STAYING FOCUSED DELIVERING PERFORMANCE

ADITYA BIRLA

HINDALCO

ANNUAL REPORT
2013 - 2014

HINDALCO INDUSTRIES LIMITED

Mr. Aditya Birla

We live by his values.

Integrity, Commitment, Passion, Seamlessness and Speed.

Dear Shareholders,

The Global Scenario

Worldwide, 2014 portends to be much more encouraging than 2013, with the forces driving the global economic recovery firmly entrenched. The IMF projects that global economic growth will rise from 3% in 2013 to 3.6% in 2014, and to 3.9% in 2015. This is largely due to a turn for the better in the developed economies — estimated to grow 2.25% in 2014, a full percentage point more than in 2013. The US GDP growth for 2014 is projected at 2.8%, and in the Euro area at 1.2%, while China's economy is expected to grow at 7.5%. The GDP growth in the emerging markets and developing economies is slated to increase from 4.7% in 2013 to 4.9% in 2014, as these regions step up exports to the developed markets. Continued fiscal easing, loose monetary policy in developed economies and stable commodity prices should boost the global recovery. The nervousness in the financial markets, particularly related to stability of the southern European economies, has abated considerably. Furthermore, we must be prepared for unforeseen geopolitical developments, which may have disruptive ripple effects on the global economy.

Your Company posted an absolutely remarkable performance — a turnover of US$ 14.5 billion (₹ 87,695 crore) and an EBITDA of US$ 1.5 billion (₹ 9,303 crore).

The Indian Economy — moving on to a stable footing

The outlook for the Indian economy has turned distinctly positive. The increasing traction of the global economic revival and plans to restore vim to India's economy through a slew of timely measures by the new Government by addressing fiscal imbalances and fast-forwarding investment activity should play out positively in the coming year. The RBI's deft moves to stabilize the Rupee, enabled it to recover from a low of around ₹ 68/$ to under ₹ 60/$. The current account deficit for the year has been contained at around 2.5% of GDP. Some progress has been achieved on clearing the backlog of large projects, whose approvals had been held up. The GDP growth is predicted at around 5.5% in 2014-15.

However, industrial production needs to accelerate with the IIP declining 0.1% year-on-year in the first 11 months of 2013-14, vis-à-vis 0.9% growth in the same period last year. Inflation also remains a concern, with the wholesale and consumer price indices in March 2014 up 5.7% and 8.3%, respectively, year-on-year. Continuing inflationary pressures have been a constraint in reducing interest rates. In the medium term, the economy stands to benefit, if the Goods and Services Tax is rolled out. Further initiatives and reforms in areas such as land acquisition, allocation of natural resources and taxation would help greatly to boost investor confidence and accelerate investment activity. Overall, the stage seems set for India to shift to a higher growth trajectory.

These developments on the global and the domestic front have a telling effect on your Company's growth and end-results.

Your Company faced a very challenging year, replete with external adversities, such as moderation in Chinese consumption growth, subdued growth in other emerging markets, depressed metal prices and de-growth in aluminium consumption in India. The expected birth pangs of strategic green field projects also impacted costs significantly. Braving these tough times, your Company posted an absolutely remarkable performance — a turnover of US$ 14.5 billion (₹ 87,695 crore) and an EBITDA of US$ 1.5 billion (₹ 9,303 crore).

Regardless of the painpoints, this has been a watershed year for your Company. All of its three strategic Greenfield projects – Utkal Alumina, Mahan Aluminium and Aditya Aluminium — went on stream and are currently ramping up. These projects in their fullness will redefine Hindalco's cost competitiveness on the global map. It will significantly enhance the long term sustainability of its operations. The Hirakud Flat Rolled Products project and Mouda Foils projects are on course and will sharpen the value – addition edge of your Company. With the commissioning of these projects, your Company's Alumina and Aluminium capacity will be doubled – Alumina from 1.5 million tons to 3 million tons and Aluminium from 0.6 million tons to 1.3 million tons.

Novelis too achieved significant progress on all of its strategic expansions. These include the ramp up of rolling production at the Pinda plant in Brazil, coupled with the mill expansions in Korea and the start of commercial production at its US automotive finishing lines. These projects will enable your Company to leverage the exponential growth in nascent product markets such as automobiles, driven by environmental thoughtfulness and beverage demand in Brazil spurred by the Soccer World Cup and the Summer Olympics.

Towards bolstering your Company's recycling capabilities in line with our goal of achieving 80% recycled aluminium content, significant strides have been made. The commercial use of evercan^TM, the world's first certified high-recycled content beverage can sheet, marked yet another milestone.

Hit by macroeconomic and industrial headwinds, besides a higher fixed cost base as expansions, have moved ahead of revenue generation, Novelis reported adjusted EBITDA of US$ 885 million in FY 14, vis-à-vis US$ 961 million achieved in FY 13.

Your Company's consolidated capex was close to US$ 1.5 billion (₹ 9,300 crore). With most of its projects coming to fruition, we are now into the consolidation phase. The ramping up of all these projects will aid us gear for the discontinuous growth ahead. Importantly, these projects will facilitate capturing value across the aluminium cycle on a sustainable basis.

The Copper business delivered a standout performance this year again, registering its highest ever EBIT in FY 14. With its thrust on multiple value drivers and a pass through model, it once again managed to deliver a robust performance despite plant shutdown, lower co-product realisations and cost pressures. The copper business' splendid performance cushioned the pressure on aluminium margins, vindicating the virtue of a balanced portfolio in your Company's metal businesses.

All of its three strategic Greenfield projects – Utkal Alumina, Mahan Aluminium and Aditya Aluminium — went on stream and are currently ramping up. These projects in their fullness will redefine Hindalco's cost competitiveness on the global map. It will significantly enhance the long term sustainability of its operations.

Despite the tectonics shifts witnessed globally and in India, at the Group level, we have managed to sustain our revenues at US$ 40 billion. Much credit must go to the talent resident in our 1,20,000 committed workforce, spanning 36 countries and 42 nationalities.

Our reputation, as an employer of choice, is again something we are incredibly proud of. We are recognised as an employer that offers a World of Opportunities and is concerned about the professional growth of its people.

Outlook

Aluminium prices appear to have bottomed out and are on the mend. However, the business will face near term challenges primarily due to start-up costs during the ramp up phase of various projects and associated challenges. Furthermore, depreciation and interest burden from the expansion projects will also have a bearing on the financial results in FY 15.

Nevertheless, Hindalco's aluminium portfolio, in its completeness, will further enhance your Company's profitability. Attributes such as economies of scale, state-of-the-art technology, greater control over resources and a stronger presence across the value chain will start kicking in. This, along with its global presence and superior product portfolio, would lead to a quantum leap in profitability in the years ahead.

To Our Teams

In the face of continuing external challenges, our teams across geographies have stayed focused and delivered performance. I thank all of our employees for their tenacity and commitment to sustain top line and bottom line growth year after year.

The Aditya Birla Group in Perspective

Despite the tectonics shifts witnessed globally and in India, at the Group level, we have managed to sustain our revenues at US$ 40 billion. Much credit must go to the talent resident in our 1,20,000 committed workforce, spanning 36 countries and 42 nationalities.

I would like to reiterate that we place big bets on our people. Let me elaborate on this aspect in some detail.

As a high performance driven meritocratic Group, we are constantly focusing on building our talent pool to support our business vision. To this end, substantive initiatives taken earlier have since materialized. These include focused endeavours to build a robust talent pipeline, building the employer brand of our Group beyond India, and achieving the distinction of becoming the most aspirational employer for manufacturing professionals also, besides augmenting talent on the technical side. Furthermore to support our long-term strategies, our business structures have been significantly bolstered.

Our reputation, as an employer of choice, is again something we are incredibly proud of. We are recognised as an employer that offers a World of Opportunities and is concerned about the professional growth of its people. We continue to fast track our talent — from our management cadre comprising of 38,200 colleagues, 13% have been promoted, 20% have changed roles and 12% have moved location during the year.

Gyanodaya, our in-house world-class university, continues to be an important mainstay of our progress. Leveraging resources across geographies and partnering with leading global faculty, institutions and corporates, it ensures that our leadership and talent pool stays contemporary, and is always in the learning mode.

To be a learning and growing organisation is an ongoing endeavour.

Ranked No. 1 in the Nielsen Corporate Image Monitor

I am pleased to share with you that for the second year running our Group has been ranked **No. 1 in the Nielsen Corporate Image Monitor 2013-14**. Across the six pillars of corporate performance — products and services, vision and leadership, workplace environment, financial performance, operating style and social responsibility — Aditya Birla Group "emerges as the pace setter, way ahead of 40 corporates. 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", they state. The companies were covered in the survey, using the Economic Times 500 and the Business Today 500 ranking of listed companies.

Nielsen is among the most renowned global market research companies, headquartered in New York and operating in 60 countries.

In Sum

With the best of talent in our midst, our strong Balance Sheets, robust Cash Flows, the eye on the customer and unrelenting focus on delivering shareholder value, we are confident of the future. The year ahead, I believe, will be the one when we consolidate and reinforce what we have achieved in recent years. And see the fruition of the several projects and initiatives in each of the businesses that are currently underway.

Your sincerely

Kumar Mangalam Birla

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

OUR VALUES

INTEGRITY Honesty in every action

COMMITMENT Deliver on the promise

PASSION Energized action

SEAMLESSNESS Boundary less in letter and spirit

SPEED One Step Ahead Always

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BOARD OF DIRECTORS

Non-Executive Directors

Mr. Kumar Mangalam Birla, *Chairman*

Mrs. Rajashree Birla

Mr. Madhukar Manilal Bhagat

Mr. Kailash Nath Bhandari

Mr. Askaran Agarwala

Mr. Narendra Jamnadas Jhaveri

Mr. Ram Charan

Mr. Jagdish Khattar

Executive Directors

Mr. Debnarayan Bhattacharya,
Managing Director

Mr. Satish Pai,
Deputy Managing Director

CHIEF FINANCIAL OFFICER

Mr. Praveen Kumar Maheshwari

COMPANY SECRETARY

Mr. Anil Malik
President

CORPORATES

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

Mr. Vineet Kaul,
Chief People Officer

BUSINESS/UNIT HEADS

Mr. Dilip Gaur,
Group Executive President, Copper

Mr. Sachin Satpute,
Chief Marketing Officer, Aluminium

Mr. Sanjay Sehgal,
President (Chemicals)

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

Mr. B. Arun Kumar,
President (Operations)

Novelis Inc.

Mr. Debnarayan Bhattacharya, *Vice-Chairman*
Mr. Philip Martens, *President & CEO*

Utkal Alumina International Limited

Mr. Vijay Sapra, *President*

Aditya Birla Minerals Limited

Mr. Debnarayan Bhattacharya, *Chairman*
Mr. Sunil Kulwal, *CEO & MD*

AUDITORS

Singhi & Co., Kolkata

COST AUDITORS

R. Nanabhoy & Co., Mumbai

(₹ Crore)

	2013-14	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
PROFITABILITY	USD in Mn *										
Net Sales and Operating Revenues	4,609	27,851	26,057	26,597	23,859	19,522	18,220	19,201	18,313	11,396	9,523
Cost of Sales	4,197	25,359	23,853	23,492	20,705	16,572	15,184	15,800	14,298	8,791	7,247
Operating Profit	412	2,492	2,204	3,105	3,155	2,950	3,036	3,401	4,015	2,605	2,276
Depreciation and Impairment	136	823	704	690	687	667	645	588	638	521	463
Other Income	186	1,124	983	616	347	260	637	493	370	244	270
Interest and Finance Charges	118	712	436	294	220	278	337	281	242	225	170
Profit before Tax and Exceptional Items	344	2,081	2,047	2,737	2,595	2,265	2,690	3,026	3,505	2,103	1,913
Exceptional Items (Net)	66	396	-	-	-	-	-	-	-	(3)	9
Profit before Tax	278	1,685	2,047	2,737	2,595	2,265	2,690	3,026	3,505	2,106	1,904
Tax for current year	45	272	347	500	469	462	611	705	940	450	575
Tax adjustment for earlier years (Net)	-	-	-	-	(11)	(113)	(151)	(541)	-	-	-
Net Profit	233	1,413	1,699	2,237	2,137	1,916	2,230	2,861	2,564	1,656	1,329
FINANCIAL POSITION											
Gross Fixed Assets (excluding CWIP)	4,466	26,804	15,073	14,478	14,287	13,793	13,393	12,608	11,253	10,418	8,773
Capital Work-in-Progress (CWIP)	2,879	17,277	23,605	16,257	6,030	3,703	1,390	1,120	1,476	833	1,323
Depreciation and Impairment	1,458	8,749	7,975	7,328	6,703	6,059	5,506	4,799	4,246	3,635	3,169
Net Fixed Assets	5,887	35,332	30,703	23,407	13,615	11,438	9,277	8,929	8,483	7,616	6,927
Investments (including Current)	3,650	21,907	20,482	18,087	18,247	21,481	19,149	14,108	8,675	3,971	3,702
Other Long term Assets /(Liabilities) - (Net)	0	1	440	1,017	3,384	-	-	-	-	-	-
Net Current Assets	1,281	7,686	8,046	5,318	4,780	2,716	5,068	4,051	3,741	4,150	1,958
Capital Employed	10,818	64,926	59,671	47,829	40,025	35,634	33,493	27,088	20,900	15,737	12,587
Loan Funds	4,502	27,020	24,508	14,572	9,038	6,357	8,324	8,329	7,359	4,903	3,800
Deferred Tax Liability (Net)	196	1,174	1,191	1,225	1,287	1,366	1,411	1,324	1,126	1,233	1,130
Net Worth	6,120	36,732	33,972	32,032	29,700	27,911	23,758	17,436	12,415	9,601	7,657
Net Worth represented by :											
Share Capital	34	206	191	191	191	191	170	123	104	99	93
Share Warrants/ Suspense	-	-	541	541	-	-	-	140	-	-	-
Reserves and Surplus #	6,086	36,526	33,240	31,300	29,509	27,720	23,588	17,174	12,311	9,502	7,564
	6,120	36,732	33,972	32,032	29,700	27,911	23,758	17,436	12,415	9,601	7,657
Dividend	-	-	-	-	-	-	-	-	-	-	-
Preference Shares (including Tax)	-	-	-	-	-	-	0.03	0.03	-	-	-
Equity Shares (including Tax)	34.3	207	300	335	334	301	269	265	202	247	212

RATIOS AND STATISTICS

	Unit	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Operating Margin	%	8.95	8.46	11.67	13.22	15.11	16.66	17.71	21.92	22.86	23.90
Net Margin	%	5.07	6.52	8.41	8.96	9.81	12.24	14.90	14.00	14.53	13.96
Gross Interest Cover	Times	1.50	1.61	3.62	5.74	5.23	5.48	6.08	10.50	11.19	12.47
Net Interest Cover	Times	5.08	7.31	12.67	15.92	11.55	10.90	13.88	18.09	12.65	14.98
ROCE	%	4.30	4.16	6.34	7.03	7.14	9.04	12.21	17.93	14.79	16.55
ROE	%	3.85	5.00	6.98	7.19	6.86	9.39	16.41	20.66	17.24	17.36
Basic EPS $	₹	7.09	8.88	11.69	11.17	10.82	14.82	22.23	25.52	16.79	13.48
Diluted EPS $	₹	7.09	8.87	11.68	11.16	10.81	14.82	22.11	25.52	16.79	13.48
Cash EPS $	₹	11.22	12.55	15.29	14.76	14.58	19.10	26.80	31.87	22.07	18.18
Dividend per Share	%	100	140	155	150	135	135	185	170	220	200
Capital Expenditure	₹ in Cr.	5,050	7,343	8,453	6,318	2,860	1,121	1,049	1,516	1,188	1,097
Foreign Exchange earnings on Export	₹ in Cr.	8,292	7,572	7,857	7,096	5,268	5,148	6,434	6,973	3,643	2,605
Debt Equity Ratio	Times	0.74	0.72	0.45	0.30	0.23	0.35	0.48	0.59	0.51	0.50
Book value per Share $	₹	177.92	177.44	167.31	155.14	145.87	139.73	142.09	118.97	97.40	82.54
Market Capitalisation	₹ in Cr.	29,266	17,538	24,774	40,040	34,682	8,850	20,260	13,963	19,196	12,002
Number of Equity Shareholders	Nos.	361,686	441,166	383,724	320,965	339,281	435,064	335,337	520,019	396,766	117,721
Number of Employees	Nos.	20,902	20,238	19,975	19,341	19,539	19,867	19,667	20,366	19,593	19,687
Average Cash LME (Aluminium)	USD	1,773	1,976	2,317	2,257	1,868	2,234	2,623	2,663	2,028	1,779
Average Cash LME (Copper)	USD	7,103	7,855	8,485	8,140	6,112	5,885	7,521	6,985	4,099	3,000

* 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 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)

	2013-14	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
PROFITABILITY	**USD in Mn ***										
Net Sales and Operating Revenues	14,514	87,695	80,193	80,821	72,202	60,708	65,963	60,013	19,316	12,120	10,105
Cost of Sales	13,142	79,409	72,356	72,637	64,274	50,962	62,993	53,378	14,886	9,275	7,675
Operating Profit	1,372	8,286	7,837	8,184	7,929	9,746	2,970	6,635	4,431	2,845	2,431
Depreciation and Impairment	588	3,553	2,861	2,864	2,759	2,784	3,038	2,488	865	796	632
Other Income	168	1,017	1,012	783	513	323	691	656	409	281	278
Interest and Finance Charges	447	2,702	2,079	1,758	1,839	1,104	1,228	1,849	313	301	216
Profit before Tax and Exceptional Items	504	3,049	3,909	4,345	3,843	6,181	(605)	2,954	3,662	2,028	1,860
Exceptional Items (Net)	66	396	-	-	-	-	-	-	-	(2)	13
Profit before Tax	438	2,653	3,909	4,345	3,843	6,181	(605)	2,954	3,662	2,030	1,847
Tax for current year	93	561	903	820	974	1,932	(805)	1,189	958	440	623
Tax adjustment for earlier years (Net)	(6)	(36)	(17)	(34)	(10)	(103)	(149)	(548)	0	(0)	(72)
Profit before Minority Interest	351	2,128	3,023	3,559	2,879	4,352	349	2,313	2,703	1,590	1,296
Minority Interest	3	20	(20)	211	366	424	(172)	219	16	11	11
Share in (Profit)/ Loss of Associates (Net)	(11)	(67)	16	(50)	57	3	37	(100)	1	-	-
Net Profit	359	2,175	3,027	3,397	2,456	3,925	484	2,193	2,686	1,580	1,285
FINANCIAL POSITION											
Gross Fixed Assets (excluding CWIP)	14,649	87,914	60,054	53,961	48,207	45,622	46,220	42,112	14,271	13,443	10,953
Capital Work-in-Progress (CWIP)	3,842	23,059	33,834	22,798	9,253	5,801	2,949	2,457	1,917	1,040	1,639
Depreciation and Impairment	4,457	26,750	22,126	18,661	15,802	16,622	14,404	7,405	5,035	4,600	3,906
Net Fixed Assets	14,034	84,223	71,763	58,098	41,657	34,801	34,765	37,164	11,153	9,883	8,685
Investments (including Current)	2,160	12,961	12,601	10,551	10,855	11,246	10,389	14,008	7,874	3,163	2,956
Other Long term Assets /(Liabilities) - (Net)	(625)	(3,749)	(3,105)	(2,154)	618	-	-	-	-	-	-
Net Current Assets	2,813	16,881	16,250	11,588	11,236	5,172	3,011	4,254	4,257	3,967	2,161
Capital Employed	18,381	110,316	97,508	78,084	64,366	51,219	48,165	55,426	23,285	17,014	13,802
Loan Funds	10,790	64,756	56,951	40,859	29,366	23,999	28,310	32,352	8,443	6,279	4,931
Minority Interest	297	1,781	1,759	1,709	2,217	1,737	1,287	1,615	857	130	86
Deferred Tax Liability (Net)	529	3,175	3,468	3,605	3,760	3,938	2,811	4,172	1,172	1,228	1,134
Net Worth	6,765	40,605	35,330	31,911	29,023	21,545	15,758	17,286	12,814	9,377	7,651
Net Worth represented by :											
Share Capital	34	206	191	191	191	191	170	123	104	147	142
Share Warrants/ Suspense	1	6	541	541	-	-	-	140	-	-	-
Reserves and Surplus #	6,730	40,393	34,597	31,179	28,832	21,353	15,588	17,023	12,709	9,230	7,510
	6,766	40,605	35,330	31,911	29,023	21,545	15,758	17,286	12,814	9,377	7,651
Dividend	-	-	-	-	-	-	-	-	-	-	-
Preference Shares (including Tax)	-	-	-	-	-	-	0.03	0.03	-	-	-
Equity Shares (including Tax)	40.4	244	303	359	334	303	271	268	204	249	213

RATIOS AND STATISTICS

	Unit	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Operating Margin	%	9.45	9.77	10.13	10.98	16.05	4.50	11.06	22.94	23.47	24.05
Net Margin	%	2.48	3.77	4.20	3.40	6.47	0.73	3.65	13.90	13.03	12.71
Gross Interest Cover	Times	1.85	2.04	3.16	3.56	6.99	2.35	3.30	9.91	8.87	10.32
Net Interest Cover	Times	3.44	4.26	5.10	4.59	9.12	2.98	3.94	15.44	10.37	12.54
ROCE	%	5.21	6.14	7.82	8.83	14.22	1.29	8.67	17.07	13.69	15.04
ROE	%	5.36	8.57	10.64	8.46	18.22	3.07	12.69	20.96	16.85	16.79
Basic EPS $	₹	10.91	15.81	17.74	12.84	22.17	3.21	17.04	26.73	16.02	13.03
Diluted EPS $	₹	10.91	15.81	17.74	12.83	22.16	3.21	16.95	26.73	16.02	13.03
Cash EPS $	₹	28.73	30.75	32.70	27.25	37.88	23.40	36.38	35.33	24.09	19.44
Capital Expenditure	₹ in Cr	11,306	14,090	13,802	8,408	5,983	2,452	2,989	2,349	1,758	1,565
Debt Equity Ratio	Times	1.59	1.61	1.28	1.01	1.11	1.80	1.87	0.66	0.67	0.64
Book value per Share $	₹	196.67	184.53	166.68	151.61	112.59	92.68	140.86	122.79	95.14	82.47

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

MANAGEMENT DISCUSSION AND ANALYSIS

D. Bhattacharya
Managing Director

Business Overview

The global economy faced varied challenges during the last fiscal year. While the US economy seems to be recovering on the back of fiscal stimulus and EU slowly emerged out of its crisis, it was the turn of emerging markets, hitherto the prime drivers of economic growth, to face growth impediments.

BRIC economies along with Indonesia, the fabulous five and the growth drivers of Global economy for past decade, turned ‘fragile five’. Easy monetary policy post the global financial crisis, which was meant to revive growth, also caused macroeconomic imbalances and inflation in some pockets. The ensuing efforts to control inflation and country-specific structural issues resulted in economic slowdown in many of the emerging markets.

Commodities continued to languish given the slow growth in China that hit a 13 year low, and consumption slowed down in many emerging markets.

In India, the challenges were even tougher. Declining GDP growth, slowdown in manufacturing sector and power sector impacted demand, while the cost pressures continued, primarily driven by high energy prices. Not only that the prices of crude and its derivatives continued to remain at elevated levels, 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 the backdrop of such challenging macroeconomic environment, your Company went through a transformational phase. FY14 was a watershed year for your Company. An investment of over USD 5 Bn, after facing various unforeseen challenges, got ready for delivery. The three Greenfield projects and three brown field projects came on stream during the course of the year.

Braving these odds, your Company registered a remarkable performance. Profit before interest, depreciation and tax increased by 13% over the previous year (Standalone). On a consolidated basis, your Company registered a turnover of US$ 14.5 billion (₹ 87,695 crore) and an EBITDA of US$ 1.5 billion (₹ 9,303 crore).

Novelis, your Company’s 100% subsidiary also faced several headwinds in the form of extended winter in the North American markets that led to sharp deterioration in the can market, rising physical premium leading to pricing pressures in the Asian markets, etc. Yet, it managed to deliver a robust adjusted EBITDA of US$ 885 Million.

Business Highlights

Your Company delivered a strong operational performance during FY14 in the face of several adversities. Three Greenfield projects (Mahan, Utkal and Aditya) became operational and are currently ramping up. These projects, in their fullness, would redefine your Company’s cost competitiveness on the global compass and significantly enhance the sustainability of its operations.

A unique strategy to catapult Indian aluminium market to the next level is already in place and soon your Company will develop capability to produce world-class products such as canbody stock and ultra-thin gauge foils from its facilities in Hirakud and Mouda respectively. This would not only enhance the product portfolio but would also re-define Indian aluminium market.

At Novelis, projects are getting ready to capture the growth in emerging markets and enhance product portfolio across the globe. These projects will enable your Company to leverage the growth in nascent product markets such as automobiles, driven by environmental consciousness, and in beverage demand in Brazil spurred by the Soccer world cup and the Summer Olympics.

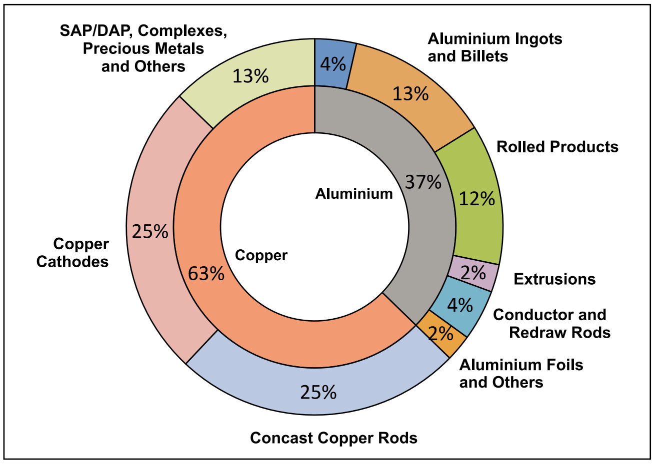
Significant strides have been made to strengthen the recycling capabilities that will help Novelis improve its cost structure and enhance competitiveness and profitability.

The highlights for the financial year were:

- Highest ever Aluminium Metal volumes produced and sold
  - Aluminium Metal production in India is up 13%
- Highest ever Alumina production as Utkal started delivering strong volumes
  - Alumina production up 23%
- Strong operating performance by Copper business helped yield record EBIT.
- Three Greenfield projects, with an investment of over ₹ 30,000 crore are now ramping up and are on course to achieve desired results,
- In addition, the brownfield projects, viz, Hirakud smelter expansion, Hirakud FRP Plant and Mouda Foils are also on stream and would strengthen the aluminium VAP portfolio further.
- Novelis too, achieved significant progress on all its strategic expansions. These include the ramp up of rolling production at the Pinda plant in Brazil, coupled with the mill expansions in Korea and the start of commercial production at its US automotive finishing lines.
- Consolidated revenue stood at ₹ 87, 695 crore as compared with ₹ 80,192 crore in FY13.
- Profit before depreciation, interest and taxes stood at ₹ 9,303 crore as against ₹ 8,849 crore in FY13.
- Net profit was lower at ₹ 2,175 crore as compared with ₹ 3,027 crore in FY13 on account of higher interest, depreciation and certain exceptional items.
- Of the total annual revenue of ₹ 87,695 crore, Aluminium Business contributed ₹ 69,218 crore, vs. ₹ 62,259 crore last year. Aluminium EBIT for FY14 was ₹ 3,764 crore as compared with ₹ 4,388 crore posted in FY13.
- Copper business delivered a robust performance, generating an EBIT of ₹ 1,025 crore. The copper business' performance cushioned the pressure on aluminium margins, vindicating the virtue of a balanced portfolio of your Company.
- During the year, your Company refinanced project loans for all three Greenfield projects; this would yield significant savings in interest payments.

HIL Standalone:

Standalone revenues increased 7% to ₹ 27,851 crore from ₹ 26,057 crore in FY13. Profit before interest, depreciation, tax and exceptional items were 13% higher at ₹ 3,616 crore vs. ₹ 3,187 crore in FY13.



This increase in profit was mainly on account of strong operational performance by copper business. Copper business delivered the highest ever EBIT, whereas aluminium business profitability was flat. 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. Aluminium business faced several challenges in the form of higher energy costs, costs associated with startup of new projects and depressed aluminium prices.

Net profit for the year stood at ₹ 1,413 crore as compared with ₹ 1699 crore in FY13. This was primarily due to higher depreciation and finance costs. Depreciation and Finance cost increased as the projects started commercial production. Exceptional charges of ₹ 396 crore in the fourth quarter, pertaining to UP entry tax and MP GATSVA tax, also pulled down the Net profit.

Novelis:

Novelis had seen a strong improvement in adjusted EBITDA in the recent years, posting a remarkable

turnaround. Fiscal 2014 was a transitional year for Novelis as the investment phase continued in a year fraught with several challenges and one offs. However, it closed the year on a strong note. Adjusted EBITDA for fiscal 2014 was $885 million compared to $961 million reported for the prior year. The decline was primarily due to pricing pressures experienced in the Asian and North American beverage can markets, a higher fixed cost base due to expansions ahead of revenue generation and higher incentive costs, partially offset by higher shipments and benefits arising out of increased recycled content.

Shipments of aluminum rolled products totalled 2,895 kt (kilo tonnes) in fiscal 2014, an increase of 4% compared to 2,786 kt reported in the previous year. Net sales in fiscal 2014 were $9.8 billion, which is flat compared to the prior year resulting from higher shipments partially offset by a 10% decrease in average aluminum prices and lower conversion premiums.

Under US GAAP, Novelis reported “Net income” of $104 million during FY14, which is down compared to $202 million in FY13. Cash flow provided by operating activities was $702 million during the year compared to $203 million in the prior year.

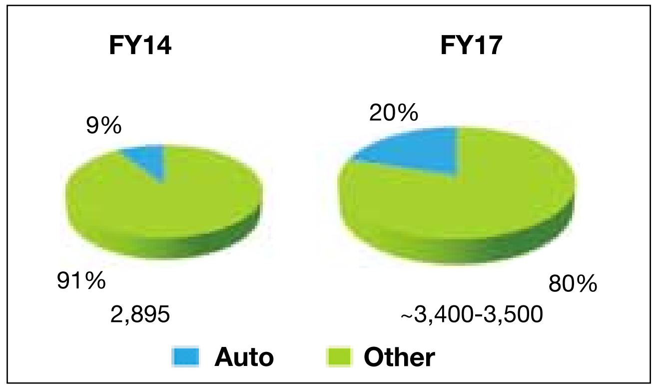
The highlights of Novelis’ performance were:

- Generated significant cash flow;
- Made significant progress on all strategic expansions including the ramp up of rolling production at Brazil and Korea mill expansions and the start of commercial production at US automotive finishing lines;
- Announced incremental investment of $205 million to further expand global auto finishing capacity to approximately 900 kt annually;
- Expanded recycling facilities and capabilities in all of its operating regions and increased the recycled content in its products by three percentage points to 46% for fiscal 2014, continuing toward the Company’s goal of 80% recycled content in its products by 2020;
- Launched commercial use of evercan^TM, the world’s first certified high-recycled content beverage can sheet;
- Demonstrated the leading research & technology capabilities through a 60% year over year increase in patent applications and grants.

Stringent CAFÉ regulations (relating to fuel economy) have encouraged automobile producers to shift key car models from steel to lighter aluminium and it is believed that this will support demand for aluminium in the transport sector. Experts expect strong growth in demand from the transport sector on the back of rising vehicle production and higher aluminium content in automobiles. Demand in the transport sector not only originates from personal passenger vehicle production but heavy duty truck demand is also expected to perform solidly.

Evolution of Auto segment in Novelis’ Portfolio:

(Current and Projected Volumes in Kilotonnes)



All these developments augur extremely well for Novelis’ prospects as it enjoys the first mover advantage and dominance in this technologically demanding product segment. Similarly Novelis’ strategy to expand footprints in the emerging markets, especially beverage can segment is also expected to yield superior results against the backdrop of the recent Soccer world cup and forthcoming Olympics to be held in Brazil.

As bulk of the capex is behind it, Novelis is likely to benefit from a significant improvement in returns on the back of expected volumes increase; and focused and improved product mix comprising Cans, Autos and High tech segment.

Aditya Birla Minerals (ABML)

FY14 was a challenging year for Aditya Birla Minerals, your Company’s 51% owned subsidiary, on several counts.

- Copper LME declined sharply, though depreciation of Aussie dollar cushioned its impact for the Company.
- There was a decline in the mine grade at Nifty. While this was in line with the mining plan, it did affect the output.

- Mt Gordon operations were under care and maintenance during the year.
- Higher volumes and operational improvements at Nifty were negated by macro factors and idling of Mt Gordon.

The above backdrop resulted in a lower consolidated revenue at A$315 million which was 37% lower as compared with the previous year.

ABML, however, continued with its various initiatives on cost rationalization and operational efficiency improvement, which largely offset the continued inflationary pressures that the Australian resource industry has been facing. As a result, notwithstanding these challenges, earnings before interest, depreciation and tax at A$52 million, were maintained at previous year's level. ABML reported a net loss of AUD 0.2 million in FY14 compared to AUD 8.3 million in FY13.

Nifty Mine is currently under suspension after development of Sink hole in mines on March 20, 2014 and a prohibition notice issued by the Department of Mines and Petroleum (DMP). Following the sinkhole incident at the Nifty operations in March 2014, probe drilling in phases has been undertaken and its results are being studied to establish the cause of the sinkhole formation and to identify and address all the risks unfolding from the risk assessment studies. Safety of mine operations remains the topmost priority for ABML and the decision to re-start the operations will be taken only after DMP approval to re-start and the mine and after establishing safe conditions.

Last year, ABML initiated a strategic review of Mt Gordon operations by engaging ANZ bank. ANZ have submitted their recommendations which are being studied by the management. Various strategic options are being evaluated including divestment with regards to Mt Gordon operations.

Hindalco Earnings per share (EPS)

The standalone basic and diluted Earnings per Share were at ₹ 7.1 per share in FY14 as compared with ₹ 8.9 in FY13. The consolidated EPS was ₹ 10.9 per share as compared with ₹ 15.8 per share in the previous year.

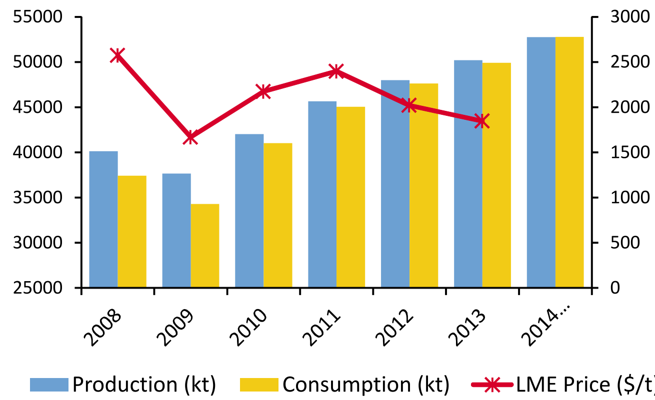
Business Performance Review

Aluminium Business

Industry Review

Global Aluminium demand grew at around 5% in 2013 to around 50 Mn tonnes. The demand growth rate moderated primarily as Chinese demand growth moderated to 10% after clocking a growth rate of 19%

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



and 16% in the earlier years. Elsewhere, aluminium consumption increased in the OECD markets notably in the US and Europe. North American consumption grew at around 2% after 6% growth in the previous year, while EU registered a turnaround with 1.1% growth as compared with de-growth in the previous year. Apart from Asia, which grew at 7%, demand growth from Africa was strong at about 5%.

In China, visible slowdown in the construction sector after government enforced restrictions and decline in demand from packaging sector resulted in slowing of demand growth. However, the demand from automobile sector and consumer goods sectors remained strong.

In the US, though demand growth was secular across all industries; the primary drivers were automobile and aerospace sectors.

In India, with a slowdown in power sector (that consumes over 40% of aluminium) and auto sector, Indian consumption declined for the first time in over a decade.

Globally, aluminium production increased by around 4.5% to more than 50 Mn tonnes. Chinese production increased by almost 10% to 24.4 Mn tonnes which was around 47% of global production. In the rest of the world, there was a marginal decline in production, which was lower by around 0.3%. Barring Middle East, there were production curtailments in most global geographies. In Australia, South America and Europe, production declined by around 5%.

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 with high inventories and the global aluminium inventory, including the off-exchange stocks, has been estimated at over 12 million tonnes, which had a huge overhang on the prices.

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 levels. Across the globe, local premiums were higher than $220/tonne.

Sluggish global economic conditions, surplus production, rising inventories and periodic bouts of risk averseness leading to bearish sentiments 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 eastern 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 decontrolling steps in the oil sector.

The other important input cost for the aluminium smelters is alumina cost. Alumina prices were supported by factors like China's imports, and export ban/increased export taxes from some countries like Indonesia, India on bauxite. Alumina prices have moved up to almost 17-18% of aluminium prices and are expected to remain firm 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 subdued prices. In fact, the recent aluminium pricing scenario is the longest period wherein aluminium prices are still well below the marginal cost of production and where over 25% of producers are estimated to be making cash losses.

Operational Review

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

Alumina

Alumina production at 1.6 Million tonnes was 23% higher than in the previous year, primarily on account of increased production from Utkal. Excluding Utkal, Alumina production was stable at 1.3 Mn tonnes despite bauxite quality and availability related issues.

Primary Metal

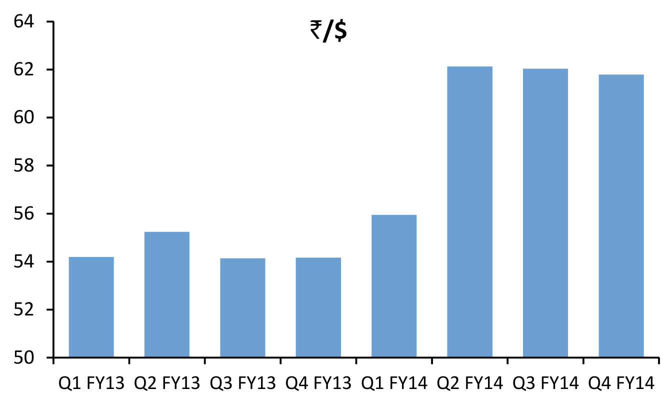
Primary aluminium production increased by 13% to 613 kt. This increase was primarily on account of production from Mahan smelter, which contributed 57 kt this year.

Value Added Products (VAP)

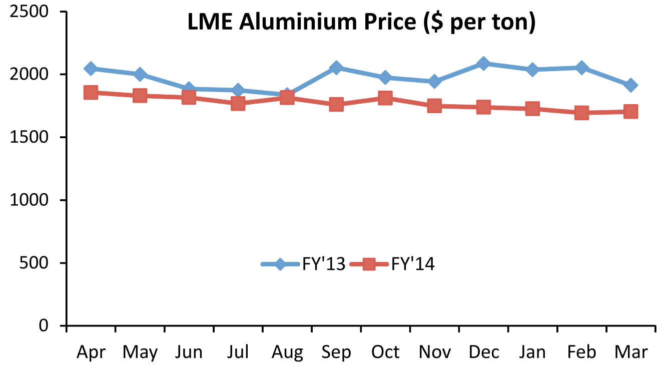
The value added downstream sales grew by 8% over last year to 240 kt. This growth, indeed, was a result of your Company's focussed strategy of value maximisation.

Financial Performance

In FY14, the turnover of the aluminium business (Standalone) increased by 14% to ₹ 10,050 crore vis-à-vis ₹ 8,779 crore in the previous year, primarily due to higher metal volumes and depreciating rupee.



Earnings before interest and taxes (EBIT) improved marginally at ₹ 934 crore as compared with ₹ 930 crore in FY13. Input costs continued to affect the business already reeling under the pressures of pricing and ramp up related teething troubles. Your Company also witnessed cost pressures on account of declining bauxite quality and rise in freight, a consequence of diesel price deregulation.



The above 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.

Outlook

After a slowdown, the Indian recovery is on the mend and the economy is expected to grow at over 5% in 2014 on stronger consumption and investment, as per various estimates.

Similarly, the average economic growth in South Asia is projected to pick up gradually over the next few years, after remaining near a two-decade low in 2013. The moderate recovery is expected to be underpinned by stronger consumption and investment in the context of enhanced macroeconomic stability. The business and consumer confidence is expected to improve with enhanced external balances and relatively stable currencies.

The external demand is also projected to improve in 2014-15 as economic activity in developed economies gains momentum. US Fed is not expected to raise rates until the next year. A possible fallout may be that low rates for too long could push asset prices too high, or encourage investors to take on too much risk. The Fed is unwinding its massive bond-buying stimulus this year and is expected to start raising interest rates next year from the near-zero levels the central bank has maintained since December 2008. As the Fed normalizes monetary policy, one may witness a few hiccups. Similarly, at present, certain geo-political risks also weigh on the demand recovery and growth prospects.

In 2014, the global aluminium demand is expected to grow at around 6-7%. This demand growth will be led by recovery in the OECD economies. The US and the EU are both expected to witness a healthy demand pick up. After severe winter weather affected activity in the USA in Q1 2014, the outlook for the rest of the year and beyond is positive with primary aluminium demand growing from 5.0 Mt in 2013 to 5.9 Mt in 2018, a CAGR of 3.4%. Demand from the construction sector in the USA is also forecast to grow notably by 2018. The heavy winter storms that affected the USA for much of Q1 2014 had a significant impact on construction activity but with the weather easing and the traditional building season about to begin, there is optimism about demand from the sector in 2014.

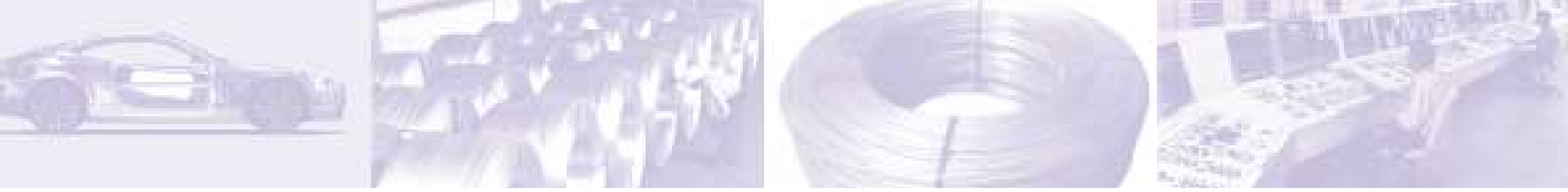
Western Europe is expected to grow at over 2% in 2014. Growth in demand for primary aluminium in the region is expected to rise at a slightly faster rate than the economic growth rate. Germany is expected to lead growth in the region this year with an increase of over 3% for primary aluminium demand. The two major end use sectors in Western Europe; construction and transport, are set to lead the region's growth in primary consumption over the forecast period. An increase in demand in the transport sector, as vehicle production in Western Europe increases and aluminium content in automobiles rises, will result in increase in demand.

China, which has been the prime demand driver for aluminium over last several years, shall witness a decline in demand growth rate and yet the demand is expected to grow at around 8% (on a higher base). The demand is expected to be led by investment in infrastructure and also rising urbanisation leading to consumption led growth. The demand from Japan and Korea is expected to remain steady particularly in Japan with 'Abenomics' showing its impact.

The demand from South East Asia is expected to be strong. Indonesia may witness a strong surge in demand after the elections, according to some analysts. Middle East demand too is expected to remain strong with thrust on downstream consumer centric growth.

In India, demand prospects have changed dramatically after the strong political mandate and the improvement in investor sentiment. Demand is expected to witness a significant boost with expectations of reforms, especially in the power sector. Aluminium consumption growth in 2014 is expected to be in line with the expected GDP growth of over 5%.

In 2013, global aluminium production was at around 50.2 Mn tonnes, which is expected to increase to 52.7 Mn tonnes in 2014 as per the available projections. Consumption is expected to outpace production in 2014 rising to 52.8 Mn tonnes from 49.9 Mn tonnes in 2013, leading to a modest deficit after many years



and this deficit is expected to increase further in 2015 as consumption is expected to continue to remain strong, while capacity curtailments in some regions are expected to keep overall production increase in check.

The deficit excluding China will be significantly higher, as per various projections. In China though, there will be a surplus as new capacities in Western China come to the fore. Outside China, several capacity curtailments were announced. These cuts aggregate to over 2 million tonnes.

Prolonged period of depressed prices and cost inflation has led several producers to mothball loss-making facilities and curtail production. In many cases, the capacity closures are permanent as many of these were dependent on grid power based on long term contracts. With the resultant higher power tariffs after these contracts got over, these capacities have become unviable.

Even in China, government has announced several measures to curb pollution, which are already forcing some of the older smelters to close. A total of around 3 Mn tonne capacity curtailments are expected in China, while at the same time over 4 Mn tonne of capacity is expected to come on stream primarily in the North West China. These capacities though are expected to take some time for ramp up, especially in view of the subdued prices.

The other major factor that is likely to put a lid on Chinese aluminium production is Indonesian bauxite export restrictions. Over the last few years, bulk of Chinese refineries were dependent on bauxite from Indonesia. If these restrictions continue, China may face bauxite crunch and may try to import bauxite from other regions which will have significant bearing on costs; this may result in further production cuts.

Outside China, the production is expected to increase in the Middle East and India, while the Western world, Brazil and Australia are expected to produce less.

In addition to the robust demand, the inventory financing trade is likely to continue in view of the low interest rate regime. As a result, physical availability is expected to remain constrained keeping physical premium high.

LME prices, in the recent times have moved up after touching $1700 levels. More importantly, physical premiums have moved up sharply and now are at historic high levels after the proposed changes in LME rules were halted after a UK court ruling. The rule was due to have started on April 1st, 2014 in order to reduce queues at affected warehouses. The ruling could maintain premiums at elevated levels. Industry sources forecast the US Midwest premium to average 18¢/lb in 2014 before easing to average 11¢/lb in 2018. In 2014, the premium represented 18% of the delivered price compared to less than 3% in 2007.

Greenfield projects:

During FY14, multiple projects of large magnitude and investments were brought on stream by your Company, within a span of a few months, in an extremely challenging macroeconomic and regulatory environment. Mahan aluminium, Utkal alumina refinery and Aditya Aluminium smelter, with an investment of over ₹ 30,000 crore, are on stream and are now ramping up to slated capacities.

Utkal Alumina refinery:

The alumina refinery, along with a 90 MW captive co-generation plant at UAIL, a 100% subsidiary of the Company, is under ramp up. Utkal produced around 277 kt of alumina in FY2014. The output from UAIL is feeding alumina to the Company's smelters.

