.50	451.11	(22.99)	1,131.37	252.17	(18.07)
Sell	USD_INR	57.60	815.94	85.80	49.77	764.50	(188.04)
Sell	BRL_USD				-	-	-
Sell	USD_AUD	1.02	77.00	1.44	1.04	7.04	(0.29)
Total				**75.65**			**(182.16)**
Net investment hedge							
Buy	USD_EUR				0.73	31.17	4.21
Buy	USD_KRW				1,120.06	92.06	7.30
				-			**11.51**
Non-Designated							
Buy	AUD_INR	58.54	1.75	(0.31)	53.63	2.52	(0.08)
Buy	CHF_INR	60.29	0.19	(0.03)	57.45	0.25	0.17
Buy	EUR_INR	72.73	23.11	(4.75)	69.24	35.26	0.86
Buy	GBP_INR	85.68	0.66	(0.10)	80.88	0.95	0.14
Buy	NOK_INR	9.69	2.37	(0.06)	8.90	3.16	0.09
Buy	USD_INR	54.85	166.19	(5.48)	51.80	187.27	(9.37)
Buy	GBP_EUR	1.19	29.31	(3.12)	1.18	106.81	6.41
Buy	KRW_USD	0.90	98.60	15.44	0.00	425.55	(2.51)
Buy	USD_EUR	0.76	161.79	8.58	0.74	424.36	29.74
Buy	GBP_USD	1.52	29.69	(0.28)	1.58	3.61	(0.24)
Buy	USD_CHF	0.94	24.59	1.07	0.91	47.07	(1.09)
Buy	CAD_USD	0.98	4.76	0.25	1.02	16.07	0.21
Buy	USD_BRL	2.07	133.93	26.25	1.82	305.25	35.02
Buy	JPY_USD	0.01	0.30	0.02	-	-	-
Buy	CHF_GBP	0.70	6.71	(0.22)	0.69	2.75	0.00
Buy	CHF_EUR	0.82	25.48	0.11	0.84	78.19	(6.04)
Buy	EUR_KRW	1,493.39	6.66	0.01	1,518.33	4.49	(0.04)
Buy	CNY_USD	0.16	53.33	5.26			
Sell	USD_INR	55.04	14.59	0.49	51.64	53.83	(6.02)
Total				**43.13**			**47.28**
Foreign currency Options							
Cash flow hedges							
Sell	USD_INR	56.88	11.85	2.06			
Non-Designated							
Sell	USD_INR	55.50	20.00	2.05			
Total				**4.11**			**-**

(e) The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2013:

Commodity Futures/Forwards		Average Price (USD/Unit)	Qty	Unit	Notional Value (USD in millions)	Fair Value Gain/ (Loss) (₹ Crore)
Cash Flow Hedge						
Aluminium	Sell	2,015.18	470,566	MT	948.27	401.06
Natural Gas	Buy	3.83	2,400,000	MMBtu	9.20	4.87
Aluminium	Buy	1,875.25	4,771	MT	8.95	(2.85)
Gold	Sell	1,609.57	91,971	TOZ	148.03	5.93
Silver	Sell	31.28	1,457,256	TOZ	45.59	22.55
Copper	Sell	8,237.54	12,350	MT	101.73	44.80
Total						**476.36**
Fair Value Hedge						
Aluminium	Buy	1,875.25	21,810	MT	40.90	(10.14)
Total						**(10.14)**
Non Designated hedges						
Aluminium	Buy	1,885.28	148,936	MT	280.79	(84.35)
Aluminium	Sell	1,939.65	201,212	MT	390.28	176.31
Copper	Buy	7,724.13	41,350	MT	319.39	(40.40)
Copper	Sell	7,716.35	32,400	MT	250.01	29.22
Gold	Sell	1,652.52	3,942	TOZ	6.51	1.17
Silver	Buy	28.75	353,750	TOZ	10.17	(0.73)
Silver	Sell	28.88	339,507	TOZ	9.80	0.94
Electricity	Buy	32.33	919,072	MWh	29.71	(148.71)
Natural Gas	Buy	3.69	3,340,000	MMBtu	12.31	8.85
Gold	Sell		*			14.50
Silver	Sell		*			0.03
Coal		85.17	75,000	MT	6.39	(1.76)
Total						**(44.93)**
Embedded derivatives						
Fair Value Hedge						
Copper	Sell	7,902.95	93,042	MT	735.30	184.65
Gold	Sell	1,639.59	12,746	TOZ	20.90	2.92
Silver	Sell	30.87	256,761	TOZ	7.93	3.44
Total						**191.01**

***** ***Represent derivatives matured within 31st March, 2013 for which cash flow to happen on settlement date during April, 2013.***

CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2012:

Commodity Futures/Forwards		Average Price (USD/Unit)	Qty	Unit	Notional Value (USD in	Fair Value Gain/ (Loss) (₹ Crore)
Cash Flow Hedge						
Aluminium	Sell	2,116.87	159,000	MT	336.58	88.35
Aluminium	Buy	2,087.00	16,375	MT	34.17	(9.41)
Gold	Sell	1,723.74	99,503	TOZ	171.52	30.63
Silver	Sell	32.13	1,672,332	TOZ	53.73	(1.34)
Copper	Sell	8,637.69	1,250	MT	10.80	1.19
Total						**109.41**
Fair Value Hedge						
Aluminium	Buy	2,087.00	31,360	MT	65.45	(27.94)
Total						**(27.94)**
Non Designated hedges						
Aluminium	Buy	2,110.95	155,390	MT	328.02	(65.09)
Aluminium	Sell	2,168.20	212,457	MT	460.65	139.89
Copper	Buy	8,357.86	23,375	MT	195.36	22.39
Copper	Sell	8,710.89	18,925	MT	164.85	32.43
Gold	Buy	1,716.33	1,397	TOZ	2.40	(4.48)
Gold	Sell	1,663.71	41,752	TOZ	69.46	4.76
Silver	Buy	-	*	TOZ	-	(0.53)
Silver	Sell	32.41	278,664	TOZ	9.03	11.89
Electricity	Buy	32.33	1,169,728	MWh	37.82	(205.91)
Natural Gas	Buy	4.36	6,600,000	MMBtu	28.76	(52.06)
Total						**(116.71)**
Commodity Options						
Cash Flow Hedge						
Aluminium	Sell	-	*	MT	-	3.49
Total						**3.49**
Embedded Derivatives						
Fair Value Hedge						
Copper	Sell	8,102.36	113,333	MT	918.27	(202.78)
Gold	Sell	1,689.66	40,362	TOZ	68.20	5.68
Silver	Sell	31.55	710,744	TOZ	22.43	(2.59)
Total						**(199.69)**

***** ***Represent derivatives matured within 31st March, 2013 for which cash flow to happen on settlement date during April, 2012.***

(f) The following table presents the outstanding position and fair value of various interest rate derivative financial instruments:

Interest rate swaps	Fixed Leg	As of 31st March, 2013			As of 31st March, 2012		
		Average Price (USD / Unit)	Notional Value (USD in Millions)	Fair Value (₹ Crore)	Average Price (USD / Unit)	Notional Value (USD in Millions)	Fair Value (₹ Crore)
Cash flow hedges							
3M-CD-3200	Pay fixed	4.11%	95.32	(4.38)	4.62%	43.94	0.99
Non-Designated Hedges							
1M USD Libor	Pay fixed				1.97%	220.00	(1.66)
Total			**95.32**	**(4.38)**		**263.94**	**(0.67)**

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

(₹ Crore)

Hedge Instrument Type	Products/ Currency Pair	31st March, 2013			31st March, 2012		
		Closing Value in Hedging Reserve as at 31st March, 2013	Release: In less than 12 Months	Release: After 12 Months	Closing Value in Hedging Reserve as at 31st March, 2012	Release: In less than 12 Months	Release: After 12 Months
		Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
Commodity Forwards	Aluminium	414.43	377.44	36.99	162.06	160.08	1.98
	Gold	19.06	19.06	0.00	39.90	39.90	-
	Silver	22.72	22.72	-	12.47	12.47	-
	Copper	17.74	17.63	0.11	1.15	1.01	0.14
	Electricity	(107.81)	(29.40)	(78.41)	(128.52)	(27.54)	(100.98)
	Natural Gas	5.85	5.32	0.53	-	-	-
	Total	**371.99**	**412.77**	**(40.78)**	**87.06**	**185.92**	**(98.86)**
Debt		10.16	10.16	-	20.37	20.37	-
Liability for Copper Concentrate		(7.58)	(7.58)	-	(82.06)	(82.06)	-
Interest rate swaps	3M-CD-3200	(4.36)	-	(4.36)	0.98	-	0.98
	Total	**(4.36)**	**-**	**(4.36)**	**0.98**	**-**	**0.98**
Foreign currency Forwards	AUD_INR	-	-	-	(0.18)	-	(0.18)
	EUR_INR	0.37	0.29	0.08	2.40	3.55	(1.15)
	GBP_INR	(0.01)	(0.01)	-	-	-	-
	NOK_INR	-	-	-	(0.03)	-	(0.03)
	USD_INR	87.85	86.16	1.69	(181.98)	(136.20)	(45.78)
	USD_EUR	(12.24)	5.66	(17.90)	(12.95)	-	(12.95)
	USD_BRL	9.54	26.74	(17.20)	(9.38)	5.65	(15.04)
	USD_CAD	0.59	0.60	(0.01)	2.84	2.86	(0.02)
	EUR_KRW	(3.91)	-	(3.91)	5.43	-	5.43
	USD_KRW	(22.21)	(0.65)	(21.56)	(36.88)	(25.69)	(11.18)
	EUR_CHF	(0.96)	(0.96)	-	-	-	-
	USD_AUD	0.52	0.52	-	(0.09)	(0.09)	-
	Total	**59.54**	**118.35**	**(58.81)**	**(230.82)**	**(149.92)**	**(80.90)**
Foreign currency Options	USD_INR	1.86	1.86	-	-	-	-
	Grand Total	**431.61**	**535.56**	**(103.95)**	**(204.47)**	**(25.69)**	**(178.78)**

(h) The following tables presents the amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2012-13:

(₹ Crore)

Item	Opening Balance	Net Amount recognised	Recycled			CTA	Closing Balance
			Net Amount to P&L	Net Amount added to Non-Financial Assets	Total Amount recycled		
Commodity	87.06	570.26	280.62	1.80	282.42	(2.91)	371.99
Forex	(292.51)	(252.73)	(577.46)	(36.26)	(613.72)	(4.51)	63.98
Interest	0.98	(5.34)	-	-	-	-	(4.36)
Total	**(204.47)**	**312.19**	**(296.84)**	**(34.46)**	**(331.30)**	**(7.42)**	**431.61**