Utkal alumina, sourcing bauxite from the world-class Baphlimali deposit in close proximity and enjoying a tight supply chain, is on course to be one of the most cost competitive refineries in the world and is all set to improve your Company's cost position in the global pecking order.

Mahan Aluminium:

This 360 KTPA Aluminium Smelter, along with 900 MW captive power plant, at Bargawan, Madhya Pradesh is ramping up. In FY14, Mahan produced over 54 kt of aluminium metal.

Mahan coal block, which is being developed by a Joint Venture of your Company, has received Stage II Forest clearance from MOEF and is expected to gear up for coal production after getting the mining lease.

Aditya Aluminium:

The first metal from the 360 KTPA, Aluminium smelter along with a 900 MW captive power plant, identical to the Mahan Aluminium project, has already been tapped. The project ramp up has commenced.

Brownfield Projects:

There were other important developments in India that will significantly contribute to your Company's strategic goals – including the expansion of Hirakud smelter and other projects in value-added products area.

Utkal Alumina

Mahan Aluminium

Aditya Aluminium

The Hirakud FRP project has been commissioned. This project, which involved relocation of some equipment from a closed facility of Novelis, is the first and the only facility that will have the capability to produce canbody stock in India. This facility will take your Company's FRP play to a higher plateau in terms of capability and profitability in the coming years.

Similarly Mouda foil capacity is up and running. This capacity is expected to deliver world class foils that can be exported to developed markets.

Novelis:

Over the recent years, Novelis has invested over USD 2 billion in strategic projects that would enable it to build on the current solid foundation. Rolling mill expansion in Brazil has been commissioned in FY13 followed by other major strategic expansion in South Korea in FY14. The Company will initially focus on automotive sheet finishing capabilities, and this will enable it in solidifying its global automotive leadership position. In July 2013, Novelis began the commissioning phase of two automotive sheet finishing lines at its Oswego, New York facility. The construction of new automotive sheet finishing plant in Changzhou, China is also progressing well.

In FY14, Novelis' capex crossed $0.75 billion. It is planning to spend another $0.5 billion in the current fiscal. In December 2013, Novelis announced plans to further expand its global production of aluminum automotive sheet products by building a third finishing line at its Oswego, New York facility and a second finishing line at its Nachterstedt, Germany facility. These projects are expected to begin commissioning in late calendar year 2015 and each will add approximately 120 kt of capacity. With these latest expansions, the Company's global automotive sheet capacity will increase to approximately 900 kt per year when operating at full capacity.

The capex initiatives of Novelis have a clear tilt towards high end products, especially 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, 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.

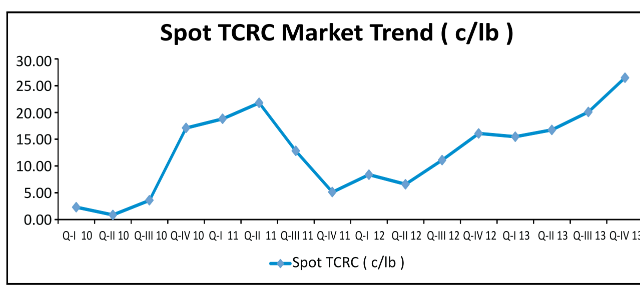
Copper Business

Industry Review

In 2013, world refined copper consumption increased to 20.6 million tonnes from around 19.8 million tonnes, a rise of over 5%. Refined consumption grew in China, North America and Latin America and also in Europe and Africa while Australia registered a decline in demand. Many western countries registered a demand pick up as their economies continued with the recovery. Chinese demand too increased at around 9%, after a slowdown in demand growth in the market that accounts for around 43% of Global copper demand.

The refined copper supply was in surplus throughout the year with supply outstripping demand. Copper mine production grew rapidly in 2013, up by over 8%. The rise was due to a number of factors, most importantly an increase in the volume of material processed. This, in turn, was a reflection of better performance at existing large scale operations and the ramp-up of output at Greenfield operations and brownfield expansions. While mine output rose strongly, lower demand and smelter bottlenecks constrained refined copper production, which grew at the lower rate of 4.5%. The result was a sharp build up in concentrate stocks, estimated at over half a million tonnes on contained copper basis.

Due to the Chinese slowdown concerns and surplus production, prices remained depressed with average copper prices in CY2013 being 8% lower as compared with those in CY2012.



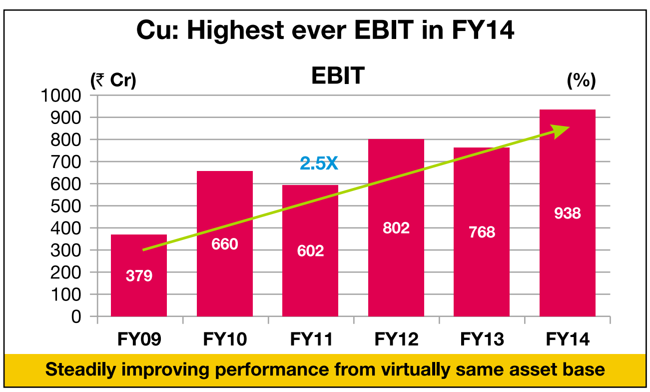
The treatment and refining charges (TC/RC) for the CY2013 were better than CY2012, as a slowdown in demand provided a window of opportunity to the custom smelters. In CY2013, TC/RC were around 10% higher than CY2012 benchmark. Average spot TC/RC levels for 2013 were significantly higher than levels in 2012, as Chinese demand slowdown continued to weigh down, while supply from mines increased resulting in a surplus.

Business Performance:

Copper business got impacted due to planned shutdown in the first quarter. The production was restored following the revamp of smelter. The business registered a strong operating performance with production for the year being 4.5% higher than the previous year.

Operating gains on the back of enhanced efficiencies, aided by various strategic initiatives for value maximisation and waste to wealth initiatives enabled the business to register best ever operating performance, with operating profits surpassing ₹ 1,000 crore mark for the first time in the history of the business.

The TC/RC for the year was better though co-product prices were significantly lower as industrial growth slowed down. Better TC/RC and higher proportion of VAP allowed the business to partially offset the negative impact of lower co-product prices and inflationary tendencies on the input front.

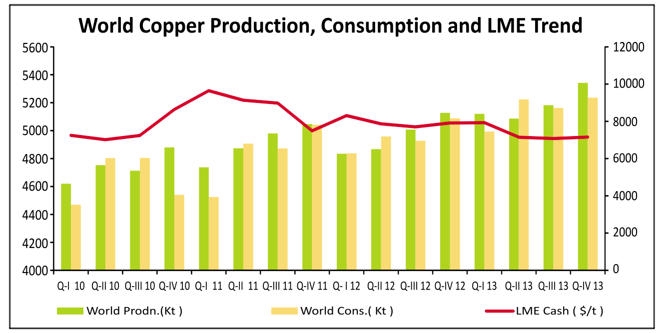


With improved product and market mix, and better operating efficiencies, copper business managed to deliver a robust performance. Despite a shutdown in Q1, the EBIT for the year stood at ₹ 938 crore against ₹ 768 crore in the previous year, a jump of 22%.

Copper Outlook

In the short-term, the pace of copper supply growth relative to demand is expected to keep the market in surplus before 2017. Industry experts forecast growth in refined copper consumption to be a little shy of 5% in 2014, driven largely by China and North America.

Two key factors are likely to drive consumption of copper: First, restricted scrap availability globally (global scrap supply has fallen by 9-10% year-on-year in Q1 CY2014) and secondly, greater affordability for consumers that the drop in copper prices has generated. Current copper prices appear to represent a bargain and an excellent buying opportunity for China's State



Reserve Bureau and industrial consumers, according to some analysts.

Copper demand in China is expected to be strong given the thrust on rural electrification and the grid development. In addition to China, the demand from South Korea and Japan is also expected to grow firmly. The Korean economy is expected to register a strong recovery this year, with the Bank of Korea recently raising its annual growth forecast to 4% - higher than the 3% increase last year. Overall Asian copper demand is expected to grow at over 8%. Copper demand from EU region is expected to be growing at around 4% as EU continues to recover, while the North American demand is likely to grow at around 3%.

Smelter capacity is expected to continue its growth at a CAGR of 5.8% p.a. till 2016. On account of surplus and risk averse macroeconomic environment, copper prices are unlikely to flare up in the next 1 - 2 years.

Overall mine production capacity is forecast to rise from 18 million tonnes in 2013 to 21 millon tonnes by 2015, an increase of 17%. Beyond 2015, mine production may be subdued due to reserve depletion.

Available forecasts suggest that with new mine supply coming on stream, the concentrate availability should be good - reflecting in improved TC/RC. However, Indonesian export ban and tax issues may create certain hiccups.

The benchmark TC/RC for 2014 is higher than 2013 benchmarks. With TC/RC contracts signed at levels 30% higher than 2013 levels, smelters are in a good spot. Higher TC/RC, coupled with expected revival in the domestic economy augurs well for your Company's copper business.

Indian refined copper market, which had a lacklustre trend in FY14, is expected to look up in the near-term on the back of improved investor sentiment. However, rising trend in imports poses a challenge for the domestic industry.

Financial Review & Analysis

- Your Company's consolidated revenue stood at ₹ 87,695 crore as compared with ₹ 80,193 crore in FY13. Profit before depreciation, interest and taxes stood at ₹ 9,303 crore as compared with ₹ 8,849 crore in FY13. This increase was due to a stellar performance by the copper business even as aluminium faced several challenges such as lower aluminium LME realisations, strong cost pressures, certain one offs and weakness in demand in certain global geographies following macroeconomic headwinds.
- Standalone revenue for the year increased 7% to ₹ 27,851 crore. Profit before interest and depreciation was ₹ 3,616 crore vs. ₹ 3,187 crore in FY13, a jump of 13%.

Other Income

- Standalone other Income at ₹ 1124 crore was higher on account of better yields, higher treasury corpus and dividend from subsidiaries.

Interest

- Consolidated Interest expenses increased from ₹ 2,079 crore to ₹ 2,702 crore. In standalone business, finance costs went up from ₹ 436 crore to ₹ 712 crore due to increase in debt levels in line with drawal of new debt and capitalisation of projects.

Depreciation

- Consolidated depreciation increased from ₹ 2,861 crore to ₹ 3,553 crore as several projects were capitalised.
- Standalone depreciation charges (including impairment) were at ₹ 823 crore in FY14 against ₹ 704 crore in FY13.

Taxes

- The provision for tax was at ₹ 272 crore in standalone business and ₹ 525 crore in consolidated business.

Profit

- Net profit attributable to the shareholders stood at ₹ 2,175 crore as compared with ₹ 3,027 crore in FY 13.
- Standalone Net profit for the year stood at ₹ 1,413 crore vs. ₹ 1,699 crore in FY13. Net profit declined owing to higher financing and higher depreciation. Exceptional items also made a dent in net profit.

CASH FLOW ANALYSIS

₹ in Crore

Particulars		Year ended 31/03/2014	Year ended 31/03/2013
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Operating profit before working capital changes	2,057	2,290
	Changes in working Capital	212	(2,005)
	Cash generation from Operation	2,268	284
	Payment of Direct Taxes	(237)	(637)
	Net Cash generated/ (used) - Operating Activities	2,031	(352)
B.	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Net Capital Expenditure	(3,447)	(5,510)
	Proceeds from / Repayment of treasury instruments (Net)	607	(2,704)
	Investment / Loans in subsidiaries	(1,242)	(542)
	Interest and dividends received	680	514
	Net Cash Generated/ (Used) - Investing Activities	(3,403)	(8,242)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Equity Raised	1,624	0
	Net Debt Inflows	2,559	9,932
	Interest & Finance Charges	(2,303)	(1,520)
	Dividend Paid (including Dividend Distribution Tax)	(279)	(331)
	Capital Subsidy	-	5
	Net Cash Generated/ (Used) - Financing Activities	1,601	8,086
	Net Increase/ (Decrease) in Cash and Cash Equivalents	229	(508)

Cash from operations was significantly higher compared to last year due to decrease in working capital by ₹ 212 crore against an increase of ₹ 2,005 crore last year. Net increase in borrowing of ₹ 2,559 crore was mainly to finance the capital expenditure of ₹ 3,447 crore and working capital. Company received ₹ 1,624 crore from issue of equity shares against outstanding preferential warrants.

Risk Management

Your Company'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 and well documented 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 prevalent 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 Company's assets. It provides a reasonable assurance on the internal control environment and assurance against material misstatement or loss.

Sustainability

Your company has adopted Sustainability as a key operating principle of the business, and has a vision to become a leading metals company by 2017 with sustainable business practices across its global operations, balancing its economic growth with environmental and social interests. As an important step towards this goal, your Company has published its third successive annual Sustainability Report, (2012-13), titled Building a Sustainable Future, covering your Company and its major subsidiaries, including Novelis and ABML. The report includes your Company's Sustainability Policy, which strives for excellence in sustainable processes, products and practices to create long term value for all its stakeholders, while conserving resources, protecting environment, nurturing our people and enhancing societal well-being; along with the performance & progress made by the Company towards these goals during 2012-13. These goals are measured in standard, quantitative terms and parameters accepted by the Global Reporting Initiative standard GRI 3.1, covering the triple bottomline concept, viz. people, planet and profit. The report has been assessed by independent external assessors based on their detailed visits to examine and validate the performance at various sites, plants and departments of your Company and has been adjudged as per GRI application level A+. Novelis has also published its separate sustainability report for 2012-13. With these steps, your Company has set up strong systems, processes and foundation for building a sustainable future as a principle and differentiator for its business.

Human capital

Aditya Birla Group is one of the preferred employers in the country. In last few years, for its people practices it has got several accolades from global agencies like AON Hewitt, Fortune, SHRM etc. and few of them were: "Excellence in Developing the Leaders of Tomorrow" in the First People Awards 2012 (Strategic Human Resource Management, SHRM) India, being ranked No. 4 in the Global "Top Companies for Leaders" survey and being ranked No. 1 in Asia Pacific for 2011 (Aon Hewett, Fortune Magazine and RBL), 2nd Best Employer in India (Aon-Hewitt Survey 2011). People oriented HR practices enable the group to attract and retain the available talent.

Your Company firmly believes that people are its most valuable asset and it is ensuring that all the HR systems, processes and practices are helping people both personally and professionally. Currently, your Company is managing a pool of around 21,000 people across 17 locations. For managing people, it has well laid down HR policies in place including talent management, employee engagement, performance management, rewards and recognition alongwith all the necessary support systems for the robust implementation of the people practices.

Training and Development

The Learning and Development function is well integrated with the overall HR function and the business objective. Across locations, the Company has full fledged learning infrastructure to support its learning objectives. The strategy aims at equipping its people across all Units with business-linked knowledge, technical and behavioural learning events.

For managers and the talent pool, your Company works closely with 'Gyanodaya' – Aditya Birla Group's Learning University and as per the needs, people are nominated to other learning institutes / professional bodies for professional development.

Summing Up

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

Your Company's operations rank amongst one of the most efficient and profitable operations globally Now that the new projects have started delivering, your Company's aluminium portfolio, in its fullness, will further enhance the profitability as attributes such as economies of scale, state-of-the-art technology, greater control over resources and stronger presence across the value chain kick in. This, along with global, technologically intensive portfolio of Novelis, would go a long way in ensuring long term success of your Company.

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.

GOVERNANCE PHILOSOPHY

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

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

Compliance with Corporate Governance Guidelines

The Company is fully compliant with the requirements of the prevailing and applicable Corporate Governance Code. Your Company's compliance with these requirements is presented in the subsequent sections of this report.

BOARD OF DIRECTORS

Composition of the Board

Your Company's Board comprises of 9 Non Executive Directors as on 31st March, 2014 with considerable experience in their respective fields. Of these, 6 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 Committee (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 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[2]	Companies Committee Positions Held[3]	
				Public	Member	Chairman
Mr. Kumar Mangalam Birla	Non Executive	4	Yes	9	-	-
Mrs. Rajashree Birla	Non Executive	1	No	6	1	-
Mr. A.K. Agarwala	Non Executive	4	Yes	6	-	-
Mr. C.M. Maniar[7]	Independent	5	Yes	9	4	-
Mr. M.M. Bhagat	Independent	5	Yes	4	2	-
Mr. K.N. Bhandari	Independent	5	Yes	11	4	2
Mr. N.J. Jhaveri	Independent	5	Yes	6	1	3
Mr. Jagdish Khattar	Independent	4	Yes	2	-	-
Mr. Ram Charan[6]	Independent	1	No	-	-	-
Mr. M. Damodaran[4]	Independent	2	Yes	-	-	-
Mr. D. Bhattacharya	Managing Director	5	Yes	3	-	-
Mr. Satish Pai[5]	Deputy Managing Director	3	Yes	1	-	-

1. Independent Director means a director defined as such under Clause 49 of the Listing Agreement.
2. Excludes Directorship held in Private Companies, Foreign Companies and Companies incorporated under Section 25 of the Companies Act, 1956.
3. Represents only membership/chairmanship of Audit Committee and Shareholders'/Investors' Grievance Committee of Indian Public Limited Companies.
4. Mr. M. Damodaran tendered his resignation as Director with effect from 14th January, 2014.
5. Mr. Satish Pai was Appointed as a Whole Time Director w.e.f. 13th August, 2013
6. Mr. Ram Charan has attended meetings through Video Conferencing.
7. Ceased as a Director w.e.f. 29th June, 2014 due to his demise.

Board's functioning and Procedure

Hindalco's Board of Directors plays a primary role in ensuring good governance and functioning of the Company. All statutory and other significant and material information including information as mentioned in Annexure IA to Clause 49 of the Listing Agreement are 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 procedure to inform Board members about risk assessment & minimisation procedure. The procedure is reviewed by the Board to ensure that the Company manages risks through 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 FY 2013-2014 are as outlined below:

Date of Board Meeting	City	No. of Directors Present
28th May, 2013	Mumbai	6 out of 11
13th August, 2013	Mumbai	9 out of 11
10th September, 2013	Mumbai	11 out of 12
12th November, 2013	Mumbai	9 out of 12
13th February, 2014	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 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 5 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]	5
Mr. K.N.Bhandari	5
Mr. M. M. Bhagat	5
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 10th September, 2013.
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 are 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.
4. Ceased as a Director w.e.f. 29th June, 2014 due to his demise.

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 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 auditors.
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 Director's Responsibility Statement to be

included in the Board's report in terms of 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 judgment by management.

d. Significant adjustments made in the financial statements arising out of audit findings.

e. Compliance with listing and other legal requirements relating to financial statements.

f. Disclosure of any Related party transactions.

g. Qualifications 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 the 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, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors 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.
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 management;
    iii. Management letters / letters of internal control weaknesses issued by the statutory auditors
    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 shareholders and investor grievances, such as transfer and transmission of shares, issue of duplicate shares, non-receipt of dividend/notices/ Annual Reports, etc. In addition, the Committee looks into other issues including status of dematerialisation/ rematerialisation of shares and debentures, systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

The composition of the Committee is as follows:

Mr. C M Maniar - Chairman

Mr. K.N. Bhandari - Member

Mr. N.J. Jhaveri* - Member

*Mr. N.J. Jhaveri was appointed as a Member of the Committee with effect from 28th May, 2013.

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

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

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

@ Ceased as a Director w.e.f. 29th June, 2014 due to his demise.

The Company's shares are compulsorily traded and delivered in the dematerialised form in all Stock Exchanges. To expedite the transfer in the physical segment, necessary authority has been delegated to 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 Director's Compensation and Disclosure

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

Remuneration of Directors and Others

Since the Company has two Executive Directors, your Company does not have a Remuneration Committee. The Board of Directors decides the remuneration of the Managing Director and Whole Time Director. The Company has a system where all the directors or senior management of the Company are required to disclose all pecuniary relationship or transactions with the Company. No significant material transactions have been made by the Non Executive Directors with the Company during the year.Besides sitting fees @ ₹ 20,000/- per meeting of the Board, fees @ ₹ 10,000/- per meeting of the Audit Committee and @ ₹ 5000/- per meeting for any other meeting thereof, the Company also pays Commission to the Non-Executive Directors. For FY- 2013-14, the Board has approved payment of ₹ 7.5 Crores (Previous Year ₹10 Crores) as Commission to the Non- Executive Directors of the Company pursuant to the authority given by the shareholders at the Annual General Meeting held on 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, 2014

(a) Non- Executive Directors:

Name of Director	Sitting Fees Paid (In ₹)	Commission payable (₹ in Lakhs)	Total Payments Paid / Payable in 2013-14 (₹ in Lakhs)
Mr. Kumar Mangalam Birla	50,000	674.48	674.98
Mrs. Rajashree Birla	20,000	11.43	11.63
Mr. A. K. Agarwala	90,000	7.06	7.96
Mr. M. M. Bhagat	110,000	9.88	10.98
Mr. C. M. Maniar[6]	170,000	10.88	12.58
Mr. K. N. Bhandari	140,000	11.52	12.92
Mr. N.J. Jhaveri	130,000	10.31	11.61
Mr. Ram Charan	20,000	5.43	5.63
Mr. Jagdish Khattar	65,000	5.78	6.43
Mr. M Damodaran	25,000	2.93	3.18

Notes:

1. *No Director is related to any other Director on the Board, except Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, who are son & mother respectively.*
2. *Your Company has a policy of not advancing any loan to its Directors except to Executive Directors in the course of normal employment.*
3. *The Company has obtained shareholders' approval for payment of commission to its Non-Executive Directors & Independent Directors, not exceeding 1% of Net Profit of the Company.*
4. *Stock Options were not granted to any Non-Executive Directors.*
5. *Mr. M. Damodaran tendered his resignation as Director with effect from 14th January, 2014.*
6. *Ceased as a Director w.e.f. 29th June, 2014 due to his demise.*

(b) Paid to Executive Director

Executive Directors	Relationship with other Directors	Remuneration paid during 2013-14			
		All elements of remuneration package i.e., salary, benefits, pension etc.	Performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Mr. D. Bhattacharya – Managing Director	None	14,30,65,279	6,75,36,000 (a)	See note (b)	See Note (c)
Mr. Satish Pai – Whole time Director	None	5,13,78,335 (d)	—	See note (b)	See Note (f)

(a) Mr. D. Bhattacharya was paid a sum of ₹ 6,75,36,000 towards performance bonus links to achievement of targets.

(b) The appointment is subject to termination by three months notice in writing on either side. No severance fee is payable to the Managing Director or Whole time Director.

(c) 17,97,030 stock options were granted on 23rd August 2007 & 25th January 2008 & 9th October 2013. These Stock options are vested 25% each year over a period of 4 years form the date of grant. The Managing Director was also granted 8,27,482 restrictive stock units (RSU) on 9th October 2013, which will be vested after expiry of three years from the date of grant. 92,325 Options vested in him were exercised by Mr. D. Bhattacharya.

(d) Excluding the joining bonus of ₹ 1,50,00,000 paid to Mr. Satish Pai before he was inducted as a Director.

(e) 7,82,609 stock options were granted on 9th October 2013 to Mr. Satish Pai. These Stock options are vested 25% each year over a period of 4 years form the date of grant.

Stock options details are also provided in annexure A to Directors' report.

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

Details of Shareholding of Directors as on March 31, 2014 are as follows:

NAME OF THE DIRECTORS	SHARES (₹ 1 paid up)
Mr. Kumar Mangalam Birla	865,740
Mrs. Rajashree Birla	612,470
Mr. A. K. Agarwala	116,148
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. D. Bhattacharya	95,540

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, 2014.

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 a 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 are not in the normal course of the business, entered into by the company during the year. Attention of the Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts forming part of the financial statements..

(B) Non Compliances / Strictures / penalties Imposed

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

(C) Disclosure of Accounting Treatment

Your Company has followed all relevant Accounting Standards while preparing the Financial Statements. The Company had formulated a scheme of Financial Restructing under Section 391 to 394 of Companies Act, 1956 ("the Scheme") between the Company and its Equity Share Holders approved by High Court of Judicature of Bombay to deal with various costs associated with its organic and inorganic growth plan.

Persuant to this a separate reserve account titled as Business Reconstruction Reserve (BRR) was created during the year 2008-2009 by the Company to adjustment of certain expenses as prescribed in the Scheme. Accordingly the Company has transferred ₹ 8647.37 Crores from Securities Premium Account and till 31st March, 2013 ₹ 66.98 Crores has been adjusted against BRR.

During the year a provision of ₹ 86.06 Crores has been made for diminution in value of investment in Hindalco-Almex Aerospace Limited, a subsidiary of the Company. The entire amount of provison has been adjusted against BRR.

(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. During the period under review, a detailed exercise on Risk Management was carried out covering the entire gamut of operation of the Company.

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

During the year under review, the Company has issued 150,000,000 equity shares of ₹ 1 each at a price of ₹ 144.35 per share on 20th September, 2013 against warrants allotted on a preferential basis to promoter group companies.

The entire amount so received has been utilised for various Greenfield and Brownfield projects expenditure.

(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 associates or relatives, etc., that may have a potential conflict with interests of the Company.

(H) Shareholders

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

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

CEO/CFO Certification

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

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

  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 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

  i. significant changes in internal control over financial reporting during the year;

  ii. significant changes in accounting policies 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.

Praveen Kumar Mahaswari — D. Bhattacharya
CFO — *Managing Director*

Place : Mumbai
Dated : 29th day of May, 2014

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 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
2012-13	AGM	Ravindra Natya Mandir	10th September, 2013	2.30 pm
2011-12	AGM	Ravindra Natya Mandir	11th September, 2012	2.30 pm
2010-11	AGM	Ravindra Natya Mandir	23rd September, 2011	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 report, Quarterly Results, Shareholding Pattern Statement etc. are posted on the Corporate Filing and Dissemination System as per the requirements of the Listing Agreement.

General Shareholder Information

Provided in the 'Shareholders 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/Whole time Director.
4. "Performance Update" consisting of financial and operational performance for the first six months of 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 statement. The Company continues to adopt best practices to ensure unqualified 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 & Code of Conduct" applicable to all the employees. Interalia, it provides mechanism to enforce and report violations of the principles and the code, if any.
8. National Voluntary Guidelines 2009:

   The Ministry of Corporate Affairs has on 8th July 2011 released the National Voluntary Guidelines on Social Environment and Economic Responsibilities of Business (hereinafter referred to as Guidelines). As per Clasue 55 of the Listing Aggriment the Company has published Sustainability Report for the year 2012-13. The Report is available on the Company website.

   Accordingly Company had published its first Sustainability Report 2010-2011 under the GRI Reporting Framework. The second report 2011-2012 is also published.

   KPMG has done assurance process of Sustainability Report 2011-12 and has given us A+ grade which is the highest grade as per GRI norms.
9. In Line with the ABG Guidelines for Operationalizing the Values Consequence, Management Group Level Committes has been formed where employee report value violations both at Business and Units Level.

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, 2014, 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 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 29th day of May, 2014
1-B, Old Post Office Street,
Kolkata - 700 001.

(RAJIV SINGHI)
Partner
Membership No. 53518

Shareholder Information

1. Annual General Meeting
   - Date and Time : 24th September, 2014 at 2.30 PM
   - 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, 2014 : On or before 14th August, 2014
   - Financial reporting for the half year ending September 30, 2014 : On or before 14th November, 2014
   - Financial reporting for the quarter ending December 31, 2014 : On or before 14th February, 2015
   - Financial reporting for the year ending March 31, 2015 (Audited) : On or before 30th May, 2015
   - Annual General Meeting for the year ended March 31, 2015 : September, 2015

3. Dates of Book Closure : 10th September, 2014 to 17th September, 2014

4. Dividend Payment Date : On or after 25th September, 2014 (Within 30 days from 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
   CIN: L27020MH1958PLC011238

6. a. Listing Details:

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

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

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

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

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

8. Details of Debenture issued:

Interest Payment Date	Interest	Series	Date of allotment	Tenure	Date Payment	Record Date	ISIN No.
25th April	Annually	9.55% Series (2012)–I	25th April,2012	10 Years	25th April Annually	7 days prior to each interest and/ or redemption payment	INE038807258
27th June	Annually	9.55% Series (2012)–II	27th June,2012	10 Years	27th June Annually	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 Annually	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

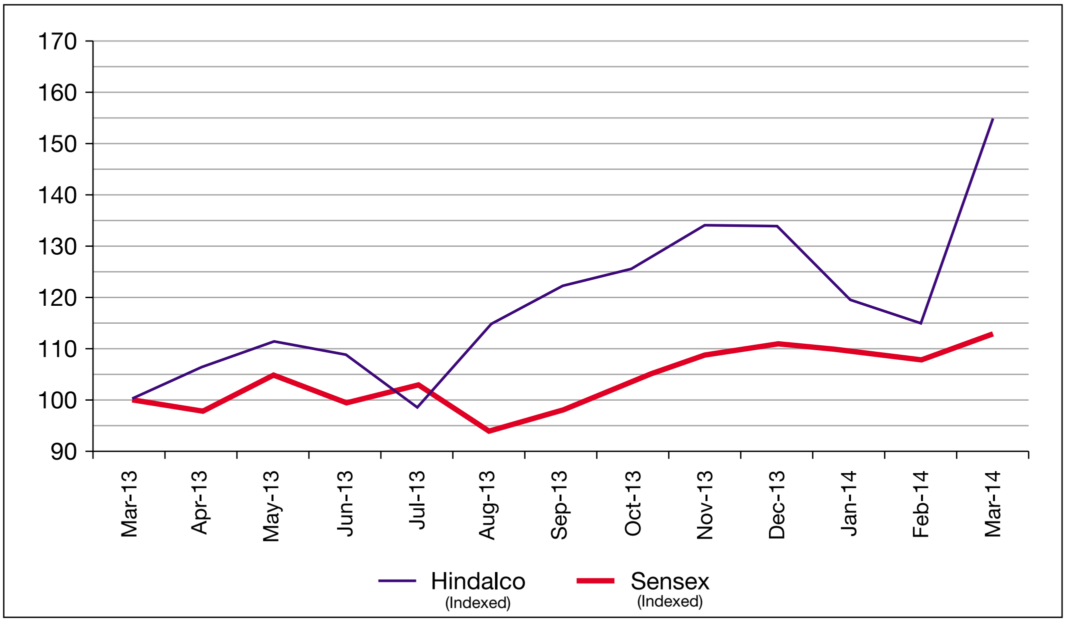
Stock Exchange	**Reuters**	**Bloomberg**
Bombay Stock Exchange	HALC.BO	HNDL IN
National Stock Exchange	HALC.NS	NHNDL IN
Luxembourg Stock Exchange (GDRs)	(GDRs)	HDCD LI

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$)		
March-14	142.70	104.60	141.70	28,396,560	142.95	104.60	141.75	260,539,592	2.36	1.54	2.36
February-14	109.10	96.95	105.10	20,434,862	109.40	96.70	105.35	191,875,995	1.72	1.57	1.70
January-14	125.60	107.00	109.55	17,761,001	125.65	107.00	109.55	135,470,653	1.96	1.73	1.75
December-13	126.75	115.10	122.50	15,072,171	126.85	115.10	122.6	130,284,592	2.05	1.85	1.98
November-13	125.00	109.10	122.70	20,922,781	125.00	109.10	122.7	165,832,302	1.99	1.74	1.97
October-13	123.00	105.10	115.00	28,582,097	123.00	105.00	115.05	236,275,074	1.97	1.74	1.87
September-13	119.65	103.85	111.95	22,321,233	119.70	103.75	111.9	178,259,356	1.90	1.54	1.79
August-13	108.90	83.05	104.90	31,623,722	109.00	83.05	105.05	248,397,678	1.66	1.39	1.60
July-13	106.10	84.50	90.15	15,760,589	106.20	84.50	90.1	147,058,635	1.78	1.42	1.49
June-13	105.30	91.25	99.75	15,879,690	105.40	91.00	99.8	158,192,837	1.83	1.56	1.68
May-13	112.50	95.00	102.25	31,647,261	112.55	94.80	102.4	204,837,844	2.03	1.70	1.81
April-13	99.85	87.65	97.25	17,422,178	99.85	87.55	97.25	129,019,494	1.83	1.50	1.81

11. Stock Performance:



12. Stock Performance over the past few years:

Absolute Returns (in %)			
	1YR	**3YR**	**5YR**
Hindalco	54.7	-32.2	172.3
SENSEX	18.8	15.1	130.6
NIFTY	18.0	14.9	121.90

Annualised Returns (in %)			
	1YR	**3YR**	**5YR**
Hindalco	54.70	-12.20	22.20
SENSEX	18.8	4.80	18.20
NIFTY	18.0	4.70	17.30

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

Investors Service Department

Hindalco Industries Limited

Ahura Centre, 1st floor, B Wing

Mahakali Caves Road

Andheri (East), Mumbai- 400 093.

Tel: (91-22) 6691 7000

Fax: (91-22) 6691 7001

E-mail: hilinvestors@adityabirla.com

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

The total number of shares transferred in the physical form during the year was 5,95,833.

	2013-14		
Transfer Period (In days)	**No. of Transfers**	**%**	**No. of Shares**
1-10	661	98.66	5,86,331
11-15	9	1.34	9,502
Total	**670**	**100**	**5,95,833**

15. Investor Services

a. Complaints received during the year:

Nature of complaints	**2013-14**		**2012-2013**	
	Received	**Cleared**	**Received**	**Cleared**
Relating to Transfers, Transmissions Dividend, Interest, Redemption, Demat – Remat, Rights Issue and Change of Address etc.	43	45*	49	47

*Note : Two complaints which were pending due to non receipt of demand draft from bank towards Dividend payment in FY 13 were subsequently cleared in FY 14.

b. Shares pending for transfer : Nil

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

No of equity Share held	2014			
	No of Share Holders	**% of share holders**	**No of Shares held**	**% share holding**
1-1000	3,35,887	92.86	5,41,77,975	2.62
1001-2000	11,720	3.24	1,72,51,080	0.84
2001-5000	8,170	2.25	2,60,94,964	1.26
5001-10000	3,114	0.87	2,21,58,281	1.07
10001-50000	2,151	0.59	4,20,14,786	2.04
50001-100000	197	0.06	1,38,88,874	0.67
100001 and above	447	0.13	1,88,90,01,908	91.50
Total	**3,61,686**	**100.00**	**2,06,45,87,868**	**100.00**

17. Dematerialisation of Shares and Liquidity : Around 98% of outstanding shares have been dematerialized. Trading in Hindalco Shares is permitted only in the dematerialized form 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 yrs : Not Applicable

19. Outstanding GDR/Warrants/Convertible Bonds : 16,21,38,001 GDRs are outstanding as on 31st March, 2014. Each GDR represents one underlying equity share.

20. 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) 2481342/365
Fax: (0663) 2541642

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

Aditya Aluminium
Hindalco Industries Ltd.
Lapanga,
Dist 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 Alumina
Post Chotamuri-835 101
Dist: Ranchi, Jharkhand
Phone: (06522) 244253/334
Fax: (06522) 244342

Belgaum Alumina
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, Odisha
Tel: (0663) 2230573

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

Sheet, Foil, Wheel, Packaging & Extrusions

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

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

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

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

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

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

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

Category of Shareholders	2014				2013			
	No of Share Holders	% of share holders	No of Shares held	% share holding	No of Share Holders	% of share holders	No of Shares held	% share holding
Promoters	19	0.00	763,797,188	36.99	21	0.01	613,797,188	32.06
Mutual Funds & UTI	98	0.03	12,480,624	0.60	154	0.03	38,908,908	2.03
Banks/ Financial Institutions/Ins/Govt	123	0.03	285,376,799	13.83	139	0.03	257,642,547	13.45
FIIs	430	0.12	555,495,399	26.91	417	0.09	468,425,836	24.46
Corporates	3,206	0.89	77,687,584	3.76	4,040	0.92	137,646,452	7.19
Individuals/Shares In Transit/Trust	350,279	96.85	164,634,378	7.97	427,519	96.91	193,631,127	10.12
NRIs/ OCBs/Foreign Nationals	7,530	2.08	42,977,895	2.08	8,875	2.01	44,867,322	2.35
GDRs*	1	0.00	162,138,001	7.86	1	0.00	159,663,688	8.34
Total	**361,686**	**100.00**	**2,064,587,868**	**100.00**	**441,166**	**100.00**	**1,914,583,068**	**100.00**

*14,542,309 GDR's are held by Promoter and Promoter Group.

23. Per share data:

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Net Earnings (₹ in Crore)	1,413	1,699	2,237	2,137	1,916
Cash Earnings (₹ in Crore)	2,236	2,403	2,927	2,824	2,583
EPS (₹)	7.09	8.88	11.69	11.17	10.82
CEPS (₹)	11.20	12.55	15.29	14.76	14.58
Dividend per share (₹)	1.00@	1.40	1.55	1.50	1.35
Dividend pay out (%)	14.7@	17.60	15.00	15.60	15.70
Book Value per share (₹)	177.92	177.44	167.31	155.14	145.87
Price to earning (x)*	20.0	10.30	11.10	18.70	16.80
Price to cash earning (x)*	12.70	7.30	8.50	14.20	12.40
Price to Book Value (x)*	0.80	0.50	0.80	1.30	1.20

**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 2007-2008 to 2012-2013 may approach the Company for revalidation / issue of duplicate dividend warrant quoting reference of their Ledger Folio numbers / DP & 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 warrant may approach the Company for revalidation / issue of duplicate dividend warrant quoting reference of their Ledger Folio numbers / DP & Client ID.

The Unclaimed dividend for the financial year 2006-2007 has been transferred by the Company to the Investor Education & Protection Fund constituted by the Central Government under Section 205A & 205C of the Companies Act, 1956.

Shareholders are advised that dividends for the financial year ended 2007 -2008 onwards which remains unpaid/unclaimed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 205A & 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.

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

Date of Declaration	Financial Year of Dividend	Due date of transfer to the Government
19th September, 2008	2007-08	October, 2015
14th March, 2009	2008-09 (Dividend on Preference Shares)	May, 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
10th September, 2013	2012-2013	October, 2020

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

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

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

Unclaimed Shares in Physical Form

Securities and Exchange Board of India (SEBI) has notified new Clause 5A II ("the Clause") to the Listing Agreement. The Clause provides the manner of dealing with the shares issued in physical form pursuant to a public issue or any other issue, which remains unclaimed with the Company. In compliance with the provisions of the Clause, the Company has sent three reminders to the shareholders whose share certificates are lying unclaimed.

Dislosure pursuant to Clause 5A II of the Listing Agreement.

- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as 1st April, 2013.

4,281 shareholder holding 1,344,056 equity shares of the Company.

- Number of shareholders who approached the issuer for transfer of shares from Unclaimed Suspense Account during the year

  35 shareholders holding 16,366 equity shares of the Company.

- Number of shareholders to whom shares were transerred from the Unclaimed Suspense Account during the year

  35 shareholders holding 16,366 equity shares of the Company.

- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as at 31st March, 2014

  4,246 shareholders holding 1,327,690 equity shares of the Company.

INVESTOR SERVICES

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

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

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

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

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

   o change in their residential status on return to India for permanent settlement;

   o Particulars of their NRE Bank Account with a bank in India, if not furnished earlier.

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

vii. For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. 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 lodgment of shares with the Company to obviate possibility of difference in signature at a later date.

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

x. 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.

"It is our responsibility to see sustainability becoming one of the defining attributes of our Group.

I appreciate the commitment of our businesses and their teams to sustainable development. I believe that in so far as it relates to sustainability, there is no finish line. Because the goalpost will keep moving. Therefore, our endeavour should be to constantly raise the bar and strive to match the world's best on all the metrics of sustainability measurements".

— Kumar Mangalam Birla,
Chairman, Aditya Birla Group

Your Company, Hindalco Industries Ltd, as a responsible Corporate House, and a flagship company of the Aditya Birla Group is fully committed to sustainable development. It endeavours to embed sustainable business practices in its global operations from mines to market, balancing its economic growth with environmental and societal interests. We consider it extremely important that we minimize our impact on environment, and we understand the intrinsic linkage between economic growth and environment protection. Environmental protection continues to be a key factor in Hindalco's business of aluminium and copper production and application. Your company has developed policies, roadmap and implementation plans, for sustainable development of business and has projects in pipeline for minimizing environmental impact during manufacturing, as well as minimizing the environmental impact in applications of our products, to ensure long term environmental sustainability of the business. By doing so, your management team aims to reach its goal of being a major non-ferrous metal producer with world-class environmental practices. During the last financial year, steps have been taken to improve our practices in the areas of environmental compliance, water, emission and effluent management, improved waste management and to initiate development of technologies for creation of value from waste.

Hindalco Sustainability Vision & Policy

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

In order to enhance the commitment to environmental excellence, your company has revised its environmental management policy to align it with new draft guidelines from the Ministry of Environment & Forests, Government of India, as follows:

Hindalco Industries Ltd, a leading global, non-ferrous metals business, will strive for excellence in sustainable processes, products and practices to create long-term value for all our stakeholders, while conserving natural resources, protecting the environment, nurturing our people and enhancing societal well being.

Materiality Issues and Sustainability Targets:

As an important first step to develop our sustainability roadmap, Hindalco has conducted an internal exercise to identify its materiality issues. Prime among these issues are- reliable and quality sourcing of our raw materials, cost effective energy security, inclusive growth with the communities, safety of our operations and our people, and life cycle impact of our products on environment. The diversity of sources, processes, products and scope of manufacturing units makes it an enormously complex task to identify correct benchmarks, and select peer performance for comparison. Hindalco management team has undertaken an internal exercise to work out the key factors, identify target values for such parameters and develop roadmaps to reach these targets. Cost effective implementation plans will be made over coming years to support these targets, to reach the best in class performance.

Environment Management System

Our Environmental Management system is based on the continuous improvement of our environmental results through technological interventions, introduction of state of art technologies & equipment, introduction of new environment monitoring systems, adaptation of best practices, and aiming for stringent targets. While growing our capacity, through the installation of Greenfield and Brownfield expansions, your company has ensured minimal impact on the environment and best utilization of resources by conservation and maximizing reuse/recycle. In all operating units and in new projects, the management has installed techno-economically viable mitigation measures in the areas of water, air, energy and waste.

Most of your company's manufacturing sites operate management systems certified as compliant to

ISO-9001:2008 (QMS), ISO-14001:2004 (EMS) and OHSAS-18001:2007 (OHS). Plant level environment management personnel work in close coordination with our corporate environmental management team and our corporate legal monitoring department to ensure implementation of pollution prevention measures and compliance with all applicable regulatory requirements. In 2013-14, the design, development and implementation of an Integrated Management System covering environmental (and quality) performance has been completed at the Mouda facility; and work is in progress at the Hirakud Flat Rolled Products and Mahan Aluminium operations.

Your company continues to be a member of the TERI Business Council for Sustainable Development (BCSD), a national level body having initiatives in climate protection, emission reduction and efficient use of resources; so as to be fully aware of the state of art industry practices in the field of environment & energy management.

Self Monitoring and Reporting on Environmental Aspects

Sustainable development has been one of the guiding principles of your company and your company has released its 3rd successive annual Sustainability Report covering the Hindalco India operations and Greenfield projects, along with the overseas subsidiaries, viz. Aditya Birla Minerals (Australia) and Novelis. The report for 2012-13 titled 'Building a Sustainable Future' was awarded GRI 3.1 "A+" (Global Reporting Initiative) rating following an assurance audit by an external independent assurance agency. More details on your company's sustainability performance & plans are available in Hindalco's Sustainability Report for 2012-13 on the company's website.

One important environmental self-declaration by your company is the quarterly internal publication of its Carbon-Footprint covering all its Indian operations for scope-1 & 2. This internal report is now in its fourth year. A program is under development to reduce the CO2 footprint in line with industry sector practices.

Water Management

Conservation of water continues to be one of focus areas of the plant management teams. Various actions have been initiated at plant level to enhance reuse of treated water within the system.

At the Belgaum Alumina plant, the process wastewater from the plant is channelized into the holding lagoon/

pond. The holding pond acts as a natural water harvesting and settling tank. The water from this pond is then reused in the plant. Quantity of water recycled in 2013-14 was 680 m3/day (30 % increase in the quantity recycled over last year).

At Birla Copper, Dahej, a new sewage treatment plant based on Membrane Bioreactor Technology was installed and commissioned this year. Membrane Bioreactor Technology offers operational and economic advantages compared to conventional wastewater treatment plants.

At the Renukoot Complex, all industrial and domestic effluent streams are treated to bring water quality well within the state Pollution Control Board norms. All treated effluent and some domestic effluent is recycled back for process and horticulture use. At Renusagar, a state-of-art effluent treatment plant, sewage treatment plant, and ash water recovery plant are in operation and all treated effluent is reused in plant operation as well as for horticulture.

The green field complex at Aditya Aluminium, Odisha has provided opportunity to reconfirm your company's commitment to environment by adapting the best available practices for water management. In view of the environmental stipulations in the industry-clustered region of Jharsuguda/Sambalpur/Ib-valley region in Odisha, and restriction on water intake from Hirakud Dam, measures have been taken to recycle, reuse & recover the waste water. In addition, state of art facilities has been built for treatment of storm water in four months of monsoon so as to prevent ground water contamination.

In addition, the Aditya Aluminium complex has taken up state of art environmental practices such as – rain water storage capacities of guard ponds (65000 cum) for 7 days storage; common sewage water treatment plant for smelter and power plants and a separate sewage treatment plant (under construction) for townships to facilitate the reuse of treated water for dust suppression, gardening etc; setting up a high concentration slurry disposal system for disposal of fly ash and bottom ash with low water intensity; and extensive rain water harvesting scheme under implementation in township to recharge the ground water aquifer.

Our Muri plant that suffered from water scarcity in recent past, has adapted recycling of treated water from the effluent treatment plant to alumina production process, leading to zero effluent discharge from the plant. Through continuous efforts, Muri Plant has brought down consumption of fresh water by 11% over the previous year.

Air Emission

For monitoring the ambient air quality, at the boundary and in the vicinity of the plants, most of your plants have installed continuous automatic ambient air quality monitoring stations. Such installations are legally mandatory as per the environmental clearance conditions and also help in proactively monitoring any deviations in ambient air quality on account of any plant disrupts. Your Hirakud Smelter has installed state of art instrument for on-line monitoring of fluoride concentrations in the stacks so as to ensure monitoring of any process disruptions and to enable initiation of immediate corrective action to control any emission from the smelter. Renusager Power Plant has initiated installation and commissioning of state of art belt pipe conveyer system for transportation of coal from National Coalfields, Krishnashilla mines to our power plant. This eco-friendly technology not only minimizes the need to destroy forests for building ground transportation system, but also minimizes any coal dust emission, arising out of conventional coal transportation. In the new calciner and boiler at Muri Alumina plant an electrostatic precipitator with cyclone systems and state of art process monitoring and control systems have been installed to control emission quality. Also, a continuous online emission monitoring system has been installed.