The following tables presents the amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2011-12:

(₹ Crore)

Item	Opening Balance	Net Amount recognised	Recycled			CTA	Closing Balance
			Net Amount to P&L	Net Amount added to Non-Financial Assets	Total Amount recycled		
Commodity	(72.81)	71.91	(87.07)	-	(87.07)	0.89	87.06
Forex	183.22	(954.99)	(496.77)	22.00	(474.77)	4.49	(292.51)
Interest	-	0.92	-	-	-	0.06	0.98
Total	**110.41**	**(882.16)**	**(583.84)**	**22.00**	**(561.84)**	**5.44**	**(204.47)**

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

(₹ Crore)

Schedule Line Item	Note No.	2012-13	2011-12
Net Sales	28	(275.45)	(493.29)
Raw Materials Consumed	30	105.31	(98.63)
(Gain)/Loss in change in Fair value of derivatives (net)	37	126.70	(8.07)

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

(₹ Crore)

	2012-13	2011-12
Copper	(184.55)	207.85
Gold	(2.92)	(5.33)
Silver	(3.45)	2.73
Total	**(190.92)**	**205.25**

Sensitivities

The following table presents the estimated potential changes in the fair values of the foreign currency derivative financial instruments given a 10% changes in their respective indexes.

₹ Crore

Currency Pair	Change in Rate/Price	31st March, 2013			31st March, 2012		
		Change in Fair Value	Change in Profit & Loss Account	Change in Hedging Reserve	Change in Fair Value	Change in Profit & Loss Account	Change in Hedging Reserve
Forwards							
USD_INR	10%	329.41	(108.51)	437.93	311.82	86.38	225.44
EUR_INR	10%	38.77	34.40	4.37	64.89	56.11	8.78
GBP_INR	10%	1.11	1.07	0.04	1.48	1.48	-
NOK_INR	10%	0.01	0.01	-	0.01	0.01	-
CHF_INR	10%	0.00	0.00	-	0.14	0.14	-
AUD_INR	10%	1.98	1.98	-	2.55	2.55	-
CHF_USD	10%	48.66	48.73	(0.07)	28.13	26.49	1.65
GBP_USD	10%	28.04	28.08	(0.04)	12.89	12.14	0.75
CAD_USD	10%	10.90	1.71	9.19	19.59	(3.78)	23.38
KRW_USD	10%	187.72	33.84	153.88	39.32	18.75	20.57
BRL_USD	10%	241.99	64.95	177.04	218.19	80.95	137.23
EUR_USD	10%	157.46	128.90	28.55	196.17	145.10	51.08
USD_AUD	10%	82.46	57.14	25.32	59.34	56.99	2.35
EUR_KRW	10%	10.20	3.14	7.06	33.73	1.79	31.94
EUR_CHF	10%	17.85	12.00	5.84	33.08	31.15	1.93
EUR_GBP	10%	13.79	13.81	(0.02)	45.19	42.55	2.64
GBP_CHF	10%	2.67	2.67	(0.00)	0.97	0.91	0.06
CNY _USD	10%	26.27	26.31	(0.04)	-	-	-
JPY_USD	10%	0.18	0.18	(0.00)	-	-	-
Options							
USD_INR	10%	6.69	3.51	3.17	-	-	-
Debt	10%	513.15	89.48	423.67	565.63	304.15	261.48

The following table presents the estimated potential change in the fair values of the commodity derivative financial instruments, given a 10% change in their respective indexes (LME in case of Aluminium and Copper, LBMA in case of Gold and Silver, NYMEX NYISO Zone, a Peak Rate in the case of Electricity).

₹ Crore

Types of Derivative	Change in Rate/Price	31st March, 2013			31st March, 2012		
		Change in Fair Value	Change in Profit & Loss Account	Change in Hedging Reserve	Change in Fair Value	Change in Profit & Loss Account	Change in Hedging Reserve
Forwards	10%	669.44	84.01	585.43	262.30	23.40	238.90
Options	10%				-	-	-
Embedded derivatives	10%	395.48	395.48	-	532.56	532.56	-

The following table presents the estimated potential change in the fair values of the interest rate derivative financial instruments, given a 10% change in their respective indexes (USD Libor in case of Interest rate swaps)

₹ Crore

Types of Derivative	Change in Rate/Price	31st March, 2013			31st March, 2012		
		Change in Fair Value	Change in Profit & Loss Account	Change in Hedging Reserve	Change in Fair Value	Change in Profit & Loss Account	Change in Hedging Reserve
1M USD Libor	100 bps				-	-	-
3M-CD-3200	100 bps	10.04	-	10.04	5.26	0.02	5.24

42. **Gain or loss on foreign currency transaction and translation:**

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

(₹ Crore)

	Year ended	
	31/03/2013	**31/03/2012**
Revenue from Operations	430.77	535.59
Cost of Materials Consumed	93.04	198.01
Power and Fuel	2.54	5.62
Finance Costs	(0.98)	-
Other Expenses	(38.46)	137.36
	486.91	**876.58**

43. For the year ended 31st March, 2013, the Board of Directors of the Company have recommended dividend of ₹ 1.40 per share (Previous year ₹ 1.55 per share) to equity shareholders aggregating to ₹ 313.60 crore (Previous year ₹ 344.89 crore) including Dividend Distribution Tax.