Value from Wastes

Awareness of conventional wastes from plants as a potential resource is a new paradigm in recent years; and taking cognizance of the same, your company has set up a platform program called value-from-waste under the sustainability roadmap. A number of projects have been initiated and progressed to explore the potential of value unlocking from process wastes. The projects are at concept or pilot stages and are slated to deliver a pipeline of value-from-waste technologies over 3-4 years, if successful.

It is an established alumina industry practice to discard the red mud (bauxite residue) in residue ponds. In Belgaum alumina plant, the bauxite residue has been sent to the cement industry for the last few years. During the year 2013-14, 60,000 metric tons of red mud was given to various customers for reuse in their process. The granulated slag from our copper smelter plants in Dahej is an inert ferro-silicate compound and has been used for road construction in place of sand for the surface layer of the road. The slag is also used in civil construction work and also as a source of abrasive material for sand blasting applications, in place of river bed sand. Phosphogypsum from the phosphoric acid plant contains calcium sulphate and other minor constituents. Besides the established application of this phosphogypsum waste in cement and in production of Plaster of Paris, gypsum boards, etc, thus offering an alternative to natural gypsum; other novel application for the use of phosphogypsum as soil conditioner in salty lands has been explored with the Gujarat Agriculture University and was approved by Director of Agriculture, Govt. of Gujarat during the year. Renukoot plant has pioneered the recycling of spent pot lining to produce cryolite for its internal consumption requirements.

All the sludge from effluent or sewage treatment plants is used as soil conditioner for plantation in the company's horticulture activities in Renukoot. We have provided about 1000 MT of dry red mud to a cement producer in the neighbourhood for conducting a trial study to produce clinker as per protocol of Central Pollution Control. The approval from state pollution control board is awaited. At Renukoot, we have developed an in-house method by which dust from the skimming bath is now being reprocessed and recycled back in our smelter process Both Renukoot & Renusagar Plants have dry ash disposal in boilers and all fly ash presently generated is given to local users. Substantial amount of earlier dumped ash is also lifted by users or used internally in building construction activity and to fill low-lying areas

Green Belt Management

Green belt development and maintenance is important activity to ensure the quality of air in our various manufacturing sites, and in the colonies. In Aditya Aluminium, Lapanga, Orissa, greenbelt development plan & scheme was an integral part of the overall project plan that resulted in planting of around 93,000 plants inside the smelter & CPP complex. A plant-nursery is under development for 1,40,000 plants inside the factory premises for greenbelt development. Efforts are being made to conserve the local biodiversity by means of transplantation from degraded site to a greenbelt site.

Under the green belt strengthening initiative, your Belgaum site has developed plantations over 2.5 hectares with local species; over 8000 samplings of cloned Nilgiri were planted during the year. Hirakud FRP Brownfield plant developed 2.96 ha area with 2400 trees. Hirakud smelter complex has developed a green zone with 61080 trees. A green belt with a sprawling 117 Ha area nurtured with 3,40,000 trees, lends a unique ambience to the Dahej copper complex. Watering of green belt near ETP, WTP and water reservoir area are done using treated effluent from main ETP and sewage treatment plant. Green belt helps to arrest fugitive emission and control dust pollution. It also acts as a windbreak and aesthetic value addition has also equally important. In your Muri Alumina plant, over 5000 saplings of Seesham, Neem, Banyan, Chatni, Ashok, Saagwan and 1000 cuttings of rose have been planted. A dedicated water line of about 450-mtr length has been installed to use plant waste water for this belt. In the abandoned Residual waste disposal area in Muri, a rose & Tulsi garden has been developed. The green belt developed in the abandoned area acts as a medium of filter of pollutants, improves the quality of air and the aesthetic beauty of the surrounding area.

Mines pose a unique problem and opportunity for greenbelt development. In the mines associated with Renukoot complex, over 28000 trees have been planted during 2013-14. In certain reclaimed area cultivation of potato, maize, raagi is also being tested.

Bio-diversity in Mines – In line with the environment clearance conditions for our mines, your company has set up facilities to ensure protection of bio-diversity. The mine lease areas are being fenced so as to restrict trespassing from and to the adjoining forest areas. Massive plantation activities are carried out around the mine lease area that will attenuate noise impact, reduce dust pollution, increase green cover, retain soil cover and reduce soil erosion. The mine lease area has garland drains and dykes for reduction of spoil intrusion in water bodies; Restoration of mine area is being carried out with proper slope, drainage and plantation of appropriate native species. Formation of volunteer task force for patrolling the forests in collaboration with local forest department is being carried out. We are in full support of forest departmental activities to improve vegetation cover and to protect adjoining forests.

State of art Advanced blasting technology, which is low/non-waste technology in the mining process, has been made to minimize the damage on sub surface strata & aquifers and to reduce generation of wastes and optimize the production cost of the mine.

Your company has included environment management as a core activity and focus area in its sustainability roadmap-2017. Rigorous monitoring of the key environmental performance indicators, actions to identify and address environmental risks, adaptation of the best available technology are slated to raise the environmental performance of your company to the best in class.

Your board and management teams across all the operations remain committed to a sustainable future.

Our Vision:

"To actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index."

— Mrs. Rajashree Birla,

Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development.

Adds Mrs. Birla: "Over these decades through our committed engagement, largely around our plants, all of us have laboured hard to lift the burden of poverty, from the lives of thousands. Each one of our Group Companies such as yours, has played a significant role to bring in change. And together, we have managed to make a difference. Today our Group is regarded as an exemplar in the CSR domain. Our work has been well recognised".

Since its inception, we at Hindalco have been working towards inclusive growth.

The Companies Act (2013) has been primarily introduced to bring in inclusive growth in totality, through roping as many corporates as possible.

Our focus areas are health care, education, sustainable livelihood, infrastructure and social reform. The Act clubs several areas under different headings in 10 buckets given below. Consequently, we have reclassified our activities as well.

The **first** is eradicating hunger, poverty and malnutrition, providing preventive health care and sanitation and making available safe drinking water.

Second, education continues to be a major plank. Within education, the Act includes employment enhancing vocational skills and livelihood enhancement projects.

The **third** plank is promoting gender equality, empowering women, setting up homes and hostels for women and orphans. This sits in well with our women empowerment programmes including SHGs.

Fourth on their list is ensuring environmental sustainability, inclusive of animal welfare and agro forestry. The projects that we do with BAIF — integrated livestock development and animal welfare, water harvesting structures, non-conventional energy programmes come within its purview.

Fifth on their list is protection of national heritage, art and culture, as well as promotion and development of traditional arts and handicrafts. In this regard, over the years, in a small way we have been doing this. Maybe wherever possible you can scale it up.

The **sixth** subject in which we are engaged to some extent is providing training to promote rural sports.

The **seventh** item on their agenda is the rural development projects. All of our work by and large falls within its ambit.

Other areas that the Act has specified as CSR include measures for the benefit of armed forces veterans, war widows and their dependents, contributions to the Prime Minister's Relief Fund and other funds set up by the Central Government, and lastly, contribution of funds to trusts for CSR and to technology incubators within academic institutes approved by the Central Government.

The Act also makes it mandatory to have a CSR policy and a CSR board-level committee in every company. The CSR board-level committee of your company comprises:

- Mrs. Rajashree Birla, Chairperson
- Mr. Askaran Agarwala, Director
- Mr. N. Jhaveri - Independent Director
- Dr. (Mrs.) Pragnya Ram, Group Executive President, Corporate Communications and CSR, as permanent Invitee.

The updated CSR policy can be accessed on www.hindalco.com and www.adityabirla.com

Highlights:

We pursue a project based approach with a robust implementation structure, monitoring process and a team of professionals in place at the Company units.

Your Company works intensively in 690 villages and 35 urban slums in proximity to your company's 17 manufacturing units across 16 districts within 10 states in India. We reach out to a rural population of nearly 35 lakhs in proximity to our manufacturing units at Belur in West Bengal, Doraguda, Hirakud and Lapanga in Odisha, Renukoot and Renusagar in Uttar Pradesh, Muri in Jharkhand, Singrauli in Madhya Pradesh, Dahej in Gujarat, Taloja in Maharastra, Belgaum in Karnataka, Alupuram in Kerala and your mines at Lohardaga and Latehar in Jharkhand, Samri in Chhattisgarh and Durgamwadi in Maharastra.

Education:

We run 77 balwadis at Renukoot, Renusagar, Lohardaga, Doraguda, Durgmanwadi, Belgaum and Singrauli. Through these, we have reached out to 2,479 students from poor families. We are also supporting 36 anganwadis at Samri, Belur and Lohardaga where 1,204 children are enrolled.

At Singrauli, we have constructed 6 anganwadi buildings and a school.

In our 16 Aditya Bal Vidya Mandirs/ primary schools, we have enrolled 6,086 primary students. More than 62% of these students are from the surrounding villages.

At Renukoot, Lohardaga, Mahan and Alupuram Units, we have tied up with 220 primary schools under Sarva Siksha Abhiyan (SSA) initiatives. Over 65,000 students in these schools have received technical support, study materials, school bags and uniform.

At Doraguda, we have mobilised ₹ 41.54 lakhs from the SSA Programme for construction of additional classrooms in 10 peripheral schools.

To support quality education, we have provided 117 teachers to 74 primary schools in Kalahandi and Raygada districts of Odisha, Lohardaga, Gumla and Latehar districts of Jharkhand, and Singrauli district of MP.

Under the 'Shala Praveshotsav' programme, 16,000 students from grade 1st to 8th in 80 schools from Vagara taluka in Bharuch district were given notebooks, practice books, slates, school bags etc.

At Dahej, we have bolstered the 'Kanya Kelavni' Programme with 100 girl students given the 'Vidya Laxmi Bonds' of ₹ 1,000 each.

School bags and educational kits have been provided to over 5,252 students at Dahej, Muri, Belgaum, Doraguda, Hirakud, Durgamwadi, Latehar and Renukoot.

At Muri, 85 tablets were distributed to students from poor families – 70 matric students and 15 intermediate students who secured first division and enrolled for higher studies.

Five students from Belgaum and 210 students from Doraguda were sponsored to the ITI for semi-skilled job oriented training. Merit scholarships were given to 2,502 students of 59 schools at Renukoot, Renusagar, Lohardaga Samri, Hirakud, Belgaum and Doraguda. At Alupuram, 45 students were given training in different skills.

We also organised several 'meet the parent' events every month at Hirakud, Singrauli, Belgaum and Renukoot to address the issue of school dropouts, and managed to bring 5,321 students back to school.

At Muri we conduct 22 non-formal education centres in 22 villages. A total 653 children regularly attend these schools. Literacy classes are also operational at Belur where 92 students have enrolled.

In the tribal and remote villages of Durgmanwadi, Doraguda, Singrauli, Dahej, Lohardaga and Samri mines, where dropout rates among secondary level girl students is high, we provided bus services to 375 girls to pursue higher studies.

Further, at Dahej we have distributed bicycles to standard VIII girls who come from far flung areas to study in school. So far we have distributed 250 bicycles to the needy.

At Renukoot, Belur, Muri and Hirakud, we organise 6-monthly computer literacy programmes for 540 rural youths to enhance their skills on various operating systems for self-development. We have also supplied computers to local schools in Doraguda and Hirakud, where more than 500 students get an exposure.

At Muri, Durgmanwadi, Singrauli, Renukoot and Belgaum career counselling camps were organised, in which 14,699 aspiring students participated.

A total of 1,478 adults have enrolled in our 73 adult literacy programmes at Muri, Doraguda and Belgaum.

'Kishore-Kishori' clubs are being run through 30 centres at 30 villages in Muri. Up until now, 915 village youths have received formal training on personality development, leadership, communication etc.

At Renukoot, Renusagar, Lohardaga and Samri, we organised values promotion camps/awareness drives on knowledge, attitude, and practices for the rural youth on vocational training opportunities and job prospects in the area. A total of 13,480 youths participated and out of them 412 were subsequently guided to join vocational training courses.

In Samri we distributed 500 solar L.E.D study lamps to the girl students from grade VI to X.

Health Care

We held 2,334 medical, health and family welfare camps, reaching out to1,68,088 villagers. A total of 2,44,245 villagers were registered for consultancy and treatment in our hospitals, dispensaries and clinics at Renukoot, Renusagar, Hirakud, Taloja, Alupuram, Belgaum, Doraguda, Dahej and mines areas of Lohardaga, Samri and Durgmanwadi. About 89 cases have undergone corrective surgeries at Renukoot.

We have offered homeopathy treatment facility from our clinic at Doraguda and 2,651 patients were registered for the same.

We have established a primary health centre and we are supporting 1 government primary health centre and 3 Anganwadi centres at Singrauli, offering treatment to 16,308 patients.

More than 39,600 villagers participated in various issue-based and speciality medical camps organised at Dahej, Doraguda, Hirakud, Muri and Renukoot for the treatment of malaria, filaria, diarrhoea, diabetes, hepatitis, arthritis, skin diseases, gynaecological disorders, other health problems as well as cardiac check-ups.

Intra Ocular Lens surgery helped 1,634 patients with better vision at Renukoot, Lohardaga, Hirakud, Dahej and Muri.

Eye check-ups for 824 school students were done at Belur, Latehar and Alupuram units. 223 students were provided with glasses. During the vision testing of school children at Dongasil, Kodipari and Chandragiri high schools at Raygada district in Odisha, 352 students were tested of which 57 were found having defective vision and 70 with night blindness. They were given Vitamins A, D and B complex tablets. Those having defective vision were referred for further check-ups.

At the 3 medical camps organised at Muri, Renusagar and Renukoot, 523 differently abled persons were supported financially and medically. At dental check-up camps in our Renukoot and Belgaum units, 461 persons received care and treatment. 32 leprosy patients are being treated at Lohardaga and Renusagar.

In Renukoot and Lohardaga, over 1,748 patients were diagnosed with tuberculosis and registered under directly observed treatment (DOT) and treated at the nearest 10 designated microscopic centres (DMC). These include the Hindalco family welfare centre and The Aditya Birla Rural Technology Park, Muirpur and 3 Arogyam Hospitals at Pakhar, Shrengdag and Gurdari designated microscopic centres (DMC) along with the Rajendra Hospital, Lohardaga.

At the 166 camps in Singrauli, Lapanga, Taloja, Belgaum, Lohardaga, Samri, Renusagar and Renukoot on STD/RTI and AIDS awareness camps 10,752 people participated and many of them received treatment as well. At Renukoot, Samri and Lohardaga, 34,724 people participated in tuberculosis, malaria, hepatitis and dental check-up camps.

At Muri we have started the 'Jeevan Mitra Sewa Yojana', where 14 ambulances have been earmarked for the use of critical patients. A total of 5,642 patients from local villages have availed this service and at Latehar, 105 patients recoursed to our ambulance service.

Mother and Child Health Care:

More than 1,18,425 children were treated at the OPDs of 17 family welfare centres and 4 rural hospitals at Renukoot, Renusagar, and the mines division of Lohardaga and Samri.

As many as 5,40,398 children were administered polio drops and 19,177 children were immunised against BCG, DPT and hepatitis B across Hindalco units.

Healthy baby competitions at Dahej and Renusagar in coordination with the Govt-ICDS department, saw 700 babies participating enthusiastically.

At Doraguda, Renukoot, Renusagar, Lohardaga and Samri our medical team organised adolescence health care and nutrition camps for girls in the 12-16 age group. The 7,526 girls who took part were imparted training on specific health related issues and their growth.

At 5 anaemia awareness, detection and treatment camps in Kanyashram, Govt. Girls High School, Dongasil village at Doraguda, 462 students of Kasturba Gandhi Balika Vidyalaya, underwent detection tests and treatment.

As many as 7,443 mothers took advantage of the 151 camps on anti-natal and post natal care, mass immunisation, nutrition and escort services for institutional delivery organised at Renukoot, Renusagar, Lohardaga, Samri, Lapanga, Taloja, Belur and Belgaum. These form part of our reproductive and child health care programme.

As a result of our intensive motivational drive towards responsible family raising, 4,043 villagers opted for planned families at Renukoot, Lohardaga, Samri and Hirakud.

To support the cause of rural homemakers and to reduce the burden of pulmonary diseases, more than 305 low-smoke fuel efficient wood stoves were distributed at Doraguda and Renukoot.

Safe Drinking Water and Sanitation:

This year we have installed 61 new hand pumps, repaired 323 hand pumps and dug 63 wells. Consequently, more than 1,10,225 villagers and 12,000 ward residents have access to safe drinking water at Muri, Dahej, Doraguda, Hirakud, Renukoot and Alupuram. We are running a drinking water project in collaboration with other Industries in Eloor Municipality, reaching out to 12,000 families.

We have purified drinking water sources by spraying bleaching powder/chlorine, because 54,550 villagers fetch drinking water from these sources across our unit locations, particularly during summer.

We are encouraging toilet construction and have facilitated the construction of 554 individual toilets in Singrauli, Doraguda, Belgaum, Renukoot and Lohardaga.

Sustainable Livelihood:

We provided vocational skills training to 4,177 youngsters at Renukoot, Muri, Latehar, Doraguda, Hirakud, Singrauli and Dahej.

At Renukoot, Lohardaga, Samri, Singrauli, Muri and Belgaum, we organised 75 income generation programme (IGP) awareness camps. These camps were attended by 3,750 people.

We conducted farmers training programmes at Muri, Dahej, Singrauli, Doraguda, Renukoot, Renusagar and Lohardaga. Over 20,000 farmers enlisted in them.

To enable 500 families of Kashipur in Odisha to take up commercial vegetable cultivation and earn an incremental income of ₹ 20,000 per annum, build and run institutions like co-operative/producer companies a special project — 'Enhancing Livelihood of the Poor through Commercial Vegetable Cultivation at Household Level' — was launched in Kashipur block by the Odisha Govt. The project is funded by SC\ST development department. Under the banner of Odisha Tribal Empowerment and Livelihood Project (OTLEP), it is being supported by Utkal Alumina, Doraguda as an implementing agency. The project cost is 1.96 crores and our contribution is ₹ 10 Lakhs (5%).

At Singrauli we have implemented 'Wadi and Kitchen Garden'. A total of 20 farmers benefit in the first phase. We will continue to encourage other farmers. Further, we have developed 8 Nadef compost tanks at Singrauli to encourage the use of waste in make manure for their

land and improve crop output. At Doraguda, 13 farmers from 4 villages have been oriented on installation and management of vermin compost beds followed by an exposure visit to Kucheipadar village.

As many as 8,805 farmers have received agricultural inputs like implements, seeds, fertilisers and insecticides from 114 agriculture support programmes organised at Renukoot, Renusagar, Lohardaga and Doraguda.

Agricultural farmland levelling, trench digging and construction of check dams were carried out at Renukoot. Here 26,363 farmers took part. In addition, 7,145 farmers were engaged in the lift and drip irrigation facilities in the adopted villages at Renukoot and Lohardaga mines.

We have established the solar lift Irrigation system at Kutku village in Samri. The system has 21 solar plates that generate electricity to run the pump and lift water from the Budha River. This system is already helping 45 farmers to irrigate more than 70 acres of land.

At Singrauli, we have developed three nurseries and produced 16,000 saplings. The 50,465 farmers at Renukoot, Lohardaga, Latehar, Taloja and Alupuram were offered saplings.

We have conducted 39 camps at Renukoot, Renusagar, Lohardaga and Samri to educate villagers on rainwater harvesting for groundwater recharge and retention and demonstrated the technology. A total of 1,500 villagers participated.

We immunised 61,870 animals at animal husbandry and other veterinary camps at Renukoot, Lohardaga, Samri, Doraguda, Belgaum, Durgamwadi and Singrauli. In doing so we protect their cattle from seasonal diseases and for better health.

Self Help Group: (SHG)

During the year, we formed 84 New SHGs at Singrauli, Dahej and Belur. Further, 21,337 women members from 1,017 Self Help Groups across the units were imparted training on various income generation activities, maintenance of book of accounts and skill development. These SHG members are now engaged in activities like tailoring, weaving, knitting, basket making, vermin composting pit, rearing saplings, pickles and spices, papad making, beauty parlour, vegetable vending, grocery shops and other industrial consumables.

We cite a few examples.

Members of Ekta Swayam Sahayata Samuha Asnahar-Renukoot are earning an additional income from their grocery unit. Sabji Utpadan Swayam Sahayata Samuha, Supachua-Renukoot, is profitably growing and vending vegetables on a large scale and meeting the needs of the local market. Members of Gandhi Swayam Sahayata Samuha, Baliyari-Renukoot are running sustainable flour mills for retail customers.

The papad making unit, the Sanskar SHG of Gandhinagar, Hirakud are receiving repeated orders from the Company and local market. Ma Mangala SHG, Gandhinagar, Hirakud has a buy-back tie up with the government for the supply of nutritional diet to anganwadis. Annapurna SHG of New Market, Hirakud has set up a white phenol and hand gloves manufacturing unit to cater the need of the industries. Alisha-SHG of Rickshawpada, Hirakud, earns additional income from their broomstick manufacturing unit.

Yashaswani Women SHG, Kanbargi, Belgaum has become self-sustainable in their cotton bag making and embroidery work. Members of Veerrani Chennamma Women SHG, Kakati, Belgaum are doing well at their embroidery and home decor material production unit. Laxmi Mahila Mandal, Muttenhatti, Belgaum is getting repeated orders for their Rexene bags from the local market.

At Singrauli we have formed 11 male cooperatives, including one dairy cooperative. These cooperatives are engaged in income-generation activities. Today they are in a position to meet the milk requirements of our growing township.

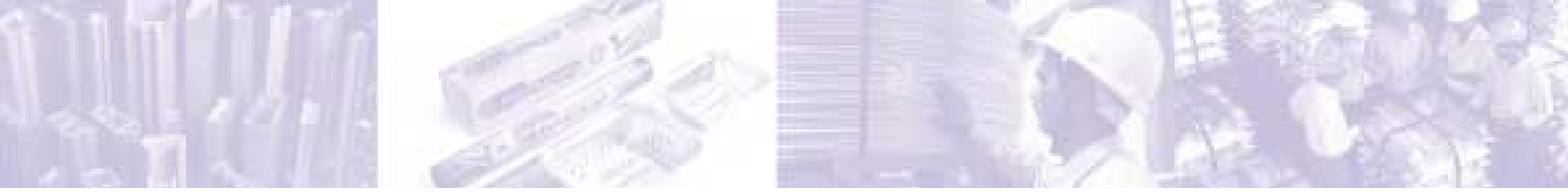
One ash brick plant was set up at Singrauli under the Enterprise Development Programme, where three families are earning their livelihood.

At Lohardaga we have organised a Driving Training Programme for 80 youths. Of these 60 youths are now driving trucks in the mines area and are earning ₹ 6,000 per month. This effort was also appreciated by the administration of Lohardaga.

Women self-help group members in Gurdari mines in Lohardaga have started mushroom cultivation and their products are being sold in hotels and big markets. So engaged, 12 women are now earning ₹ 2,500 per month.

A total of 4 groups - Jai Sarna Samooh, Jyoti Mahila Mandal, Champa Mahila Mandal and Gulab Mahila Mandal of Shrengdag mines in Lohardaga received ₹ 72,000 as revolving fund from the district Panchayat authority. They have started a livestock rearing project. Each group is earning ₹ 48,500 annually.

Having been trained adequately, as many as 62 women from 6 SHGs from Tileimal village at Lapanga have begun cultivating mushrooms. They are earning



₹ 2,600/- per month, supplementing their family income.

Fishery has been introduced in Lapanga and Singrauli. SHGs have been formed to run these projects in the Panchayat ponds.

Infrastructure Development:

Our activities here are varied. We have helped the local population by building check dams, bore wells, water harvesting structures, approach roads, internal concrete roads in villages, drainage, river steps and maintaining bathing ghats. Alongside we have constructed additional classrooms, repaired school buildings, erected boundary walls, maintained play grounds and health centres, as also built community halls. Through our interventions, we have reached out to 4,58,615 people across Renukoot, Doraguda, Hirakud, Belgaum, Muri, Latehar and Dahej.

We have constructed 5 biogas plants at Singrauli.

At Muri, we have electrified 2 villages benefitting 5,600 inhabitants. In addition, we have provided 20 solar street lights in Doraguda, 3 solar lights at Samri and 423 solar lamps to individual beneficiaries at Muri and Latehar.

While replacing the traditional streetlights, we have set up 1 KW photovoltaic solar power station, Kusmi at Samri.

We have erected 1.5 KW solar hybrid system at Meral siding, Garhwa and installed 7 street lights with the help of this solar system to illuminate the area.

We have also installed 8 Nos. of 1KW Solar streetlights (4 Arm Mini Mast S.L.S) near passenger waiting halls at Samri, Puranpani, Dumerkholi, Kudag villages Additionally, solar streetlights in Piprapat and Rajendrapur mines at Samri and Meral railway station, Garhwa, Jharkhand have been a boon to the people there.

Espousing Social Causes:

Through our innovative interventions, we work with communities and try to address social issues. These include – child labour, illiteracy, child marriages, the marginalisation and abuse of the girl child and women, drunken behaviour, maintaining poor hygiene and so on. We also promote rural sports, cultural programmes and celebration of national events/days in the area. This year our programmes were attended by 91,294 people.

The coastal belt of Odisha was badly affected by the Cyclone Phailin and the subsequent flood situation. In response to the cyclone/flood in Ganjam district, we have extended assistance by providing 833 quintals of rice and 10 tons of PVC polythene sheets and other relief materials to the cyclone-hit victims of Ganjam district.

Accolades/Awards:

Hindalco Renukoot, bagged the 3rd Annual Genentech CSR Award in the silver category for the year 2013 for their "agriculture and watershed management project".

Birla Copper, bagged the 3rd Annual Green Tech CSR Award in the silver category for the year 2013 for their "Education for All" Project.

Hindalco Lohardaga CSR activities won recognition from the Indian Bureau of Mines during 21st Mines Environment and Mineral Conservation Week held in March, 2014, at R& D Centre, SAIL-Ranchi.

OUR INVESTMENT:

For the year 2013-14, our CSR spend was ₹ 32.26 crores. In addition, we have mobilised ₹ 114 crores through the various schemes of the Government, acting as catalysts for the community.

IN SUM:

Our CSR work is making a difference to the lives of thousands. 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, reaching out to 1,50,401 people through education, 23,21,119 people through health care interventions, 2,36,751 through sustainable livelihood, 4,58,265 through rural Infrastructure and 2,92,375 through social causes.

"With all of us working so wholeheartedly and the Government also fully committed to inclusive growth, transparency and good governance, we can hope for a holistic transformation of our country. At the end of the day, we look forward to a time when the word poverty will be struck off the lexicon and no mention of it will be made in relation to India," avers Mrs Birla.

At a different level, to provide support for the education of the needy and the deserving children for pursing Under Graduate and Post Graduate professional courses, we have set up the A World Of Opportunities (AWOO) Foundation. The intent is to provide scholarships for the courses that leads to employment. The AWOO is a charitable trust with a single minded focus on the social cause of education of children in India. The foundation will fulfill its commitment by providing scholarships to those children who wish and have the potential to pursue quality higher education but are unable to do so for lack of resources and means. Over 8000 employees of the Aditya Birla Group have donated a sum of ₹ 4.2 crores (or ₹ 42 million) for this very noble cause.

Dear Shareholder,

Your Directors have pleasure in presenting the 55th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2014.

As the Management Discussion and Analysis Section of the Annual Report focuses on your Company's strategies for growth and the performance review of the businesses/operations of the Company in depth, your Board is providingonly a brief overview in this Report.

FY 2014, was a watershed year for your company. All the Greenfield projects viz. Aditya Aluminium and Mahan Aluminium as well as Alumina Refinery under Utkal Alumina International Ltd, a wholly owned subsidiary of the Company, have commenced operations. All these projects are ramping up their capacity utilization.

In July 2013, Novelis began the commissioning phase of two automotive sheet finishing lines at Oswego, its New York facility. The construction of new automotive sheet finishing plant in Changzhou, China is also on track.

In December 2013, Novelis announced plans to further expand its global production of aluminium automotive sheet products by building a third finishing line at its Oswego, New York facility and a second finishing line at its Nachterstedt, Germany facility. These projects are expected to begin commissioning in late calendar year 2015. Each of these will add approximately 120 kt of auto-finishing capacity. With these expansions, the Novelis' global automotive sheet capacity will rise to approximately 900 kt per year.

FINANCIAL PERFORMANCE

Standalone performance for the year ended March 31, 2014 witnessed the net sales grew by 7% with Profit before depreciation, interest and tax growth at 13%. Interest costs went up significantly consequent to higher borrowing and capitalization of some assets at projects. Due to higher interest cost and exceptional items, the standalone Net Profit was lower at ₹ 1,413 crore.

An exceptional item of ₹ 396 crore relates to a liability of ₹ 324 crore under The UP Tax on Entry of Goods into Local Areas Act, 2007 (UP Entry Tax) and a Liability of ₹ 72 crore under The Madhya Pradesh Gramin Avsanrachna Tatha Sarak Vikas Adhiniyam (MPGATSVA). Both these levies have been contested by the Company and appeals against these are pending before the Hon'ble Supreme Court.

The Consolidated Revenue as well as Profit before Depreciation, Interest and Taxes extended by 9% and 5% respectively in comparison to the last year's corresponding figures. Net profit was lower at ₹ 2,175 crore, because of higher interest and depreciation and exceptional items.

BUSINESS RECONSTRUCTION RESERVE

The Company had formulated a scheme of financial restructuring under sections 391 to 394 of the Companies Act 1956 ("the Scheme") between the Company and its equity shareholders approved by the High Court of judicature of Bombay to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created during the year 2008-09 by transferring balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme. Accordingly, the Company has transferred ₹ 8,647.37 crore from Securities Premium Account to BRR and till 31st March, 2013, ₹ 66.98 crore has been adjusted against BRR.

During the year, a provision of ₹ 86.06 crore has been made for diminution in value of investment in Hindalco-Almex Aerospace Limited, a subsidiary of the Company. The entire amount of provision has been adjusted against BRR.

DIVIDEND

For the year ended 31st March, 2014, the Board of Directors of the Company have recommended dividend of ₹ 1.00 per share (Previous year ₹ 1.40 per share) to equity shareholders aggregating to ₹ 241.55 crore (Previous year ₹ 313.60 crore) including Dividend Distribution Tax.

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

SUMMARY FINANCIALS

₹ Crore

	Consolidated		Standalone	
	2013-14	**2012-13**	**2013-14**	**2012-13**
Revenue from Operations (Net)	**87,695.5**	**80,192.8**	**27,850.9**	**26,056.9**
Profit before Interest, Depreciation/ Amortisation and Tax (PBIDT)	9,303.5	8,849.0	3,616.3	3,186.8
Less: Finance Costs	2,701.6	2,079.1	711.7	436.0
Less: Depreciation and Amortisation	3,552.8	2,861.1	823.3	704.2
Profit before Exceptional Item and Tax	**3,049.1**	**3,908.8**	**2,081.4**	**2,046.6**
Exceptional Item	396.0	-	396.0	
Profit Before Tax	**2,653.1**	**3,908.8**	**1,685.4**	**2,046.6**
Tax Expense	524.9	885.7	272.1	347.4
Profit After Tax	**2,128.2**	**3,023.1**	**1,413.3**	**1,699.2**
Add: Share in Profit/(Loss) of Associates	66.8	(15.8)		
Less: Minority Interest	20.0	(19.6)		
Profit for the Year	**2,175.0**	**3,026.9**	**1,413.3**	**1,699.2**
Balance brought forward from Previous Year	2,853.0	1,182.3	750.0	400.0
Adjustment on Acquisition, disposal and change in holding interest in Group Companies	(0.2)	(0.1)		
Surplus available for Appropriation	5,027.8	4,209.1	2,163.3	2,099.2
Appropriations:				
- General Reserve	1,062.9	901.8	1,056.0	899.5
- Debenture Redemption Reserve	151.0	150.6	150.0	150.0
- Proposed Dividend	206.5	268.1	206.5	268.1
- Corporate Dividend Tax	37.7	34.8	0.9	31.7
- Transfer on Capital Reduction	(86.1)	-		
- Special Reserve	1.0	0.8		
- Balance carried to Balance Sheet	3,654.8	2,853.0	750.0	750.0
	5,027.8	**4,209.1**	**2,163.3**	**2,099.2**

ESOS 2006

During the year ended 31st March, 2014, the Company has allotted 4,800 fully paid-up equity share of ₹ 1/- each of the Company (Previous year 40,760) on exercise of options under ESOS 2006 for which the Company has realised₹ 0.05 crore (Previous year ₹ 0.40 crore) as exercise money. The weighted average share price for the year ended 31st March, 2014 over which options exercised was ₹ 115.20 (Previous year ₹ 117.41).

ESOS 2013

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

In terms of ESOS 2013, during the year ended 31st March, 2014 the Company has granted 1,930,004 stock options and 1,931,289 RSUs to the eligible employees of the Company and some of its subsidiary companies.

Disclosure pursuant to the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme) Guidelines, 1999 is given in Annexure –A.

FINANCE

We continued with further financing initiatives to strengthen our balance sheet and progress on the chartered growth path. During the year, Your Company refinanced project loans for all three greenfield projects and this resulted in an annual savings to the tune of ₹ 350 Crore in interest payments.

In accordance with the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, the Company had allotted 150,000,000 warrants on a preferential basis to the Promoter Group on 22nd March, 2012 entitling them to apply for and obtain allotment of one equity share of ₹ 1/- each fully paid-up at a price of ₹ 144.35 per share against each such warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment in one or more tranches for which the Company has received ₹ 541.31 crore being 25% against these warrants. The Promoter Group Companies applied for conversion of warrants into equity shares at predetermined price, accordingly the Company has issued and allotted 150,000,000 equity shares of ₹ 1/- each at a premium of ₹ 143.35 per share on 20th September, 2013 to the Promoter Group on payment of balance amount of these warrants. The entire amount so received has been utilised for various Greenfield and Brownfield projects expenditure.

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.

AWARDS & RECOGNITIONS

Renukoot Aluminum Complex wins Greentech HR Platinum Award, in the Best Strategy category, the highest in this segment.

Renukoot Aluminium Complex wins Greentech Silver award for CSR presented by the Greentech Foundation New Delhi

Renukoot Aluminium Complex wins Greentech Platinum Environment Award for environmental excellence, presented by the Greentech Foundation, New Delhi

Renukoot Complex wins the Janeshwar Mishra Exports Award, for 2009-10, First Prize in Engineering & Builders Hardware Category, presented by the Uttar Pradesh Export Promotion Bureau, Department of MSME, Government of U.P. in September 2013.

Renusagar Power Division wins the Greentech Safety Gold Award-2013 in the Thermal Power Sector, presented by the Greentech Foundation, New Delhi, for its outstanding achievements in the field of Occupational Health and Safety.

Renusagar Power Division wins the Safety Innovation Award-2013 in Power Plant category, presented by the Institute of Engineers (India) for its outstanding innovative achievements in the field of Occupational Health and Safety.

Renusagar Power Division Hospital wins the FICCI Healthcare Excellence Award 2013'.

Dahej Copper Complex wins Greentech Environment Platinum Award 2013, for its environmental initiatives such as water conservation by recycling of plant effluents, utilization of solid wastes, installation of continuous ambient air quality monitoring stations, development of green belt at plant and township .

Dahej Copper Complex wins Greentech Silver Award-2013 for its outstanding CSR work in the 85 surrounding Government Schools, where Dahej has contributed towards improvement in education.

Hirakud Smelter wins the CII (ER) Quality Award in the Large & Medium Scale category, in recognition of its pursuit of Total Quality Management.

Hirakud Smelter wins 2nd Prize in Longest Accident free period till 2009 from Directorate of Factories & Boilers, presented at Bhubaneswar in February 2014

Talabira-I Coal Mines wins the IME Journal Mining Innovation Award 2012 for Innovative Mine Development and Production System with blast free coal mining

Taloja Rolling Plant was awarded the Employers' Federation of India (EFI) National Award- 2013, for Excellence in Employee Relations.

Taloja Rolling Plant wins National Safety Awards presented by the National Safety Council (Maharashtra Chapter) for Longest Accident Free Period 2012 and Lowest Accident Frequency Rate, 2012.

Taloja Rolling Plant awarded Best Supplier in aluminum metal category by Tata Toyo Radiators for the year 2013-14.

Alupuram Extrusions team earned third place in the Productivity Competition conducted by the Indian Institution of Industrial Engineering, Kerala Chapter, held in April 2013.

Muri Alumina Plant wins Greentech Environment Gold Award for environmental excellence, in recognition of its achieving a major target to reduce water and energy consumption.

Belgaum Alumina Plant wins the Government of Karnataka State Export Excellence Gold Awards, under the product category Chemicals & Plastics for medium/large enterprises for the years 2011-12 and 2012-13. The award was presented on 21st February 2014.

Belgaum Plant - Boilers is awarded “First Prize” in “Best Safe Industrial Boiler”, by the Karnataka State Safety Institute, Department of Factories & Boilers, Government of Karnataka, at the State Level Safety Competition held on the eve of 43rd National Safety Day Celebrations - 2014.

Lohardaga Mines Division wins 1st Prize of Overall performance during Metalliferous Mine Safety Week Celebration-2013 held under the aegis of Directorate General of Mines Safety, Ranchi Region.

Lohardaga Mines Division wins 1st and 2nd Prize respectively of Overall performance under the category of Fully Mechanized mines during Mine Environment and Mineral Conservation Week Celebration 2013-14, held under the aegis of Indian Bureau of Mines, Ranchi Region.

ENVIRONMENT PROTECTION AND POLLUTION CONTROL

Your Company is committed to sustainable development. Your Company is a signatory to the Global Compact and subscribes to the principle of triple-bottom line accountability.

A separate chapter in this report deals at length with your Company’s initiatives and commitment to environment conservation.

HUMAN RESOURCES

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

CORPORATE GOVERNANCE

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

As required by Clause 49 of the Listing Agreement of Stock Exchanges, a separate section on Corporate Governance, together with a certificate from your Company’s statutory auditors, forms part of this Annual Report.

There has been news item about pending investigation in respect of allocation of a coal block to the Company. Your Directors wish to reassure you that the project fully deserved allocation of coal block on its own merits and that no illegality has been committed in this regard. Your Company has produced all documents in support thereof to the investigating agencies.

BUSINESS RESPONSIBILITY REPORT

As per Clause 55 of the Listing Agreement with the Stock Exchanges, a separate section of Business Responsibility Report forms part of this Annual Report.

DIRECTORS’ RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the “Directors’ Responsibility Statement” and confirm that:

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS AND RESULTS OF SUBSIDIARY COMPANIES

Consolidated Financial Statements have been prepared by your Company in accordance with the applicable Accounting Standards (AS-21, AS-23 and AS-27) issued by the Institute of Chartered Accountants of India and the provisions of the listing agreement with the Stock Exchanges. Together with the Auditors' Report, these form part of the Annual Report.

In terms of the General Circular of the Ministry of Corporate Affairs (MCA), Government of India, the copy of Balance Sheet, Statement of Profit and Loss, Directors' Report, Auditors' Report, etc., of the subsidiary companies is not attached with the Annual Report of the Company. The related information on the Annual Accounts of the subsidiary companies shall be made available to the shareholders of the Company and of the subsidiary companies, who shall seek such information at any point of time. The Annual Accounts of the subsidiary companies will also be kept for inspection by any shareholder at the Registered Office of the Company and that of the subsidiary companies concerned. The Statement pursuant to Section 212 of the Companies Act, 1956, containing the details of the Company's subsidiaries and the gist of the financial performance of the subsidiary companies forms part of the Consolidated Financial Statements of this Annual Report.

Novelis Inc (wholly owned subsidiary)

Shipments of flat rolled products increased from 2,786 kt in fiscal 2013 to 2,895 kt in fiscal 2014. The recent rolling expansion in Pindamonhangaba (Pinda) facility, coupled with the strong demand in Brazil, contributed to the higher shipments and strong operating results in South America. Shipments were also up in Europe in fiscal 2014 compared to fiscal 2013, driven by higher automotive and can product shipments. The recent rolling expansion project in South Korea contributed to the higher shipment levels in Asia region. Shipments in North America were down compared to the prior year, as can product shipments were lower.

Under US GAAP, Novelis reported "Net income" of $104 million for the year ended March 31, 2014, compared to $203 million in the year ended March 31, 2013. Cash flow provided by operating activities was $702 million compared to $203 million in the previous year.

Aditya Birla Minerals Limited (51 per cent subsidiary)

Aditya Birla Minerals Limited, Australia reported a net loss of AUD 0.2 million in FY14 compared to loss of AUD 8.3 million in FY13. Mount Gordon mines operations is currently placed under care and maintenance and various strategic options are being evaluated including divestment. Nifty mines is currently under suspension post development of a sink hole on March 20, 2014.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, stipulated under Section 217(1)(e) of the Companies Act, 1956, is set out in a separate statement, attached to this Report and forms part of it as Annexure "B".

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

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.

COST AUDITORS

The Board of Directors of your Company have on the recommendation of Audit Committee appointed M/s R. Nanabhoy & Co. Cost Accountants, Mumbai to conduct the cost audit of your Company for the financial year ending 31st March, 2015 at a remuneration as Mentioned in the Notice convening the AGM, subject to ratification of remuneration by Members of your Company.

The Audit Committee has received a certificate from Cost Auditors certifying their independence and arm's length relationship with your Company in accordance with the Companies (Cost Audit Report) Rules 2011 the due date for filing Cost Audit Report in XBRL for the financial year ended 31st March 2013 was 30th September 2013 vide SRN No. S22374656 with the Ministry of Corporate Affairs, New Delhi.

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

D. Bhattacharya – Managing Director
M.M. Bhagat – Director

Mumbai
Dated : 29th day of May, 2014

ANNEXURE "A" TO THE DIRECTORS REPORT

		ESOS – 2006				ESOS – 2013	
	Particulars	**Tranche - I (23.08.2007)**	**Tranche - II (25.01.2008)**	**Tranche - III (03.09.2010)**	**Tranche - IV (09.10.2013)**	**Tranche - I (09.10.2013)**	**RSU Tranche - I (09.10.2013)**
a.	No. of options granted	1,940,250	1,033,140	572,160	782,609	1,930,004	1,931,289
b.	The pricing formula	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%.	The exercise price was the closing market price, prior to the date of grant.	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%.	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.	The exercise price is the previous day's closing price on the date on which the ESOS Compensation Committee finalised the specific number of options to be granted to the employees.	The exercise price is at the face value of ₹ 1 /- each of the equity shares of your Company.
		(Exercise price - ₹ 98.30 Per option)	(Exercise prce - ₹ 150.10 Per option)	(Exercise price - ₹ 118.35 Per option)	(Exercise price - ₹ 118.73 Per option)	(Exercise price - ₹ 119.45 Per option)	(Exercise price - ₹ 1 Per option)
c.	Options vested	617,147	649,924	323,555	0	0	0
d.	Options exercised	661,096	16,256	8,400	0	0	0
e.	The total number of shares arising as a result of exercise of the options.	661,096	16,256	8,400	0	0	0
f.	Options lapsed / Cancelled	94,666	227,400	0	0	0	0
g.	Variation of terms of options	Nil	Nil	Nil	Nil	Nil	Nil
h.	Money realised by exercise of options	64,985,737	2,440,026	994,140			
i.	Total number of options in force:						
	– Vested	617,147	649,924	323,555	0		
	– Unvested	0	0	99,598	782,609	1,930,004	1,931,289
j.	Employee wise details of options granted to:						
	i. Senior Managerial Personnel:						
	Mr. D. Bhattacharya - Managing Director	270,100	700,000	Nil	Nil	826,930	827,482
	Mr. Satish Pai - Whole-time Director	Nil	Nil	Nil	782,609	Nil	Nil
	ii. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil					
	iii. Identified employee who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and coversions) of the Company at the time of grant.	Nil					
k.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	7.09					
l.	Where the Company has calculated the employees compensation cost using the intrinsic value of the stock options:						
	i. the difference between the employee compensation cost so computed and the employee compensation cost that shall be recognised if it had used the fair value of the options shall be disclosed.	The Company measures compensation cost for the stock options granted using intrinsic value method. Had the compensation cost been determined in a manner consistent with fair value approach, the Company's net profit and earnings per share as reported would have been as under:					

	Year ended 31/03/2014 (₹ in Crore)
Reported Net Profit for the period	1,413
Add: Compensation cost under ESOS as per intrinsic value	4
Less: Compensation cost under ESOS as per fair value	-8
Proforma Net Profit for the period	1,409

			ESOS – 2006				ESOS – 2013	
		Particulars	**Tranche - I (23.08.2007)**	**Tranche - II (25.01.2008)**	**Tranche - III (03.09.2010)**	**Tranche - IV (09.10.2013)**	**Tranche - I (09.10.2013)**	**RSU Tranche - I (09.10.2013)**
	ii.	The impact of this difference:						
		– on profits	Reported Net Profit for the period is ₹ 1,413 crore Vs. ₹ 1409 crore as per proforma					
		– EPS	Basic and Diluted EPS as Reported ₹ 7.09 per share vs. ₹ 7.07 per share as per Proforma					
m.		Weighted average exercise prices of options:						
	i.	equal or exceed to market price of the stock					₹ 119.45 per option	
	ii.	less than market price of the stock	₹ 118.73 per option					₹ 1 per option
		Weighted average fair values of options						
	i.	equal or exceed to market price of the stock						
	ii.	less than the market price of the stock.	₹ 64.05 per option				₹ 63.9 per option	₹ 100.83 per option
n.		A description of the method used during the year to estimate the fair values of options. Significant assumptions used during the year to estimate the fair values of options including the following weighted average information:	Black and Scholes Model.					
	i.	Risk - free interest rate		9%			9%	9%
	ii.	Expected life		7.5 years			7.5 years	8 years
	iii.	Expected volatility		0.487			0.487	0.478
	iv.	Expected dividend		140%			140%	140%
	v.	The price of the underlying share in the market at the time of option grant.	₹ 138.95	₹ 150.10	₹ 173.65	119.45	119.45	119.45

ANNEXURE "B" TO THE DIRECTORS REPORT

A. CONSERVATION OF ENERGY

For your company, conservation of energy & improving energy efficiency is a continuous process. For an energy intensive industry like ours, this holds the key to mitigate high energy cost. Moreover this provides your company a tool for the urge to protect the environment & surrounding which sits deep in the company's DNA.

Your company is focused more aggressively than ever before to set benchmark standards in utilization of energy, use of renewable & 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 Top Down & Bottom Up approach to mobilize & implement energy saving measures. Walk-Through & 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 & 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 & 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.

The Bureau of Energy Efficiency (BEE) under the aegis of Ministry of Power, Government of India has also introduced **PAT** (Perform Achieve & Trade) to draw more focus towards Energy Conservation. Through this scheme reduction targets on SEC (Specific Energy Consumption) have been notified across 8 manufacturing sectors including 5 DCs of Hindalco. Under this scheme companies achieving SEC lower than the target set for FY-15 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 teams 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 & 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 & 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 Metallic Fan blade of Cooling Towers with FRP blades.
xiv. Application of Corrosion resistant coating in pumps and blowers.

1. **ALUMINA PLANT:**
   i. Cake-relay tank No # 2 piping modification to avoid running of agitator (Bypass line from Kelly press # 2 to repulper P # 3).
   ii. POP (pump off slurry pump) in precipitation area replaced with Washer#1 Over/Flow pump.
   iii. Replaced Drum-area Cloth-wash pump with multistage pump and relocated Additive-area Lime pump to 10% lime tank area in order to avoid intermittent pumping.
   iv. VFD installation & Drum filtrate & Washer#1 Over-flow tank Pump size correction.
   v. Using VAM refrigeration unit in place of conventional air conditioning unit in central office.
   vi. Piping modification to take out 1.1 bar excess steam from Digestion unit IV for use in other heat sink.
   vii. Replacement of the old over-aged heater tubes with new tubes and installation of other heater upkeep facility to reduce steam consumption.
   viii. Optimization of pumps running hours of DM water transfer system to reduce pumping power.
   ix. A separate cooling airline provided from PA fan duct for Boiler's Flame Scanner cooling to stop usage of 2 no dedicated air blowers.
   x. Installations of boiler blow down flash stream recovery system to use generated flash steam for preheating of condensate coming out of condenser through CEP.
   xi. Installation of standby line in HT area for continuous & maximum heat recovery in LT area for avoiding use of additional live steam during scaling in HT line.
   xii. One stage reduced from Boiler feed pump after system audit based on process demand.
   xiii. Installation of VFD in ETP Zero Discharge pump.
   xiv. Trimming of 7 no pumps impeller according to process demand.

2. **SMELTER:**
   i. Installation of Air-washer for centrifugal compressor to reduce specific power.
   ii. Redesigning of bag house of line-1 & 6 DSS to reduce pressure drop.
   iii. Mechanical locking arrangement for centre punch holding in next 626 pots to reduce compressed Air consumption.
   iv. Installation of state-of-the-art in new baking Furnace to reduce furnace oil consumption from 75 Litre/MT to 55 Litre/MT.
   v. Reduction in consumption of compressed air in tapping by providing regulators in tapping air.
   vi. Reduction in power consumption of alumina transfer system by replacing existing air slide
   vii. Old 60 MVA regulating transformer of PL#2 replaced with new 75 MVA transformer to minimize loss in transformer.
   viii. Reduction in MV drop in DC bus bar joints of Rectifier unit # 3D by use of ECOCONTACT.
   ix. 14 Nos old DC isolators of PL#1 having high MV drop replaced with new DC isolators having low MV drop.
   x. Trial in 10 pots with modified pot control logic for reduction in Anode effect.
   xi. Trial in 3 pots with modified Cathode (material) composition for reduction in cathode voltage drop.
   xii. Replacement of 7 no motors with Energy Efficient Motors in cooling water system.
   xiii. Adoption of Slotted Anode for trial in 28 no of pots to reduce voltage drop.
   xiv. Installation of VFD in cooling water pump of Compressor.
   xv. Modification in dust collector system in FTP – BTAP Silo area to avoid running of one 7.5 kW motor.

xvi. Modification in dust collector in FTP Enriched HDPS 40 Ton SILO Area, One 15 kW motor is totally stopped.

xvii. Modification in airline & Pulsing System of FTP Bag House Filter to improve operational efficiency to avoid running of one compressor.

xviii. Installation of In-house developed on – line Pot shunting machine to improve pot efficiency.

xix. Adopted practices to use insulated Launder cover to reduce fuel consumption.

xx. Re-lining of thermal furnace to reduce radiation losses resulting fuel oil saving.

xxi. In Sow Casting machine, 3 nos. mould pre heaters are switched off after 3 casts resulting in power saving.

xxii. Installation of 5x35 MVAr Filter banks in 220 kV conversion substation to improve power factor.

3. FABRICATION PLANT:

i. Interlocking arrangement for stoppage of Vapour Exhaust fans of DC # 2 & 4 with casting station.

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

iii. Revamping of Soaking Pit to reduce power consumption.

iv. Modification of Die preheat oven of Ext. Press # 1 (New Single cell in place of twin chamber type DPO)

v. Interlocking of Air wiping at Hot & Cold Mills with Mill running.

vi. Shut off Compressor #3 (coolant area) by connecting Coolant area filtration unit with Old Air Compressor & using Plant air for wiping of Coolant.

vii. Change in SOP of AA 3105 alloy from inter-annealing route to partial-annealing route in Export product to reduce power consumption.

viii. Conversion of about 500 MT / Month of AA3105 with Partial Annealing route at low temp.

ix. Revamping of DC Homogenizing Furnace #1 to reduce specific power consumption.

x. Modification of Oil Cellar pumping system in Properzi to avoid duplicate running.

xi. Removal of 17.5 HP pump from Properzi #2 by reducing head loss through modification of header size.

xii. Installation of Light Pipe (Solar) in maintenance shop to avoid conventional light.

xiii. Revamping of Annealing Furnace # 5 to reduce radiation losses.

xiv. Re-insulation of doors of New Remelting and Preheating furnace # 1, 2 & 3 to reduce losses.

xv. Replacement of 2 no inefficient pumps with one no. high efficient & high capacity pump to meet the process demand and power saving.

xvi. Reduction in the cycle time of Annealing by increasing the hot air re-circulation blower speed with the help of VFD.

xvii. Revamping of soaking pit # 1 with ceramic blanket insulation.

xviii. Enhancement of Annealing Furnace loading capacity from 85% to 95% to reduce power consumption.

xix. Synchronization of DC Motor Field Operation according to rolling operation.

xx. Auto Control Logic provided in combustion blower to stop blower during furnace door opening.

xxi. Compressed Air header pressure of Foil Mill compressor reduced from 7 Kg to 6.5 Kg by optimizing process demand.

xxii. Modification in loading racks of Annealing Furnace to enhance loading capacity.

xxiii. Interlocking arrangement made in DC Motor blowers according to Foil lamination operation.

4. POWER PLANTS / CO-GENERATIONS:

i. Renovation and Modernization (R&M) of TG #1 was carried out for enhancing generation capacity to 75.2 MW from 67.4 MW and heat rate improvement to 2224 k-cal/kWh from 2420 k-cal/kWh.

ii. Installed Electronic Governing system in TG #3 for smooth control of the operating parameters.

iii. Installed the Wide Range Coal Burners in Boiler #9 for enhancing Boiler efficiency by 0.5 %.

iv. Installed CO Analyzer in Boiler #3,5,6,7,9,10 & Spare for proper control of excess air for optimizing Boiler efficiency.

v. Used self developed Fuel Additive for dozing inside the furnace to improve efficiency of all the Boilers by 1.25 %.

vi. Replaced the existing Splash Fill Bars of Cooling Tower #2 with new efficient Film Fill for reducing cooling water temperature by $1.0^{O}C$.

vii. Procured Helium Leak Detector instrument for identification of air ingress inside the condensers.

viii. Installed smaller size Rotor in CW Pumps of Unit #1,2,3,7,8,9 & 10 for operation during winter season to reduce power consumption during winter season.

ix. Operated three Units (TG # 4, 5 & 6) with only two CW Pumps during winter season. (Auxiliary power saving by 1200 kW for 120 days).

x. Replaced 17 Nos. inefficient Cooling Tower Fan Blades of TG No. 1,5,7 & 8.

xi. Reduced ESP Hopper temperature setting from $150^{O}C$ to $120^{O}C$ to minimize operating duration of Hopper heaters in all Boilers.

xii. Diverted fly ash from Ash Plant #3 Silo to 2000 MT Silo to avoid operation of compressor.

xiii. Converted Wet Ash Disposal System to Dry Ash Disposal System in Boiler #10.

xiv. Installed smaller size Impeller in FD Fan of Boiler #4.

xv. Increased the water filling line size from 6” to 10” to avoid additional operating hours of Ash Plant #5 equipment during flushing of LDAD.

xvi. Commissioned VFD system in Coal Feeders of Boiler No.6,7,10, Spare Boiler, Ash Plant #4 compressor and Boiler #2 PA Fan.

xvii. Installed 14 Nos. FCU in Switchgear #7&10 to minimize the AHU operation.

xviii. Water filling arrangement done in Bottom hopper in Unit #6&7 through CW Pump Discharge line instead of operation of LP Pump.

xix. Installed industrial rain shed over crushed coal yard of CHP-IV in RPD & Hirakud Power division to avoid coal flow interruption during rainy season.

xx. Modified the oil firing system of Spare Boiler by installation of HEA rod in oil gun.

xxi. Optimization of motor capacity to run single PA Fan in place of two PA fan in Boiler # 4.

xxii. Energy saving by putting off alternate Transformer in Co-gen # 1 & 2 during shut down.

xxiii. Up-gradation of Boiler#1 bare tube economizer to improve efficiency by reducing flue gas temperature.

xxiv. Coro-coating of CW Pump-W impeller of Co-gen #1.

xxv. Installation of HP heater in Co-gen # 2 to improve cycle efficiency.

xxvi. R & M of Boiler # 3 Air Pre-heater to reduce flue gas temperature resulting increases Boiler thermal efficiency.

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

xxviii. Modification of one Cogen-1 CW pump for winter season to optimize auxiliary power consumption.

xxix. Revamping & modification of Flue Gas Duct & air circuit to improve Boiler efficiency.

xxx. Installation of 5 nos. of VFD in Cooling tower fans of Unit 2,3 & 4.

xxxi. Revamping & modification of ESP 1 & 2 to meet emission norms & reduce energy consumption.

xxxii. Installation of Automatic Flow Controller (AFC) in compressed air receiver to meet process demand resulting power saving.

xxxiii. Stopping one set of ID & SA fans in Boiler no. 9,10 & 11 during low load to minimize aux. energy consumption.

xxxiv. Renovation of old screw material with high temp resistance material to reduce breakdown in boilers Bed Ash Cooler of Unit-2, 3 & 4.

xxxv. Operation of Single CW & ACW Pump in Unit#1 & Unit#2 in place of 2 pumps to reduce aux power.

xxxvi. Operation of Single PA & FD fan in CPP Unit # 1 & #2 in place of 2 fans to meet the process demand.

xxxvii. Modification in Drum level auto control loop to control the drum level by BFP scoop position in Unit 1 & 2.

xxxviii. Installation of Re – circulating control system in condensate line to optimize pumps load operation in Unit#1 & #2.

xxxix. Operation of fire Hydrant System taken in auto mode to avoid extra running of pump

xl. Optimization of Cooling water system according to process demand to avoid running of 1 no CW & Filling pump.

xli. Installation of Optimum Temperature Control for ESP Hopper Heaters.

xlii. Use of Advanced ARECA Controllers with charge Ratio Control, Intermittent Charging and Base Charging for energy saving and emission control.

5. COPPER DIVISION:

i. Installation of MV Drive in Boiler-1 ID & PA Fan.

ii. Boiler Feed water Pump reduced from 8 stages to 7 stages as per the head requirement.

iii. Additional Medium Pressure steam Line connected to PRDS in Smelter 3 to reduce high-pressure steam venting going to CPP.

iv. Integration of Temperature indication of Cooling Tower Pump with PLC to ensure auto stoppage of Cooling Tower Fan based on set Temperature and reduction of running hour for CT ID fan.

v. Installation of LT VFD to reduce power.

b. ADDITIONAL INVESTMENT AND PROPOSALS BEING IMPLEMENTED

1. ALUMINA PLANT:

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 & in situ machining to enhance the reliability & maintainability of the heater.

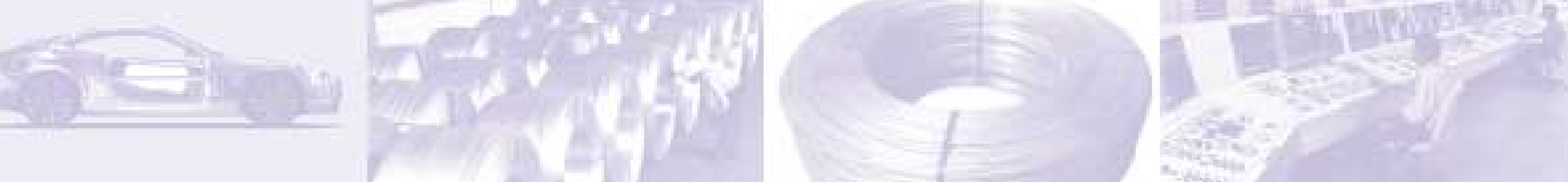
iii. Introduction of new system of Precipitator tank cleaning by taking hot liquor in place of cold liquor to reduce steam consumption.

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

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

vi. IWR cooling-tower pump motor rating to be optimize in view of change in evaporation circuit and piping layout.

vii. To convert Ball Mill No # 2 & 3 from discharge-type to overflow-type to reduce specific power consumption.



viii. To take Ball mill #2 & 3 discharge slurry on the DSM screen on SH tank # 4 to reduce pumping of Reject pump.

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

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

xi. To increase HT Digestion III heater exit temperature by increasing heat recovery through last flashing stage (Installation of additional heater with duplex SS tubes).

xii. To bypass the fine seed dewatering system as it does not require condensate washing due to low oxalate content in the process.

xiii. To reduce the running hours of 3 Vacuum pumps by providing additional 24” header from Filtration area to Evaporation III FF tank to create vacuum in Filtration area from FF tank.

xiv. Replacement of inefficient 250 hp motor with Energy Efficient motor In compressor.

xv. To introduce Hydrate Drying System by utilizing waste heat of SGAC (special grade Alumina Calcinations).

xvi. To install Biomass Briquette based 20 TPH Steam plant to reduce fuel consumption.

xvii. To install HT VFD in PA / SA ID fan in one Boiler.

xviii. To install VFD in Silo area Extraction Blower.

2. SMELTER:

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

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

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

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

v. Trial of Three new design Pot to run at 90 KA amperage.

vi. Horizontal replication of Project Gemini in Two pot lines.

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

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

ix. Qxy-fuel CNC cutting machine for collector bar sharpening.

x. F.O consumption to be reduced in new ICM from 4.6 ltr/ton to 2.50 ltr/ton

xi. Optimization of equipment operating hours of New ICM.

xii. Replacement of 11KV O/H conductors of colony feeder from DOG to GOAT to minimize line loss.

xiii. Reduction in mv drops in DC bus bar joints of Rectifier units of Potline#8 by use of ECO CONTACTS.

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

xv. To reduce voltage drops in Cathode block through change in material composition in phase manner after trial result of 19 pots.

xvi. Use of Slotted anode in phase manner.

xvii. Feasibility to use improved lining & Cathode bar to reduce voltage drop.

xviii. To replace 1 no Reciprocating compressor with Screw compressor.

xix. To install APFC Panel for power factor improvement in Substation auxiliary load.

xx. To install dedicated cooling water pumps of 132 cum/hr or AHU of Cast house A.C units to stop running of 500 cum/hr pumps of ICM units when casting machine is stopped.

3. FABRICATION PLANT:

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 DEG to 25 DEG to save energy.

iii. Removal of 90T AC Pump, Computer room AC pump & 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. 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.

vi. Installation of Sky light at Mecesa & Circle Packing Area

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

viii. Revamping of 3 no soaking Pits to reduce power consumption.

ix. Installation of VFD in Davy Cold Mill roll coolant pump AM #10 and Caster Nitrogen Plant Reciprocation compressor.

x. To replace Hot mill Entry MILL DC motor ventilation system With CACW Heat Exchanger.

xi. Revamping of DC Homogenization Furnace #2 to reduce power consumption.

xii. Heat Exchanger piping modification of Nitrogen Plant, Compressor House & Hydraulic power pack unit in Billet Casting to enhance heat transfer.

xiii. Installation of Fanless Cooling Tower in place of ID-Fan Cooling Tower in Billet Casting.

xiv. Replacement of conventional insulation by procuring a new developed insulation to reduce energy consumption.

xv. Pass elimination for FS narrow width coil in Bliss Cold Mill.

xvi. Increasing load of stress relieving material (STUCCO) from 16 T/ Load to 20 T/ Load.

xvii. Processing of soft slitting hard alloys at Mecessa slitter to enhance recovery.

xviii. Revamping of Annealing Furnace # 7.

xix. Door Re – lining of Annealing Furnace # 8 & 9 to reduce losses.

xx. To install Light Pipe (Solar) in Scalper bay, offices shop floor area.

xxi. To install 2 no PV Power Plant (Solar) of cap 1 MW & 600 kW.

xxii. To install VFD in Foil Mill Fume Exhaust & feed pump and Rolling Mill DC Motor's Blower.

4. POWER PLANTS / CO-GENERATION UNITS:

i. R&M of TG#2 including governing & excitation system for heat rate improvement and additional generation of about 8 MW.

ii. Installation of Wide Range Coal Burners in Boiler #7.

iii. Modification of Super-heater in Boiler #3&4 for enhancing Boiler efficiency.

iv. Installation of Waste Heat Recovery System.

v. Modification in Cooling Tower #3 for reducing water temperature by 1^{O}C by changing Splash Fill bars with Film Fills.

vi. Installation of brush seal in Air Pre-heater of Boiler #6, 7&8 for improving efficiency.

vii. Installation of brush seals in Unit #9 for inters stage sealing.

viii. Replacement of 34 Nos. existing CT Fan blades with efficient blades in Unit # 2,3,4,6,9 & 10.
ix. Installation of VFD for Ash Plant #3 Compressor and Boiler#4 ID Fans.
x. Installation of smaller size Impeller in FD Fan of Boiler #3 and make-up Water Pump #A.
xi. Operation of three Units by operating only two CW Pumps during winter season for power saving.
xii. Installation of smaller size impeller in CW Pumps of seven Units.
xiii. Replacement of inefficient and bigger size fan impeller of PA Fan of Boiler #5.
xiv. Construction of new industrial shed over crushed coal in CHP #2 to avoid coal flow interruption during rainy season.
xv. Replacement of fans with modified higher efficiency Fans along with one LT motor and it's VFD in Boiler#1.
xvi. 4 nos. CT fan blade replacement with FRP type blade with composite shaft.
xvii. Dearator feed pump (B#4) is to be replaced with energy efficient pump
xviii. Implementation of Coordinated control system to improve power to steam ratio.
xix. To connect with 220 KV grid from 132 KV grid to reduce transmission losses to enhance system stability
xx. Retrofitting of VFD in place of Dynodrive in DCC of Unit # 1 boilers.
xxi. Installation of 8 nos. VFD in PA fan of Unit # 2, 3 & 5.
xxii. Installation of 4 nos. VFD in CT fan of Unit # 5.
xxiii. To install 300 kW (Solar) PV Power Plant.
xxiv. To install Advanced Process Control system to improve Boiler Efficiency.
xxv. Overhauling of TG Unit - 2 to improve Plant efficiency.
xxvi. Operation of Single CW Pump in Unit#3 & Unit#4 in place of 2 pumps.
xxvii. Operation of Single PA & FD fan in Unit#3 and Unit#4 in place of 2 fans.
xxviii. Installation of VFD in PA Fans of CPP Unit #1& 2.
xxix. To install VAM.

5. **COPPER DIVISION:**

i. To install soft starter cum energy saver for Motor of Screen feed elevator in PAP and SCF Conveyor.
ii. To install capacitor bank to improve PF in few process distribution transformers.
iii. To install VFD in RWP – 5, Soft & Plant water pump of WTP – 2, PRJS pump of SAP – III and Casting Hot well pumps of CCR 1 & 2.

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 centers. Efforts continue to further optimize 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 & Fuel Consumption	**2013-14**	**2012-13**
1 Electricity		
a) Purchased from SEB's		
Units (KWH in thousands)	339,019	317,355
Total Amount (₹ in crore) (excluding	199	184
Minimum Demand Charges)		
Rate/Unit (₹)	5.88	5.81
b) Own Generation		
i) Through Steam Turbine/Generator		
Units (KWH in thousands)	10,133,573	9,714,967
Cost/Unit (₹) (Coal & Fuel only)	1.95	1.83
ii) Through Diesel Generator		
Units (KWH in thousands)	333	1,624
Cost/Unit (₹)	26.49	17.77
2 Steam Coal (for Generation of Steam)		
Quantity (Tonnes)	9,590,897	9,321,661
Total Amount (₹ in crore)	2,185	2,014
Average Rate (₹)	2,279	2,160
3 Furnace Oil (Fuel Oil,L.D.Oil,HSD Oil)		
Quantity (KL)	150,581	170,730
Total Amount (₹ in crore)	645	706
Average Rate (₹)	42,803	41,334
4 Steam (Purchased)		
Quantity (Tonnes)	58,633	27,965
Total Amount (₹ in crore)	4	1
Average Rate (₹)	717	530

B Consumption per Unit of Production (per MT)

		Unit	2013-14	2012-13
1	Aluminium Metal (including Alumina)			
	Electricity	kwh	16,383	16,312
	Furnace Oil	Litres	184	188
	Steam Coal	MT	1.528	1.553
2	Redraw Rods (including Alloy Rods)			
	Electricity	kwh	52	54
	Furnace Oil	Litres	21	20
3	Fabricated Products (Rolled & Extrusion)			
	Electricity	kwh	1,051	1,037
	Furnace Oil	Litres	68	67
4	Aluminium Foil			
	Electricity	kwh	1,127	1,255
5	Copper Cathodes			
	Electricity	kwh	1,586	1,636
	Furnace Oil	Litres	21	19
	RLNG	SCM	85	93
6	Copper Rods			
	Electricity	kwh	63	65
	RLNG	SCM	52	54
7	Di Ammonium Phopate (DAP/NPK)			
	Electricity	kwh	165	176

ANNEXURES 'B' TO DIRECTORS' REPORT

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

- Successful Plant scale trial with new emulsion product from M/S Cytec in mud circuit- 30 % reduction in consumption over previously established product.
- Identification of suitable flocculants to handle "difficult-to-settle" bauxite.
- Exploration of specialty chemical to neutralize effect of caustic burns.
- Reduction FO consumption in calcinations by use of fuel additive.
- Pressure filter system for Bauxite Residue to reduce soda consumption and footprint requirement.
- Installation Vacuum heat treatment facility for heat treatment of die to improve quality of extrusion.
- Establishment of partial annealing procedure (PA) for the Export Products.
- Developing processes to produce blister pack and pharma strip pack foil through TRC with improved surface characteristics.
- Process development for estimating micro-segregation in DC cast aluminium alloys.
- Development of Homogenization practice for Al-high magnesium alloys.
- Design of new profile of Aluminium roofing sheet for higher load bearing capacity with lower material consumption using finite element analysis.
- Installation of SCADA system to enhance quality of power through Automatic Voltage control & automatic generation control.
- Improved maintenance procedure of 132 KV switch yard in live condition.
- Design of roll cooling system for better flatness control in cold mill.

b. Product Development

- Development of different types Alumina for ceramic, fire retardant and filler applications.
- Development of Low sulphur white alumina for fusion applications.
- Developed capability for supply of cylinder stock for LPG as per European norms.
- Pressure Equipment Directive (PED) certification for the product of pressurized application.
- Development of Foil Stock of alloys AA8079, AA8006, AA8021 and AA1145 for US Customers.
- Development of Tubular Bus Bar in 6101T61& T63 for overseas customers.
- Development of Alloy 3003 special process material for flexi-tube application in export market.
- Development of new alloy Alu-Alu blister foils stock.
- Development of Alloy 1100 Mint stock for coin blanks.
- Development of Boat Application Product of Alloy AA5052 for Australian Customers
- Higher elongation product in AA 8011 H14 developed for cookware.
- Development of AA 3105 H24 through CC route for colour coating application to gulf customer.

c. Energy Saving and Waste to wealth projects

- Process optimization for potential steam saving in evaporation II of Alumina plant.
- Reuse of bottom broken and rejected baked anodes.

- Recovery and consumption of dross with alumina for metal production.
- Recovery of bath from pot skimmed material.
- Commissioning of ETP/STP system, RO Plant.
- Reconditioning of Lube Oil to maximize life cycle.
- Installation of Vacuum Distillation Unit for in-house reprocessing of Mill Rolling Oils.
- Installation of 4000 kVA capacitor to improve power factor.
- Installation of light energy saving devices.
- Maintenance of Zero Discharge to environment.
- Rain water harvesting.

(2) Benefits derived as a result of above improvements

a. Meeting customer's needs by developing new products.
b. Increase in market share, export volume and revenue.
c. Improved plant operation, availability and reliability.
d. Energy saving and cost reduction.
e. Improved customer satisfaction.

(3) Future Plan of action

a. Development of value-added products for various applications.
b. Development of ultra fine grain and high strength products.
c. Seek opportunities of asset recovery by implementing 3R concept.
d. Identification and implement of process improvement and energy reduction projects.
e. Process modification and up-gradation for improved production and better quality.
f. Exploration of new market segments.
g. Work towards reduction in GHG emission.
h. Better solutions and services to customer for their delight.
i. Up-gradation of facilities to cater needs of high tech applications.

B. COPPER BUSINESS:

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

a) Process improvement

- Development of process for reduction in Silver losses in primary slag from PMR plant.
- Development in CCR process to produce 12.5 mm wax free copper rod.
- Commissioning of new ESP after reviewing Copper III ESP performance after suitable modification.
- Reduction in Smelter -1 plant down time and improvement in furnace operation.

b. Product Development

- Trail production of Cu-Mg copper rod at CCR plant

2) Benefits derived as a result of above improvements

- Improved plant availability and reliability of operations.
- Reduction in Copper losses as well as improved operational reliability
- Reduction in plant recycles load and improvement in Silver recovery.
- New product meeting customers need.

(3) Future Plan of action

- Slow cooling Converter Slag Floatation project.
- CCR-1 up gradation for higher through put and better product quality
- Exploring to cater new market for catenaries wire
- Recovery of Copper from ETP waste.
- Process modification for improved production and recovery of Phos acid

Expenditure on R & D

(₹ Crore)

		2013-14	2012-13
a)	Capital	4.95	1.13
b)	Recurring	23.74	24.97
c)	Total (a+b)	28.69	26.10
d)	Total R & D Expenditure as % of Total Turnover	0.11%	0.10%

Technology Absorption, Adaptation and Innovation

(i) Efforts in brief

The company has improved the product quality and introduced new products for high tech application through technology absorption. Efforts have been made to improve energy efficiency and cost reduction by adopting 3R approach.

(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	Yes	NA
Aluminium Smelting Technology from Chalieco (GAMI 235 KA) for Hirakud smelter	2009-10	Yes	NA
COPPER			
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 & OUTGO

a) Activities related to Exports

Exports during the year were ₹ 8,291.95 Crore.

b) Total Foreign Exchange used and earned

Foreign exchange used ₹ 15,898.56 Crore.

Foreign exchange earned ₹ 8,496.33 Crore.

BUSINESS RESPONSIBILITY REPORT

As per Clause 55 of the Listing Agreement read with press release and FAQs dated 10th May, 2013 issued by Securities and Exchange Board of India, those listed entities which have been submitting sustainability reports to overseas regulatory agencies/stakeholders based on internationally accepted reporting frameworks need not prepare a separate report for the purpose of 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 been publishing Sustainability Report since FY11 on Global Reporting Initiative (GRI) Framework. The report for 2012-13 titled 'Building a Sustainable Future' has been assured as A+ rating based on Global Reporting Initiatives (GRI G 3.1) standards by an external independent assessing agency.

The Company will also publish Sustainability Report for FY 2013-14 and it will be hosted on its website www.hindalco.com. Any shareholder interested in obtaining a physical copy of the same may write to the Company Secretary at the Registered Office of your Company.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L27020MH1958PLC011238	
2.	Name of the Company	Hindalco Industries Limited	
3.	Registered address	3rd Floor, Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai: 400030	
4.	Website	www.hindalco.com	
5.	E-mail id	anil.malik@adityabirla.com	
6.	Financial Year reported	1st April,2013 to 31st March,2014	
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 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: • 4 Aluminium; • 1 Copper Unit • 4 Chemical Units (including one unit of Utkal Alumina International Limited, wholly owned subsidiary of the Company) • 4 Power Units • 5 Rolled FRP • 2 Extrusions • 1 Foil • 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)	₹ 206.48 Crore
2.	Total Turnover (INR)	₹ 27,850.93 Crore
3.	Total Profits after taxes (INR)	₹ 1413.33 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR was ₹ 32.26 Crore which is 1.81% of the average net profit for the previous three financial years.
5.	List of activities in which expenditure in 4 above has been incurred	a. Education b. Health Care c. Women empowerment d. Sustainable Livelihood e. Infrastructure Development

Section C: Other Details

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

   Yes, the Company has 65 (sixty five) subsidiaries - 13 (Thirteen) domestic and 52 (fifty-two) foreign.

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

   Hindalco 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

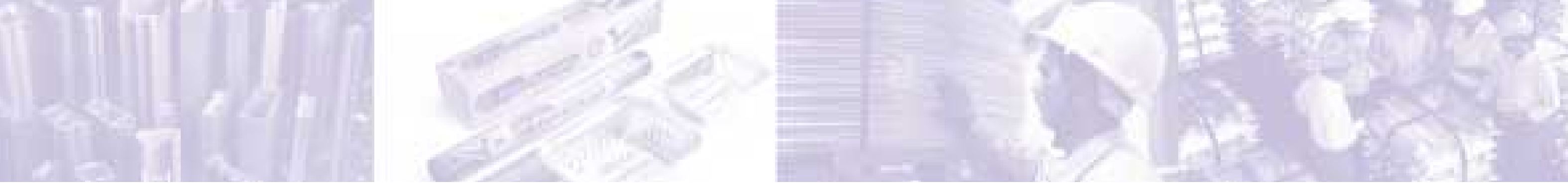
DIN Number	00198912
Name	Mr.N.J. Jhaveri
Designation	Independent Director

b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	N.A.
2.	Name	Mr. Anil Malik
3.	Designation	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 2013-14 will be available on our website www.hindalco.com.

TO THE MEMBERS OF HINDALCO INDUSTRIES LIMITED

1) We have audited the accompanying financial statements of HINDALCO INDUSTRIES LIMITED (the Company), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and 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

2) 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") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and Accounting Standard (AS)-30 to the extent it relates to Derivative Accounting , as prescribed by The Institute of Chartered Accountants of India. 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

3) 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4) 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, 2014.

   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.

Emphasis of Matter

5) Attention is invited to Note No. 38 of Notes to Financial Statements explaining that in compliance to scheme of arrangement u/s 391 to 394 of the Companies Act 1956 approved by the Hon'ble Bombay High Court vide order dated 29th June 2009, the management of the Company during the year has identified and adjusted provision for diminution in the carrying value of Investment in one of the Subsidiary, amounting to ₹ 86.06 Crore against Business Reconstruction Reserve. This has resulted in the profit before tax and profit after tax for the year being higher by ₹ 86.06 Crore. Our opinion is not qualified on this matter.

Report on other Legal and Regulatory Requirements

6) 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.

7) 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, Statement of Profit and Loss and 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 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and Accounting Standard (AS)-30 to the extent it relates to Derivative Accounting , as prescribed by The Institute of Chartered Accountants of India..

   e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, 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

Place: Mumbai
Date: 29th day of May, 2014

(RAJIV SINGHI)
Partner
Membership No. 53518

Annexure referred to in paragraph 6 under the heading "Report on other legal and regulatory requirements" of our report of even date.

Re: Hindalco Industries Ltd. (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 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 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 except for shortage in coal amounting to ₹12.51 Crore and the same has been properly dealt with in the books of accounts.

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 explanation given to us, no major weakness has been noticed or reported in the internal controls except as disclosed in the paragraph XXI of this report.

V. (a) In our opinion and according to the information and explanation 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 give 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 section 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 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, Employee's 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, 2014 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 2014 are as under:

Name of the Statute	Nature of Dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where the disputes are pending
Central Sales Act and Local Sales Tax Act	Sales Tax	0.40	2003-2004	The Supreme Court
		15.47	1986-1987, 1989-1991, 1992-1993, 1995-1996, 2003-204, 2004-2005, 2006-2007	The High Court
		6.13	1994-1995, 1997-1998 to 2000-2001, 2001-2002 to 2008-2009	Tribunal
		47.35	1991-1992, 1994-1995 to 2012-2013	Asst Commissioner/ Commissioner/ Revisionnery Authorities Level
The Central Excise Act, 1994	Excise Duty	155.31	1999-2000 to 2007-2008	The Supreme Court
		8.32	1994-1995, 2000-2001, 2007-2008 to 2011-2012	The High Court
		37.65	1988-1990, 1991-1992, 1993-1994, 1999-2000 to 2011-2012	Customs, Excise and Service Tax Appeellate Tribunal (CESTAT)
		45.33	1987-1988, 1996-1997 to 2009-2010, 2011-2012, 2012-2013	Asst Commissioner/ Commissioner/ Revisionnery Authorities Level
The Service Tax under the Finance Act, 1994	Service Tax	0.67	1997-2000, 2002-2008	The High Court
		88.48	2002-2003 to 2011-2012	Customs, Excise and Service Tax Appeellate Tribunal (CESTAT)
		20.09	2001-2002, 2004-2005 to 2006-2007, 2008-2009 to 2011-2012	Asst Commissioner/ Commissioner/ Revisionnery Authorities Level
The Income Tax Act, 1961	Income Tax	691.24	2008-2009, 2009-2010	CIT (Appeals)
Adhosanrachna Vikas Evam Parayavaran Upkar Adhiniyam, 2005	Chhattisgarh Development and Environment Cess	0.26	2005-2006 to 2011-2012	The Supreme Court
Shakti Nagar Special Area Development Authority	Cess on Col	11.17	1997-1998 to 2013-2014	The Supreme Court
The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act & Rules ("BOCW Act")	Cess	100.00	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, Securities, Debentures and other Investments.

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 made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956. The price at which shares have been issued on conversion of warrants, has been determined as per the Securities and Exchange board of India (Issue of Capital and Disclosure Requirement) Regulation, 2009, which in our opinion is not prejudicial to the interest of the Company.

XIX. The Company has created securities / charges in respect of secured debentures issued.

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 report that the following fraud on the Company was detected during the year-:

In the matter of weighment and recording of receipt of coal purchased at one of its unit where contractor/ transporter and some of the Company's employees were involved. As explained by the management, the impact of this could not be ascertained /quantified at this stage as the matter is under investigation. However, the shortage observed in coal inventory on physical verification amounting to ₹ 12.51 Crore has been fully provided for in the books of accounts.

As explained by the management, necessary steps have been taken to strengthen the internal control systems in these regard and it is not expected to have any impact on the financial results of the Company going forward.

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

(RAJIV SINGHI)
Partner
Membership No. 53518

Place: Mumbai
Date: 29th day of May, 2014

Balance Sheet as at 31st March, 2014

	Note No.	As at 31/03/2014	(₹ Crore) As at 31/03/2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	'2'	206.48	191.48
Reserves and Surplus	'3'	36,525.97	33,239.60
Money Received against Share Warrants	'4'	-	541.31
		36,732.45	**33,972.39**
Non-Current Liabilities			
Long-Term Borrowings	'5'	22,108.58	20,443.05
Deferred Tax Liabilities (Net)	'6'	1,174.31	1,191.14
Other Long-Term Liabilities	'7'	830.86	974.28
Long-Term Provisions	'8'	341.96	300.94
		24,455.71	**22,909.41**
Current Liabilities			
Short-Term Borrowings	'9'	4,258.37	3,701.72
Trade Payables	'10'	4,383.75	3,044.05
Other Current Liabilities	'11'	2,901.91	1,924.09
Short-Term Provisions	'12'	1,037.76	1,066.90
		12,581.79	**9,736.76**
		73,769.95	**66,618.56**
ASSETS			
Non-Current Assets			
Fixed Assets:			
Tangible Assets	'13'	18,024.98	7,071.00
Intangible Assets	'14'	29.73	26.65
Capital Work-in-Progress		17,277.13	23,605.11
Intangible Assets under Development		0.10	0.01
		35,331.94	30,702.77
Non-Current Investments	'15'	15,312.45	14,050.17
Long-Term Loans and Advances	'16'	1,161.15	1,681.08
Other Non-Current Assets	'17'	12.52	34.51
		51,818.06	**46,468.53**
Current Assets			
Current Investments	'18'	6,595.01	6,431.96
Inventories	'19'	8,914.58	7,702.61
Trade Receivables	'20'	1,283.65	1,515.04
Cash and Bank Balances	'21'	1,163.17	1,497.82
Short-Term Loans and Advances	'22'	3,226.40	2,261.73
Other Current Assets	'23'	769.08	740.87
		21,951.89	**20,150.03**
		73,769.95	**66,618.56**
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

Praveen Kumar Maheshwari
CFO

For and on behalf of the Board of Hindalco Industries Limited

Camp : Mumbai
Dated : 29th day of May, 2014

Anil Malik
Company Secretary

D. Bhattacharya – Managing Director
M.M. Bhagat – Director

Statement of Profit and Loss for the year ended 31st March, 2014

(₹ Crore)

	Note No.	Year Ended 31/03/2014	Year Ended 31/03/2013
INCOME			
Revenue from Operations:	'24'		
Gross Revenue from Operations		30,101.34	28,069.78
Less: Excise Duty		2,250.41	2,012.85
Net Revenue from Operations		27,850.93	26,056.93
Other Income	'25'	1,124.42	983.09
Total Income		**28,975.35**	**27,040.02**
EXPENSES			
Purchases of Stock-in-Trade	'26'	0.03	0.38
Cost of Materials Consumed	'27'	18,804.28	17,136.51
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	'28'	(676.21)	127.94
Employee Benefits Expenses	'29'	1,346.10	1,200.80
Power and Fuel	'30'	3,557.61	3,073.04
Finance Costs	'31'	711.65	435.98
Depreciation and Amortization	'32'	823.29	686.95
Impairment Loss/(Reversal) (Net)	'33'	-	17.25
Other Expenses	'34'	2,327.24	2,314.54
Total Expenses		**26,893.99**	**24,993.39**
Profit Before Exceptional Items and Tax		2,081.36	2,046.63
Exceptional Items	'35'	395.98	-
Profit Before Tax		1,685.38	2,046.63
Tax Expenses:	'36'		
Current Tax		288.88	381.41
Deferred Tax		(16.83)	(33.98)
Profit for the year		**1,413.33**	**1,699.20**
Earnings Per Equity Share (EPS):	'37'		
Basic EPS (₹)		7.09	8.88
Diluted EPS (₹)		7.09	8.87
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 : 29th day of May, 2014

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

D. Bhattacharya – Managing Director
M.M. Bhagat – Director

Cash Flow Statement for the year ended 31st March, 2014

		Year Ended 31/03/2014	(₹ Crore) Year Ended 31/03/2013
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	1,685.38	2,046.63
	Adjustment for:		
	Finance Costs	711.65	435.98
	Depreciation and Amortization	823.29	686.95
	Impairment Loss/(Reversal) (Net)	-	17.25
	Employee Share-Based Payments	3.71	0.27
	Provisions/Provisions Written-back (Net)	(0.09)	14.24
	Unrealised Foreign Exchange (Gain)/Loss (Net)	22.70	6.03
	Loss/(Gain) on Derivative Transactions (Net)	(141.45)	17.87
	Investing Activities (Net)	(1,048.55)	(935.54)
	Operating Profit Before Working Capital Changes	2,056.64	2,289.68
	Changes in Working Capital:		
	Inventories	(1,254.54)	40.24
	Trade and Other Receivables	(568.99)	(407.48)
	Trade and Other Payables	2,035.35	(1,638.03)
	Cash Generation from Operation	2,268.46	284.41
	Payment of Direct Taxes	(237.09)	(636.75)
	Net Cash generated/(used) – Operating Activities	**2,031.37**	**(352.34)**
B.	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Purchase of Fixed Assets	(3,457.58)	(5,530.84)
	Sale of Fixed Assets	10.24	20.69
	Purchase/Sale of Investments in Subsidiaries (Net)	(1,242.49)	(541.58)
	Purchase/Sale of other Investments (Net)	28.64	(1,454.91)
	Proceeds/Repayment of Loans and Deposits (Net)	577.95	(1,249.09)
	Interest Received	443.15	254.01
	Dividend Received	237.04	259.65
	Net Cash Generated/(Used) – Investing Activities	**(3,403.05)**	**(8,242.07)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Issue of Shares (Net of Expenses)	1,623.99	0.40
	Capital Subsidy Received	0.50	4.50
	Proceeds from Long-term Borrowings	16,786.72	14,818.09
	Prepayment of Long-term Borrowings	(14,513.72)	(5,142.99)
	Repayment of Long-term Borrowings	(369.63)	(1.53)
	Proceeds/Repayment of Short-term Borrowings (Net)	655.85	258.55
	Finance Costs Paid	(2,303.12)	(1,519.85)
	Dividend Paid (including Dividend Distribution Tax)	(279.40)	(331.01)
	Net Cash Generated/(Used) - Financing Activities	**1,601.19**	**8,086.16**
	Net Increase/(Decrease) in Cash and Cash Equivalents	229.51	(508.25)
	Add: Opening Cash and Cash Equivalents	205.38	713.63
	Closing Cash and Cash Equivalents	**434.89**	**205.38**

Notes:

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

As per our report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
RAJIV SINGHI
Partner
Membership No. 53518

Praveen Kumar Maheshwari
CFO

For and on behalf of the Board of
Hindalco Industries Limited

Camp : Mumbai
Dated : 29th day of May, 2014

Anil Malik
Company Secretary

D. Bhattacharya – Managing Director
M.M. Bhagat – Director

Notes forming part of the Financial Statements

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 requires 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 Assets, except leasehold land, has been provided using Straight Line Method at the rates and manner prescribed under Schedule XIV of the 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

Notes forming part of the Financial Statements

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 the 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 options scheme, are accounted for as per the intrinsic value method prescribed by Employee Stock Options 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 at the date of grant of option over its exercise price, is recognised as deferred employee compensation with a credit to Employee's Stock Options Outstanding Account. The deferred employee compensation is amortized to the Statement of Profit and Loss on straight-line basis over the vesting period of the option. In case of forfeiture of option, which is not vested, the amortized 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 Employee's Stock Options Outstanding Account is transferred to the General Reserve.

L. Revenue Recognition

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

M. Borrowing Costs

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

Notes forming part of the Financial Statements

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 recognized in the Statement of Profit and Loss in the period in which they arise. If the hedging relationship ceases to be effective or it becomes probable that the expected 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 are remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

2. Share Capital:

(₹ Crore)

	As at	
	31/03/2014	31/03/2013
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:		
2,065,141,514 (Previous year 1,915,136,714) Equity Shares of ₹ 1/- each #	206.51	191.51
	206.51	**191.51**
Subscribed and Paid-up:		
2,065,134,117 (Previous year 1,915,129,317) Equity Shares of ₹ 1/- each fully paid-up	206.51	191.51
Less: Face Value of 546,249 (Previous year 546,249) Equity Shares forfeited	0.05	0.05
	206.46	191.46
Add: Forfeited Shares (Amount originally Paid-up)	0.02	0.02
	206.48	**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:**

	2013-14		2012-13	
	Numbers	₹ Crore	Numbers	₹ Crore
Equity Shares Outstanding at the beginning of the period	1,914,583,068	191.46	1,914,542,308	191.46
Equity Shares Allotted pursuant to exercise of ESOP	4800		40,760	
Equity Shares Allotted pursuant to exercise of Share Warrants	150,000,000	15.00	-	-
Equity Shares Outstanding at the end of the period	**2,064,587,868**	**206.46**	**1,914,583,068**	**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:**

	31/03/2014		31/03/2013	
	Numbers of Shares Held	Percentage of Holding	Numbers of Shares Held	Percentage of Holding
IGH Holdings Private Limited	349,963,487	16.95	228,963,487	11.96
Turquoise Investment and Finance Limited	124,012,468	6.01	99,012,468	5.17
Morgan Guaranty Trust Company of New York (represents GDRs)	162,138,001	7.85	159,663,688	8.34
Life Insurance Corporation of India and its Associates	239,089,223	11.58	209,341,326	10.93

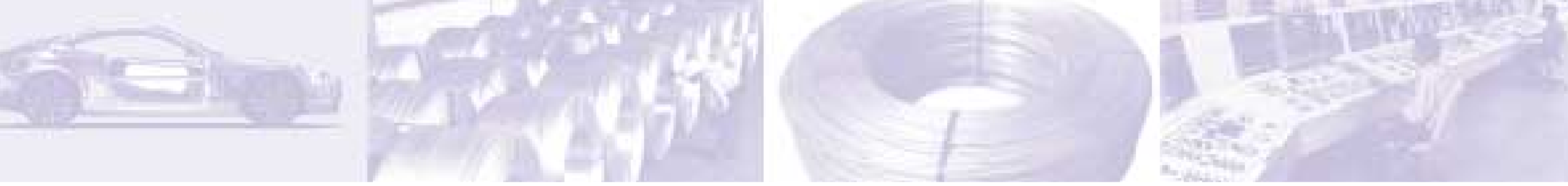
(d) **Shares Reserved for Issue under Options:**

The Company has reserved Equity Shares for issue under the Employee Stock Options Scheme. Please refer Note No. 41 on “Employee Share-Based Payment” for details of Employee Stock Options Scheme.

3. Reserves and Surplus:

(₹ Crore)

	As at 31/03/2014	As at 31/03/2013
Capital Reserve		
Balance as at the beginning of the year	144.04	139.54
Add: Capital Subsidy Received during the year - (a)	0.50	4.50
Balance as at the end of the year	**144.54**	**144.04**
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
Less: Adjusted during the year	(86.06)	-
Balance as at the beginning of the year	**8,494.33**	**8,580.39**
Securities Premium Account		
Balance as at the beginning of the year	2,734.92	2,754.35
Add: Premium on Issue of Shares under Employee’s Stock Options Scheme	0.07	0.56
Add: Premium on Issue of Shares against Share Warrants	2,150.25	-
Less: Debenture Issue Expenses	-	(19.99)
Balance as at the end of the year	**4,885.24**	**2,734.92**
Debenture Redemption Reserve		
Balance as at the beginning of the year	150.00	-
Add: Created during the year	150.00	150.00
Balance as at the end of the year	**300.00**	**150.00**
Employee’s Stock Options Outstanding		
Balance as at the beginning of the year	4.96	5.17
Add: Compensation for the year (refer Note No. 29) - (b)	3.85	0.27
Less: Transferred to Securities Premium Account on exercise of Options	(0.02)	(0.16)
Less: Transferred to General Reserve on Unexercised Options Lapsed/ Cancelled	(0.36)	(0.32)
Balance as at the end of the year	**8.43**	**4.96**
Hedging Reserve (refer Note No. 46 (g))		
Balance as at the beginning of the year	421.71	(133.55)
Gain/(Loss) Recognized during the year	72.91	222.28
(Gain)/Loss Recycled during the year	(61.10)	332.98
Balance as at the end of the year	**433.52**	**421.71**
General Reserve		
Balance as at the beginning of the year	20,352.01	19,452.21
Add: Transferred from Employee’s Stock Options Outstanding	0.36	0.32
Add: Transferred from Surplus in the Statement of Profit and Loss	1,055.97	899.48
Balance as at the end of the year	**21,408.34**	**20,352.01**



(₹ Crore)

	As at	
	31/03/2014	31/03/2013
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	750.00	400.00
Add: Profit for the year	1,413.33	1,699.20
Less: Transferred to Debenture Redemption Reserve	(150.00)	(150.00)
Less: Dividend on Equity Shares - (c)	(206.46)	(268.05)
Less: Dividend Distribution Tax - (c) & (d)	(0.90)	(31.67)
Less: Transferred to General Reserve	(1,055.97)	(899.48)
Balance as at the end of the year	**750.00**	**750.00**
	36,525.97	**33,239.60**

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

(b) Includes ₹ 0.14 crore (Previous year ₹ Nil) relating to options granted to employees of a subsidiary of the Company, which has been realised from that company.