44. Pursuant to a court approved scheme of financial restructuring under Sections 391 to 394 of the Companies Act 1956, Business Reconstruction Reserve (BRR) was established during 2008-09 for adjustment of certain specified expenses. Accordingly, certain expenses have been adjusted against the BRR both in standalone and in consolidated financial statements. During previous year, an amount of ₹ 500.47 crore (net of deferred tax of ₹ 35.86 crore) has been adjusted in consolidated financial statements towards exiting of certain businesses. Had this adjustment not been done, Net Profit for the previous year would have been lower to that extent.

45. In accordance with the accounting policy for accounting of actuarial gains or losses relating to pension and other post retirement employee benefit plans of Novelis Inc., a wholly-owned subsidiary, the Company has recognised actuarial losses (net of deferred tax) in the 'Actuarial Gain/(Loss) Reserve' under Reserves and Surplus. Had the Company followed the practice of recognition of actuarial gains/losses on the aforesaid defined benefit plans in the Statement of Profit and Loss, Employee Benefits Expenses would have been higher by ₹ 542.43 crore (Previous year ₹ 1,014.91 crore), Tax Expenses (Deferred Tax) would have been lower by ₹ 159.38 crore (Previous year ₹ 299.88 crore), Net Profit for the year would have been lower by ₹ 383.05 crore (Previous year ₹ 715.03 crore), Actuarial Gain/(Loss) Reserve would have been ₹ Nil (Previous year ₹ Nil) and Foreign Currency Translation Reserve would have been lower by ₹ 50.82 crore (previous year ₹ 44.39 crore).

46. **Contingent Liabilities and Commitments**

(₹ Crore)

	As at	
	31/03/2013	**31/03/2012**
A. Contingent Liabilities not provided in respect of followings:		
(a) Claims against the company not acknowledged as debt	1,032.76	855.00
(b) Guarantees	119.31	55.23
(c) Other money for which the Company is contingently liable:		
i. Bills discounted with Banks		
ii. Customs duty on Capital Goods and Raw Materials imported under Advance Licence/EPCG Scheme, against which export obligation is to be fulfilled.	359.09	263.55

CONSOLIDATED FINANCIAL STATEMENTS

iii. The Company has received a notice dated 24th March, 2007 from collector (Stamp) Kanpur, Uttar Pradesh alleging that stamp duty of ₹ 252.96 crore is payable in view of order dated 18th November, 2002 of Hon'ble High Court of Allahabad approving scheme of arrangement for merger of Copper business of Indo Gulf Corporation Limited with the Company. The Company is of the opinion that it has a very strong case as there is no substantive/computation provision for levy/calculation of stamp duty on court order approving scheme of arrangement under Companies Act, 1956 within the provisions of Uttar Pradesh Stamp Act, moreover the properties in question are located in the State of Gujarat and thus the collector (stamp) Kanpur has no territorial jurisdiction to make such a demand. It is pertinent to note that the Company in 2003-04 has already paid stamp duty which has been accepted as per the provisions of the Bombay Stamp Act 1958 with regard to transfer of shareholding of Indo Gulf Corporation Limited as per the Scheme of Arrangement. Furthermore, the demand made is on an incorrect assumption. The Company's contention amongst the various other grounds made is that the demand is illegal, against the principles of natural justice, incorrect, bad in law and malafide. The Company has filed a writ petition before the Hon'able High Court of Allahabad, inter alia, on the above said grounds, which is pending determination.

iv. Against the notifications issued by the State Electricity Regulatory Commissions of Uttar Pradesh and Odisha States under the provisions of Electricity Act, 2003 in respect of Renewable Purchase Obligation (RPO), the Company has filed writ petitions before jurisdictional high courts on the ground, inter alia, that RPO cannot be made applicable to captive users and the High Court(s) at Allahabad and Cuttack have granted stay on the applicability of the RPO. Pending disposal of these, no provision has been considered necessary at this stage.

v. Pursuant to directions of Dispute Resolution Panel (DRP) disposing of the objections filed by the Company against the draft assessment order for AY 2008-09, the Assessing Officer has framed the assessment by making adjustment, inter alia, amounting to ₹ 270.00 crore to total income on account of purported arms length fee of Corporate Guarantee provided to foreign banks for granting loan to wholly owned subsidiary AV Minerals B.V. at Netherlands. The Company has been advised, considering facts of the case no provision is deemed necessary. Appeal against order has been filed before Hon'ble ITAT.

v. For AY 2009-10, the Assessing Officer has made adjustment of ₹ 1,063.00 crore, inter alia, by imputing guarantee fee of 11.84% and 9.79% on two corporate guarantees provided by the Company to foreign banks for granting loan to wholly owned subsidiary AV Minerals B.V. at Netherlands without giving cognizance to directions of Dispute Resolution Panel for earlier year on similar facts restricting the adjustment on account of purported arms length fee of Corporate Guarantee to 2.50% which has not been challenged by the department. The Company has been advised, considering facts of the case no provision is deemed necessary. Appeal against order has been filied before Hon'ble CIT (A).