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

(d) Tax on Dividend is net of ₹ 34.19 crore (Previous year ₹ 13.89 crore) being dividend distribution tax paid by subsidiaries.

4. Money Received against Share Warrants:

In accordance with the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company had allotted 150,000,000 warrants on a preferential basis to the Promoter Group on 22nd March, 2012, entitling them to apply for and obtain allotment of one equity share of ₹ 1/- each fully paid-up at a price of ₹ 144.35 per share against each such warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment in one or more tranches for which the Company has received ₹ 541.31 crore being 25% against these warrants. The Promoter Group Companies applied for conversion of warrants into equity shares at pre-determined price, accordingly, the Company has issued and allotted 150,000,000 equity shares of ₹ 1/- each at a premium of ₹ 143.35 per share on 20th September, 2013, to the Promoter Group on payment of balance amount of these warrants. The entire amount so received has been utilised for various Greenfield and Brownfield projects expenditure.

5. Long-Term Borrowings:

(₹ Crore)

	Non-Current Portion		Current Maturities *		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Secured						
Debentures - (a)	6,000.00	6,000.00	-	-	6,000.00	6,000.00
Term Loans:						
From Banks - (b), (c) & (d)	15,618.75	13,716.14	596.25	307.15	16,215.00	14,023.29
From Other Parties - (b) & (e)	488.50	725.02	55.83	54.54	544.33	779.56
Unsecured						
Deferred Payment Liabilities - (f)	1.33	1.89	0.56	1.13	1.89	3.02
	22,108.58	**20,443.05**	**652.64**	**362.82**	**22,761.22**	**20,805.87**

* Current maturities of long-term borrowings are disclosed under the head “Other Current Liabilities”.

(a) Debentures comprise of following:

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

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

(b) Term Loans of ₹ 7,227.54 crore from Banks and ₹ 149.18 crore from Other Parties for Aditya Aluminium Project and Term Loan of ₹ 7,046.37 crore from Banks and ₹ 90.63 crore from Other Parties for Mahan Aluminium Project have been prepaid by the Company on 17th September, 2013 and 3rd January, 2014, respectively.

(c) Term Loans from Banks of ₹ 7,365.00 crore to be secured by a first ranking charge/mortgage/security interest in respect of all the movable assets of Mahan Aluminium Project (except Current Assets) and all the immovable properties of Mahan Aluminium Project, both present and future. However, security creation is pending for want of no due certificate from previous term loan lenders.

Total loan of ₹ 7,500.00 crore carry interest at the State Bank of India's base rate plus 0.50% and are repayable in 40 quarterly instalments commencing from 31st March, 2014 and ending on 31st December, 2023. The repayment in each financial year in percentage is 1.8, 7.95, 9.2, 9.2, 10.2, 10.2, 10.2, 10.2, 11.1, 11.4 and 8.55 of the loan amount.

(d) Term Loans from Banks of ₹ 8,850.00 crore to be secured by a first ranking charge/mortgage/security interest in favour of the State Bank of India, in respect of all the movable and immovable properties of Aditya Aluminium Project, both present and future. However, security on 2,579.89 acres of Project land is pending due to non-availability of approval from the appropriate authority.

Above loans carry interest at the State Bank of India's base rate plus 1.25% till project COD and 0.25% thereafter, and are repayable in 34 quarterly instalments commencing from 1st June, 2015 and ending on 1st September, 2023. The repayment in each financial year in percentage is 2.32, 4.20, 6.20, 8.60, 9, 11.50, 16, 26 and 16.18 of the loan amount.

The Company will have an option to prepay all or any portion of these loans, 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 90.70 million (Previous year USD 100.00 million) 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.

Total loan of USD 100 million carry interest at the LIBOR plus 3.50% and are repayable in 43 quarterly instalments commencing from 30th June, 2013 and ending on 31st December, 2023. The repayment in each financial year in percentage is 9.30, 9.30, 9.30, 9.30, 9.30, 9.30. 9.30. 9.30, 9.30, 9.30 and 7 of the loan amount. Subject to the prevailing RBI ECB Regulations, the Company may prepay all or any part of these loans at any time.

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

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

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

(₹ Crore)

	As at	
	31/03/2014	**31/03/2013**
Deferred Tax Liabilities		
Depreciation and Amortization Expenses	1,495.59	1,330.04
	1,495.59	**1,330.04**
Less: Deferred Tax Assets		
Unabsorbed Depreciation	81.73	-
Employee's Separation and Retirement Expenses	87.12	71.92
Expenses/Provisions Allowable	152.43	66.98
	321.28	**138.90**
	1,174.31	**1,191.14**

7. **Other Long-Term Liabilities:**

Trade Payables	4.93	11.53
Derivative Liabilities (refer Note No. 46 (c))	1.96	-
Liability for Capital Expenditure	424.30	954.04
Security and Other Deposits	2.44	2.15
Other Payables	397.23	6.56
	830.86	**974.28**

8. **Long-Term Provisions:**

Provision for Employee Benefits	341.96	300.94
	341.96	**300.94**

9. **Short-Term Borrowings:**

Secured		
From Banks:		
Cash Credit, Export Credit, etc. - (a)	11.22	79.85
	11.22	**79.85**
Unsecured		
From Banks:		
Buyers' Credit	1,927.75	2,284.47
Packing Credit	2,319.40	1,297.40
Others	-	40.00
	4,247.15	**3,621.87**
	4,258.37	**3,701.72**

(a) Working Capital Loan for Aluminium Business, granted under the Consortium Lending Arrangement, are secured by a first *pari passu* charge on 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, and also book debts and other movable assets of Copper business, both present and future.

10. Trade Payables:

	(₹ Crore) As at 31/03/2014	31/03/2013
Micro, Small and Medium Enterprises (refer Note No. 49)	1.73	2.15
Others	4,382.02	3,041.90
	4,383.75	**3,044.05**

11. Other Current Liabilities:

Current Maturities of Long-Term Debts	652.64	362.82
Interest Accrued but not due on Borrowings/Deposits	556.53	479.09
Unclaimed Dividends - (a)	6.12	7.02
Application/Call Money Received Due for Refund	0.31	0.31
Advance from Customers	137.75	90.21
Derivative Liabilities (refer Note No. 46 (c))	69.22	89.99
Liability for Capital Expenditure	1,153.77	692.40
Security and Other Deposits	21.60	20.15
Statutory Dues Payable	191.23	137.10
Other Payables	112.74	45.00
	2,901.91	**1,924.09**

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

12. Short-Term Provisions:

Provision for Employee Benefits	20.66	24.07
Proposed Dividends	206.46	268.04
Provision for Dividend Distribution Tax	35.09	45.56
Provision for Current Tax (Net of Advance Tax)	748.53	696.74
Other Provisions (refer Note No. 43)	27.02	32.49
	1,037.76	**1,066.90**

13. Tangible Assets:

(₹ Crore)

	ORIGINAL COST				DEPRECIATION				IMPAIRMENT				NET BOOK VALUE	
	As at 31st March, 2013	Additions	Disposals/ Adjustments	**As at 31st March, 2014**	As at 31st March, 2013	Additions	Disposals/ Adjustments	**As at 31st March, 2014**	As at 31st March, 2013	Recognised/ Reversal	Deductions/ Adjustments	**As at 31st March, 2014**	**As at 31st March, 2014**	As at 31st March, 2013
Leasehold Land	50.30	433.81	-	**484.11**	7.27	11.99	-	**19.26**	-	-	-	**-**	**464.85**	43.03
Freehold Land	81.56	429.67	-	**511.23**	0.14	0.01	-	**0.15**	0.70	-	-	**0.70**	**510.38**	80.72
Buildings	1,320.65	2,017.09	1.07	**3,336.67**	394.28	46.93	1.02	**440.19**	15.19	-	-	**15.19**	**2,881.29**	911.18
Plant and Equipment	12,828.39	8,892.15	78.87	**21,641.67**	6,958.83	728.14	53.82	**7,633.15**	205.98	-	0.52	**205.46**	**13,803.06**	5,663.58
Furniture and Fixtures	112.45	6.44	1.59	**117.30**	76.05	5.84	1.26	**80.63**	-	-	-	**-**	**36.67**	36.40
Vehicles and Aircraft	363.80	8.09	3.57	**368.32**	98.06	22.96	1.86	**119.16**	-	-	-	**-**	**249.16**	265.74
Office Equipment	128.23	17.86	3.07	**143.02**	100.28	7.35	3.13	**104.50**	-	-	-	**-**	**38.52**	27.95
Railway Sidings	73.34	6.35	-	**79.69**	30.94	7.70	-	**38.64**	-	-	-	**-**	**41.05**	42.40
	14,958.72	11,811.46	88.17	**26,682.01**	7,665.85	830.92	61.09	**8,435.68**	221.87	-	0.52	**221.35**	**18,024.98**	7,071.00
Previous Year	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

(a) Leasehold Land includes land amounting ₹ 46.01 crore (Previous year ₹ 20.73 crore) for which registration is pending. (Net Book Value ₹ 43.72 crore; Previous year ₹ 18.69 crore)

(b) Freehold Land includes ₹ 3.20 crore (Previous year ₹ 3.20 crore) towards acquiring right to use the forest land, ownership of which vests with the state government authorities. (Net Book Value ₹ 3.11 crore; Previous year ₹ 3.14 crore)

(c) Buildings include:

i. ₹ 5.26 crore (Previous year ₹ 2.98 crore) being contribution for construction of road, the ownership of which vests with the state government authorities. (Net Book Value ₹ 1.84 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 and Debentures of a company. (Net Book Value ₹ 12.08 crore; Previous year ₹ 12.36 crore)

iii. ₹ 0.35 crore (Previous year ₹ 0.35 crore) being cost of a flat for which registration is pending. (Net Book Value ₹ 0.22 crore; Previous year ₹ 0.22 crore)

(d) Plant and Equipment include ₹ 47.17 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 ₹ 32.23 crore; Previous year ₹ 7.68 crore)

(e) Railway Sidings include ₹ 9.13 crore (Previous year ₹ 9.13 crore) being railway sidings not owned by the Company. (Net Book Value ₹ 5.07 crore; Previous year ₹ 5.69 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 the 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 - ₹ 51.83 crore (Previous year ₹ 51.41 crore). (Net Book Value ₹ 41.42 crore; Previous year ₹ 41.87 crore)
Plant and Equipment - ₹ 73.91 crore (Previous year ₹ 73.91 crore). (Net Book Value ₹ 42.90 crore; Previous year ₹ 46.57 crore)
Furniture and Fixtures - ₹ 10.47 crore (Previous year ₹ 10.27 crore). (Net Book Value ₹ 4.82 crore; Previous year ₹ 5.28 crore)
Vehicles and Aircraft - ₹ 24.95 crore (Previous year ₹ 24.95 crore). (Net Book Value ₹ 13.29 crore; Previous year ₹ 14.70 crore)
Office Equipment - ₹ 10.69 crore (Previous year ₹ 10.42 crore). (Net Book Value ₹ 1.72 crore; Previous year ₹ 1.81 crore)

14. Intangible Assets:

(₹ Crore)

	ORIGINAL COST				AMORTISATION				IMPAIRMENT				NET BOOK VALUE	
	As at 31st March, 2013	Additions	Disposals/ Adjustments	**As at 31st March, 2014**	As at 31st March, 2013	Additions	Disposals/ Adjustments	**As at 31st March, 2014**	As at 31st March, 2013	Recognised/ Reversal	Deductions/ Adjustments	**As at 31st March, 2014**	**As at 31st March, 2014**	As at 31st March, 2013
Mining Rights	42.66	-	-	**42.66**	21.06	2.08	-	**23.14**	-	-	-	**-**	**19.52**	21.60
Computer Software	39.27	1.76	0.06	**40.97**	35.55	2.13	0.05	**37.63**	-	-	-	**-**	**3.34**	3.72
Technology	32.58	5.97	-	**38.55**	31.25	0.43	-	**31.68**	-	-	-	**-**	**6.87**	1.33
	114.51	7.73	0.06	**122.18**	87.86	4.64	0.05	**92.45**	-	-	-	**-**	**29.73**	26.65
Previous Year	107.60	7.00	0.09	**114.51**	83.35	4.39	(0.12)	**87.86**	-	-	-	**-**	**26.65**	24.25

(a) Mining Rights are for 20/30 years of lease and amortized proportionately.

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

15. Non-Current Investments:

(₹ Crore)

	Face Value Per Unit	Numbers – As at 31/03/2014	Numbers – As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
LONG-TERM TRADE INVESTMENTS					
Investments in Equity Instruments					
Investments in Subsidiaries:					
Utkal Alumina International Limited	₹ 10	3,127,264,068	2,047,164,068	3,237.53	2,157.43
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 - (a)	₹ 10	172,115,744	172,115,744	83.24	169.30
A V Minerals (Netherlands) N.V. - (b)	EUR 643.76	2,216,689	2,202,076	10,518.06	10,423.90
Tubed Coal Mines Limited	₹ 10	17,970,000	17,970,000	17.97	17.97
East Coast Bauxite Mining Company Pvt. Limited	₹ 10	7,400	7,400	0.01	0.01
Mauda Energy Limited	₹ 10	165,000	165,000	0.16	0.16
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	GNF 100,000	100	100	0.01	0.01
Investments in Joint Ventures:					
Mahan Coal Limited	₹ 10	192,750,000	27,000,000	192.75	27.00
MNH Shakti Limited	₹ 10	12,765,000	12,765,000	12.77	12.77
Hydromine Global Minerals GmbH Limited	USD 100	45	45	0.02	0.02
Investments in Associate:					
Aditya Birla Science & Technology Company Limited	₹ 10	9,800,000	9,800,000	9.80	9.80
Investments in Other Entities:					
Sanjana Cryogenic Limited	₹ 10	780,000	780,000	3.12	3.12
Aditya Birla Ports Limited	₹ 10	100,000	100,000	0.10	0.10
				14,620.71	**13,366.76**
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	3,204,600	2,784,600	3.20	2.78
Lucknow Finance Company Limited	₹ 10	12,002,500	12,002,500	12.00	12.00
Investments in Associate:					
IDEA Cellular Limited	₹ 10	228,340,226	228,340,226	228.34	228.34
Investments in Other Entities:					
National Aluminium Company Limited	₹ 5	28,667,404	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
UltraTech 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

(₹ Crore)

	Face Value Per Unit	Numbers – As at 31/03/2014	Numbers – As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
Investments in Preference Shares					
Investments in Subsidiaries:					
Renuka Investments & Finance Limited - 15% Redeemable Cumulative	₹ 100	150	150		
Renukeshwar Investments & Finance Limited - 15% Redeemable Cumulative	₹ 100	150	150		
Investments 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 Bonds of IIFCL	₹ 100,000	-	1000	-	10.00
9.20 % HDFC Limited Bonds	₹ 1,000,000	349	349	35.15	35.25
8.30% Bonds of National Highways Authority of India	₹ 1,000	24,724	24,724	2.47	2.47
8.46% Tax Free NCD of REC Limited	₹ 1,000,000	200	-	20.01	-
Investments in Government Securities					
6.83% Government of India Bonds, 2039				20.11	20.11
Investments in Mutual Funds					
Units of Morgan Stanley Fund – Growth Plan				-	2.00
				691.74	**683.41**
				15,312.45	**14,050.17**

(a) During the current year, a provision has been made of ₹ 86.06 crore for diminution in carrying value of investment.

(b) During the year, A V Minerals (Netherlands) has been converted from a private limited liability company to a public limited company, and as a result the name of the company has been changed from A V Minerals (Netherlands) B.V. to A V Minerals (Netherlands) N.V. To give effect of this, issued share capital of A V Minerals (Netherlands) has been reduced by reduction of the nominal value of all the shares from EUR 773.24 per share to EUR 643.76 per share, which is for compensating accumulated losses as at the date of said conversion. However, considering the assets base and potential to generate enough return in future, no diminution in carrying value of investment is considered necessary.

(c) 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 assets 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.

(d) 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 31/03/2014	As at 31/03/2013
Aggregate Amount of Unquoted Investments	14,195.81	12,941.44
Aggregate Amount of Quoted Investments	1,116.64	1,108.73
Aggregate Market Value of Quoted Investments	5,719.16	5,025.76
Aggregate Provision for Diminution in Value of Investments	86.81	0.64

16. Long-Term Loans and Advances:

(Unsecured, Considered Good, unless otherwise stated)

(₹ Crore)

	As at 31/03/2014	As at 31/03/2013
Capital Advances	294.19	711.53
Loans, Advances and Deposits to Related Parties - (a)	181.01	95.97
Security Deposits	89.96	73.88
Advances Recoverable in Cash or in Kind:		
Unsecured, Considered Good	374.22	275.20
Unsecured, Considered Doubtful	1.52	0.02
Less: Provision for Doubtful Amount	1.52	0.02
	374.22	275.20
Other Advances and Balances:		
Prepaid Expenses	2.08	2.25
Others - (b)	219.69	522.25
	1,161.15	**1,681.08**

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

(b) Others include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc., primarily relating to ongoing projects.

17. Other Non-Current Assets:

(₹ Crore)

	As at 31/03/2014	As at 31/03/2013
Long-Term Trade Receivables:		
Unsecured, Considered Doubtful	19.10	19.27
Less: Provision for Doubtful Amount	19.10	19.27
	-	-
Deposits with Bank exceeding 12 months maturity	0.32	0.03
Derivative Assets (refer Note No. 46 (c))	12.20	34.46
Other Receivables	-	0.02
	12.52	**34.51**

18. Current Investments:

(₹ Crore)

	Face Value Per Unit	Numbers – As at 31/03/2014	Numbers – As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
Investments in Preference Shares					
8.75% L & T Finance Holdings Ltd.	₹ 100	1,217,507	-	12.18	-
Investments in Debentures and Bonds					
Investments in Associate					
9.45% NCD of IDEA Cellular Limited	₹ 100	1,000,000	1,000,000	9.75	10.00
Investments in Other Entities					
8.40% EXIM Bank Ltd. Bonds	₹ 1,000,000	250	-	24.76	-
8.65% EXIM Bank Ltd. Bonds	₹ 1,000,000	1,000	-	99.46	-
9.55% EXIM Bank Ltd. Bonds	₹ 1,000,000	-	500	-	49.94
7.18% NCD of IRFC	₹ 1,000	1,192	-	0.11	-
8.10% NCD of IRFC	₹ 1,000	36,067	29,785	3.85	3.16
9.41% NCD of IIFCL	₹ 1,000,000	-	135	-	14.18
9.05% NCD of Rallis India Limited	₹ 1,000,000	-	350	-	34.90
8.25% NCD of NHB	₹ 1,000,000	750	-	74.36	-
9.61% NCD of NHB	₹ 1,000,000	-	500	-	49.92
9.44% NCD of IDFC	₹ 1,000,000	250	-	24.99	-
9.90% NCD of IDFC	₹ 1,000,000	-	500	-	49.96
8.64% NCD of Bihar SDL	₹ 100	1,183,500	1,183,500	11.27	11.84
8.69% NCD of Damodar Valley Corporation	₹ 1,000,000	-	115	-	11.50
8.57% NCD of 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
9.64% NCD of LIC Housing Finance Limited	₹ 1,000,000	100	-	9.99	-
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
9.80% NCD of LIC Housing Finance Limited	₹ 1,000,000	800	-	79.96	-
9.90% NCD of LIC Housing Finance Limited	₹ 1,000,000	400	-	39.92	-
9.96% NCD of LIC Housing Finance Limited	₹ 1,000,000	150	-	14.99	-
9.97% NCD of LIC Housing Finance Limited	₹ 1,000,000	-	250	-	24.50
10.20% NCD of LIC Housing Finance Limited	₹ 1,000,000	100	-	10.00	-
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	40,708	20,817	4.33	2.25
7.93% NCD of REC Limited	₹ 1,000	6,072	6,047	0.65	0.65
7.22% NCD of REC Limited	₹ 1,000	5,020	5,020	0.50	0.50
7.38% NCD of REC Limited	₹ 1,000	5,721	4,671	0.58	0.47
8.84% NCD of REC Limited	₹ 1,000,000	250	-	24.82	-
9.38% NCD of REC Limited	₹ 1,000,000	150	-	14.81	-

(₹ Crore)

	Face Value Per Unit	Numbers – As at 31/03/2014	Numbers – As at 31/03/2013	As at 31/03/2014	As at 31/03/2013
8.84% NCD of PFC	₹ 100	1,000,000	2,500,000	9.56	25.10
8.90% NCD of PFC	₹ 100	-	2,500,000	-	24.98
8.94% NCD of PFC	₹ 100	-	2,000,000	-	19.99
7.36% NCD of PFC	₹ 1,000	19,462	6,079	2.01	0.61
8.20% NCD of PFC	₹ 1,000	36,862	27,793	4.03	3.01
8.30% NCD of PFC	₹ 1,000	10,163	10,163	1.01	1.01
8.35% NCD of PFC	₹ 1,000,000	100	-	9.72	-
9.61% NCD of PFC	₹ 1,000,000	150	-	14.92	-
9.55% NCD of HDB Financial Services Ltd.	₹ 1,000,000	200	200	20.00	20.00
9.63% NCD of HDB Financial Services Ltd.	₹ 1,000,000	250	250	25.00	25.00
0% M & M Financial Services	₹ 1,000,000	250	-	24.38	-
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	250	25.00	25.00
9.89% NCD of M & M Financial Services	₹ 1,000,000	150	150	15.03	15.03
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
10.05% NCD of Tata Sons Limited	₹ 1,000,000	200	-	20.00	-
10.20% NCD of Tata Sons Limited	₹ 1,000,000	250	-	25.00	-
10.25% NCD of Tata Sons Limited	₹ 1,000,000	500	50	50.05	5.05
9.78% NCD of Tata Sons Limited	₹ 1,000,000	100	100	10.07	10.07
9.84% NCD of Tata Sons Limited	₹ 1,000,000	250	-	24.99	-
9.98% NCD of Tata Sons Limited	₹ 1,000,000	100	100	10.10	10.10
7.34% HUDCO Bonds	₹ 1,000	100,000	100,000	10.00	9.92
7.51% HUDCO Bonds	₹ 1,000	50,000	50,000	5.00	5.00
9.65% NCD of Tourism Finance Corporation of India	₹ 1,000,000	-	230	-	23.20
9.50% NCD of Tourism Finance Corporation of India	₹ 1,000,000	-	150	-	15.00
9.60% NCD of Tourism Finance Corporation of India	₹ 1,000,000	-	170	-	17.11
0% HDFC Ltd. Series K-032 DDB	₹ 1,000,000	250	-	26.46	-
8.70% NCD of HDFC Limited	₹ 1,000,000	250	-	24.79	-
8.87% NCD of HDFC Limited	₹ 1,000,000	50	-	4.97	-
8.95% NCD of HDFC Limited	₹ 1,000,000	200	-	19.85	-
9.10% NCD of HDFC Limited	₹ 1,000,000	-	500	-	49.91
9.20% NCD of HDFC Limited	₹ 1,000,000	250	-	24.88	-
9.34% NCD of HDFC Limited	₹ 1,000,000	100	-	9.97	-
9.40% NCD of HDFC Limited	₹ 1,000,000	500	-	49.66	-
9.55% NCD of HDFC Limited	₹ 1,000,000	500	-	49.86	-
9.60% NCD of HDFC Limited	₹ 1,000,000	300	850	30.08	90.56
9.65% NCD of HDFC Limited	₹ 1,000,000	200	200	21.02	21.02
9.80% NCD of HDFC Limited	₹ 1,000,000	250	-	25.01	-
8.99% IDBI of Bank Bonds	₹ 1,000,000	-	125	-	12.50
10.29% NCD of Kotak Mahindra Prime Ltd.	₹ 1,000,000	50	-	4.99	-

(₹ Crore)

	Face Value Per Unit	Numbers – As at		As at	
		31/03/2014	31/03/2013	31/03/2014	31/03/2013
10.35% NCD of Kotak Mahindra Prime Ltd.	₹ 1,000,000	170	-	16.96	-
8.01% NCD of UltraTech Cement Ltd.	₹ 1,000,000	1,150	-	113.70	-
9.50% NABARD Bonds	₹ 1,000,000	300	-	29.90	-
Investments in Government Securities					
7.95% GOI FCI Special Bonds, 2026	₹ 100	513,000	513,000	4.65	5.04
6.65% GOI FCI Special Bonds, 2023	₹ 100	2,096,600	2,096,600	17.70	18.92
7.00% GOI FCI Special Bonds, 2022	₹ 100	3,039,500	3,039,500	26.14	28.16
6.20% GOI FCI Special Bonds, 2022	₹ 100	1,432,100	1,432,100	11.63	12.50
8.12% GOI GS CG	₹ 100	7,500,000	-	71.48	-
8.33% GOI GS CG	₹ 100	7,500,000	5,500,000	70.54	56.12
8.20% GOI GS CG	₹ 100	-	4,500,000	-	45.45
1.44% GOI Inflation Indexed Bond	₹ 100	260,700	-	2.21	-
Investments in Commercial Papers					
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	800	1,000	37.42	47.82
REC Ltd.	₹ 500,000	1,500	-	70.16	-
EXIM Bank Ltd.	₹ 500,000	1,500	-	69.05	-
Housing Development Finance Corporation Limited	₹ 500,000	3,000	1,500	139.55	73.26
Investments in Certificate of Deposits					
Allahabad Bank	₹ 100,000	-	10,000	-	98.43
Punjab National Bank	₹ 100,000	-	500	-	4.66
United Commercial Bank	₹ 100,000	2,500	-	24.52	-
ICICI Bank	₹ 100,000	-	2,500	-	23.92
IDBI Bank	₹ 100,000	-	2,500	-	23.40
Axis Bank	₹ 100,000	-	5,000	-	49.18
Corporation Bank	₹ 100,000	5,000	10,000	47.03	91.61
State Bank of Mysore	₹ 100,000	-	7,500	-	70.11
Central Bank of India	₹ 100,000	-	2,500	-	23.28
State Bank of Hyderabad	₹ 100,000	-	2,500	-	23.31
The Jammu and Kashmir Bank Limited	₹ 100,000	-	2,500	-	23.00
Kotak Mahindra Bank	₹ 100,000	5,000	-	49.91	-
Oriental Bank of Commerce	₹ 100,000	2,500	-	23.58	-
Punjab & Sind Bank	₹ 100,000	2,500	-	23.52	-
United Bank of India	₹ 100,000	2,500	-	23.60	-
Canara Bank	₹ 100,000	5,000	-	46.60	-
Investments in Mutual Funds					
Investments in Debt Schemes of Mutual Funds - (a)				4,616.47	4,432.97
				6,595.01	**6,431.96**

(a) Investments in Debt Schemes of Mutual Funds include units of ₹ 17.00 crore (Previous year ₹ 1.00 crore) being deposit as margin for derivative transactions.

(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 31/03/2014	As at 31/03/2013
Aggregate Amount of Unquoted Investments	6,384.16	5,312.79
Aggregate Amount of Quoted Investments	210.85	1,119.17
Aggregate Market Value of Quoted Investments	211.09	1,120.89
Aggregate Provision for Diminution in Value of Investments	23.23	7.33

19. Inventories:

(₹ Crore)

	As at 31/03/2014			As at 31/03/2013		
	In Hand	**In Transit**	**Total**	**In Hand**	**In Transit**	**Total**
Raw Materials	724.19	3,090.51	3,814.70	1,352.35	1,882.49	3,234.84
Finished Goods	520.33	5.35	525.68	324.12	2.83	326.95
Work-in-Progress	3,924.04	-	3,924.04	3,442.06	-	3,442.06
Stock-in-Trade	-	-	-	-	-	-
Stores and Spares	337.44	18.01	355.45	325.61	15.12	340.73
Coal and Fuel	263.54	31.17	294.71	223.80	134.23	358.03
	5,769.54	**3,145.04**	**8,914.58**	**5,667.94**	**2,034.67**	**7,702.61**

20. Trade Receivables:

(₹ Crore)

	As at 31/03/2014	As at 31/03/2013
Outstanding for a period exceeding six months:		
Secured, Considered Good	0.04	-
Unsecured, Considered Good	58.87	17.09
Unsecured, Considered Doubtful	28.41	23.71
Less: Provision for Doubtful Amount	28.41	23.71
	58.91	17.09
Outstanding for a period less than six months:		
Secured, Considered Good	3.36	2.40
Unsecured, Considered Good	1,221.38	1,495.55
	1,224.74	**1,497.95**
	1,283.65	**1,515.04**

21. Cash and Bank Balances:

(₹ Crore)

	As at	
	31/03/2014	**31/03/2013**
Cash and Cash Equivalents		
Balance with Banks:		
Deposits with less than three months initial maturity	50.35	45.52
Current Accounts	283.75	90.59
Cheques and Drafts on Hand - (a)	100.43	68.86
Cash on Hand	0.36	0.41
	434.89	**205.38**
Other Balances		
Balance with Banks:		
Earmarked Balances	7.21	8.11
Deposits with more than three months initial maturity	721.07	1,284.33
	728.28	**1,292.44**
	1,163.17	**1,497.82**

(a) Include ₹ 89.88 crore (Previous year ₹ 41.82 crore) remittances in transit.

22. Short-Term Loans and Advances:

(Unsecured, Considered Good, unless otherwise stated)

	31/03/2014	31/03/2013
Loans, Advances and Deposits to Related Parties	10.87	27.41
Inter-Corporate Loans, Advances and Deposits	-	15.00
Security Deposits:		
Unsecured, Considered Good	44.58	21.85
Unsecured, Considered Doubtful	0.25	0.25
Less: Provision for Doubtful Amount	0.25	0.25
	44.58	21.85
Advances Recoverable in Cash or in kind:		
Unsecured, Considered Good	1,798.73	1,439.25
Unsecured, Considered Doubtful	12.52	13.17
Less: Provision for Doubtful Amount	12.52	13.17
	1,798.73	1,439.25
Other Advances and Balances:		
Balance with Government Authorities	89.70	41.35
Prepaid Expenses	26.69	21.27
Others - (a)	1,255.83	695.60
	3,226.40	**2,261.73**

(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:

(₹ Crore)

	As at	
	31/03/2014	31/03/2013
Accrued Interest	132.73	104.01
Accrued Export and Other Incentives	109.02	110.10
Derivative Assets (refer Note No. 46 (c))	497.35	485.70
Assets Held for Sale	2.76	0.22
Other Receivables	27.22	40.84
	769.08	**740.87**

24. Revenue from Operations:

(₹ Crore)

	Year ended	
	31/03/2014	31/03/2013
Sale of Products - (a)	29,823.47	27,797.16
Other Operating Revenues	277.87	272.62
Gross Revenue from Operations	30,101.34	28,069.78
Less: Excise Duty	2,250.41	2,012.85
Net Revenue from Operations	**27,850.93**	**26,056.93**

(a) Details of Sale of Products are given below:

Sale of Finished Goods:		
Aluminium Business:		
Alumina	1,007.03	905.78
Aluminium and Aluminium Products	9,893.95	8,400.50
Others	274.83	264.14
Copper Business:		
Copper and Copper Products - (i)	15,183.71	14,590.90
Precious Metals - (i)	2,740.57	2,436.10
Others - (ii)	1,026.29	1,199.23
	30,126.38	**27,796.65**
Sale of Traded Goods:		
Other Materials	0.04	0.51
	0.04	0.51
	30,126.42	27,797.16
Less: Sale of trial run production transfer to Capital Work-in-Progress	302.95	-
	29,823.47	**27,797.16**

(i) Sales of Copper Products and Precious Metals are accounted for provisionally pending finalization of price and quantity. Variations are accounted for in the year of settlement. Final price receivable on sale of above products, for which quotational price was not finalized in the previous year, were realigned at the year end forward LME/LMBA rate and reversal of ₹ 1.84 crore (Previous year ₹ 8.21 crore) was accounted for. During the year, final price was settled at ₹ 6.50 crore (Previous year ₹ 47.27 crore) and further reversal of sales of ₹ 4.65 crore (Previous year ₹ 39.06 crore) was taken into account. As on 31st March, 2014, sales of Copper Products and Precious Metals, pending for price finalization, were realigned at the year end forward LME/LMBA and reversal of sales of ₹ 7.83 crore (Previous year ₹ 1.84 crore) was accounted for. Actual cash flow is expected on finalization of quotational price and quantity in the subsequent financial year.

(ii) Include sales of DAP including nutrient-based subsidy of P&K ₹ 273.34 crore (Previous year ₹ 298.27 crore).

25. Other Income:

(₹ Crore)

	Year Ended 31/03/2014	Year Ended 31/03/2013
Interest Income:		
On Long-term Investments	8.70	7.84
On Current Investments	143.50	70.52
On Others - (a)	319.68	253.21
Dividend Income:		
On Long-term Investments - (b)	229.13	144.54
On Current Investments	7.91	115.11
Gain/(Loss) on Sale of Investments (Net):		
On Long-term Investments	10.65	-
On Current Investments	371.53	396.46
Adjustments to the Carrying Amount of Investments (Net):		
On Long-term Investments	(0.11)	(0.11)
On Current Investments	(16.06)	3.41
Profit/(Loss) on Fixed Assets Sold/discarded (Net)	(13.79)	(4.32)
Rent Income	4.31	4.82
Liabilities no longer required written back	69.29	40.55
Other Non-Operating Income (Net)	2.27	2.18
	1,137.01	1,034.21
Less: Transfer to Finance Costs - (c)	12.59	51.12
	1,124.42	**983.09**

(a) Interest Income on others include ₹ 165.98 crore (Previous year ₹ 146.38 crore) of interest received from Income Tax Department.

(b) Dividend Income on long term investments include ₹ 201.20 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:

	31/03/2014	31/03/2013
Other Materials	0.03	0.38
	0.03	**0.38**

27. Cost of Materials Consumed:

(₹ Crore

	Year Ended	
	31/03/2014	31/03/2013
Copper Concentrate - (a)	15,271.64	14,223.65
Alumina	388.64	91.62
Bauxite	218.84	192.86
Caustic Soda	581.13	587.22
Calcined Petroleum Coke	447.68	432.97
Rock Phosphate	337.95	354.71
Anode	355.44	314.31
Others	1,367.20	940.16
	18,968.52	17,137.50
Less: Transfer to Capital Work-in-Progress	164.24	0.99
	18,804.28	**17,136.51**

(a) Purchase of Copper Concentrate is accounted for provisionally pending finalization of contents in the concentrate and price. Variations are accounted for in the year of settlement. Final price payable on purchase of copper concentrate, for which quotational price and quantity were not finalized in the previous year, was realigned based on forward LME and LMBA rate at the year end of copper and precious metals, respectively, and accordingly receivable of ₹ 122.82 crore (Previous year payable ₹ 141.51 crore) was accounted for. During the year, final price was settled at ₹ 248.90 crore (Previous year payable ₹ 10.78 crore) and accordingly further net receivable of ₹ 126.08 crore (Previous year ₹ 130.73 crore) has been accounted for. As on 31st March, 2014, receivable of ₹ 155.88 crore (Previous year ₹ 122.82 crore) was accounted for on realignment of unpriced copper concentrate. Actual cash flow is expected on finalization of quotational price and quantity in the subsequent financial year.

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

(₹ Crore)

	Year Ended	
	31/03/2014	31/03/2013
Opening Inventories		
Finished Goods	326.95	422.86
Work-in-Progress	3,442.06	3,481.10
Stock-in-Trade	-	-
	3,769.01	**3,903.96**
Less: Closing Inventories		
Finished Goods	525.68	326.95
Work-in-Progress	3,924.04	3,442.06
Stock-in-Trade	-	-
	4,449.72	**3,769.01**
	(680.71)	134.95
Add: (Increase)/Decrease of Excise Duty on Inventories	4.50	(7.01)
	(676.21)	**127.94**

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

(₹ Crore)

	Finished Goods			Work-in-Progress		
	31/03/2014	31/03/2013	31/03/2012	31/03/2014	31/03/2013	31/03/2012
Aluminium Business:						
Alumina	50.68	55.51	42.31	270.20	266.20	224.36
Aluminium and Aluminium Products	195.94	101.45	82.44	433.79	299.25	265.09
Others	6.28	8.98	1.73	410.38	372.59	301.56
Copper Business:						
Copper and Copper Products	228.02	70.03	169.68	1,602.41	1,428.15	1,231.10
Precious Metals	2.20	67.94	95.84	1,201.26	1,057.75	1,448.08
Others	42.56	23.04	30.86	6.00	18.12	10.91
	525.68	**326.95**	**422.86**	**3,924.04**	**3,442.06**	**3,481.10**

29. Employee Benefits Expenses:

(₹ Crore)

	Year ended	
	31/03/2014	31/03/2013
Salaries and Wages	1,141.44	1,039.96
Contribution to Provident and Other Funds	150.20	117.69
Employee Share-Based Payments	3.71	0.27
Employee Welfare	118.32	111.29
	1,413.67	1,269.21
Less: Transfer to Capital Work-in-Progress	67.57	68.41
	1,346.10	**1,200.80**

30. Power and Fuel:

Power and Fuel	3,996.28	3,121.82
Less: Transfer to Capital Work-in-Progress	438.67	48.78
	3,557.61	**3,073.04**

31. Finance Costs:

Interest Expenses - (a)	2,350.07	1,901.31
Other Borrowing Costs	27.81	81.79
Loss on Foreign Currency Transactions and Translation (Net)	36.84	-
	2,414.72	1,983.10
Less: Income on Specific Borrowings - (b)	12.59	51.12
	2,402.13	1,931.98
Less: Transfer to Capital Work-in-Progress	1,690.48	1,496.00
	711.65	**435.98**

(a) Interest Expenses include ₹ 14.56 crore (Previous year ₹ 0.07 crore) of interest paid to Income Tax Department.

(b) Income derived from temporary deployment of surplus fund out of specific borrowings for various projects deducted from borrowing costs incurred.

32. Depreciation and Amortization:

(₹ Crore)

	Year ended 31/03/2014	Year ended 31/03/2013
Depreciation and Amortization	835.56	689.16
Less: Transfer to Capital Work-in-Progress	12.27	2.21
	823.29	**686.95**

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

Impairment Loss Recognised	-	17.25
Reversal of Impairment Loss	-	-
	-	**17.25**

During the previous year, certain assets of copper business have been impaired as a result of uneconomical operation.

34. Other Expenses:

Consumption of Stores and Spares	494.35	587.10
Repairs to Buildings	39.90	34.34
Repairs to Machinery	402.64	261.22
Rates and Taxes	25.31	19.13
Rent	35.46	31.97
Insurance	80.52	73.11
Payments to Auditors - (a)	3.48	3.27
Research and Development	23.74	24.97
Freight and Forwarding Expenses (Net) - (b)	464.76	504.58
Provision for Doubtful Loans, Advances and Receivables (Net)	5.39	6.97
Bad Loans, Advances and Receivables Written Off/ (Written Back) (Net)	0.39	0.41
Prior Period Items (Net)	0.21	0.32
Donations - (c)	2.07	11.77
Directors' Fees and Commission	7.58	10.05
(Gain)/Loss on Change in Fair Value of Derivatives (Net)	(319.17)	96.99
Cost of own Manufactured Products Capitalized/Used	(54.92)	(103.50)
Miscellaneous Expenses - (d)	1,197.09	808.67
	2,408.80	2,371.37
Less: Transfer to Capital Work-in-Progress	81.56	56.83
	2,327.24	**2,314.54**

(a) Details of Payments to Auditors are as follows:

Statutory Auditors:		
Statutory Audit Fees	2.00	1.76
Tax Audit Fees	0.29	0.29
Certification and Management Services	0.95	1.01
Out-of-Pocket Expenses	0.14	0.12
Cost Audit Fees and Expenses	0.10	0.09
	3.48	**3.27**

(b) Freight and Forwarding Expenses are net of freight subsidy of ₹ 18.31 crore (Previous year ₹ 16.63 crore) on sale of DAP.

(c) Donations include ₹ Nil (Previous year ₹ 1.00 crore) paid to General Electoral Trust as political donation.

(d) Miscellaneous Expenses include ₹ 0.02 crore (Previous year ₹ 0.05 crore) paid to a firm of solicitors in which Director is a partner.

35. Exceptional Items

(₹ Crore)

	Year Ended	
	31/03/2014	31/03/2013
Exceptional Items	395.98	-
	395.98	**-**

Exceptional Items include:

(a) Liability of ₹ 324.36 crore under UP Tax on Entry of Goods into Local Areas Act, 2007 (UP Entry Tax)

(b) Liability of ₹ 71.62 crore under Madhya Pradesh Gramin Avsanrachna Tatha Sarak Vikas Adhiniyam (MPGATSVA).

Both the above levies have been contested by the Company and appeals against these are pending before the Hon'ble Supreme Court. In the matter of UP Entry Tax, the Hon'ble Supreme Court has granted a stay on the adverse order of the Hon'ble Allahabad High Court. In the matter of MPGATSVA, the Supreme Court has not stayed the adverse order of the Hon'ble Jabalpur High Court in a separate, but similar, case. Since in both these matters an adverse order has been passed by a High Court upholding the validity of the levy, and the amount of the levy has either been paid or secured by bank guarantees provided by the Company, the Statement of Profit and Loss has been debited with the total amount pertaining to these levies following principles of prudence. The amount paid towards these levies has been shown as advance recoverable in the Balance Sheet.

36. Tax Expenses:

(₹ Crore)

	Year Ended	
	31/03/2014	31/03/2013
Current Tax		
Current Tax for the year	314.72	381.41
Tax Adjustments for earlier years (Net)	(25.84)	-
	288.88	**381.41**
Deferred Tax		
Deferred Tax for the year	(21.22)	(33.98)
Tax Adjustments for earlier years (Net)	4.39	-
	(16.83)	**(33.98)**

37. Earnings Per Share (EPS):

Profit for the period (₹ Crore)	1,413.33	1,699.20
Weighted-average Number of Shares used in the calculation of EPS:		
Weighted-average Number of Equity Shares for computing basic EPS	1,993,898,373	1,914,567,153
Dilutive Impact of Employee Stock Options Scheme	331,541	95,595
Weighted-average Number of Equity Shares for computing diluted EPS	1,994,229,914	1,914,662,748
Face Value of Per Share (₹)	1.00	1.00
Basic EPS (₹)	7.09	8.88
Diluted EPS (₹)	7.09	8.87

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 till 31st March, 2013, ₹ 66.98 crore has been adjusted against BRR.

During the year, a provision of ₹ 86.06 crore has been made for diminution in value of investment in Hindalco-Almex Aerospace Limited, a subsidiary of the Company. The entire amount of provision has been adjusted against BRR. Had the Scheme not prescribed aforesaid treatment, the impact on results would have been as under:

Profit for the year lower by ₹ 86.06 crore

Basic EPS lower by ₹ 0.43

Diluted EPS lower by ₹ 0.43

39. For the year ended 31st March, 2014, the Board of Directors of the Company have recommended dividend of ₹ 1.00 per share (Previous year ₹ 1.40 per share) to equity shareholders aggregating to ₹ 241.55 crore (Previous year ₹ 313.60 crore) including Dividend Distribution Tax.

40. 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 31/03/2014			Year Ended 31/03/2013		
	Aluminium	**Copper**	**Total**	**Aluminium**	**Copper**	**Total**
REVENUE						
External	10,045.72	17,805.21	27,850.93	8,776.15	17,280.78	26,056.93
Inter-Segment	3.97	43.01	46.98	2.87	24.49	27.36
Total	**10,049.69**	**17,848.22**	**27,897.91**	**8,779.02**	**17,305.27**	**26,084.29**
RESULTS						
Segment Results	934.27	938.42	1,872.69	929.84	768.01	1,697.85
Unallocated Corporate Income			1,069.77			942.52
Unallocated Corporate Expenses			(149.45)			(157.76)
Finance Costs			(711.65)			(435.98)
Profit Before Exceptional items and Tax			2,081.36			2,046.63
Exceptional Items			(395.98)			-
Tax Expenses			(272.05)			(347.43)
Profit for the period			**1,413.33**			**1,699.20**
OTHER INFORMATION						
Assets:						
Segment Assets	39,978.34	9,061.50	49,039.84	34,766.51	8,478.95	43,245.46
Unallocated Corporate Assets			24,730.11			23,373.10
Total Assets			**73,769.95**			**66,618.56**
Liabilities:						
Segment Liabilities	3,759.40	3,496.00	7,255.40	2,824.39	2,563.17	5,387.56
Unallocated Corporate Liabilities			29,782.10			27,258.61
Total Liabilities			**37,037.50**			**32,646.17**
Capital Expenditure	4,935.62	114.80		7,292.06	50.75	
Depreciation and Amortization	634.35	168.00		492.69	171.42	
Impairment Loss/(Reversal) (Net)	-	-		-	17.25	
Other Non-Cash Expenses	6.21	-		5.36	2.02	

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 31/03/2014			Year Ended 31/03/2013		
	India	**Rest of World**	**Total**	**India**	**Rest of World**	**Total**
Revenue	19,492.75	8,405.16	27,897.91	18,453.74	7,630.55	26,084.29
Assets	48,387.17	652.67	49,039.84	42,672.45	573.01	43,245.46
Capital Expenditure	5,050.42	-	5,050.42	7,342.81	-	7,342.81

41. Employee Share-Based Payment:

Employee Stock Options Scheme 2006 ("ESOS 2006")

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

According to ESOS 2006, so far the Company has granted 4,328,159 options (Previous year 3,545,550 options) to its eligible employees, out of which 1,169,574 options (Previous year 880,145 options) has been cancelled/lapsed and are available for grant as per term of the Scheme.

A summary of the activity in the stock options granted under ESOS 2006 for the year ended 31st March, 2014, is as follows:

Particulars	Stock Options (Numbers)	Range of Exercise Price (₹)	Weighted-Average Exercise Price (₹)	Weighted-Average Remaining Contractual life (Years)
Outstanding at the beginning of the year	1,984,453	98.30-150.10	124.77	2.90
Granted during the year	782,609	118.73	118.73	7.03
Cancelled during the year	-	-	-	-
Exercised during the year	(4,800)	98.30	98.30	-
Lapsed during the year	(289,429)	98.30-150.10	134.16	-
Outstanding at the end of the year	2,472,833	98.30-150.10	121.81	3.76
Exercisable at the end of the year	1,590,625	98.30-150.10	123.54	2.06

A summary of the activity in the stock options granted under ESOS 2006 for the year ended 31st March, 2013, is as follows:

Particulars	Stock Options (Numbers)	Range of Exercise Price (₹)	Weighted-Average Exercise Price (₹)	Weighted-Average Remaining Contractual life (Years)
Outstanding at the beginning of the year	2,198,457	98.30-150.10	124.11	3.99
Granted during the year	-	-	-	-
Cancelled during the year	(86,884)	118.35	118.35	-
Exercised during the year	(40,760)	98.30	98.30	-
Lapsed during the year	(86,360)	98.30-150.10	126.97	-
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

During the year ended 31st March, 2014, the Company has allotted 4,800 fully paid-up equity share of ₹ 1/- each of the Company (Previous year 40,760) on exercise of options under ESOS 2006, for which the Company has realised ₹ 0.05 crore (Previous year ₹ 0.40 crore) as exercise money. The weighted-average share price for the year ended 31st March, 2014, over which options exercised was ₹ 115.20 (Previous year ₹ 117.41).

Employee Stock Options Scheme 2013 ("ESOS 2013")

During this year, the Company has instituted Employee Stock Options Scheme 2013 ("ESOS 2013"), under which the Company may grant 5,462,000 stock options and restricted stock units (RSU) to the permanent

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

In terms of ESOS 2013, during the year ended 31st March, 2014, the Company has granted 1,930,004 stock options and 1,931,289 RSUs to the eligible employees of the Company and some of its subsidiary companies. A summary of the activity in the stock options and RSUs granted under ESOS 2013 for the year ended 31st March, 2014, is as follows:

	Stock Options				RSUs			
Particulars	Stock Options (Numbers)	Range of Exercise Price (₹)	Weighted-Average Exercise Price (₹)	Weighted-Average Remaining Contractual Life (Years)	RSUs (Numbers)	Range of Exercise Price (₹)	Weighted-Average Exercise Price (₹)	Weighted-Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	-	-	-	-	-	-	-	-
Granted during the year	1,930,004	119.45	119.45	7.03	1,931,289	1.00	1.00	7.53
Cancelled during the year	-	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-	-
Outstanding at the end of the year	1,930,004	119.45	119.45	7.03	1,931,289	1.00	1.00	7.53
Exercisable at the end of the year	-	-	-	-	-	-	-	-

Fair Valuation

During the year ended 31st March, 2014, the Company has granted 782,609 options under ESOS 2006, 1,930,004 options and 1,931,289 RSUs under ESOS 2013. At grant date, fair value of stock options granted under ESOS 2006 was ₹ 64.05 for each option, and the fair value of stock options and RSUs granted under ESOS 2013 was ₹ 63.90 and ₹ 100.83 for each option and RSU, respectively. The said fair valuation have been done by an independent valuer using Black and Scholes Model. The details of stock options and RSUs granted during the year ended 31st March, 2014, and the key assumptions taken into account for fair valuation are as under:

	ESOS 2006	ESOS 2013	
Particulars	**Options**	**Options**	**RSUs**
Number of Options/RSU Granted	782,609	1,930,004	1,931,289
Options/RSUs Grant Date	09.10.2013	09.10.2013	09.10.2013
Exercise Price (₹)	118.73	119.45	1.00
Risk-Free Interest Rate	9%	9%	9%
Life of Options Granted	7.5 years	7.5 years	8 years
Expected Volatility	0.4867	0.4867	0.4783
Expected Dividend	140%	140%	140%

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

For the year ended 31st March, 2014, the Company determined ₹ 3.85 crore (Previous year ₹ 0.27 crore) as amortized compensation cost for stock options granted including ₹ 0.14 crore (Previous year ₹ Nil) expenses relating to options granted to employees of a subsidiary of the Company, which has been realised from that company. The Company measures compensation cost for the stock options granted using intrinsic value method. Had the compensation cost been determined in a manner consistent with fair value approach, the Company's net profit and earnings per share as reported would have been as under:

(₹ Crore)

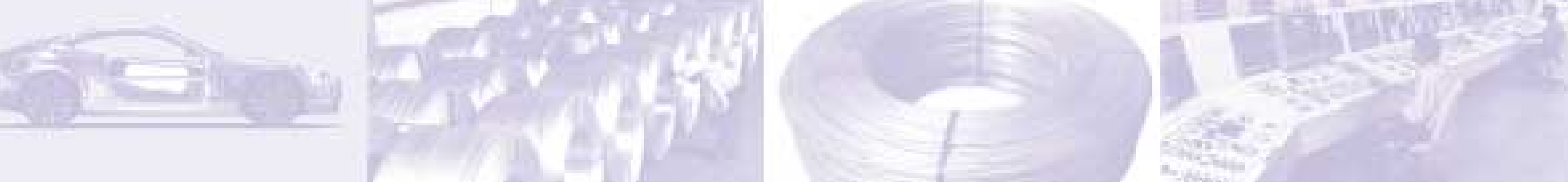
	Year ended	
	31/03/2014	**31/03/2013**
Reported Net Profit for the period	1,413.33	1,699.20
Add: Compensation Cost under ESOS as per Intrinsic Value	3.71	0.27
Less: Compensation Cost under ESOS as per Fair Value	(7.56)	(0.50)
Proforma Net Profit for the period	**1,409.48**	**1,698.97**
Basic Earnings Per Share (₹)		
As Reported	7.09	8.88
Proforma	7.07	8.87
Diluted Earnings Per Share (₹)		
As Reported	7.09	8.87
Proforma	7.07	8.87

42. 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)

		Year Ended	
		31/03/2014	**31/03/2013**
(a)	**Change in Obligations over the year ended 31 March, 2014**		
	Present Value of Defined Benefit Obligations at the beginning of the year	512.85	462.57
	Current Service Cost	35.37	28.48
	Past Service Cost	-	-
	Interest Cost	40.35	36.34
	Curtailment Cost/(Credit)	-	-
	Settlement Cost/(Credit)	-	-
	Plan Amendments	-	-
	Actuarial (Gain) or Loss	23.38	1.97
	Benefits Paid	(16.90)	(16.51)
	Present Value of Defined Benefit Obligations at the end of the year	**595.05**	**512.85**
(b)	**Change in Plan Assets (Reconciliation of Opening and Closing Balances)**		
	Fair Value of Plan Assets at the beginning of the year	331.60	286.32
	Expected Return on Plan Assets	26.73	22.35
	Actuarial Gain or (Loss)	-	-
	Contributions	47.11	39.44
	Benefits Paid	(16.90)	(16.51)
	Fair value of Plan Assets at the end of the year	**388.54**	**331.60**



		Year Ended (₹ Crore) 31/03/2014	31/03/2013
(c)	**Reconciliation of Fair Value of Assets and Obligations**		
	Fair Value of Plan Assets at the end of the year	388.54	331.60
	Present Value of Defined Benefit Obligations at the end of the year	(595.05)	(512.85)
	Amount Recognised in the Balance Sheet	**(206.51)**	**(181.25)**
(d)	**Expense Recognised during the year**		
	Current Service Cost	35.37	28.48
	Past Service Cost	-	-
	Interest Cost	40.35	36.34
	Curtailment Cost/(Credit)	-	-
	Settlement Cost/(Credit)	-	-
	Actuarial (Gain) or Loss	24.38	3.44
	Expected Return on Plan Assets	(27.74)	(23.82)
		72.36	44.44
(e)	**Investment Details of Plan Assets**		
	Insurer Managed Funds	95.89%	95.18%
	Government Securities	0.00%	0.00%
	Corporate Bonds	0.00%	0.00%
	Others	4.11%	4.82%
(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)	9.00%	8.00%
	Expected Rate of Return on Assets	8.00%	8.00%
	Salary Increases taking into account inflation, seniority, promotion and other relevant factors	7.00%	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 carried out actuarial valuation to ascertain shortfall in interest, if any, payable to the members of Provident Fund, and has made appropriate provision in the books. The Company contributes 12% of salary for all eligible employees towards Provident Fund managed either by approved trusts or by the Central Government. The amount debited to the Statement of Profit and Loss during the year was ₹ 70.90 crore (Previous year ₹ 62.56 crore). In view of the 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 the managerial cadre towards Superannuation Funds managed by approved trusts or by Life Insurance Corporation of India. The amount debited to the Statement of Profit and Loss during the year was ₹ 13.05 crore (Previous year ₹ 12.52 crore).

43. Provisions:

The details of other provisions and its movement included in Note 12 are as under:

(₹ Crore)

		As at 3/31/2013	Additions	Utilised	Unused Reversed	As at 3/31/2014
(a)	Provision for claims against the Company	29.24		-	5.47	23.77
(b)	Others	3.25	-	-	-	3.25
		32.49	-	-	5.47	27.02
	Previous Year	25.22	8.02	-	0.75	32.49

(₹ Crore)

	Year Ended	
	31/03/2014	31/03/2013
Non-Current Portion	-	-
Current Portion	27.02	32.49

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.

44. 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	
	31/03/2014	31/03/2013
Revenue from Operations	(115.40)	(50.52)
Cost of Materials Consumed	9.28	(52.83)
Power and Fuel	(2.78)	(2.54)
Other Expenses	(93.14)	(14.04)
	(202.04)	**(119.93)**

45. 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	
	31/03/2014	31/03/2013
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	1.27	1.67

46 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 the 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) are 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)

		31st March, 2014			31st March, 2013		
Particulars	**Nature of Risk being Hedged**	**Liability**	**Asset**	**Net Fair Value**	**Liability**	**Asset**	**Net Fair Value**
Current							
Cash Flow Hedges							
- Commodity Contracts	All cash flow risks other than foreign currency	(14.18)	268.71	254.53	(1.79)	277.72	275.93
- Foreign Currency Contracts	Exchange rate movement risk	(13.20)	119.07	105.87	(41.95)	130.69	88.74
Fair Value Hedge							
- Embedded Derivatives *	Risk of change in Fair Value of unpriced inventory	(20.73)	247.44	226.71	(0.04)	191.05	191.01
Non-Designated Hedges							
- Commodity Contracts		(19.03)	107.97	88.94	(35.50)	74.54	39.04
- Foreign Currency Contracts		(22.81)	1.60	(21.21)	(10.75)	2.75	(8.00)
Total		**(89.95)**	**744.79**	**654.84**	**(90.03)**	**676.75**	**586.72**
Non-Current							
Cash Flow Hedges							
- Commodity Contracts	All cash flow risks other than foreign currency	(1.81)	12.20	10.39	-	28.17	28.17
- Foreign Currency Contracts	Exchange rate movement risk	-	-	-	-	-	-
Non-Designated Hedges							
- Commodity Contracts		-	-	-	-	6.29	6.29
- Foreign Currency Contracts		(0.15)	-	(0.15)	-	-	-
Total		**(1.96)**	**12.20**	**10.24**	**-**	**34.46**	**34.46**
Grand Total		**(91.91)**	**756.99**	**665.08**	**(90.03)**	**711.21**	**621.18**

* Fair Value of ₹ 226.71 crore (Previous year ₹ 191.01 crore) is part of Trade Payables.

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

	Currency Pair	31st March, 2014 Average Exchange Rate	31st March, 2014 Notional Value (in Million)	31st March, 2014 Fair Value Gain/(Loss) (₹ Crore)	31st March, 2013 Average Exchange Rate	31st March, 2013 Notional Value (in Million)	31st March, 2013 Fair Value Gain/(Loss) (₹ Crore)
Foreign Currency Forwards							
Cash Flow Hedges							
Buy	EUR_INR	86.34	3.05	(0.94)	72.20	5.66	0.28
Buy	GBP_INR	-	-	-	83.04	0.04	-
Buy	USD_INR	62.09	2.68	(0.48)	55.51	7.97	0.59
Sell	USD_INR	64.45	703	107.29	57.60	815.94	85.80
Total				**105.87**			**86.67**
Non-Designated							
Buy	AUD_INR	56.18	1.11	0.00	58.54	1.71	(0.31)
Buy	CAD_INR	54.96	0.25	0.00	-	-	-
Buy	CHF_INR	72.10	0.19	(0.03)	60.29	0.19	(0.03)
Buy	EUR_INR	86.75	11.22	(2.55)	72.73	22.64	(4.55)
Buy	GBP_INR	103.18	0.30	(0.06)	85.68	0.66	(0.10)
Buy	NOK_INR	10.40	2.37	(0.04)	9.69	2.37	(0.06)
Buy	USD_INR	60.08	164.44	(20.10)	54.85	166.19	(5.48)
Sell	USD_INR	61.28	28.43	1.42	55.04	14.47	0.49
Total				**(21.36)**			**(10.04)**
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, 2014:

		Average Price (USD/Unit)	Quantity	Unit	Notional Value (USD in Million)	Fair Value Gain/ (Loss) (₹ Crore)
Commodity Futures/Forwards						
Cash Flow Hedge						
Aluminium	Sell	1,961.61	331,000	MT	649.29	235.17
Copper	Sell	7,039.72	7,075	MT	49.81	16.43
Gold	Sell	1,289.08	119,697	TOZ	154.30	2.98
Silver	Sell	21.13	1,398,151	TOZ	29.55	10.34
Total						**264.92**
Non-Designated Hedges						
Aluminium	Buy	1,716.95	41,750	MT	71.68	8.54
Aluminium	Sell	2,076.05	44,375	MT	92.12	86.56
Copper	Buy	6,564.02	20,675	MT	135.71	10.92
Copper	Sell	6,504.05	1,950	MT	12.68	(1.73)
Gold	Buy	1,294.39	15,598	TOZ	20.19	(0.94)
Gold	Sell	1,254.43	27,131	TOZ	34.03	(4.89)
Silver	Buy	19.92	35,146	TOZ	0.70	(0.03)
Copper	Buy	-	*	MT	-	0.24
Gold	Buy	-	*	TOZ	-	(10.24)
Silver	Sell	-	*	TOZ	-	0.51
Total						**88.94**
Embedded Derivatives						
Fair Value Hedge						
Copper	Sell	6,964.22	112,395	MT	782.74	212.20
Gold	Sell	1,328.58	41,688	TOZ	55.39	11.06
Silver	Sell	20.53	757,777	TOZ	15.56	3.45
Total						**226.71**

* Represent derivatives matured within 31st March, 2014 for which cash flow to happen on settlement date during April 2014.

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 Million)	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

(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 the Statement of Profit and Loss:

(₹ Crore)

		31st March, 2014			31st March, 2013		
Hedge Instrument Type	**Products/ Currency Pair**	**Closing Value in Hedging Reserve as at 31st March, 2014**	**Release**		**Closing Value in Hedging Reserve as at 31st March, 2013**	**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	155.20	153.40	1.80	284.37	256.86	27.51
	Copper	15.66	15.66	-	2.91	2.81	0.10
	Gold	4.73	4.73	-	19.06	19.06	0.00
	Silver	8.70	8.70	-	22.72	22.72	-
Total		**184.29**	**182.49**	**1.80**	**329.06**	**301.45**	**27.61**
Debt		**89.80**	**89.80**	**-**	**10.16**	**10.16**	**-**
Liability for Copper Concentrate		**52.82**	**52.82**	**-**	**(7.58)**	**(7.58)**	**-**
Foreign Currency Forwards	EUR_INR	(0.96)	(0.96)	-	0.37	0.29	0.08
	GBP_INR	-	-	-	(0.01)	(0.01)	-
	USD_INR	107.57	107.57	-	87.85	86.16	1.69
Total		**106.61**	**106.61**	**-**	**88.21**	**86.44**	**1.77**
Foreign Currency Options	USD_INR	**-**	**-**	**-**	**1.86**	**1.86**	**-**
Grand Total		**433.52**	**431.72**	**1.80**	**421.71**	**392.33**	**29.38**

(g) The following table presents the amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2013-14:

(₹ Crore)

Item	**Opening Balance**	**Net Amount Recognised**	**Recycled**			**Closing Balance**
			Net Amount to P & L	**Net Amount Added to Non-Financial Assets**	**Total Amount Recycled**	
Commodity	329.06	558.37	703.14	-	703.14	184.29
Forex	92.65	(485.46)	(652.20)	10.16	(642.04)	249.23
Total	**421.71**	**72.91**	**50.94**	**10.16**	**61.10**	**433.52**

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 Non-Financial Assets**	**Total Amount Recycled**	
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**

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

(₹ Crore)

Note No.	Schedule Line Item	2013-14	2012-13
24a	Aluminium and Aluminium Products	356.11	(16.26)
24a	Copper and Copper Products	(454.36)	(350.71)
24a	Precious Metals	149.19	24.31

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

(₹ Crore)

	2013-14	2012-13
Copper	(218.75)	(184.55)
Gold	(11.23)	(2.92)
Silver	(3.51)	(3.45)
Total	**(233.49)**	**(190.92)**

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, 2014			31st March, 2013		
		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%	348.93	(74.15)	423.08	329.35	(108.58)	437.93
EUR_INR	10%	11.85	9.33	2.52	38.13	33.76	4.37
GBP_INR	10%	0.30	0.30	-	1.11	1.07	0.04
NOK_INR	10%	0.22	0.22	-	0.01	0.01	
CHF_INR	10%	0.11	0.11	-	0.00	0.00	
AUD_INR	10%	0.62	0.62	-	1.94	1.94	-
CAD_INR	10%	0.12	0.12				
Options							
USD_INR	10%	-	-	-	6.69	3.51	3.17
Debt	10%	377.49	86.80	290.69	513.15	89.48	423.67

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 Derivative	Change in Rate/Price	31st March, 2014			31st March, 2013		
		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%	438.81	(32.55)	471.36	353.23	(13.43)	366.66
Embedded Derivatives	10%	489.45	489.45	-	395.48	395.48	-

47. Contingent Liabilities and Commitments:

(₹ Crore)

	As at 31/03/2014	As at 31/03/2013
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 the Company's captive power plant, Renusagar Power Company Limited (Since amalgamated).	-	9.12
*Favourable judgment has been received from the Hon'ble Delhi High Court.		
(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 the Controller of Aluminium Regulation Account.		
(iii) Retrospective Revision of Water Rates by UP Jal Vidyut Nigam Limited (April 1989 to June 1993 and January 2000 to January 2001).	4.08	4.08
*Writ petition pending with Lucknow Bench of Allahabad High Court. The demand for arrears stayed vide order dated 11/05/2001.		
(iv) Transit fees levied by Divisional Forest officer, Renukoot, on Coal and Bauxite.	106.65	134.38
* Appeal pending with the Hon'ble High Court of Allahabad, and payment of Transit Fee has been stayed. According to the legal opinion received by the Company, the Forest Department has no authority to levy such fees. The Company has filed a transfer application before the Hon'ble Supreme Court. The Hon'ble Supreme Court of India on while issuing notice on our Transfer Petition stayed the further proceedings of the Company's Writ Petition pending before the Hon'ble Allahabad High Court.		
(v) M.P. Transit Fee on Coal demanded by Northern Coal Fields Limited.	23.77	23.43
*The Company had challenged the demand towards MP Transit Fee on Coal and filed Writ Petition before the Hon'ble Jabalpur High Court. The Hon'ble High Court has struck down the levy and also ordered for refund of the amount paid under protest. The State government has filed an Appeal against the order of the Hon'ble 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 the Supreme Court of India.		

		(₹ Crore) As at 31/03/2014	31/03/2013
(vi)	Imposition of Cess on Coal by Shaktinagar Special Area Development Authority.	11.17	9.38
	* The Writ pending before Allahabad High Court, Allahabad. Demand and levy stayed. However, the Company has moved a transfer petition before the Hon'ble Supreme Court for tagging the matter with CA No. 1883 of 06 (ORISED Matter). The matter is tagged with ORISED and to be heard by the Nine Judges Bench of the Hon'ble Supreme Court.		
(vii)	Demand of Royalty on Vanadium by District Mining Officer, Lohardaga.	7.96	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
	* Liability provided in the books of account.		
(x)	Demand raised on the assessment for entry tax with retrospective effect from the period November 1999 to till date.	-	271.96
	* Liability provided in the books of account.		
(xi)	Demand raised on assessment under CST Act and UP Sales Tax Act.	6.39	6.39
	* Demand has been quashed at first appeal and second appeal stage. However, Dept. has gone in the revision before the Hon'ble High Court. Allahabad.		
(xii)	Revision of surface rent on land by the Government of Jharkhand, w.e.f. 16th June, 2005.	26.18	22.56
	* Matter is in dispute at the Hon'ble High Court of Jharkhand.		
(xiii)	Demand made by Nayab Tehsildar Kusmi/Collector under Chhattisgarh as per Adhosanrachna Vikas evam Parayavaran Upkar Adhiniyam, 2005 @ 5% as environment tax on royalty plus 5% as development tax.	6.60	5.55
	* The Writ petition, which has been filed by the Company before the Hon'ble High Court of Chhattisgarh at Bilaspur, has been transferred to the Hon'ble Supreme Court and tagged with other Civil Appeals.		
(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
	Company has filed Writ Petition before the Hon'ble Jabalpur High Court. The Hon'ble High Court has struck down the levy and also ordered for refund of the amount paid under protest. The State government has filed an appeal against the order of the Hon'ble High court.		

(₹ Crore)

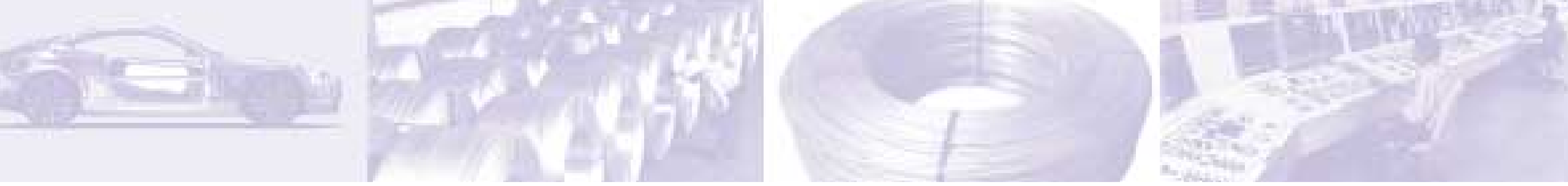
		As at	
		31/03/2014	31/03/2013
(xvi)	Demand for Entry Tax relating to valuation dispute of 2004-05 to 2005-06, for which appeals have been filed. * Appeal has been filed with Additional CCT, Sambalpur.	1.18	1.18
(xvii)	CST demand on reopening of assessments for 1999-00 to 2003-04. * Appeals have been filed.	8.81	8.81
(xviii)	Demand of penalty on excess CENVAT Credit taken. * Appeal is pending with CESTAT, Mumbai.	1.09	1.09
(xix)	Demand for Sales Tax u/s 15B for AYs 2001-02 and 2002-03. * Appeal is pending with J.C. Appellate Authority, Baroda.	7.96	7.96
(xx)	Service Tax on insurance policy attributable to Renusagar. * Commissioner has confirmed the demand. Appeal is pending before the CESTAT, New Delhi.	3.97	3.97
(xxi)	Disallowance of CENVAT credit. * The matter is pending with CESTAT, Ahmedabad.	5.29	5.29
(xxii)	Demand raised on assessment under CST Act and APGST Act for various years. * Appeals have been filed with appropriate authorities.	5.77	6.55
(xxiii)	Demand for Service Tax on Consulting Engineer Services and Scientific & Tech Service. * Appeal is pending with Commissioner (Appeals), Ahmedabad.	3.84	3.84
(xxiv)	Excise Duty on Dross. * Company has challenged the letter issued by Excise Department to pay Excise Duty on Dross before the Hon'ble Allahabad High Court.	19.78	16.16
(xxv)	Alleged CENVAT taken without receipt of Alumina Hydrate inside the factory. * Appeal files with Hon'ble CESTAT.	3.46	3.46
(xxvi)	Alleged CENVAT availed on the Input services at captive Mines. Appeal is pending with CESTAT.	36.05	36.07
(xxvii)	CENVAT of Service Tax Credit availed on Supplementary Invoices. * Pending with appropriate Authority.	3.12	3.12
(xxviii)	Clearence of Silver at Nil Rate of Duty under Notification No. 5/2006. * Appeal pending before CESTAT.	8.96	8.96
(xxix)	Excess rebate has been sanctioned to the extent duty paid by supplementary invoices * Appeal is pending with Commissioner of Customs (Appeals), Mumbai.	5.08	7.65
(xxx)	Disallowance of CENVAT on input services. * Pending with appropriate Authority.	6.79	5.40
(xxxi)	Service Tax on reverse charge basis. * Since provided.	-	31.10
(xxxii)	Parallel operation charges on capacity of Captive Power Plant by Madhya Pradesh Electricity Regulatory Commission. * Matter is pending before the Hon'ble High Court of Madhya Pradesh at Jabalpur. The Hon'ble High Court passed an order on 20.9.2013 and stayed the operation of order passed by MPERC subject to deposit of 50% of the amount.	7.05	-

	(₹ Crore)	
	As at	
	31/03/2014	31/03/2013
(xxxiii) Other Contingent Liabilities in respect of Excise, Customs, Sales Tax etc., each being for less than ₹ 1 crore.	15.51	13.33
* The demands are in dispute at various legal forums.		
	510.72	**894.20**
(b) Corporate Guarantees Outstandings	5,287.03	488.98
(₹ 5,246.47 crore* (Previous year ₹ 448.42 crore) given on behalf of subsidiary companies)		
* Includes ₹ 5,000 crore given to lender against loan provided to a subsidiary company, amount of loan outstanding as on 31st March 2014, is ₹ 4,950.		
(c) Other money for which the Company is contingently liable:		
i. Bills Discounted with Banks	3.53	-
ii. Customs Duty on Capital Goods and Raw Materials imported under EPCG Scheme/Advance License, against which export obligation is to be fulfilled (excluding cenvatable portion).	368.51	359.09

iii. The Company has received a notice dated 24th March, 2007, from Collector (Stamp), Kanpur, Uttar Pradesh, alleging that stamp duty of ₹ 252.96 crore is payable in view of order dated 18th November, 2002, of the Hon'ble High Court of Allahabad approving scheme of arrangement for merger of Copper business of Indo Gulf Corporation Limited with the Company. The Company is of the opinion that it has a very strong case as there is no substantive/computation provision for levy/calculation of stamp duty on court order approving scheme of arrangement under Companies Act, 1956, within the provisions of Uttar Pradesh Stamp Act. Moreover the properties in question are located in the State of Gujarat and thus the Collector (Stamp), Kanpur, has no territorial jurisdiction to make such a demand. It is pertinent to note that the Company in 2003-04 has already paid stamp duty which has been accepted as per the provisions of the Bombay Stamp Act 1958 with regard to transfer of shareholding of Indo Gulf Corporation Limited as per the Scheme of Arrangement. Furthermore, the demand made is on an incorrect assumption. The Company's contention amongst the various other grounds made is that the demand is illegal, against the principles of natural justice, incorrect, bad in law and malafide. The Company has filed a writ petition before the Hon'ble High Court of Allahabad, *inter alia*, on the above said grounds, which is pending determination.

iv. Against the notifications issued by the State Electricity Regulatory Commissions of Uttar Pradesh, Odisha and Madhya Pradesh states under the provisions of Electricity Act, 2003, in respect of Renewable Purchase Obligation (RPO), the Company has filed writ petitions before the jurisdictional high courts on the ground, *inter alia*, that RPO cannot be made applicable to captive users and the High Court(s) at Allahabad, Cuttack and Jabalpur have granted stay on the applicability of the RPO. Further, the Company has received favorable order from the Appellate Authority and Uttar Pradesh Regulatory Commission on applicability of RPO to units with Co-generation facility. In view of pending writ petitions and favourable order obtained from Appellate Authority, no provision has been considered necessary at this stage.

v. The assessing officer, while framing the assessment for AYs 2008-09, 2009-10 and 2010-11, has made adjustment, *inter alia*, amounting to ₹ 270.32 crore, ₹ 1,063.89 crore and ₹ 316.10 crore to total income of respective assessment years on account of purported arms' length fee for corporate guarantee provided to foreign banks for granting loan to a wholly owned subsidiary of the Company, viz., AV Minerals (Netherlands) N.V. The Company has filed appeals against these orders. The Company has been advised that, considering the facts of the case, no provision is necessary for these adjustments.



(₹ Crore)

		As at	
		31/03/2014	31/03/2013
B	**Commitments**		
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	1,181.44	2,957.37

(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 Parent Company, Hindalco has given the following undertakings to the lenders of Utkal Alumina International Limited (UAIL), a wholly owned subsidiary of the Company.

i. To hold minimum 51% equity shares in UAIL.

ii. To ensure to meet the Financial Covenants, except Fixed Asset Coverage Ratio, as provided in the loan agreements.

48. Both the green field projects of the Company, viz., Aditya Aluminium and Mahan Aluminium, as well as the green field project of its wholly-owned subsidiary company, Utkal Alumina International Limited have started operations during the year and are in the process of ramp up.

49. 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	
		31/03/2014	31/03/2013
(a)	Principal Amount Due	1.73	2.15
(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

		(₹ Crore)	
		As at	
		31/03/2014	31/03/2013
(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

50. Disclosure relating to amount outstanding at the 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 31/03/2014	Maximum Outstanding during 2014	As at 31/03/2013	Maximum Outstanding during 2013
(a) Associate: Aditya Birla Science & Technology Company Limited	57.94	57.94	57.94	57.94

51. 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.

52. Interests in Joint Ventures:

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

Name of Entities	Country of Incorporation	Proportion of Ownership Interests as at 31/03/2014	Proportion of Ownership Interests as at 31/03/2013
Mahan Coal Limited	India	50%	50%
Hydromine Global Minerals (GmbH) Limited	British Virgin Islands	45%	45%
MNH Shakti Limited	India	15%	15%

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 31/03/2014	Year Ended/As at 31/03/2013
Income	0.11	0.22
Expenses	(0.55)	0.95
Assets	237.26	69.61
Liabilities	1.64	3.64
Contingent Liabilities	40.56	40.56
Commitments (Net of Advance)	0.72	1.02

53. Related Party Disclosures:

A. List of Related Parties:

(a) **Enterprises where control exists:**

i. **Subsidiaries:**

1 Hindalco Guniea SARL
2 Minerals & Minerals Limited
3 Aditya Birla Chemicals (India) Limited
4 Utkal Alumina International Limited
5 Utkal Alumina Technical and General Services Limited
6 Suvas Holdings Limited
7 Renukeshwar Investments & Finance Limited
8 Renuka Investments & Finance Limited
9 Dahej Harbour and Infrastructure Limited
10 Lucknow Finance Company Limited
11 Hindalco-Almex Aerospace Limited
12 Hindalco do Brasil Indústria e Comércio de ALumina Ltda., (w.e.f. 1st August, 2013)
13 Tubed Coal Mines Limited
14 East Coast Bauxite Mining Company Private Limited
15 Mauda Energy Limited
16 Birla Resources Pty. Limited
17 Aditya Birla Minerals Limited
18 Birla Maroochydore Pty. Limited
19 Birla Nifty Pty. Limited
20 Birla Mt. Gordon Pty. Limited
21 A V Minerals (Netherlands) N.V.
22 A V Metals Inc.
23 Novelis Inc.
24 Novelis (India) Infotech Ltd.
25 Novelis No. 1 Limited Partnership
26 4260848 Canada Inc.
27 4260856 Canada Inc.
28 8018227 Canada Inc.
29 8018243 Canada Limited
30 Novelis Cast House Technology Ltd.
31 Novelis Corporation (Texas)
32 Aluminum Upstream Holdings LLC (Delaware)
33 Eurofoil Inc. (USA) (New York)
34 Logan Aluminium Inc. (Delaware)
35 Novelis Acquisitions LLC (Delaware)
36 Novelis Brand LLC (Delaware)
37 Novelis PAE Corporation
38 Novelis North America Holdings Inc.
39 Novelis South America Holdings LLC
40 Novelis Delaware LLC (Delaware)

41 ALBRASILIS - Aluminio do Brasil Industria e Comércio Ltda.
42 Novelis do Brasil Ltda.
43 Novelis Laminés France SAS
44 Novelis PAE SAS
45 Novelis Aluminium Beteiligungs GmbH
46 Novelis Deutschland GmbH
47 Novelis Sheet Ingot GmbH
48 Novelis Aluminium Holding Company
49 Novelis Italia SpA
50 Al Dotcom Sdn Berhad
51 Alcom Nikkei Specialty Coatings Sdn Berhad
52 Aluminum Company of Malaysia Berhad
53 Novelis de Mexico S.A. de C.V.
54 Novelis Madeira, Unipessoal, Limited
55 Novelis Korea Limited
56 Novelis AG
57 Novelis Switzerland SA
58 Novelis UK Ltd.
59 Novelis Europe Holdings Limited
60 Novelis Services Limited
61 Novelis (Shanghai) Aluminum Trading Co., Ltd.
62 Novelis (China) Aluminum Products Co., Ltd.
63 Novelis MEA Ltd. (Dubai)
64 Novelis Vietnam Company Limited
65 Novelis Asia Holdings (Singapore) Pte. Ltd., w.e.f. 5th December, 2013

(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 Deutsche Alumnum Verpackung Recycling GmbH
6 France Aluminum Recyclage SA

ii. **Joint Ventures:**

1 Mahan Coal Limited
2 Hydromine Global Minerals (GmbH) Limited
3 MNH Shakti Limited

iii. **Trust of the Company:**

1 Trident Trust

iv. **Key Managerial Personnel:**

Mr. D. Bhattacharya - Managing Director
Mr. Satish Pai - Deputy Managing Director (w.e.f. 13th August, 2013)

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	2013-14			2012-13		
		Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
1	***Sales and Conversion***	**106.72**	**-**	**-**	**111.73**	**-**	**-**
	(a) Aditya Birla Chemicals (India) Limited	96.31	-	-	75.87	-	-
	(b) Hindalco - Almex Aerospace Limited	10.41	-	-	15.20	-	-
	(c) Utkal Alumina International Limited	-			20.66	-	-
2	***Services Rendered***	**1.22**	**-**	**0.02**	**0.48**	**0.02**	**0.03**
	(a) Dahej Harbour and Infrastructure Limited	-	-	-	0.01	-	-
	(b) Idea Cellular Limited	-	-	-	-	0.02	-
	(c) Novelis Inc.	0.19	-	-	-	-	-
	(d) Utkal Alumina International Limited	1.01	-	-	0.47	-	-
	(e) Others	0.02	-	0.02	0.00	-	0.03
3	***Interest and Dividend Received***	**206.76**	**12.41**	**-**	**130.58**	**4.22**	**-**
	(a) Aditya Birla Science & Technology Company Limited		4.61			3.83	-
	(b) Aditya Birla Chemicals (India) Limited	1.20	-	-	0.60	-	-
	(c) Aditya Birla Minerals Limited	-	-	-	44.64	-	-
	(d) Hindalco - Almex Aerospace Limited	0.03	-	-	0.34	-	-
	(e) Dahej Harbour and Infrastructure Limited	200.00	-	-	85.00	-	-
	(f) Idea Cellular Limited	-	7.80	-	-	0.39	-
	(g) Utkal Alumina International Limited	5.53	-	-	-	-	-
4	***Purchase of Materials,Capital Equipment and Others***	**2,429.46**	**-**	**-**	**2,914.36**	**-**	**-**
4.1	***Purchase of Materials***	**2,416.56**	**-**	**-**	**2,900.72**	**-**	**-**
	(a) Aditya Birla Chemicals (India) Limited	432.68	-	-	381.64	-	-
	(b) Birla (Nifty) Pty. Limited	1,632.93	-	-	1,971.84	-	-
	(c) Birla Mt Gordon Pty. Limited	42.05	-	-	496.68	-	-
	(d) Minerals and Minerals Limited	15.57	-	-	7.10	-	-
	(e) Novelis Inc.	9.06	-	-	43.39	-	-
	(f) Utkal Alumina International Limited	284.27	-	-	0.07	-	-
4.2	***Purchase of Capital Equipment***	**-**	**-**	**-**	**13.64**	**-**	**-**
	(a) Novelis Inc.	-	-	-	13.64	-	-
4.3	***Purchase of Investement (Includes Accrued Dividend)***	**12.68**	**-**	**-**	**-**	**-**	**-**
	(a) Dahej Harbour and Infrastructure Limited	12.68	-	-	-	-	-
4.4	***Interest Paid***	**0.22**	**-**	**-**	**-**	**-**	**-**
	(a) Aditya Birla Chemicals (India) Limited	0.22					
5	***Services Received***	**30.46**	**18.14**	**-**	**36.17**	**18.61**	**-**
	(a) Aditya Birla Science & Technology Company Limited	-	15.54	-	-	16.89	
	(b) Dahej Harbour and Infrastructure Limited	29.32	-	-	31.53	-	-
	(c) Idea Cellular Limited	-	2.60	-	-	1.72	-

(₹ Crore)

Sl. No.	Transaction during the year	2013-14			2012-13		
		Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
	(d) Novelis Inc.	0.54	-	-	4.08	-	-
	(e) Others	0.60	-	-	0.56	-	-
6	***Investments, Deposits, Loans and Advances Made during the year***	**1,242.49**	**-**	**166.41**	**541.57**	**10.24**	**6.23**
	(a) Mahan Coal Limited	-	-	165.75	-	-	5.00
	(b) Hydromine Global Minerals GmbH Limited	-	-	0.66	-	-	1.23
	(c) A V Minerals (Netherlands) N.V.	153.57	-	-	-	-	-
	(d) Utkal Alumina International Limited	1,080.10	-	-	530.00	-	-
	(e) Idea Cellular Limited	-	-	-	-	10.24	-
	(f) Tubed Coal Mines Limited	8.40	-	-	10.80	-	-
	(g) Others	0.42	-	-	0.77	-	-
7	***Investments, Deposits, Loans and Advances Received back during the year***	**-**	**-**	**-**	**-**	**-**	**-**
8	***Guarantees and Collateral Securities Given***	**5,000.00**	**-**	**-**	**400.00**	**-**	**-**
	(a) Utkal Alumina International Limited	5,000.00	-	-	400.00	-	-
9	***Guarantees and Collateral Securities Taken Back during the year***	**400.00**	**-**	**-**	**-**	**-**	**-**
	(a) Utkal Alumina International Limited	400.00	-	-	-	-	-
10	***Licence and Lease arrangements***						
	Licence Fees:	**0.01**	**-**	**-**	**0.01**		**-**
	(a) Dahej Harbour and Infrastructure Limited	0.01	-	-	0.01		-
11	***Outstanding Balance as at 31st March***						
1	**Debit Balances**	**7.67**	**0.40**	**0.00**	**5.46**	**0.40**	**0.03**
	(a) Idea Cellular Limited	-	0.40	-	-	0.40	-
	(b) Aditya Birla Chemicals (India) Limited	5.15	-	-	5.10	-	-
	(c) Aditya Birla Minerals Limited	0.04	-	-	-	-	-
	(d) Utkal Alumina International Limited	0.94	-	-	0.14	-	-
	(e) Minerals & Minerals Limited	1.49	-	-	-	-	-
	(f) Others	0.05	0.00	0.00	0.22	-	0.03
2	**Credit Balances**	**420.47**	**0.09**	**-**	**384.38**	**0.00**	**-**
	(a) Idea Cellular Limited	-	0.09	-	-	0.00	-
	(b) Aditya Birla Chemicals (India) Limited	23.90	-	-	19.07	-	-
	(c) Birla (Nifty) Pty. Limited	190.16	-	-	253.42	-	-
	(d) Birla Mt. Gordon Pty. Limited	-	-	-	98.83	-	-
	(e) Novelis Inc.	0.53	-	-	1.50	-	-
	(f) Dahej Harbour and Infrastructure Limited	2.56	-	-	2.48	-	-
	(g) Utkal Alumina International Limited	203.32	-	-	9.02	-	-
	(h) Others	-	-	-	0.06	-	-
3	**Investments, Deposits, Loans and Advances**	**14,499.39**	**305.83**	**236.98**	**13,342.96**	**306.32**	**70.56**
	(a) Aditya Birla Science & Technology Company Limited	-	67.74	-	-	67.74	-
	(b) Idea Cellular Limited *	-	238.09	-	-	238.58	-

(₹ Crore)

Sl. No.	Transaction during the year	2013-14			2012-13		
		Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
	(c) A V Minerals (Netherlands) N.V.	10,577.46	-	-	10,423.90	-	-
	(d) Aditya Birla Chemicals (India) Limited	12.46	-	-	-	-	-
	(e) Aditya Birla Minerals Limited	480.76	-	-	480.76	-	-
	(f) Utkal Alumina International Limited	3,237.53	-	-	2,157.43	-	-
	(g) Mahan Coal Limited	-	-	192.75	-	-	27.00
	(h) Hydromine Global Minerals GmbH Limited	-	-	31.46	-	-	30.79
	(I) Others	191.18*	-	12.77	280.87	-	12.77
4	**Guarantees and Collateral Securities Given**	**5,246.47**	**-**	**40.56**	**448.42**	**-**	**40.56**
	(a) Hindalco do Brasil Indústria e Comércio de Alumina Ltda.	198.05	-	-	-	-	-
	(b) Dahej Harbour and Infrastructure Limited	4.50	-	-	4.50	-	-
	(c) Utkal Alumina International Limited	5,026.88	-	-	426.88	-	-
	(d) Mahan Coal Limited			16.71			16.71
	(e) Others	17.04		23.85	17.04		23.85

* Net of provision for diminution in carrying value of investment.

(₹ Crore)

	As at 31/03/2014	As at 31/03/2013
(b) **Trident Trust:**		
Beneficiary Interest in the Trust	34.45	34.45
(c) **Key Managerial Personnel:**		
Managerial Remuneration (including perquisites) *	26.20	20.61

* Excluding gratuity, leave encashment provisions and compensation under Employee Stock Options Scheme

54. Additional information pursuant to paragraph 5 (viii) of Part II of Schedule VI of the Companies Act, 1956, are follows:

A. C.I.F. value of imports by the Company (Excluding imported items purchased locally):

(₹ Crore)

	Year Ended 31/03/2014	Year Ended 31/03/2013
Raw Materials	15,757.47	16,075.25
Coal and Fuel	173.03	401.19
Stores and Spares	98.59	72.43
Capital Goods	351.78	1,773.83

B. Expenditure in Foreign Currency during the year:

(₹ Crore)

	Year Ended	
	31/03/2014	**31/03/2013**
Technical Know-how and Professional or Consultation Fees	112.14	194.48
Interest	60.48	62.62
Others*	(654.93)	(24.25)

* Includes cash flow arising on commodity derivatives.

C. Value of Raw Materials and Stores and Spares Consumed during the year ended:

	Value (₹ Crore)		Percentage (%)	
	31/03/2014	**31/03/2013**	**31/03/2014**	**31/03/2013**
Raw Materials:				
Imported	16,840.15	15,293.00	88.78%	89.24%
Indigenous	2,128.37	1,843.51	11.22%	10.76%
	18,968.52	**17,136.51**		
Stores and Spares:				
Imported	73.68	47.84	14.90%	8.15%
Indigenous	420.67	539.26	85.10%	91.85%
	494.35	**587.10**		

D. Remittance in Foreign Currencies on Account of Dividend:

(₹ Crore)

	Year Ended	
	31/03/2014	**31/03/2013**
Amount of Dividend Remitted (₹ Crore)	26.70	29.97
Year to which Dividend Relates	2012-13	2011-12
Number of Non-Resident Shareholders	325	483
Number of Shares Held	190,770,380	193,392,481

E. Earnings in Foreign Exchange:

Export of Goods on F.O.B. Basis	8,291.95	7,571.55
Other Income	204.38	0.75

55. Previous year's 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

Praveen Kumar Maheshwari
CFO

For and on behalf of the Board of
Hindalco Industries Limited

Camp : Mumbai
Dated : 29th day of May, 2014

Anil Malik
Company Secretary

D. Bhattacharya – Managing Director
M.M. Bhagat – Director

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

₹ Crore

Sl. No.	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 Years since they become Subsidiary	
1	Minerals & Minerals Limited	31.03.2014	100.00%	0.05	1.47	Nil	Nil	N.A.
2	Renuka Investments & Finance Limited	31.03.2014	100.00%	4.75	45.59	Nil	0.65	N.A.
3	Renukeshwar Investments & Finance Limited	31.03.2014	100.00%	2.96	30.90	Nil	0.10	N.A.
4	Suvas Holdings Limited	31.03.2014	51.00%	0.02	(0.02)	Nil	Nil	N.A.
5	Utkal Alumina International Limited	31.03.2014	100.00%	(325.40)	(130.02)	Nil	Nil	N.A.
6	Aditya Birla Chemicals (India) Limited	31.03.2014	54.65%	27.18	184.26	1.20	11.34	N.A.
7	Hindalco-Almex Aerospace Limited	31.03.2014	97.18%	(30.39)	(56.29)	Nil	Nil	N.A.
8	Lucknow Finance Company Limited	31.03.2014	100.00%	1.66	14.47	Nil	Nil	N.A.
9	Dahej Harbour and Infrastructure Limited	31.03.2014	100.00%	42.83	396.33	200.00	145.00	N.A.
10	East Coast Bauxite Mining Company Private Limited	31.03.2014	74.00%	(0.00)	(0.01)	Nil	Nil	N.A.
11	Tubed Coal Mines Limited	31.03.2014	60.00%	(0.08)	(0.32)	Nil	Nil	N.A.
12	Mauda Energy Limited	31.03.2014	100.00%	(0.00)	(0.01)	Nil	Nil	N.A.
13	Aditya Birla Minerals Limited - Consolidated *	31.03.2014	51.00%	(0.13)	344.58	0.00	179.33	N.A.
14	Birla Resources Pty Limited *	31.03.2014	100.00%	(0.04)	(8.67)	Nil	Nil	N.A.
15	A V Minerals (Netherlands) N.V. *	31.03.2014	100.00%	(0.22)	(1,857.35)	Nil	Nil	N.A.
16	A V Metals Inc # *	31.03.2014	100.00%	(0.01)	(15.72)	Nil	Nil	N.A.
17	Novelis Inc - Consolidated # # *	31.03.2014	100.00%	1,021.99	1,328.68	Nil	Nil	N.A.
18	Hindalco Guinea SARL	31.03.2014	100.00%	(0.00)	0.00	Nil	Nil	N.A.
19	Hindalco Do Brazil Ind Com Alumina LTDA *	31.03.2014	100.00%	27.20	0.00	Nil	Nil	N.A.
20	Utkal Alumina Technical & General Services Ltd.	31.03.2014	100.00%	0.00	0.00	Nil	Nil	N.A.