(₹ Crore)

	As at	
	31/03/2013	**31/03/2012**
B. **Commitments**		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advance paid)	5,049.09	10,469.96

(b) The Company, along with Aditya Birla Nuvo Limited, Grasim Industries Limited and Birla TMT Holdings Pvt. Limited (the Sponsors), being promoters of Idea Cellular Limited (Idea) has given the following undertakings to the Facility Agent:

(i) The Sponsors shall collectively continue to hold at least 33% of the equity capital of Idea till the end of FY 2015-16 and shall not without prior written approval of the Facility Agent, divest, transfer, assign, dispose of, pledge, charge, create any lien or in any way encumber 33% of shareholdings in Idea. Consequent upon the infusion of fresh equity capital of Idea, if the Sponsors' stake gets diluted from 40% to 33% in the equity capital of Idea, the Sponsors agree and undertake to obtain the prior consent of the Rupee Facility Agent and in other circumstances, the Sponsors agree and undertake to obtain the prior consent of the secured lenders representing 51% of the aggregate outstanding secured loans.

ii. The Sponsors shall collectively continue to hold 26% of the equity capital of Idea after FY 2015-16 and shall not without the prior written approval of the Rupee Facility Agent, divest, transfer, assign, dispose of, pledge, charge, create any lien or in any way encumber 26% shareholdings in the capital of Idea.

iii. Not without prior approval of the Facility Agent in writing divest shareholdings in the equity capital of Idea that may result in a single investor along with its affiliates holding more than 25% of the equity capital of Idea.

(c) As the Sponsor, the Company has executed a Common Rupee Loan Agreement (CRLA) to avail financing of ₹ 4,906.00 crore for project undertaken by Utkal Alumina International Limited (Utkal), a wholly-owned subsidiary of the Company. Under the CRLA, the Company has following obligations:

i. To infuse base equity of ₹ 2,103.00 crore in Utkal.

ii. To ensure that debt: equity ratio in Utkal is always maintained at 70:30.

iii. To hold minimum 51% equity shares in Utkal.

iv. To bring funds for meeting cost overrun of the project.

v. If Utkal exercises its right or requires to replace any lender under the CRLA and to enable to bring other lender to replace such a lender within the permitted time, the Company is required to infuse funds for prepayment of the loan to such lender and for undrawn portion of such rupee lender.

47. The Company is one of the promoter members of Aditya Birla Management Corporation Private Limited (ABMCPL), a Company limited by guarantee which has been formed to provide common facilities and resources to its members, with a view to optimize the benefits of specialization and minimize cost for each member. The Company is one of the participants in the common pool and shares the expenses incurred by ABMCPL and accounted for under appropriate heads.

48. **Leases:**

A. **Operating Lease**

Future obligations towards minimum lease payment commitments under non-cancellable operating leases are as under:

(₹ Crore)

	As at	
	31/03/2013	**31/03/2012**
Not later than 1 year	143.97	123.77
Later than 1 year and not later than 5 years	377.05	337.13
Later than 5 years	308.78	289.59

B. **Finance Lease**

Future obligations towards minimum lease payment commitments under the finance leases taken on or after 1st April, 2001 are as under:

(₹ Crore)

	As at 31/03/2013		As at 31/03/2012	
	Payment	**Present value**	**Payment**	**Present value**
Not later than 1 year	57.08	42.13	39.04	24.85
Later than 1 year and not later than 5 years	219.97	184.75	146.81	106.09
Later than 5 years	68.43	65.33	103.78	93.77

49. **Related Party Disclosures:**

A. List of Related Parties:

(a) **Associates:**

Aditya Birla Science and Technology Company Limited

Idea Cellular Limited

Aluminium Norf GmbH

Consorcio Candonga

MiniMRF LLC (Delaware)

Deutsche Aluminium Verpackung Recycling GmbH

France Aluminium Recyclage SA

(b) **Joint Ventures:**

Mahan Coal Limited

Hydromine Global Minerals (GMBH) Limited

(c) **Trust:**

Trident Trust

(d) **Key Managerial Personnel:**

Mr. D. Bhattacharya - Managing Director

B. Disclosure of transactions in the ordinary course of business between the Group and its Related Parties during the year and status of outstanding balances at year end:

(a) **Associates and Joint Ventures:**

(₹ Crore)

	2013		2012	
	Associates	**Joint Ventures**	**Associates**	**Joint Ventures**
Transactions during the year ended 31st March:				
Service Received	1,347.07	-	1,222.58	-
Purchase of Goods	-	-	-	-
Service Rendered	0.02	0.03	0.04	-
Interest and Dividend Received	6.31	-	13.04	-
Equity Contribution	-	-	-	-
Loans, Advances and Deposits given	10.24	0.13	10.63	2.30
Loans, Advances and Deposits received back	-	-	3.92	2.63
Guarantee Given	2.96	-	4.41	-
Outstanding balances as at 31st March:				
Trade and other Receivables	5.40	0.03	-	-
Trade and Other Payables	256.76	-	262.49	-
Investments, Loans, Advances and Deposits	4,851.08	3.07	4,829.04	2.96
Guarantee Given	2.96	16.71	4.41	16.71

(b) **Trust:**

(₹ Crore)

	As at	
	31/03/2013	**31/03/2012**
Beneficiary Interest in Trust	34.45	34.45

(c) **Key Managerial Personnel:**

(₹ Crore)

	As at	
	31/03/2013	**31/03/2012**
Managerial Remuneration (including perquisites) *	21.45	20.24

* Excluding gratuity, leave encashment provisions and compensation under Employee Stock Option Scheme.