* Translated at Average exchange rate.

\# Subsidiary of AV Minerals (Netherlands) N.V.

\# # SSubsidiary of AV Metals Inc. Previous years figures reinstated.

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
CFO

Anil Malik
Company Secretary

D. Bhattacharya – Managing Director
M.M. Bhagat – Director

Dated : 29th day of May, 2014

To the Board of Directors of Hindalco Industries Limited

1. 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 2014, 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

2. 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 including Accounting Standard referred to in Section 211(3c) of the Companies Act 1956("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and Accounting Standard (AS)-30 to the extent it relates to Derivative Accounting, as prescribed by The Institute of Chartered Accountants of 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

3. 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 but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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

4. 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 and management certified accounts of subsidiaries as referred below in other matter paragraph, 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 2014.

   (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

5. Attention is drawn to note no. 41 of notes to the consolidated financial statements regarding accounting policy of Novelis Inc, a wholly owned subsidiary with respect to recognition of actuarial losses relating to pension and other post retirement benefit plans in the actuarial gain/(loss) reserve instead of Statement of Profit and Loss. Had the group followed the policy of recognition of actuarial gain / (loss) 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 lower by ₹ 142.09 Crore (Previous Year higher by ₹ 542.43 Crore), tax expenses (deferred tax) would have been higher by ₹ 77.43 Crore (Previous Year lower by ₹ 159.38 Crore), the consolidated profit before taxes and minority interest would have been higher by ₹ 64.66 Crore (Previous Year lower by ₹ 383.05 Crore), actuarial gain / (loss) reserve would have been ₹ Nil (Pervious Year Rs Nil) and foreign currency translation reserve would have been lower by ₹ 126.39 Crore (Previous Year lower by ₹ 50.82 Crore). Our opinion is not qualified in respect of this matter.
6. Attention is invited to note no. 47 of notes to consolidated financial statements explaining that in compliance to scheme of arrangement u/s 391 to 394 of the Companies Act, 1956 approved by the Hon'ble Bombay High Court vide order dated 29th June 2009, the management of the Company during the year has identified and adjusted provision for diminution in the carrying value of Investment in one of the Subsidiary, amounting to ₹ 86.06 Crore against Business Reconstruction Reserve. There is no impact of the same on the reported consolidated profit for the year. However balance of consolidated statement of Profit & Loss is higher by this amount and balance in Business Reconstruction Reserve is lower by this amount. Our opinion is not qualified in respect of this matter.

Other Matter

7. We did not audit the financial statements of eleven subsidiaries whose financial statements reflect Group's Share of total assets of ₹ 10,576.67 Crore as at 31st March, 2014, total revenue of ₹ 1,322.93 Crore and net cash flow amounting to ₹ 23.46 Crore for the year then ended. These financial statements and other financial information's 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.
8. We did not audit the consolidated financial statements/ financial statements of three foreign subsidiaries whose consolidated financial statements/financial statements reflect Group's Share of total assets of ₹ 64,709.08 Crore (Net) as at 31st March, 2014, total revenue of ₹ 59,172.34 Crore and net cash flow amounting to ₹ 1,403.49 Crore for the year then ended. These financial statements 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") and our opinion is based solely on those FFC reports.
9. The consolidated financial statements and financial information reflects the Group's Share of total assets of ₹ 3,728.84 Crore as at 31st March, 2014 and total revenue of ₹ 1,825.57 Crore and net cash flow amounting to ₹ 287.97 Crore for the year then ended of two foreign subsidiaries 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.
10. The consolidated financial statements and financial information includes the unaudited financial statement of a subsidiary whose financial statement reflects the Group's Share of total assets of ₹ 83.83 Crore as at 31st March, 2014 and total revenue of ₹ 34.32 Crore and net cash flow amounting to ₹ 0.50 Crore for the year ended on that date, as considered in the consolidated financial statement. Our opinion, in so far as it relates to the amounts included in respect of this subsidiary, is based solely on such management certified financial statements.

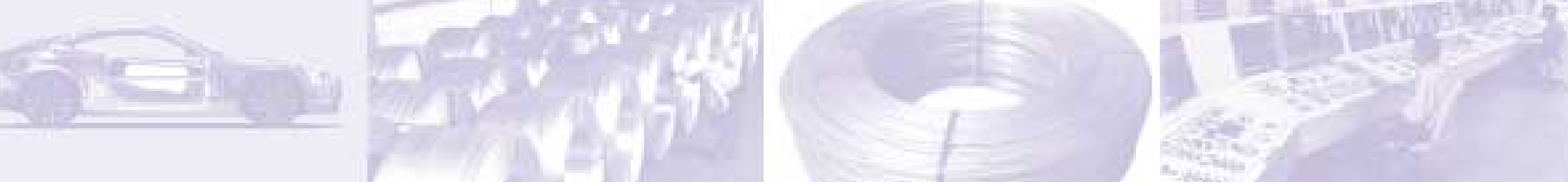
11. The consolidated financial statements and financial information includes the financial statement of a foreign subsidiary whose financial statement has been audited as per the local law of the respective country and has been converted by the management of the company into Indian GAAP and reflects the Group's Share of total assets of ₹ 146.94 Crore as at 31st March, 2014 and total revenue of ₹ 8.74 Crore and net cash flow amounting to ₹ 9.53 Crore for the year ended on that date, as considered in the consolidated financial statement. Our opinion, in so far as it relates to the amounts included in respect of this subsidiary, is based solely on such management certified financial statements.
12. The consolidated financial statements and financial information reflect the Group's proportionate Share of total assets of ₹ 45.05 Crore as at 31st March, 2014, total revenue of ₹ Nil and net cash flow amounting to ₹ 0.46 Crore for the year then ended, of two Joint ventures, which are based on financial statements audited by a firm of Chartered Accountants in accordance with Indian GAAP and our opinion is based solely on the report of the other auditors.
13. The Company's share of profit in two associates aggregating to ₹ 130.43 Crore and the net carrying cost of investment as at 31st March, 2014 of ₹ 1,157.52 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 auditor.

    Our report is not qualified on these other matters.

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

Camp : Mumbai
Date : 29th May, 2014

(RAJIV SINGHI)
Partner
Membership No. 53518



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ Crore)

	Note No.	As at 31/03/2014	As at 31/03/2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	'5'	206.48	191.48
Reserves and Surplus	'6'	40,392.75	34,597.45
Money Received against Share Warrants	'7'	-	541.31
		40,599.23	**35,330.24**
Minority Interest		1,780.53	1,759.27
Share Application Money Pending Allotment		5.60	-
Non-Current Liabilities			
Long-Term Borrowings	'8'	53,944.09	49,856.85
Deferred Tax Liabilities (Net)	'9'	3,188.87	3,467.68
Other Long-Term Liabilities	'10'	1,158.30	1,333.62
Long-Term Provisions	'11'	5,813.73	5,690.68
		64,104.99	**60,348.83**
Current Liabilities			
Short-Term Borrowings	'12'	9,404.26	6,442.44
Trade Payables		12,996.98	9,605.47
Other Current Liabilities	'13'	7,365.66	5,485.91
Short-Term Provisions	'14'	1,738.45	1,617.83
		31,505.35	**23,151.65**
		137,995.70	**120,589.99**
ASSETS			
Non-Current Assets			
Fixed Assets:			
Tangible Assets	'15'	43,265.40	21,493.45
Intangible Assets	'16'	17,898.08	16,435.26
Capital Work-in-Progress		22,882.30	33,749.20
Intangible Assets under Development		176.95	84.75
		84,222.73	71,762.66
Non-Current Investments	'17'	6,270.24	5,793.41
Deferred Tax Assets (Net)	'18'	13.87	-
Long-Term Loans and Advances	'19'	2,456.35	3,170.09
Other Non-Current Assets	'20'	766.82	749.37
		93,730.01	**81,475.53**
Current Assets			
Current Investments	'21'	6,690.84	6,807.56
Inventories	'22'	16,694.26	14,331.68
Trade Receivables	'23'	9,234.76	8,952.28
Cash and Bank Balances	'24'	5,021.29	3,775.45
Short-Term Loans and Advances	'25'	4,538.15	3,246.83
Other Current Assets	'26'	2,086.39	2,000.66
		44,265.69	**39,114.46**
		137,995.70	**120,589.99**
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 : 29th May, 2014

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

D. Bhattacharya – Managing Director
M.M. Bhagat – Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ Crore)

	Note No.	Year Ended 31/03/2014	Year Ended 31/03/2013
INCOME			
Revenue from Operations:	'27'		
Gross Revenue from Operations		90,006.84	82,242.99
Less: Excise Duty		2,311.35	2,050.19
Net Revenue from Operations		87,695.49	80,192.80
Other Income	'28'	1,017.20	1,012.23
Total Income		**88,712.69**	**81,205.03**
EXPENSES			
Purchases of Stock-in-Trade		52.25	41.94
Cost of Materials Consumed	'29'	53,779.85	49,180.04
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	'30'	(444.36)	(666.29)
Employee Benefits Expenses	'31'	7,319.79	6,525.61
Power and Fuel	'32'	6,150.49	5,200.13
Finance Costs	'33'	2,701.59	2,079.11
Depreciation and Amortization	'34'	3,346.83	2,821.92
Impairment Loss/(Reversal) (Net)	'35'	205.96	39.17
Other Expenses	'36'	12,551.19	12,074.60
Total Expenses		**85,663.59**	**77,296.23**
Profit Before Exceptional Items and Tax		3,049.10	3,908.80
Exceptional Items	'37'	395.98	-
Profit Before Tax		2,653.12	3,908.80
Tax Expenses:	'38'		
Current Tax		1,151.02	1,033.21
Deferred Tax		(626.10)	(147.47)
Profit Before Minority Interest and Share in Associates		2,128.20	3,023.06
Share in Profit/(Loss) of Associates (Net)		66.84	(15.76)
Profit Before Minority Interest		2,195.04	3,007.30
Minority Interest		20.03	(19.59)
Profit for the Year		**2,175.01**	**3,026.89**
Earnings Per Equity Share (EPS):	'39'		
Basic EPS (₹)		10.91	15.81
Diluted EPS (₹)		10.91	15.81
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 : 29th May, 2014

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

D. Bhattacharya – Managing Director
M.M. Bhagat – Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ Crore)

		Year Ended 31/03/2014	Year Ended 31/03/2013
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	2,653.12	3,908.80
	Adjustment for:		
	Finance Costs	2,701.59	2,079.11
	Depreciation and Amortization	3,346.83	2,821.92
	Impairment Loss/(Reversal) (Net)	205.96	39.17
	Employee Share-Based Payments	3.85	0.27
	Provisions/Provisions Written-back (Net)	(6.31)	25.91
	Unrealised Foreign Exchange (Gain)/Loss (Net)	(79.76)	48.44
	Loss/(Gain) on Derivative Transactions (Net)	(105.47)	(132.41)
	Write-off and Amortization of Fair Value Adjustments	(25.18)	(8.74)
	Pre-operative/Incidental Expenditure Written-off	-	4.15
	Other Non-Cash Items	3.00	65.51
	Loss on Assets Held for Sale	(37.41)	(17.14)
	Investing Activities (Net)	(856.04)	(827.39)
	Operating Profit Before Working Capital Changes	7,804.18	8,007.60
	Changes in Working Capital:		
	Inventories	(1,571.32)	(799.49)
	Trade and Other Receivables	(2,100.41)	(1,250.02)
	Trade and Other Payables	4,634.03	(1,824.57)
	Cash Generation from Operation	8,766.48	4,133.52
	Payment of Direct Taxes	(958.55)	(1,347.80)
	Impact of Foreign Exchange Translation (Net)	147.79	191.75
	Net Cash Generated/(Used) – Operating Activities	**7,955.72**	**2,977.47**
B.	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Purchase of Fixed Assets	(9,423.57)	(11,871.04)
	Sale of Fixed Assets	107.44	160.76
	Purchase/Sale of Investments in Subsidiaries (Net)	-	(50.65)
	Purchase/Sale of Other Investments (Net)	531.62	(1,562.23)
	Proceeds/Repayment of Loans and Deposits (Net)	123.40	(925.23)
	Interest Received	499.07	323.17
	Dividend Received	47.35	160.26
	Net Cash Generated/(Used) – Investing Activities	**(8,114.69)**	**(13,764.96)**

(₹ Crore)

	Year Ended 31/03/2014	Year Ended 31/03/2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares (Net of Expenses)	1,629.99	8.33
Capital Subsidy Received	0.50	4.50
Proceeds from Long-Term Borrowings	22,027.72	18,026.05
Prepayment of Long-Term Borrowings	(19,183.46)	(5,142.99)
Repayment of Long-Term Borrowings	(693.27)	(612.55)
Proceeds/Repayment of Short-Term Borrowings (Net)	2,717.88	2,065.12
Finance Costs Paid	(4,691.92)	(3,672.82)
Dividend Paid (including Dividend Distribution Tax)	(314.85)	(397.74)
Net Cash Generated/(Used) – Financing Activities	**1,492.59**	**10,277.90**
Net Increase/(Decrease) in Cash and Cash Equivalents	1,333.62	(509.59)
Add: Opening Cash and Cash Equivalents	2,184.25	2,729.57
Add: Foreign Exchange Variation on Cash and Cash Equivalents	19.30	(35.73)
Closing Cash and Cash Equivalents	**3,537.17**	**2,184.25**

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

As per our report annexed.
For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
RAJIV SINGHI
Partner
Membership No. 53518

Camp : Mumbai
Dated : 29th May, 2014

Praveen Kumar Maheshwari
CFO

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

D. Bhattacharya – Managing Director
M.M. Bhagat – Director

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 the 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 the inter-group balances and inter-group transactions including unrealized profits/losses in the period-end assets, such as inventories, fixed assets, etc. The difference between the Company's cost of investments in the Subsidiaries, over its portion of equity at the time of acquisition of shares, is recognized in the consolidated financial statements as Goodwill or Capital Reserve on consolidation, as the case may be. Minority Interest's share in net profit/loss of consolidated subsidiaries for the year is adjusted against the income of the Group in order to arrive at the net income attributable to equity shareholders of the Company. Minority Interest's share in net assets of consolidated subsidiaries is presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders. Minority Interest in the consolidated financial statements is identified and recognized after taking into consideration:

(i) The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.

(ii) The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.

(iii) The losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary.

(iv) The excess of loss over the minority interest in the equity is adjusted against General Reserve of the Company.

(b) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities and equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve".

(c) Investments in Associates are accounted for using equity method in accordance with AS-23. For this purpose, investments are initially recorded at cost. Any Goodwill/Capital Reserve arising at the time of acquisition are identified, and carrying amount of investment are adjusted thereafter for the post-acquisition share of profits or losses. Adjustment for any change in equity, that has not been included in the profit and loss account, are directly made in the carrying amount of investments without routing it through the consolidated profit and loss account. The corresponding debit/credit are made in the relevant head of the equity interest in the Consolidated Balance Sheet.

(d) Interests in jointly controlled entities, where the Company is a direct venturer, are accounted for using proportionate consolidation in accordance with AS-27. The difference between costs of the Company's interests in jointly controlled entities over its share of net assets in the jointly controlled entities, at the date on which interest is acquired, is recognized in the CFS as Goodwill or Capital Reserve, as the case may be.

(e) The CFS are prepared by using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, and to the extent possible, are

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 the 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 on Consolidation, 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 except in the case of goodwill on consolidation, for which specific external event of an exceptional nature that caused impairment loss has actually reversed the effect of that event.

F. Leases

(a) Lease payments, under an operating lease, are recognized as expense in the profit and loss account as per terms of lease agreement.

(b) Finance leases prior to 1st April, 2001: Lease rental is 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 are 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 the 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 the 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

corporate bond yield. Actuarial gains or losses are recognized immediately in the Statement of Profit and 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 options schemes, are accounted for as per the intrinsic value method prescribed by Employee Stock Options 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 at the date of grant of option, over its exercise price is recognized as deferred employee compensation with a credit to Employee Stock Options Outstanding Account. The deferred employee compensation is amortized to the Statement of Profit and Loss on straight-line basis over the vesting period of the option. In case of forfeiture of option which is not vested, the amortised portion is reversed by credit to the employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account are transferred to the General Reserve.

L. Revenue Recognition

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

M. Borrowing Costs

Borrowing costs, directly attributable to the acquisition or construction of qualifying assets, are capitalized. Other borrowing costs are recognized as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on 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 recognized in the Statement of Profit and Loss in the period in which they arise. If the hedging relationship ceases to be effective or it becomes probable that the expected 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 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.

NOTES FORMING PART OF THE CONSOLIDATED 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	
			31/03/2014	31/03/2013
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 - (c)	Subsidiary	India	97.18%	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%
Utkal Alumina Technical & General Services Limited#	Subsidiary	India	100.00%	-
Birla Resources Pty. Limited	Subsidiary	Australia	100.00%	100.00%
Aditya Birla Minerals Limited - (a)	Subsidiary	Australia	51.00%	51.00%
A V Minerals (Netherlands) N.V.	Subsidiary	Netherlands	100.00%	100.00%
A V Metals Inc.	Subsidiary	Canada	100.00%	100.00%
Novelis Inc. - (b)	Subsidiary	Canada	100.00%	100.00%
Hindalco Do Brasil Ind Com Alumina Ltda # - (d)	Subsidiary	Brazil	100.00%	-
Hindalco Guinea SARL	Subsidiary	South Africa	100.00%	100.00%
Mahan Coal Limited	Joint Venture	India	50.00%	50.00%
MNH Shakti Limited	Joint Venture	India	15.00%	15.00%
Hydromine Global Minerals (GmbH) Limited	Joint Venture	British Virgin Islands	45.00%	45.00%
Idea Cellular Limited	Associate	India	6.89%	6.89%
Aditya Birla Science & Technology Company Limited	Associate	India	49.00%	49.00%

Incorporated/acquired during FY 2013-14.

(a) For the purpose of consolidation, the consolidated financial statements of Aditya Birla Minerals Limited reflecting consolidation for the following entities as at 31st March, 2014, prepared in accordance with International Financial Reporting Standards have been restated, where considered material, to comply with Generally Accepted Accounting Principles in India. Disclosures in respect of these foreign subsidiaries are given to the extent of available information.

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership I nterest	
			31/03/2014	31/03/2013
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%.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) For the purpose of consolidation, the consolidated financial statements of Novelis Inc. reflecting consolidation for following entities as at 31st March, 2014 have been prepared in accordance with Generally Accepted Accounting Principles in India and other recognized accounting practices and policies followed by the Company.

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest	
			31/03/2014	31/03/2013
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%	100.00%
Novelis (Sanghai) Aluminum Trading Company	Subsidiary	China	100.00%	100.00%
Novelis Lamines France SAS	Subsidiary	France	100.00%	100.00%
Novelis PAE SAS	Subsidiary	France	100.00%	100.00%
Novelis Aluminium Beteiligungs GmbH	Subsidiary	Germany	100.00%	100.00%
Novelis Deutschland GmbH	Subsidiary	Germany	100.00%	100.00%
Novelis Sheet Ingot GmbH	Subsidiary	Germany	100.00%	100.00%
Novelis Aluminium Holding Company	Subsidiary	Ireland	100.00%	100.00%
Novelis Italia SpA	Subsidiary	Italy	100.00%	100.00%
Aluminum Company of Malaysia Berhad	Subsidiary	Malaysia	59.15%	59.15%
Alcom Nikkei Specialty Coatings Sdn Berhad #	Subsidiary	Malaysia	59.15%	59.15%
Al Dotcom Sdn Berhad #	Subsidiary	Malaysia	59.15%	59.15%
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%	99.99%
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%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest	
			31/03/2014	31/03/2013
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%
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%
Novelis Asia Holdings (Singapore) Pte. Limited *	Subsidiary	Singapore	100.00%	-
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 Vietnam Company Limited	Subsidiary	Vietnam	100.00%	100.00%
Novelis MEA Limited (Dubai)	Subsidiary	UAE	100.00%	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%
Mini MRF LLC (Delaware) **	Associate	USA	-	50.00%

Group's proportion of voting power is 100%.

Subsidiary on account of management control.

* Acquired/Incorporated during FY 2013-14.

** Disposed/Dissolved during FY 2013-14.

(c) Board of Directors of Hindalco-Almex Aerospace Limited (HAAL), a subsidiary of the Company, has proposed reduction of its share capital effective 1st March, 2014, for which an application has been filed before the Hon'ble High Court of Judicature of Bombay on 9th May, 2014. Pending approval of the Hon'ble High Court, HAAL has not got their accounts audited, hence, consolidated financial statements have been prepared based on unaudited accounts of HAAL for the financial year 2013-14.

(d) Audited Financial statements of Hindalco do Brasil, a subsidiary of the Company, prepared under local GAAP has been converted in Indian GAAP by the management for incorporation in Consolidated Financial Statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4. Interests in Joint Ventures:

The Group's interests in jointly controlled entities are accounted for using proportionate consolidation. The aggregate amount of each of the assets, liabilities, income, expenditure, contingent liabilities and commitments related to the Group's interests in its jointly controlled entities included in these CFS are given below:

(₹ Crore)

	As at	
	31/03/2014	**31/03/2013**
BALANCE SHEET		
Equity and Liabilities		
Shareholders' Funds		
Share Capital	205.54	39.79
Reserves and Surplus	(0.07)	(3.37)
	205.47	**36.42**
Share Application Money Pending Allotment	30.14	29.55
Non-Current Liabilities		
Long-Term Provisions	0.03	0.02
	0.03	**0.02**
Current Liabilities		
Short-Term Borrowings	0.77	0.97
Trade Payables	0.01	0.01
Other Current Liabilities	0.70	2.54
Short-Term Provisions	0.14	-
	1.62	**3.52**
	237.26	**69.51**
Assets		
Non-Current Assets		
Fixed Assets		
Tangible Assets	14.78	14.63
Intangible Assets	-	0.01
Capital Work-in-Progress	208.72	38.71
Intangible Assets under Development	3.42	2.88
Long-Term Loans and Advances	2.06	1.18
Other Non-Current Assets	0.08	0.08
	229.06	**57.49**
Current Assets		
Cash and Bank Balances	6.95	11.06
Short-Term Loans and Advances	1.00	0.69
Other Current Assets	0.25	0.27
	8.20	**12.02**
	237.26	**69.51**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS

(₹ Crore)

	Year Ended 31/03/2014	Year Ended 31/03/2013
Income		
Other Income	0.11	0.22
Total Income	**0.11**	**0.22**
Expenses		
Employee Benefits Expenses	-	0.01
Finance Costs	0.01	0.01
Depreciation and Amortization	0.03	0.03
Other Expenses	(0.59)	0.90
Total Expenses	**(0.55)**	**0.95**
Profit before Tax	0.66	(0.73)
Current Tax	0.03	0.07
Profit/(Loss) for the Year	**0.63**	**(0.80)**

(₹ Crore)

	As at 31/03/2014	As at 31/03/2013
Contingent Liabilities and Commitments		
Contingent Liabilities – Guarantees	40.56	40.56
Capital Commitments (Net of Advances)	0.72	1.02

5. **Share Capital:**

	31/03/2014	31/03/2013
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:		
2,065,141,514 (Previous year 1,915,136,714) Equity Shares of ₹ 1/- each (a)	206.51	191.51
	206.51	**191.51**
Subscribed and Paid-up:		
2,065,134,117 (Previous year 1,915,129,317) Equity Shares of ₹ 1/- each fully paid-up	206.51	191.51
Less: Face Value of 546,249 (Previous year 546,249) Equity Shares forfeited	0.05	0.05
	206.46	191.46
Add: Forfeited Shares (Amount originally Paid-up)	0.02	0.02
	206.48	**191.48**

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	2013-14		2012-13	
	Numbers	₹ Crore	Numbers	₹ Crore
Equity Shares Outstanding at the beginning of the period	1,914,583,068	191.46	1,914,542,308	191.46
Equity Shares Allotted pursuant to exercise of ESOP	4,800		40,760	
Equity Shares Allotted pursuant to exercise of Share Warrants	150,000,000	15.00	-	-
Equity Shares Outstanding at the end of the period	**2,064,587,868**	**206.46**	**1,914,583,068**	**191.46**

6. Reserves and Surplus:

(₹ Crore)

	As at	
	31/03/2014	31/03/2013
Capital Reserve	567.34	572.96
Capital Redemption Reserve	101.57	101.57
Securities Premium Account	5,503.73	3,352.31
Debenture Redemption Reserve	301.64	150.64
Acturial Gain/(Loss) Reserve (refer Note No. 41)	(1,255.01)	(1,193.28)
Employee Stock Options Outstanding	9.55	6.43
Foreign Currency Translation Reserve	3,049.21	1,257.22
Hedging Reserve (refer Note No. 45)	389.76	431.61
Special Reserve	11.78	10.81
Business Reconstruction Reserve (refer Note No. 47)	6,578.87	6,664.93
General Reserve	21,479.49	20,389.23
Surplus in the Statement of Profit and Loss - (a)	3,654.82	2,853.02
	40,392.75	**34,597.45**
(a) Allocations and Appropriations in Surplus in the Statement of Profit and Loss are as under:		
Balance as at the beginning of the year	2,853.02	1,182.31
Adjustment on Acquisition, Disposal and Change in Holding Interest in Group Companies	(0.22)	(0.12)
Add: Profit for the Year	2,175.01	3,026.89
Add: Adjustment on restructuring of Group Companies	86.06	-
Less: Dividend on Equity Shares	(206.46)	(268.05)
Less: Dividend Distribution Tax - (i)	(37.74)	(34.77)
Less: Transfer to Special Reserve	(0.97)	(0.78)
Less: Transfer to Debenture Redemption Reserve	(151.00)	(150.64)
Less: Transfer to General Reserve	(1,062.88)	(901.82)
	3,654.82	**2,853.02**

(i) Dividend Distribution Tax also includes tax on dividend paid/proposed by the Group Companies.

7. Money Received against Share Warrants:

In accordance with the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Company had allotted 150,000,000 warrants on a preferential basis to the Promoter Group on 22nd March, 2012, entitling them to apply for and obtain allotment of one equity share of ₹ 1/- each,

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

fully paid-up at a price of ₹ 144.35 per share against each such warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment in one or more tranches, for which the Company has received ₹ 541.31 crore being 25% against these warrants. The Promoter Group Companies applied for conversion of warrants into equity shares at pre-determined price, accordingly, the Company has issued and allotted 150,000,000 equity shares of ₹ 1/- each at a premium of ₹ 143.35 per share on 20th September, 2013 to the Promoter Group on payment of balance amount of these warrants. The entire amount so received has been utilised for various Greenfield and Brownfield projects expenditure.

8. Long-Term Borrowings:

(₹ Crore)

	As at	
	31/03/2014	**31/03/2013**
Secured		
Bonds/Debentures/Notes	6,000.00	6,000.00
Term Loans:		
From Banks	31,152.31	28,342.96
From Other Parties	488.49	725.02
	37,640.80	**35,067.98**
Unsecured		
Bonds/Debentures/Notes	15,003.75	13,571.25
Term Loans		
From Banks	1,061.26	968.16
Deferred Payment Liabilities	1.33	1.89
Long Term Maturities of Finance Lease Obligations	236.95	247.57
	16,303.29	**14,788.87**
	53,944.09	**49,856.85**

9. Deferred Tax Liabilities (Net):

Major components of deferred tax arising on account of temporary timing differences are given below:

Deferred Tax Liabilities		
Depreciation and Amortization Expenses	5,205.06	4,990.73
Inventory Valuation Reserves	519.68	496.64
Other Timing Differences	667.13	548.71
	6,391.87	**6,036.08**
Less: Deferred Tax Assets		
Unabsorbed Business Losses	732.56	523.99
Employee's Separation and Retirement Expenses	106.74	72.01
Provision for Doubtful Debts, Loans and Advances	1,942.02	1,684.56
Unabsorbed Depreciation	273.87	129.30
Other Timing Differences	147.81	158.54
	3,203.00	**2,568.40**
	3,188.87	**3,467.68**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

10. Other Long-Term Liabilities:

(₹ Crore)

	As at	
	31/03/2014	**31/03/2013**
Trade Payables	4.93	11.53
Derivative Liabilities (refer Note No. 45)	120.21	157.60
Liability for Capital Expenditure	444.30	1,023.67
Security and Other Deposits	4.69	4.40
Other Payables	584.17	136.42
	1,158.30	**1,333.62**

11. Long-Term Provisions:

Provision for Employee Benefits	4,261.60	4,421.04
Provision for Claims against Company	85.18	101.75
Provision for Assets Retirement Obligations	93.34	77.52
Provision for Restructuring	100.36	4.65
Provision for Rehabilitation	374.76	276.17
Provision for Tax Contingencies	820.07	777.17
Other Provisions	78.42	32.38
	5,813.73	**5,690.68**

12. Short-Term Borrowings:

Secured		
Loans Repayable on Demand:		
From Banks	146.71	106.22
Other Loans and Advances:		
Payable under Trade Financing Arrangements	9.75	-
Cash Credit, Export Credit, etc.	496.34	79.85
Others	3,277.35	1,718.62
	3,930.15	**1,904.69**
Unsecured		
Loans Repayable on Demand		
From Banks	30.54	27.89
From Other Parties	143.39	65.23
Loans and Advances from Related Parties	0.78	0.38
Other Loans and Advances:		
Buyers' Credit	1,927.75	2,284.47
Packing Credit	2,319.40	1,297.40
Others	1,052.25	862.38
	5,474.11	**4,537.75**
	9,404.26	**6,442.44**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

13. Other Current Liabilities:

(₹ Crore)

	As at 31/03/2014	As at 31/03/2013
Current Maturities of Long-Term Debts	1,346.81	607.17
Current Maturities of Finance Lease Obligations	60.60	44.64
Interest Accrued but not Due on Borrowings/Deposits	957.37	1,009.91
Unclaimed Dividends	6.44	7.31
Application/Call Money Received Due for Refund	0.31	0.31
Advance from Customers	309.97	236.82
Derivative Liabilities (refer Note No. 45)	493.15	602.00
Liability for Capital Expenditure	2,137.64	1,408.39
Security and Other Deposits	27.34	28.75
Statutory Dues Payable	578.80	461.25
Other Payables	1,447.23	1,079.36
	7,365.66	**5,485.91**

14. Short-Term Provisions:

	As at 31/03/2014	As at 31/03/2013
Provision for Employee Benefits	238.27	234.23
Proposed Dividends	208.05	269.11
Provision for Dividend Distribution Tax	35.68	45.95
Provision for Current Tax (Net of Advance Tax)	921.83	800.60
Provision for Claims against Company	3.42	2.41
Provision for Restructuring	177.47	171.82
Provision for Warranties	1.49	2.06
Other Provisions	152.24	91.65
	1,738.45	**1,617.83**

15. Tangible Assets:

(₹ Crore)

	Cost		Accumulated Depreciation		Accumulated Impairment		Net Carrying Amount	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Leasehold Land	605.68	131.96	27.41	13.26	-	-	578.27	118.70
Leasehold Improvements	289.17	220.84	65.65	48.58	1.25	1.13	222.27	171.13
Freehold Land	1,753.46	1,195.53	41.11	23.64	82.56	46.54	1,629.79	1,125.35
Buildings	11,330.40	6,128.89	2,565.86	2,030.55	53.40	15.88	8,711.14	4,082.46
Plant and Equipment	49,624.36	30,732.99	18,216.09	15,317.88	354.03	266.70	31,054.24	15,148.41
Furniture and Fixtures	731.25	817.14	455.06	473.56	-	-	276.19	343.58
Vehicles and Aircraft	549.87	503.76	220.93	171.56	-	-	328.94	332.20
Office Equipment	444.79	336.88	278.44	222.47	0.38	0.34	165.97	114.07
Railway Sidings	341.70	87.19	46.67	35.40	-	-	295.03	51.79
Rehabilitation Assets	11.00	11.00	7.44	5.24	-	-	3.56	5.76
	65,681.68	**40,166.18**	**21,924.66**	**18,342.14**	**491.62**	**330.59**	**43,265.40**	**21,493.45**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

16. Intangible Assets:

(₹ Crore)

	Cost		Accumulated Amortisation		Accumulated Impairment		Net Carrying Amount	
	31/03/2014	**31/03/2013**	**31/03/2014**	**31/03/2013**	**31/03/2014**	**31/03/2013**	**31/03/2014**	**31/03/2013**
Goodwill on Consolidation	13,019.24	11,839.74	-	-	14.32	-	13,004.92	11,839.74
Brands/Trademarks	881.12	779.17	320.60	234.57	-	-	560.52	544.60
Computer Software	999.72	676.27	432.11	301.39	30.82	-	536.79	374.88
Mining Rights	2,194.84	2,067.99	1,306.83	1,184.43	-	-	888.01	883.56
Technology	1,074.42	961.90	519.84	396.80	-	-	554.58	565.10
Licences	23.04	22.36	6.52	4.10	-	-	16.52	18.26
Favourable Contracts	833.37	748.11	647.59	513.13	-	-	185.78	234.98
Customer Relationship	2,818.73	2,495.28	963.27	727.72	-	-	1,855.46	1,767.56
Rehabilitation Assets	387.73	297.44	92.23	90.86	-	-	295.50	206.58
	22,232.21	**19,888.26**	**4,288.99**	**3,453.00**	**45.14**	**-**	**17,898.08**	**16,435.26**

17. Non-Current Investments:

(₹ Crore)

	As at 31/03/2014	As at 31/03/2013
Investments in Equity Instruments:		
Associates - (a)	5,791.09	5,275.73
Others	342.83	342.79
Investments in Preference Shares	28.58	45.03
Investments in Debentures and Bonds	87.63	107.75
Investments in Government Securities	20.11	20.11
Investments in Mutual Funds	-	2.00
	6,270.24	**5,793.41**

(a) Investments in Equity Instruments of Associates include ₹ 3,932.18 crore (Previous year ₹ 4,209.97 crore) towards goodwill arising on the acquisition of these Associates.

18. Deferred Tax Assets (Net):

	31/03/2014	31/03/2013
Deferred Tax Assets		
Unabsorbed Business Losses	13.87	-
	13.87	**-**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

19. Long-Term Loans and Advances:

(Unsecured, Considered Good unless otherwise stated)

(₹ Crore)

	As at	
	31/03/2014	**31/03/2013**
Capital Advances	1,149.15	1,833.68
Loans, Advances and Deposits to Related Parties - (a)	156.73	139.70
Security Deposits	94.25	74.77
Advances Recoverable in Cash or in Kind:		
Unsecured, Considered Good	801.54	566.02
Unsecured, Considered Doubtful	1.52	0.02
Less: Provision for Doubtful Amount	1.52	0.02
	801.54	566.02
Other Advances and Balances:		
Advance Income Tax (Net of Provision for Taxation)	2.33	1.92
MAT Credit Entitlement	26.77	26.94
Prepaid Expenses	3.39	2.58
Others - (b)	222.19	524.48
	2,456.35	**3,170.09**

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

(b) Others include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc., primarily relating to ongoing projects.

20. Other Non-Current Assets:

(₹ Crore)

	As at	
	31/03/2014	**31/03/2013**
Long-Term Trade Receivables:		
Unsecured, Considered Doubtful	19.10	19.27
Less: Provision for Doubtful Amount	19.10	19.27
	-	-
Deposits with Bank exceeding 12 months maturity	94.58	1.95
Inventories (Work-in-Progress)	425.36	432.04
Interest Accrued	-	0.16
Derivative Assets (refer Note No. 45)	37.55	38.87
Unamortized Expenses	89.23	91.19
Other Receivables	120.10	185.16
	766.82	**749.37**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

21. Current Investments:

(₹ Crore)

	As at	
	31/03/2014	31/03/2013
Current Investments		
Investments in Preference Shares	12.18	-
Investments in Debentures and Bonds:		
Associates	9.75	10.00
Others	1,197.33	1,105.81
Investments in Government Securities	204.35	166.19
Investments in Certificate of Deposits	238.80	430.93
Investments in Commercial Papers	316.18	287.57
Investments in Mutual Funds	4,712.25	4,807.06
	6,690.84	**6,807.56**

22. Inventories:

Raw Materials	6,280.13	4,950.54
Finished Goods	2,052.37	1,737.75
Work-in-Progress	6,764.33	6,185.66
Stock-in-Trade	-	1.05
Stores and Spares	1,273.05	1,099.31
Coal and Fuel	324.38	357.37
	16,694.26	**14,331.68**

23. Trade Receivables:

Secured, Considered Good	0.04	-
Unsecured, Considered Good	406.98	41.95
Unsecured, Considered Doubtful	33.75	37.86
Less: Provision for doubtful amount	33.75	37.86
	407.02	41.95
Outstanding for a period less than six months:		
Secured, Considered Good	120.87	65.98
Unsecured, Considered Good	8,706.87	8,844.35
Unsecured, Considered Doubtful	22.24	7.72
Less: Provision for doubtful amount	22.24	7.72
	8,827.74	8,910.33
	9,234.76	**8,952.28**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

24. Cash and Bank Balances:

(₹ Crore)

	As at	
	31/03/2014	31/03/2013
Cash and Cash Equivalents		
Balance with Banks:		
Deposits with less than three months initial maturity	327.72	1,034.10
Current Accounts	3,108.40	1,080.76
Cheques and Drafts on Hand	100.43	68.88
Cash on Hand	0.62	0.51
	3,537.17	**2,184.25**
Other Balances		
Balance with Banks:		
Earmarked Balances	7.35	8.25
Margin Money Account	2.94	5.18
Deposits with more than three months initial maturity	1,473.83	1,577.77
	1,484.12	**1,591.20**
	5,021.29	**3,775.45**

25. Short-Term Loans and Advances:

(Unsecured, Considered Good, unless otherwise stated)

	31/03/2014	31/03/2013
Loans, Advances and Deposits to Related Parties	336.06	226.90
Inter-Corporate Loans, Advances and Deposits	22.00	53.26
Security Deposits:		
Unsecured, Considered Good	54.66	30.09
Unsecured, Considered Doubtful	0.25	0.25
Less: Provision for Doubtful Amount	0.25	0.25
	54.66	30.09
Advances Recoverable in Cash or in Kind:		
Unsecured, Considered Good	2,465.18	1,905.78
Unsecured, Considered Doubtful	12.52	13.17
Less: Provision for Doubtful Amount	12.52	13.17
	2,465.18	1,905.78
Other Advances and Balances:		
Advance Income Tax (Net of Provision for Taxation)	11.85	26.81
Balance with Government Authorities	330.19	259.47
Prepaid Expenses	47.88	48.51
Others	1,270.33	696.01
	4,538.15	**3,246.83**

(a) Others under the head "Other Advances and Balances" mainly include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

26. Other Current Assets:

(₹ Crore)

	As at	
	31/03/2014	**31/03/2013**
Accrued Interest	135.05	111.80
Accrued Export and Other Incentives	110.13	111.63
Derivative Assets (refer Note No. 45)	1,044.54	1,260.52
Assets Held for Sale	331.59	45.59
Unamortized Expenses	1.80	1.50
Other Receivables	463.28	469.62
	2,086.39	**2,000.66**

27. Revenue from Operations:

(₹ Crore)

	Year ended	
	31/03/2014	**31/03/2013**
Sale of Products	89,509.45	81,725.04
Sale of Services	29.82	30.66
Other Operating Revenues	467.57	487.29
Gross Revenue from Operations	90,006.84	82,242.99
Less: Excise Duty	2,311.35	2,050.19
Net Revenue from Operations	87,695.49	80,192.80

28. Other Income:

Interest Income:		
On Long-Term Investments	9.10	8.97
On Current Investments	143.86	82.57
On Others	370.10	295.60
Dividend Income:		
On Long-Term Investments	26.11	16.79
On Current Investments	14.44	143.61
Gain/(Loss) on Sale of Investments (Net):		
On Long-Term Investments	11.24	1.68
On Current Investments	381.40	407.35
Adjustments to the Carrying Amount of Investments (Net):		
On Long-term Investments	(0.11)	(0.11)
On Current Investments	(16.06)	3.41
Profit/(Loss) on Fixed Assets Sold/Discarded (Net)	(66.78)	(51.26)
Rent Income	12.83	11.12
Liabilities no longer required written back	81.74	40.88
Other Non-Operating Income (Net)	68.07	133.11
	1,035.94	1,093.72
Less: Transfer to Capital Work-in-Progress/Finance Costs - (a)	18.74	81.49
	1,017.20	**1,012.23**

(a) Include ₹ 16.78 crore (Previous year ₹ 81.22 crore) income derived from temporary deployment of surplus fund out of specific borrowings for various projects deducted from borrowing costs.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

29. Cost of Materials Consumed:

(₹ Crore)

	Year ended 31/03/2014	Year ended 31/03/2013
Raw Materials	53,956.62	49,170.42
Packing Materials	27.65	10.68
	53,984.27	49,181.10
Less: Transfer to Capital Work-in-Progress	204.42	1.06
	53,779.85	**49,180.04**

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

Opening Inventories		
Finished Goods	1,737.75	1,589.67
Work-in-Progress	6,617.70	5,864.83
Stock-in-Trade	1.05	-
	8,356.50	**7,454.50**
Less: Closing Inventories		
Finished Goods	2,052.37	1,737.75
Work-in-Progress	7,189.69	6,617.70
Stock-in-Trade	-	1.05
	9,242.06	**8,356.50**
	(885.56)	(902.00)
Add: Inventories on acquisition of Business	4.78	-
Add: Increase/Decrease of Excise Duty on Inventories	13.89	(5.52)
Add: Foreign Currency Translation Adjustments	422.53	241.23
	(444.36)	**(666.29)**

31. Employee Benefits Expenses:

Salaries and Wages	5,786.56	5,473.42
Contribution to Provident and Other Funds	527.61	223.94
Employee Share-Based Payments	3.85	0.27
Employee Welfare	1,216.56	1,032.56
	7,534.58	6,730.19
Less: Transfer to Capital Work-in-Progress	214.79	204.58
	7,319.79	**6,525.61**

Salaries and Wages include ₹ 162.33 crore (Previous year ₹ 15.79 crore) on account of Stock Appreciation Rights (SARs) and Restricted Stock Units (RSUs) granted by a subsidiary to its eligible employees of a subsidiary, which are settled in cash.

32. Power and Fuel:

Power and Fuel	6,724.99	5,251.03
Less: Transfer to Capital Work-in-Progress	574.50	50.90
	6,150.49	**5,200.13**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

33. Finance Costs:

(₹ Crore)

	Year ended 31/03/2014	Year ended 31/03/2013
Interest Expenses	4,883.39	4,198.12
Other Borrowing Costs	119.60	129.53
Loss on Foreign Currency Transactions and Translation (Net)	36.84	-
	5,039.83	4,327.65
Less: Income on Specific Borrowings (refer Note No. 28 (a))	16.78	81.22
	5,023.05	4,246.43
Less: Transfer to Capital Work-in-Progress	2,321.46	2,167.32
	2,701.59	**2,079.11**

34. Depreciation and Amortization:

Depreciation and Amortization	3,363.71	2,831.26
Less: Transfer to Capital Work-in-Progress	16.88	9.34
	3,346.83	**2,821.92**

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

Impairment Loss Recognised	205.96	39.17
Reversal of Impairment Loss	-	-
	205.96	**39.17**

The Group has carried o ut impairment test of various assets and identified impairment loss amounting to ₹ 205.96 crore (Previous year ₹ 39.17 crore) as a result of uneconomical operation.

36. Other Expenses:

Consumption of Stores and Spares	2,918.18	2,907.52
Repairs to Buildings	167.41	160.95
Repairs to Machinery	1,552.23	1,684.62
Rates and Taxes	210.60	125.32
Rent	189.94	168.45
Insurance	201.76	175.30
Payments to Auditors	50.60	34.99
Research and Development	298.41	275.09
Freight and Forwarding Expenses (Net)	3,077.78	3,101.78
Provision for Doubtful Loans, Advances and Receivables (Net)	2.17	(3.61)
Bad Loans, Advances and Receivables Written off/ (Written back) (Net)	6.36	26.18
Pre-operative/Incidental Expenditure Written off	-	4.15
Prior Period Items (Net)	0.21	65.50
Donation	14.84	19.65
Directors' Fees and Commission	13.18	21.41
(Gain)/Loss on assets held for sale	(37.41)	(17.14)
(Gain)/Loss on Change in Fair Value of Derivatives (Net)	(633.36)	(127.31)
Cost of own Manufactured Products Capitalized/Used	(54.92)	(103.50)
Tolling Expenses	902.82	758.61
Miscellaneous Expenses	4,097.57	3,180.27
	12,978.37	12,458.23
Less: Transfer to Capital Work-in-Progress	427.18	383.63
	12,551.19	**12,074.60**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

37. Exceptional Items

(₹ Crore)

	Year ended 31/03/2014	Year ended 31/03/2013
Exceptional Items	395.98	-
	395.98	**-**

Exceptional Items include:

(a) Liability of ₹ 324.36 crore under UP Tax on Entry of Goods into Local Areas Act, 2007 (UP Entry Tax).

(b) Liability of ₹ 71.62 crore under Madhya Pradesh Gramin Avsanrachna Tatha Sarak Vikas Adhiniyam (MPGATSVA).

Both the above levies have been contested by the Company and appeals against, these are pending before the Hon'ble Supreme Court. In the matter of UP Entry Tax, the Hon'ble Supreme Court has granted a stay on the adverse order of the Hon'ble Allahabad High Court. In the matter of MPGATSVA, the Supreme Court has not stayed the adverse order of the Hon'ble Jabalpur High Court in a separate but similar case. Since in both these matters an adverse order has been passed by a High Court upholding the validity of the levy and the amount of the levy has either been paid or secured by bank guarantees provided by the Company, the Statement of Profit and Loss has been debited with the total amount pertaining to these levies following principles of prudence. The amount paid towards these levies has been shown as advance recoverable in the Balance Sheet.

38. Tax Expenses:

(₹ Crore)

	Year ended 31/03/2014	Year ended 31/03/2013
Current Tax		
Current Tax for the year	1,194.05	1,060.28
Less: MAT Credit Entitlement	-	9.82
	1,194.05	1,050.46
Tax adjustments for earlier years (Net)	(43.03)	(17.25)
	1,151.02	**1,033.21**
Deferred Tax		
Deferred Tax for the year	(632.64)	(147.47)
Tax adjustments for earlier years (Net)	6.54	-
	(626.10)	**(147.47)**

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

39. Earnings Per Share (EPS):

	Year ended 31/03/2014	Year ended 31/03/2014
		₹ Crore
Profit for the Period (₹ Crore)	2,175.01	3,026.89
Weighted-average Number of Shares used in the calculation of EPS:		
Weighted-average Number of Equity Shares for computing basic EPS	1,993,898,373	1,914,567,153
Dilutive impact of Employee Stock Options Scheme	331,541	95,595
Weighted-average Number of Equity Shares for computing diluted EPS	1,994,229,914	1,914,662,748
Face Value of Per Share (₹)	1.00	1.00
Basic EPS (₹)	10.91	15.81
Diluted EPS (₹)	10.91	15.81

40. 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		2013-14		2012-13	
Parent	**Subsidiary**	**₹ Crore**	**Proportion**	**₹ Crore**	**Proportion**
The cost of reclamation of mined out land, forestation is treated as part of Other Expenses, when cost incurred.	Provision for estimated future cost of environmental and rehabilitation using net present value is 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.	397.86	100%	297.45	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.

41. In accordance with the accounting policy for accounting of actuarial gains or losses relating to pension and other post-retirement employee benefit plans of Novelis Inc., the Group has recognised actuarial gains/losses (net of deferred tax) in the 'Actuarial Gain/(Loss) Reserve' under Reserves and Surplus in its Consolidated Financial Statements. Had the Group followed the practice of recognition of actuarial gains/losses on the aforesaid defined benefit plans in the Statement of Profit and Loss, Employee Benefits Expenses would have been lower by ₹ 142.09 crore (Previous year higher by ₹ 542.43 crore), Tax Expenses (Deferred Tax) would have been higher by ₹ 77.43 crore (Previous year lower by ₹ 159.38 crore), Net Profit for the year would have been higher by ₹ 64.66 crore (Previous year lower by ₹ 383.05 crore), Actuarial Gain/(Loss) Reserve would have been ₹ Nil (Previous year ₹ Nil) and Foreign Currency Translation Reserve would have been lower by ₹ 126.39 crore (Previous year ₹ 50.82 crore).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

42. 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	
	31/03/2014	**31/03/2013**
Revenue from Operations	90.70	49.42
Cost of Materials Consumed	(9.28)	40.01
Power and Fuel	2.78	2.54
Finance Costs	-	(0.98)
Other Expenses	(10.07)	(38.46)
	74.13	**52.53**

43. Both the Greenfield projects of the Company, viz., Aditya Aluminium and Mahan Aluminium, as well as the Greenfield project of its wholly-owned subsidiary company, Utkal Alumina International Limited, have started operations during the year and are in the process of ramp up.

44. Segment Reporting:

A. Primary Segment Reporting (by Business Segment):

(a) The Group has three reportable segments viz. Aluminium, Copper and Others which have been identified in line with the Accounting Standard 17 on Segment Reporting, taking into account the organizational structure as well as differential risk and return of these segments. Details of products included in each segments are as under:

i. Aluminium : Hydrate & Alumina, Aluminium and Aluminium Product

ii. Copper : Continuous Cast Copper Rods, Copper Cathode, Sulphuric Acid, DAP & Complexes, Gold and Silver

iii. Others : Caustic and Others

(b) Inter-segment transfers are based on market rates.

(c) The details of the revenue, results, assets, liabilities and other information from operations by reportable business segments are follows:

(₹ Crore)

Particulars	Year Ended 31/03/2014				Year Ended 31/03/2013			
	Aluminium	Copper	Others	Total	Aluminium	Copper	Others	Total
REVENUE								
External	69,131.28	17,862.83	701.38	87,695.49	62,190.88	17,518.21	483.71	80,192.80
Inter-Segment	86.33	43.01	364.78	494.12	67.73	24.49	322.53	414.75
Total	69,217.61	17,905.84	1,066.16	88,189.61	62,258.61	17,542.70	806.24	80,607.55
RESULTS								
Segment Results	3,763.52	1,024.64	177.17	4,965.33	4,387.95	740.32	132.28	5,260.55
Unallocated Corporate Income				949.09				892.52
Unallocated Corporate Expenses				(163.73)				(165.16)
Finance Costs				(2,701.59)				(2,079.11)
Exceptional Items				(395.98)				-
Tax Expenses				(524.92)				(885.74)
Share in Profit/(Loss) of Associates				66.84				(15.76)
Minority Interest				(20.03)				19.59
Profit for the period				2,175.01				3,026.89
OTHER INFORMATION								
Assets:								
Segment Assets	107,500.30	12,265.33	1,746.52	121,512.15	91,470.66	11,888.21	1,417.61	104,776.48
Unallocated Corporate Assets				16,483.55				15,813.51
Total Assets				137,995.70				120,589.99
Liabilities:								
Segment Liabilities	20,582.18	3,879.61	247.13	24,708.92	17,257.67	2,694.18	180.71	20,132.56
Unallocated Corporate Liabilities				70,901.42				63,367.92
Total Liabilities				95,610.34				83,500.48
Capital Expenditure	10,769.44	322.32	214.13		13,506.17	401.65	181.68	
Non-Cash Expenses:								
Depreciation and Amortization	2,789.05	459.63	76.86		2,223.35	515.36	60.37	
Impairment Loss/ (Reversal) (Net)	205.96	-	-		21.92	17.25	-	
Other Non-Cash Expenses	12.08	-	0.10		27.95	2.04	3.33	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 31/03/2014			Year Ended 31/03/2013		
	India	Rest of World	Total	India	Rest of World	Total
Revenue	20,556.53	67,633.08	88,189.61	19,195.41	61,412.14	80,607.55
Assets	58,965.98	62,546.17	121,512.15	51,294.93	53,481.55	104,776.48
Capital Expenditure	6,709.81	4,596.08	11,305.89	9,562.80	4,526.70	14,089.50

45. Derivative Financials Instruments and Risk Management:

(a) The Company has adopted Accounting Standard-30, "Financial Instruments: Recognition and Measurement", issued by the Institute of Chartered Accountants of India, so far as it relates to derivative accounting.

(b) In the ordinary course of business, the Company is exposed to risks resulting from changes in prices of commodity, exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through derivative financial instruments. It uses derivative instruments such as forwards, futures, swaps and options to manage these risks. These derivative financial instruments reduce the impact of both favourable and unfavourable fluctuations. 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 counter-parties to the derivative contracts. All derivative contracts are executed with counter-parties 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 and Loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ Crore)

Particulars	Nature of Risk being Hedged	31st March, 2014			31st March, 2013		
		Liability	Asset	Net Fair Value	Liability	Asset	Net Fair Value
Current							
Cash Flow Hedges							
- Commodity contracts	All cash flow risk other than foreign currency	(57.65)	363.21	305.56	(4.08)	452.98	448.90
- Interest rate contracts	Exchange rate movement risk	(2.38)	-	(2.38)	(2.10)	-	(2.10)
- Foreign currency contracts	Exchange rate movement risk	(92.41)	251.86	159.45	(77.57)	195.86	118.29
Fair Value Hedges							
- Commodity contracts		(5.40)	0.20	(5.20)	(6.58)	-	(6.58)
- Embedded derivatives		(20.73)	247.44	226.71	(0.04)	191.05	191.01
Net Investment Hedges							
- Foreign currency contracts	Exchange rate movement risk	(4.00)	0.11	(3.89)	-		
Non-Designated Hedges							
- Commodity contracts		(204.66)	301.61	96.95	(435.55)	490.80	55.25
- Foreign currency contracts		(126.65)	127.55	0.90	(76.12)	120.88	44.76
- Interest rate contracts		-	-	-	-	-	-
Total		**(513.88)**	**1,291.98**	**778.10**	**(602.04)**	**1,451.57**	**849.53**
Non-Current							
Cash Flow Hedges							
- Commodity contracts	All cash flow risk other than foreign currency	(4.65)	13.60	8.95	(0.72)	28.18	27.46
- Interest rate contracts	Exchange rate movement risk	-	0.03	0.03	(2.28)	-	(2.28)
- Foreign currency contracts	Exchange rate movement risk	(36.56)	23.94	(12.62)	(42.58)	2.00	(40.58)
Fair Value Hedges							
- Commodity contracts	All cash flow risk other than foreign currency	(0.91)	0.06	(0.85)	(3.57)	0.00	(3.56)
Net Investment Hedges							
- Foreign currency contracts	Exchange rate movement risk	(0.01)	0.02	0.01	-	-	-
Non-Designated Hedges							
- Commodity contracts		(77.76)	0.12	(77.64)	(108.40)	8.22	(100.18)
- Foreign currency contracts		(0.32)	(0.22)	(0.54)	(0.05)	0.47	0.42
- Interest rate contracts		-	-	-	-	-	-
Total		**(120.21)**	**37.55**	**(82.66)**	**(157.60)**	**38.87**	**(118.72)**
Grand Total		**(634.09)**	**1,329.53**	**695.44**	**(759.64)**	**1,490.43**	**730.80**

* Fair Value of ₹ 226.71 Crore (Previous year ₹ 191.01 Crore) is part of Trade Payables.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

	Currency Pair	31st March, 2014			31st March, 2013		
		Average Exchange Rate	Notional Value (in Millions)	Fair Value Gain/(Loss) (₹ Crore)	Average Exchange Rate	Notional Value (in Millions)	Fair Value Gain/(Loss) (₹ Crore)
Foreign Currency Forwards							
Cash Flow Hedges							
Buy	AUD_INR						
Buy	CHF_EUR	0.83	3.17	(0.33)	0.83	12.46	(0.79)
Buy	EUR_INR	86.34	3.05	(0.94)	72.20	5.66	0.29
Buy	GBP_INR				83.04	0.04	-
Buy	USD_INR	62.09	2.68	(0.48)	55.51	7.97	0.59
Buy	BRL_USD	0.43	292.48	(61.99)	0.50	366.77	12.10
Buy	EUR_USD	1.35	57.88	(6.08)	1.33	45.94	3.77
Buy	EUR_KRW				1,520.03	15.02	(4.61)
Buy	USD_CAD	1.10	38.79	(4.54)	1.02	27.28	0.05
Buy	USD_KRW	1,125.72	331.93	75.40	1,124.50	451.11	(22.99)
Sell	USD_INR	64.45	703	107.29	57.60	815.94	85.80
Sell	USD_AUD	0.88	158.95	38.50	1.02	77.00	1.44
Total				**146.83**			**75.65**
Net Investment Hedge							
Buy	EUR_USD	1.37	61.21	(3.88)			
Buy	USD_KRW						
Total				**(3.88)**			**-**
Non-Designated							
Buy	AUD_INR	56.18	1.15	0.00	58.54	1.75	(0.31)
Buy	CAD_INR	54.96	0.25	0.00	-	-	-
Buy	CHF_INR	72.10	0.19	(0.03)	60.29	0.19	(0.03)
Buy	EUR_INR	86.75	11.69	(2.57)	72.73	23.11	(4.75)
Buy	GBP_INR	103.18	0.30	(0.06)	85.68	0.66	(0.10)
Buy	NOK_INR	10.40	2.37	(0.04)	9.69	2.37	(0.06)
Buy	USD_INR	60.08	164.50	(20.01)	54.85	166.19	(5.48)
Buy	GBP_EUR	1.19	22.15	3.63	1.19	29.31	(3.12)
Buy	KRW_USD	0.91	62.72	(0.56)	0.90	98.60	15.44
Buy	USD_EUR	0.74	142.69	(0.86)	0.76	161.79	8.58
Buy	GBP_USD	1.66	34.02	0.12	1.52	29.69	(0.28)
Buy	USD_CHF	0.89	39.49	(2.54)	0.94	24.59	1.07
Buy	CAD_USD	0.92	3.48	1.15	0.98	4.76	0.25
Buy	USD_BRL	2.34	236.83	20.46	2.07	133.93	26.25
Buy	JPY_USD	0.01	0.94	(0.01)	0.01	0.30	0.02
Buy	CHF_GBP	0.68	8.30	0.35	0.70	6.71	(0.22)
Buy	CHF_EUR	0.82	170.21	(0.34)	0.82	25.48	0.11
Buy	EUR_KRW	1,472.50	4.81	0.04	1,493.39	6.66	0.01
Buy	CNY_USD	0.16	0.08	0.50	0.16	53.33	5.26
Buy	SEK_USD	0.15	0.39	0.02	-	-	-
Buy	CNY_EUR	0.12	5.39	(0.30)	-	-	-
Sell	USD_INR	61.28	28.43	1.41	55.04	14.59	0.49
Total				**0.36**			**43.13**
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**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(e) The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2014:

		Average Price (USD/Unit)	Quantity	Unit	Notional value (USD in Millions)	Fair Value Gain/ (Loss) (₹ Crore)
Commodity Futures/Forwards						
Cash Flow Hedge						
Aluminium	Sell	1,874.31	553,179	MT	1,036.83	220.17
Natural Gas	Buy	4.06	9,530,000	MMBtu	38.72	15.41
Aluminium	Buy	1,744.25	15,735	MT	27.45	(2.04)
Gold	Sell	1,289.08	119,697	TOZ	154.30	2.98
Silver	Sell	21.13	1,398,151	TOZ	29.55	10.34
Copper	Sell	7,199.32	20,425	MT	147.05	67.65
Total						**314.51**
Fair Value Hedge						
Aluminium	Buy	1,744.25	9,315	MT	16.25	(6.05)
Total						**(6.05)**
Non-Designated Hedges						
Aluminium	Buy	1,733.58	106,805	MT	185.15	(65.27)
Aluminium	Sell	1,812.87	214,582	MT	389.01	152.14
Copper	Buy	6,564.02	20,675	MT	135.71	10.92
Copper	Sell	7,098.80	14,200	MT	100.80	48.06
Gold	Buy	1,294.39	15,598	TOZ	20.19	(0.94)
Gold	Sell	1,254.43	27,131	TOZ	34.03	(4.86)
Silver	Buy	19.92	35,146	TOZ	0.70	(0.03)
Electricity	Buy	32.33	668,416	MWh	21.61	(114.81)
Natural Gas	Buy	4.14	1,520,000	MMBtu	6.30	3.59
Copper	Buy		*	MT		0.24
Gold	Buy		*	TOZ		(10.24)
Silver	Sell		*	TOZ		0.51
Coal				MT	-	-
Total						**19.31**
Embedded Derivatives						
Fair Value Hedge						
Copper	Sell	6,964.22	112,395	MT	782.74	212.20
Gold	Sell	1,328.58	41,688	TOZ	55.39	11.06
Silver	Sell	20.53	757,777	TOZ	15.56	3.45
Total						**226.71**

Represent derivatives matured within 31st March, 2014, for which cash flow to happen on settlement date during April 2014.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 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	2,015.18	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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

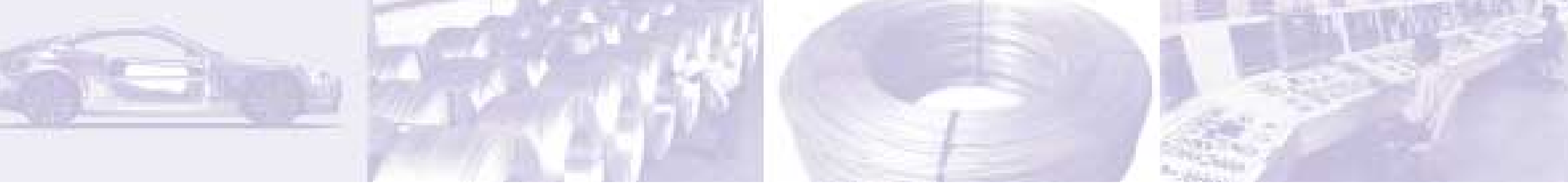
(f) The following table presents the outstanding position and fair value of various interest rate derivative financial instruments:

Interest Rate Swaps	Fixed Leg	As of 31st March, 2014			As of 31st March, 2013		
		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	4.03%	127.25	(2.35)	4.11%	95.32	(4.38)
Non-Designated Hedges							
1M USD Libor	Pay fixed						
Total			**127.25**	**(2.35)**		**95.32**	**(4.38)**

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

(₹ Crore)

Hedge Instrument Type	Products/ Currency Pair	31st March, 2014			31st March, 2013		
		Closing Value in Hedging Reserve as at 31st March, 2014	Release: In less than 12 Months	Release: After 12 Months	Closing Value in Hedging Reserve as at 31st March, 2013	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	149.42	52.71	96.71	414.43	377.44	36.99
	Gold	4.73	4.73	-	19.06	19.06	0.00
	Silver	8.70	8.70	-	22.72	22.72	-
	Copper	33.94	33.94	-	17.74	17.63	0.11
	Electricity	(86.69)	-	(86.69)	(107.81)	(29.40)	(78.41)
	Natural Gas	15.05	(16.14)	31.19	5.85	5.32	0.53
	Total	**125.15**	**83.94**	**41.21**	**371.99**	**412.77**	**(40.78)**
Debt		89.80	89.80	-	10.16	10.16	-
Liability for Copper Concentrate		52.82	52.82	-	(7.58)	(7.58)	
Interest rate swaps	3M-CD-3200	(2.28)	(2.02)	(0.26)	(4.36)	-	(4.36)
	Total	**(2.28)**	**(2.02)**	**(0.26)**	**(4.36)**	**-**	**(4.36)**
Foreign currency Forwards	AUD_INR						
	EUR_INR	(0.96)	(0.96)	-	0.37	0.29	0.08
	GBP_INR	-	-	-	(0.01)	(0.01)	-
	NOK_INR						
	USD_INR	107.59	107.59	-	87.85	86.16	1.69
	USD_EUR	(6.39)	(7.87)	1.48	(12.24)	5.66	(17.90)
	USD_BRL	(60.04)	(49.79)	(10.25)	9.54	26.74	(17.20)
	USD_CAD	(4.50)	(4.95)	0.45	0.59	0.60	(0.01)
	EUR_KRW	-	(0.48)	0.48	(3.91)	-	(3.91)
	USD_KRW	75.61	61.28	14.33	(22.21)	(0.65)	(21.56)
	EUR_CHF	-	-	-	(0.96)	(0.96)	-
	USD_AUD	12.96	12.96	-	0.52	0.52	-
	Total	**124.27**	**117.78**	**6.49**	**59.54**	**118.35**	**(58.81)**
Foreign currency Options	USD_INR	-	-	-	1.86	1.86	-
	Grand Total	**389.76**	**342.32**	**47.44**	**431.61**	**535.56**	**(103.95)**



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(h) The following table presents the amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2013-14:

(₹ 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	371.99	783.69	1,034.88	1.47	1,036.35	5.82	125.15
Forex	63.98	(571.51)	(734.38)	(45.65)	(780.03)	(5.61)	266.89
Interest	(4.36)	(0.13)	0.43	-	0.43	2.64	(2.28)
Total	**431.61**	**212.05**	**300.93**	**(44.18)**	**256.75**	**2.85**	**389.76**

The following table 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**

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

(₹ Crore)

Schedule No.	Schedule Line Item	2013-14	2012-13
27	Net Sales	113.82	(275.45)
29	Raw Materials Consumed	322.61	105.31
34	Depreciation	(1.11)	-
33	Finance Costs	0.43	-
36	(Gain)/Loss change in Fair Value of Derivatives (Net)	(134.82)	(126.70)

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

(₹ Crore)

	2013-14	2012-13
Copper	(218.75)	(184.55)
Gold	(11.23)	(2.92)
Silver	(3.51)	(3.45)
Total	**(233.49)**	**(190.92)**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2014 Change in Fair Value	31st March, 2014 Change in Profit & Loss	31st March, 2014 Change in Hedging Reserve	31st March, 2013 Change in Fair Value	31st March, 2013 Change in Profit & Loss	31st March, 2013 Change in Hedging Reserve
Forwards							
USD_INR	10%	348.93	(74.15)	423.08	329.41	(108.51)	437.93
EUR_INR	10%	12.60	10.08	2.52	38.77	34.40	4.37
GBP_INR	10%	0.30	0.30	-	1.11	1.07	0.04
NOK_INR	10%	0.22	0.22	-	0.01	0.01	-
CHF_INR	10%	0.11	0.11	-	0.00	0.00	-
AUD_INR	10%	0.65	0.66	-	1.98	1.98	-
CAD_INR	10%	0.12	0.12	-			
CHF_USD	10%	127.34	128.20	(0.86)	48.66	48.73	(0.07)
GBP_USD	10%	28.97	29.17	(0.20)	28.04	28.08	(0.04)
CAD_USD	10%	18.70	1.55	17.15	10.90	1.71	9.19
KRW_USD	10%	267.04	42.72	224.31	187.72	33.84	153.88
BRL_USD	10%	230.36	79.98	150.37	241.99	64.95	177.04
EUR_USD	10%	296.28	162.59	133.69	157.46	128.90	28.55
USD_AUD	10%	122.11	58.87	63.24	82.46	57.14	25.32
EUR_KRW	10%	2.33	2.60	(0.27)	10.20	3.14	7.06
EUR_CHF	10%	393.36	394.48	(1.13)	17.85	12.00	5.84
EUR_GBP	10%	36.64	36.89	(0.25)	13.79	13.81	(0.02)
GBP_CHF	10%	9.90	9.96	(0.07)	2.67	2.67	(0.00)
CNY _USD	10%	2.96	2.98	(0.02)	26.27	26.31	(0.04)
JPY_USD	10%	0.62	0.63	(0.01)	0.18	0.18	(0.00)
SEK_USD	10%	0.26	0.26	(0.00)	-	-	-
EUR_CNY	10%	2.59	172.46	(169.88)	-	-	-
Options							
USD_INR	10%				6.69	3.51	3.17
Debt	10%	377.49	86.80	290.69	513.15	89.48	423.67

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, 2014 Change in Fair Value	31st March, 2014 Change in Profit & Loss	31st March, 2014 Change in Hedging Reserve	31st March, 2013 Change in Fair Value	31st March, 2013 Change in Profit & Loss	31st March, 2013 Change in Hedging Reserve
Forwards	10%	774.52	58.98	715.54	669.44	84.01	585.43
Options	10%						
Embedded Derivatives	10%	489.45	489.45	-	395.48	395.48	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2014			31st March, 2013		
		Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve	Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve
1M USD Libor	100 bps				-	-	-
3M-CD-3200	100 bps	8.45	-	8.45	10.04	-	10.04

46. 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.

47. 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 till 31st March, 2013, ₹ 1,982.44 crore has been adjusted against BRR in its CFS.

During the year, a provision of ₹ 86.06 crore has been made for diminution in value of investment in Hindalco-Almex Aerospace Limited, a subsidiary of the Company. The entire amount of provision has been adjusted against BRR. Since the financial statements of HAAL has already been incorporated in CFS, hence, this adjustment has no impact on consolidated profit.

48. For the year ended 31st March, 2014, the Board of Directors of the Company have recommended dividend of ₹ 1.00 per share (Previous year ₹ 1.40 per share) to equity shareholders aggregating to ₹ 241.55 crore (Previous year ₹ 313.60 crore) including Dividend Distribution Tax.

49. Leases:

A. Operating Lease

Future obligations towards minimum lease payment commitments under non-cancellable operating leases are as under:

(₹ Crore)

	As at 31/03/2014	As at 31/03/2013
Not later than 1 year	177.28	143.97
Later than 1 year and not later than 5 years	435.73	377.05
Later than 5 years	387.98	308.78

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 31/03/2014		As at 31/03/2013	
	Payment	Present Value	Payment	Present Value
Not later than 1 year	72.63	60.60	57.08	42.13
Later than 1 year and not later than 5 years	247.82	202.24	219.97	184.75
Later than 5 years	35.15	34.71	68.43	65.33

50. Contingent Liabilities and Commitments:

(₹ Crore)

	As at 31/03/2014	As at 31/03/2013
A. Contingent Liabilities not provided in respect of followings:		
(a) Claims against the Company not acknowledged as debt	1,205.49	1,032.76
(b) Guarantees	370.36	126.45
(c) Other money for which the Company is contingently liable:		
i. Bills Discounted with Banks	3.53	-
ii. Customs Duty on Capital Goods and Raw Materials Imported under Advance Licence/EPCG Scheme, against which export obligation is to be fulfilled.	368.51	359.09

iii. The Company has received a notice dated 24th March, 2007, from the Collector (Stamp) Kanpur, Uttar Pradesh, alleging that stamp duty of ₹ 252.96 crore is payable in view of the 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 the stamp duty, which has been accepted as per the provisions of the Bombay Stamp Act, 1958, with regard to transfer of shareholding of Indo Gulf Corporation Limited as per the Scheme of Arrangement. Furthermore, the demand made is on an incorrect assumption. The Company's contention amongst the various other grounds made is that the demand is illegal, against the principles of natural justice, incorrect, bad in law and malaise. The Company has filed a writ petition before the Hon'ble High Court of Allahabad, *inter alia*, on the above said grounds, which is pending determination.

iv. Against the notifications issued by the State Electricity Regulatory Commissions of Uttar Pradesh, Odisha and Madhya Pradesh States under the provisions of Electricity Act, 2003, in respect of Renewable Purchase Obligation (RPO), the Company has filed writ petitions before jurisdictional high courts on the ground, *inter alia*, that RPO cannot be made applicable to captive users and the High Court(s) at Allahabad, Cuttack and Jabalpur have granted stay on the applicability of the RPO. Further, the Company has received favourable order from the Appellate Authority and Uttar Pradesh Regulatory Commission on applicability of RPO to units with Co-generation facility. In view of the pending writ petitions and favourable order obtained from Appellate Authority, no provision has been considered necessary at this stage.

v. The assessing officer while framing the assessment for AYs 2008-09, 2009-10 and 2010-11 has made adjustment, *inter alia*, amounting to ₹ 270.32 crore, ₹ 1,063.89 crore and ₹ 316.10 crore to the total income of respective assessment years on account of purported arms' length fee for corporate guarantee provided to foreign banks for granting loan to a wholly owned subsidiary of the Company, viz., A V Minerals (Netherlands) N.V. The Company has filed appeals against these orders. The Company has been advised that, considering the facts of the case, no provision is necessary for these adjustments.

	(₹ Crore)	
	As at	
	31/03/2014	**31/03/2013**
B. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advance Paid)	2,958.51	5,049.09

(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.

51. 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
Mini MRF LLC (Delaware) (Disposed during this year)
Deutsche Aluminium Verpackung Recycling GmbH
France Aluminium Recyclage SA

(b) Joint Ventures:

Mahan Coal Limited
Hydromine Global Minerals (GmbH) Limited
MNH Shakti Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(c) Trust:

Trident Trust

(d) Key Managerial Personnel:

Mr. D. Bhattacharya - Managing Director

Mr. Satish Pai - Deputy Managing Director (w.e.f 13th August, 2013)

B. Disclosure of transactions in the ordinary course of business between the Group and its Related Parties during the year and status of outstanding balances at year end:

(a) Associates and Joint Ventures:

(₹ Crore)

	2014		2013	
	Associates	**Joint Ventures**	**Associates**	**Joint Ventures**
Transactions during the year ended 31st March:				
Service Received	1,680.95	-	1,347.07	-
Service Rendered	-	0.02	0.02	0.03
Interest and Dividend Received	14.73	-	6.31	-
Loans, Advances and Deposits Given	-	0.07	10.24	0.13
Loans, Advances and Deposits Received Back	3.27	-	-	-
Outstanding Balances as at 31st March:				
Trade and Other Receivables	0.56	-	5.40	0.03
Trade and Other Payables	320.52	-	256.76	-
Investments, Loans, Advances and Deposits	5,336.64	3.14	4,851.08	3.07

(b) Trust:

(₹ Crore)

	As at 31/03/2014	As at 31/03/2013
Beneficiary Interest in Trust	34.45	34.45

(c) Key Managerial Personnel:

(₹ Crore)

	As at 31/03/2014	As at 31/03/2013
Managerial Remuneration (including Perquisites) *	27.13	21.45

*Excluding gratuity, leave encashment provisions and compensation under Employee Stock Options Scheme.

52. 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

Praveen Kumar Maheshwari
CFO

For and on behalf of the Board of Hindalco Industries Limited

Camp : Mumbai
Dated : 29th day of May, 2014

Anil Malik
Company Secretary

D. Bhattacharya – Managing Director
M.M. Bhagat – Director

FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH 2014

₹ Crore

	Name of the Subsidiary Company	Country	Capital	Reserves	Total Assets	Total Liabilities	Investments** Shares, Debentures, Bonds & Others	Turnover/ Revenues	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend (Including Return of Capital)
1	Minerals & Minerals Limited	India	0.05	1.52	3.61	2.04	0.00	15.26	0.16	0.11	0.05	0.00
2	Renuka Investments & Finance Limited	India	9.25	49.83	59.54	0.46	50.58	5.53	5.13	0.38	4.75	0.00
3	Renukeshwar Investments & Finance Limited	India	4.80	33.74	38.56	0.02	31.94	3.20	3.20	0.24	2.96	0.00
4	Suvas Holdings Limited	India	6.28	0.01	6.30	0.01	0.00	0.09	0.06	0.02	0.04	0.00
5	Utkal Alumina International Limited	India	3,127.26	(455.49)	8,659.96	5,988.19	0.00	220.14	(325.40)	0.00	(325.40)	0.00
6	Aditya Birla Chemicals (India) Limited	India	23.39	399.40	1,779.52	1,356.73	0.00	1,077.11	89.25	39.51	49.74	3.51
7	Hindalco-Almex Aerospace Limited *	India	177.12	(96.74)	83.83	3.45	5.92	34.38	(31.27)	0.00	(31.27)	0.00
8	Lucknow Finance Company Limited	India	12.00	16.14	28.98	0.84	16.73	3.18	2.54	0.88	1.66	0.00
9	Dahej Harbour and Infrastructure Limited	India	50.00	36.64	105.32	18.68	32.17	72.84	51.35	8.52	42.83	0.00
10	East Coast Bauxite Mining Company Private Limited	India	0.01	(0.02)	0.01	0.02	0.00	0.00	(0.00)	0.00	(0.00)	0.00
11	Tubed Coal Mines Limited	India	29.95	(0.68)	43.81	14.54	0.00	0.09	(0.11)	(0.03)	(0.14)	0.00
12	Mauda Energy Limited	India	0.17	(0.02)	0.14	(0.01)	0.00	0.00	(0.00)	0.00	(0.00)	0.00
13	Aditya Birla Minerals Limited *	Australia	2,507.76	131.34	2,748.24	109.15	0.00	17.96	(0.37)	0.10	(0.26)	0.00
14	Birla Nifty Pty Limited ^ *	Australia	486.42	1,752.03	2,777.32	538.86	0.00	1,727.31	80.87	14.72	66.14	0.00
15	Birla Maroochydore Pty Limited ^ *	Australia	56.52	109.11	74.21	(91.42)	0.00	0.00	1.65	5.52	(3.87)	0.00
16	Birla Mt Gordon Pty Limited ^ *	Australia	133.55	862.95	521.71	(474.78)	0.00	58.34	(78.56)	29.59	(48.98)	0.00
17	Birla Resources Pty Limited *	Australia	3.62	(0.03)	3.72	0.14	0.00	0.23	(0.04)	0.00	(0.04)	0.00
18	A V Minerals (Netherlands) N.V. *	Netherlands	11,143.28	(141.07)	11,060.03	57.82	0.00	0.00	(0.22)	0.00	(0.22)	0.00
19	A V Metals Inc # *	Canada	10,907.71	(23.04)	10,884.70	0.02	0.00	0.00	(0.01)	0.00	(0.01)	0.00
20	Novelis Inc. # # *	Canada	0.00	829.21	32,406.91	31,577.70	0.00	4,188.08	2,145.79	43.83	2,101.96	1,500.38
21	4260848 Canada Inc. *	Canada	741.26	(9.94)	739.99	8.67	0.00	0.00	145.43	7.29	138.14	0.00
22	4260856 Canada Inc. *	Canada	1,111.86	(7.76)	1,104.10	0.00	0.00	0.00	217.53	10.88	206.65	0.00
23	Novelis No. 1 Limited Partnership *	Canada	0.00	80.54	80.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24	Novelis Brand LLC (Delaware) *	USA	0.01	(80.54)	0.00	80.54	0.00	0.00	729.40	0.00	729.40	0.00
25	Novelis South America Holdings LLC *	USA	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26	Aluminum Upstream Holdings LLC (Delaware) *	USA	0.01	(0.01)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Novelis (India) Infotech Ltd.	India	1.00	1.12	2.23	0.10	0.00	6.11	3.18	0.61	2.57	0.00
28	Novelis Corporation (Texas) *	USA	10,087.54	(6,192.65)	16,743.51	12,848.62	0.00	20,284.35	437.02	124.90	312.12	0.00
29	Novelis de Mexico SA de CV *	Mexico	0.04	0.24	0.43	0.15	0.00	0.00	0.00	0.00	0.00	0.00
30	Novelis do Brasil Ltda. *	Brazil	1,066.50	1,666.91	8,532.74	5,799.33	100.07	9,594.88	565.69	224.36	341.32	0.00
31	Novelis Madeira, Unipessoal, Lda *	Portugal	0.04	174.76	254.55	79.75	0.00	551.24	36.15	1.44	34.71	0.00
32	Novelis Korea Limited *	Korea	658.85	3,174.14	7,624.33	3,791.34	0.00	10,294.46	722.91	96.62	626.29	0.00
33	Alcom Nikkei Specialty Coatings Sdn Berhad *	Malaysia	22.52	41.12	90.87	27.24	0.00	240.25	3.54	0.81	2.73	0.00
34	Aluminum Company of Malaysia Berhad *	Malaysia	246.96	64.66	374.22	62.61	0.00	471.58	(7.90)	(2.16)	(5.75)	0.00
35	Al Dotcom Sdn. Berhad *	Malaysia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
36	Novelis UK Ltd. *	England	2,922.96	(1,062.54)	2,569.99	709.58	0.00	2,576.54	81.17	53.01	28.17	0.00
37	Novelis Services Limited *	Wales	1,206.36	190.85	1,472.79	75.58	0.00	510.42	243.99	58.70	185.29	0.00

₹ Crore

	Name of the Subsidiary Company	Country	Capital	Reserves	Total Assets	Total Liabilities	Investments** Shares, Debentures, Bonds & Others	Turnover/ Revenues	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend (Including Return of Capital)
38	Novelis Deutschland GmbH *	Germany	921.84	113.82	6,209.20	5,173.53	593.56	17,292.30	813.24	0.07	813.17	0.00
39	Novelis Aluminium Beteiligungs GmbH *	Germany	0.21	0.19	0.40	0.00	0.00	0.00	(0.00)	0.00	(0.00)	0.00
40	Novelis Switzerland SA *	Switzerland	33.95	1,080.16	2,249.70	1,135.60	0.00	3,598.23	425.70	48.50	377.19	0.00
41	Novelis Laminés France SAS *	France	25.63	24.20	53.32	3.50	0.00	6.58	0.18	0.14	0.04	0.00
42	Novelis Italia SPA *	Italy	793.70	(207.19)	1,080.84	494.33	0.00	1,518.36	(63.75)	5.79	(69.54)	0.00
43	Novelis Aluminium Holding Company *	Ireland	24.80	2,914.99	7,649.10	4,709.31	0.00	826.48	469.56	193.00	276.56	0.00
44	Novelis Cast House Technology Ltd. *	Canada	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
45	Eurofoil Inc. (USA) (New York) *	USA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46	Novelis PAE Corporation (Delaware) *	USA	1.95	0.20	2.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00
47	Novelis PAE SAS *	France	33.40	85.40	426.73	307.93	0.00	215.25	16.25	3.61	12.64	0.00
48	Novelis Europe Holdings Limited *	Wales	1,856.70	409.17	3,546.44	1,280.57	0.00	8.41	245.88	0.00	245.88	0.00
49	Novelis AG (Switzerland) *	Switzerland	6.79	1,392.56	6,394.75	4,995.41	0.00	356.24	(22.97)	10.16	(33.12)	0.00
50	Logan Aluminium Inc. (Delaware) *	USA	0.00	(132.68)	971.61	1,104.29	0.00	2,367.30	2.94	1.93	1.01	0.00
51	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	0.00	0.00
52	Novelis North American Holdings *	USA	0.00	1,108.54	1,137.14	28.60	0.00	0.00	(0.00)	(327.90)	327.89	0.00
53	8018227 Canada Inc. *	USA	0.00	(1,084.73)	1,059.99	2,144.71	0.00	0.00	79.05	8.53	70.52	0.00
54	8018243 Canada Limited *	USA	0.00	4,255.97	4,256.36	0.39	0.00	0.00	354.33	0.00	354.33	0.00
55	Novelis Delaware LLC *	USA	0.00	4,392.20	4,392.20	0.00	0.00	0.00	359.84	0.00	359.84	0.00
56	Novelis Acquisitions LLC *	USA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57	Novelis Sheet Ingot GmbH (Germany) *	Germany	165.35	0.00	1,360.90	1,195.55	0.00	0.00	(27.64)	0.00	(27.64)	0.00
58	Novelis MEA Ltd (Dubai) *	UAE	5.48	6.81	337.25	324.97	0.00	894.39	9.72	0.00	9.72	0.00
59	Novelis (Shanghai) Aluminum Trading Company *	China	21.38	15.47	109.63	72.79	0.00	190.58	24.54	6.13	18.40	0.00
60	Novelis (China) Aluminum Products Co. Ltd. *	China	263.30	(12.87)	562.71	312.29	0.00	0.00	(12.05)	(3.01)	(9.04)	0.00
61	Novelis Vietnam Company Limited (Vietnam) *	Vietnam	5.93	(4.60)	175.34	174.01	0.00	98.96	(3.93)	(0.78)	(3.15)	0.00
62	Novelis Asia Holdings (Singapore) *	Singapore	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
63	Hindalco Guinea SARL *	South Africa	0.01	0.00	0.01	(0.00)	0.00	0.00	(0.00)	0.00	(0.00)	0.00
64	Hindalco Do Brazil Ind Com Alumina LTDA *	Brasil	147.13	(25.45)	146.94	25.26	0.00	8.74	41.21	14.01	27.20	0.00
65	Utkal Alumina Technical & General Services Ltd.	India	0.05	(0.00)	0.05	0.00	0.00	0.00	0.00	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.

^ Subsidiary of Aditya Birla Minerals Limited

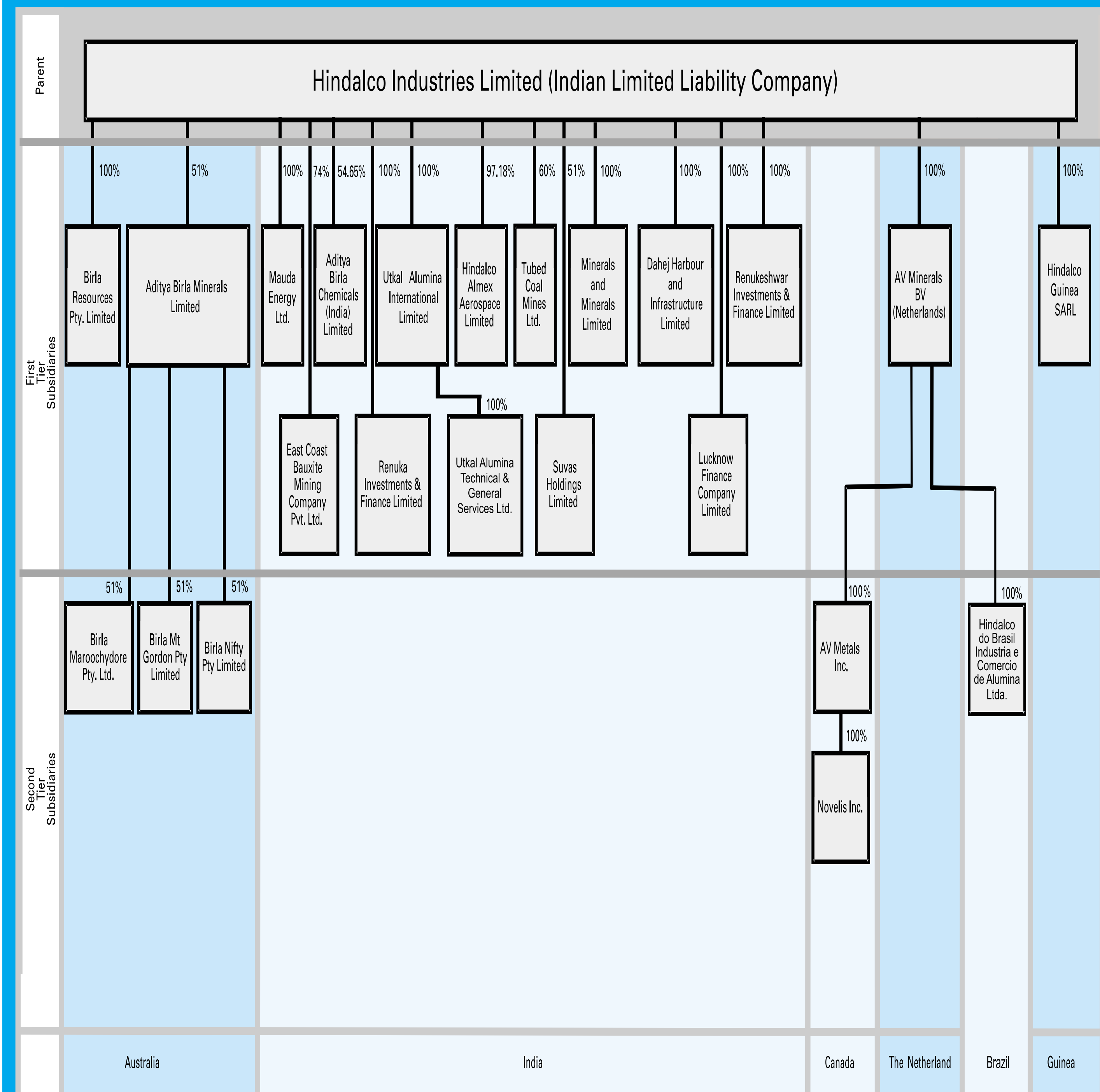
\# Subsidiary of AV Minerals (Netherlands) N.V.

\# # Subsidiary of AV Metals Inc.

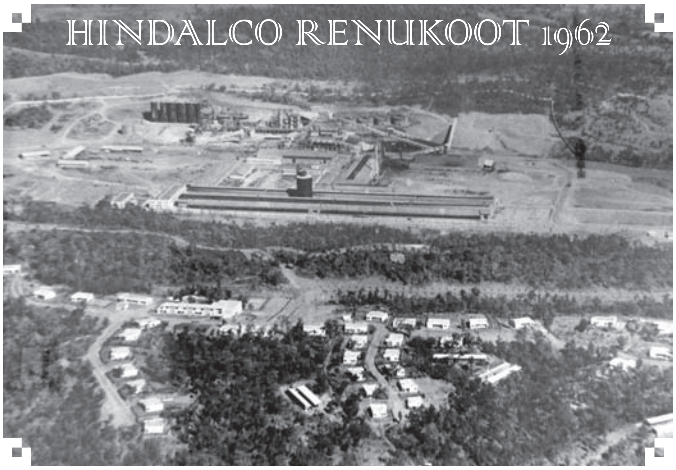
@ Subsidiary of Novelis Inc.

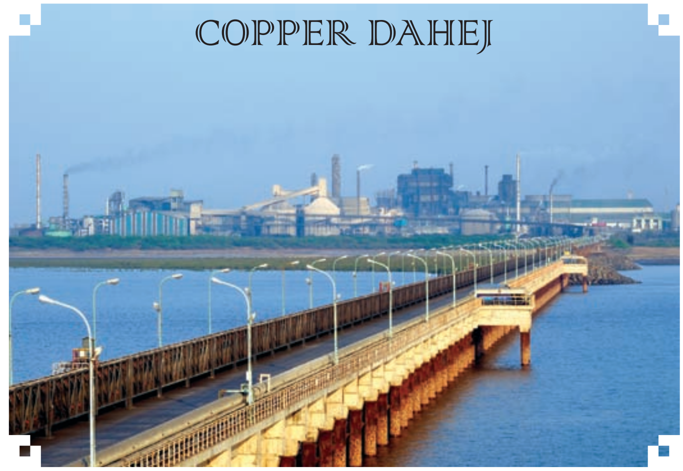
Note: The Ministry of Corporate Affairs, Government of India vide its Circular No. 5/12/2007-CL-III dated 8th February, 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956, from attaching the balance sheet, Statement of Profit and Loss and other documents of the subsidiary 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



KEY MILESTONES ACHIEVED IN LAST FIVE DECADES





Copper business acquisition and expansion to 250,000 tpa

Acquisition of Nifty & Mt. Gordon Copper Mines

Increase stake in Utkal from 20% to 55% Further increased to 100% to 2007.

Acquisition of Novelis

Utkal Alumina greenfield project

1958 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2014

Majority stake in Indal through largest all-cash acquisition in India

Aluminium Expansion at Renukoot to 342,000 tpa, Hirakud to 65,000 tpa

Doubling of copper capacity to 500,000 tpa

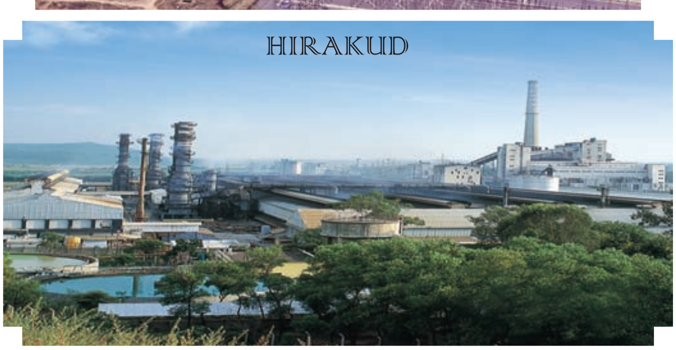
Listing of Aditya Birla Minerals Ltd. on ASX in May 2006

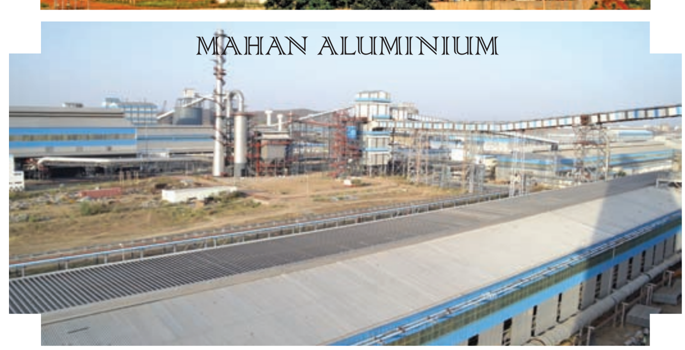
Doubling of Hirakud Smelter capacity to 143,000 tpa

Alumina Expansion at Muri

Aditya Aluminium greenfield project

Mahan Aluminium greenfield project





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