50. Figures of previous year have been reclassified/regrouped wherever necessary.

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

RAJIV SINGHI
Partner
Membership No. 53518

Camp: Mumbai
Dated: The 28th day of May, 2013

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

Kumar Mangalam Birla – Chairman
D. Bhattacharya – Managing Director
M.M. Bhagat – Director

FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2013

₹ Crore

	Name of the Subsidiary Company	Country	Capital	Reserves	Total Assets	Total Liabilities	Investments** (Excluding Investment in subsidiaries)	Turnover/ Revenues	Profit/ (Loss) Before Tax	Provision for Tax	Profit/ (Loss) After Tax	Proposed Dividend
1	Minerals & Minerals Limited	India	0.05	1.47	2.92	1.40	-	6.99	0.27	0.09	0.18	-
2	Renuka Investments & Finance Limited	India	9.25	45.08	54.74	0.41	44.60	4.71	4.32	0.49	3.83	-
3	Renukeshwar Investments & Finance Limited	India	4.80	30.79	35.58	(0.01)	29.28	2.32	2.32	0.12	2.20	-
4	Suvas Holdings Limited	India	5.46	(0.03)	5.44	0.01	-	0.10	0.09	0.04	0.05	-
5	Utkal Alumina International Limited	India	2,047.16	(130.09)	7,042.91	5,125.84	164.23	0.05	(97.11)	(1.46)	(98.57)	-
6	Aditya Birla Chemicals (India) Limited	India	23.39	353.76	1,456.07	1,078.92	6.51	813.42	45.74	26.09	19.65	2.34
7	Hindalco-Almex Aerospace Limited	India	177.12	(65.47)	114.17	2.52	6.18	38.79	(34.31)	-	(34.31)	-
8	HAAL USA Inc***	USA	0.00	0.00	0.00	-	-	-	(0.09)	-	(0.09)	-
9	Lucknow Finance Company Limited	India	12.00	14.48	27.32	0.84	15.06	3.16	2.65	0.52	2.13	-
10	Dahej Harbour and Infrastructure Limited	India	50.00	227.81	298.80	20.99	197.73	80.94	58.66	10.78	47.88	-
11	East Coast Bauxite Mining Company Private Limited	India	0.01	(0.02)	0.01	0.02	-	-	(0.00)	-	(0.00)	-
12	Tubed Coal Mines Limited	India	29.95	(0.54)	29.97	0.56	-	0.04	(0.26)	(0.01)	(0.27)	-
13	Mauda Energy Limited	India	0.17	(0.02)	0.15	-	-	-	(0.01)	-	(0.01)	-
14	Aditya Birla Minerals Limited*	Australia	2,547.15	133.66	2,743.79	62.97	-	96.35	94.57	(5.69)	100.26	-
15	Birla Nifty Pty Limited^*	Australia	494.06	1,671.44	2,732.14	566.64	-	2,088.94	177.82	35.47	142.35	-
16	Birla Maroochydore Pty Limited^*	Australia	56.52	(105.26)	75.52	124.26	-	-	(38.22)	11.46	(26.75)	-
17	Birla Mt Gordon Pty Limited^*	Australia	135.65	(1,014.68)	457.50	1,336.53	-	737.12	(203.78)	63.29	(140.49)	-
18	Birla Resources Pty Limited*	Australia	3.67	0.01	3.75	0.07	-	0.26	(0.00)	-	(0.00)	-
19	A V Minerals (Netherlands) B.V.*	Netherlands	12,139.51	(2,270.97)	9,868.55	-	-	-	(0.40)	-	(0.40)	-
20	A V Metals Inc#*	Canada	9,866.28	(20.83)	9,845.57	0.12	-	-	(0.01)	-	(0.01)	-
21	Novelis Inc.##*	Canada	0.00	254.88	28,243.74	27,988.86	0.00	4,245.58	82.00	38.12	43.88	-
22	4260848 Canada Inc.@*	Canada	670.49	(9.07)	669.34	7.93	0.00	0.00	115.40	5.79	109.61	-
23	4260856 Canada Inc.@*	Canada	1,005.70	(7.02)	998.68	0.00	0.00	0.00	172.75	8.64	164.12	-
24	Novelis No. 1 Limited Partnership@*	Canada	0.00	368.81	368.81	0.00	0.00	0.00	0.00	-	0.00	-
25	Novelis Brand LLC (Delaware)@*	USA	0.01	313.79	643.66	329.86	0.00	0.00	75.93	-	75.93	-
26	Novelis South America Holdings LLC@*	USA	0.01	0.00	0.01	0.00	0.00	0.00	0.00	-	0.00	-
27	Aluminum Upstream Holdings LLC (Delaware)@*	USA	0.01	(0.01)	0.00	0.00	0.00	0.00	(0.00)	-	(0.00)	-
28	Novelis (India) Infotech Ltd.@*	India	25.63	(0.40)	30.79	5.56	0.00	0.00	(1.89)	(1.78)	(3.67)	-
29	Novelis Corporation (Texas)@*	USA	9,124.42	(5,513.37)	15,573.99	11,962.93	2.35	20,139.33	965.74	367.27	598.47	-
30	Novelis de Mexico SA de CV@*	Mexico	0.04	0.21	0.39	0.14	0.00	0.00	0.00	-	0.00	-
31	Novelis do Brasil Ltda.@*	Brazil	1,008.91	1,997.83	8,011.89	5,005.15	105.89	7,528.47	680.83	223.86	456.97	-
32	Novelis Madeira, Unipessoal, Lda@*	Portugal	0.03	126.88	392.99	266.07	0.00	1,167.50	51.81	2.42	49.39	-
33	Novelis Korea Limited@*	Korea	571.03	2,593.37	6,345.17	3,180.77	0.00	8,880.30	501.37	78.80	422.56	-
34	Alcom Nikkei Specialty Coatings Sdn Berhad@*	Malaysia	21.50	36.68	87.52	29.34	0.00	215.51	(0.13)	0.18	0.05	-
35	Aluminum Company of Malaysia Berhad@*	Malaysia	235.73	77.80	374.73	61.21	0.00	506.74	(0.01)	0.00	(0.01)	-
36	Al Dotcom Sdn. Berhad@*	Malaysia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00	-
37	Novelis UK Ltd.@*	England	1,385.70	(877.87)	973.69	465.87	0.00	1,671.83	47.23	(213.21)	260.44	-

FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2013 (contd.)

₹ Crore

	Name of the Subsidiary Company	Country	Capital	Reserves	Total Assets	Total Liabilities	Investments** (Excluding Investment in subsidiaries)	Turnover/ Revenues	Profit/ (Loss) Before Tax	Provision for Tax	Profit/ (Loss) After Tax	Proposed Dividend
38	Novelis Services Limited@*	Wales	0.05	6.16	152.15	145.94	0.00	287.38	36.97	31.36	5.61	-
39	Novelis Deutschland GmbH@*	Germany	775.94	95.81	4,328.11	3,456.37	488.30	14,396.45	583.09	0.09	583.00	-
40	Novelis Aluminium Beteiligungs GmbH@*	Germany	0.17	0.16	0.33	0.00	0.00	0.00	(0.00)	(0.00)	(0.00)	-
41	Novelis Switzerland SA@*	Switzerland	28.60	582.87	1,452.65	841.18	0.00	2,730.25	240.45	30.35	210.09	-
42	Novelis Laminés France SAS@*	France	21.57	20.33	43.76	1.86	0.00	4.71	0.46	0.18	0.28	-
43	Novelis Italia SPA@*	Italy	668.07	(184.29)	1,043.66	559.87	0.00	1,423.88	(26.62)	(4.12)	(30.74)	-
44	Novelis Aluminium Holding Company@*	Ireland	20.88	2,219.36	6,121.71	3,881.47	0.00	594.27	280.85	144.96	135.89	-
45	Novelis Cast House Technology Ltd.@*	Canada	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00	-
46	Eurofoil Inc. (USA) (New York)@*	USA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00	-
47	Novelis PAE Corporation (Delaware)@*	USA	1.76	0.18	1.94	0.00	0.00	0.00	0.00	-	0.00	-
48	Novelis PAE SAS@*	France	28.11	62.43	268.30	177.75	0.00	143.14	6.37	0.23	6.13	-
49	Novelis Europe Holdings Limited@*	Wales	1,105.69	98.14	1,203.82	0.00	0.00	0.39	(146.53)	-	(146.53)	-
50	Novelis AG (Switzerland)@*	Switzerland	5.72	1,202.00	5,260.66	4,052.94	0.00	377.83	(97.98)	(3.04)	(101.03)	-
51	Logan Aluminium Inc. (Delaware) @ *	USA	0.00	(207.35)	879.34	1,086.68	0.00	2,113.21	2.72	0.69	2.03	-
52	ALBRASILIS - Aluminio do Brasil Industria e Comércio Ltda@*	Brazil	0.01	(0.01)	0.00	0.00	0.00	0.00	0.00	-	0.00	-
53	Novelis North American Holdings@*	USA	0.00	782.04	9,944.91	9,162.87	0.00	0.00	868.01	(301.41)	1,169.42	-
54	8018227 Canada Inc.@*	USA	0.00	(1,002.32)	958.78	1,961.11	0.00	0.00	41.34	7.37	33.97	-
55	8018243 Canada Limited@*	USA	0.00	3,849.18	3,849.98	0.80	0.00	0.00	0.01	-	0.01	-
56	Novelis Delaware LLC@*	USA	0.00	3,697.73	3,697.73	0.00	0.00	0.00	221.08	-	221.08	-
57	Novelis Acquisitions LLC@*	USA	(9,123.63)	0.00	(9,123.63)	0.00	0.00	0.00	(868.01)	-	(868.01)	-
58	Novelis Sheet Ingot GmbH (Germany)	Germany	0.17	0.00	173.84	173.66	0.00	0.00	4.46	-	4.46	-
59	Novelis MEA Ltd (Dubai)	UAE	4.95	(2.57)	7.07	4.69	0.00	0.00	(2.57)	-	(2.57)	-
60	Novelis (Shanghai) Aluminum Trading Company	China	19.35	(2.28)	24.46	7.39	0.00	0.00	(3.01)	0.75	(2.26)	-
61	Novelis (China) Aluminum Products Co. Ltd.	China	143.49	(3.66)	141.23	1.40	0.00	0.00	(4.82)	1.21	(3.62)	-
62	Novelis Vietnam Company Limited (Vietnam)	Vietnam	5.40	(1.34)	18.61	14.55	0.00	0.00	(1.78)	0.43	(1.35)	-
63	Hindalco Guinea SARL	South Africa	0.01	-	0.01	(0.00)	-	-	(0.00)	-	(0.00)	-

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

** Investment in shares, debentures, bonds and others.

*** Subsidiary of Hindalco-Almex Aerospace Limited.

^ Subsidiary of Aditya Birla Minerals Limited.

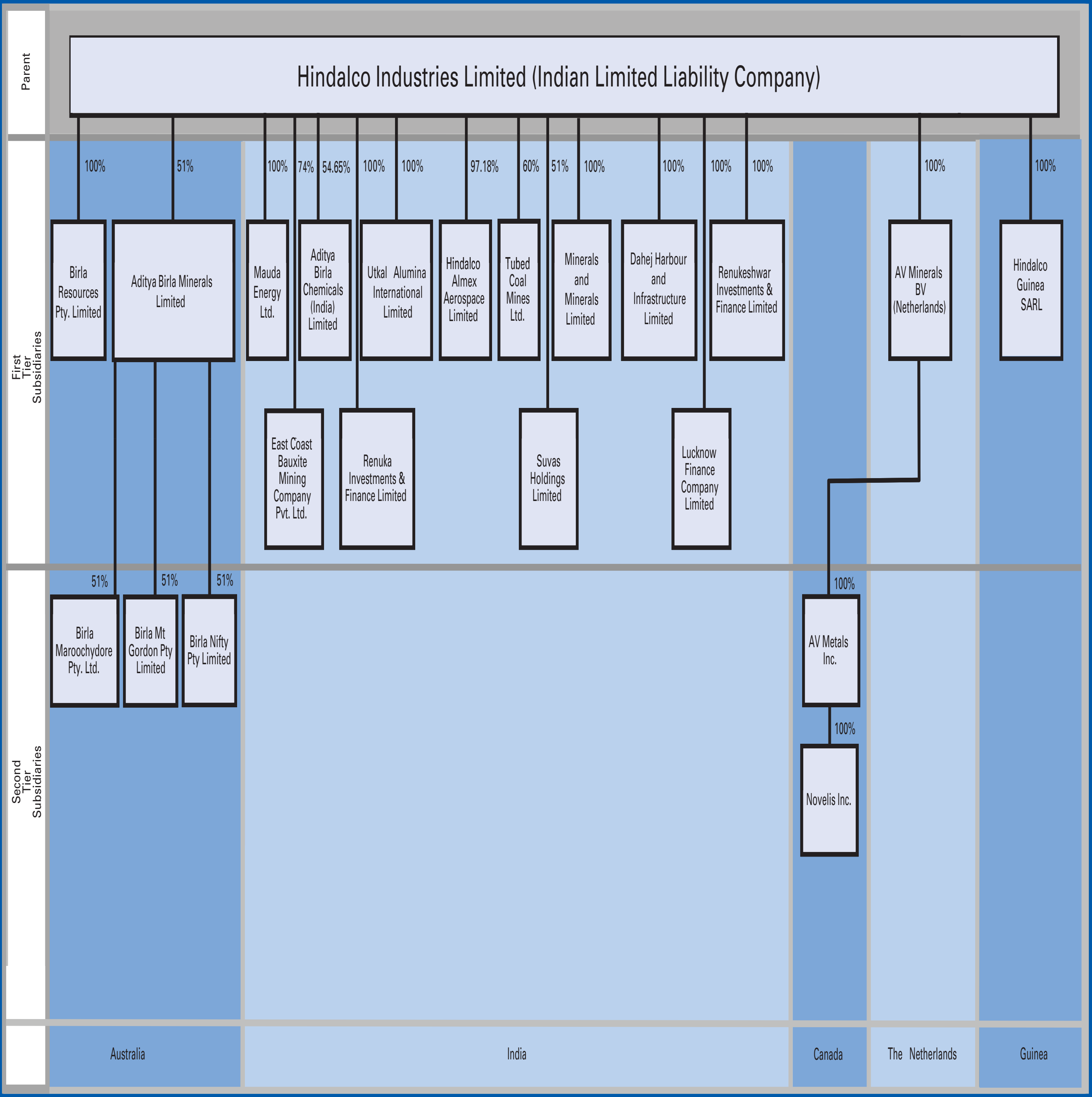
Subsidiary of AV Minerals (Netherlands) B.V.

Subsidiary of AV Metals Inc.

@ Subsidiary of Novelis Inc.

Note : The Ministry of Corporate Affairs, Government of India, vide its Circular No. 5/12/2007-CL-III dated 8th February, 2011, has granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, profit and loss account and other documents of the subsidiary Companies to the balance sheet of the Company provided certain conditions are fulfilled. However, annual accounts of the subsidiary companies and the related detailed information will be made available to the holding and subsidiary companies investor's seeking such information at any point of time. The annual accounts of the subsidiary companies are available for inspection by any shareholder's at the Registered Office of the Company. The annual accounts of the subsidiary company is also available for inspection at their respective registered office.

Hindalco Corporate Structure Diagram



Thomson Press