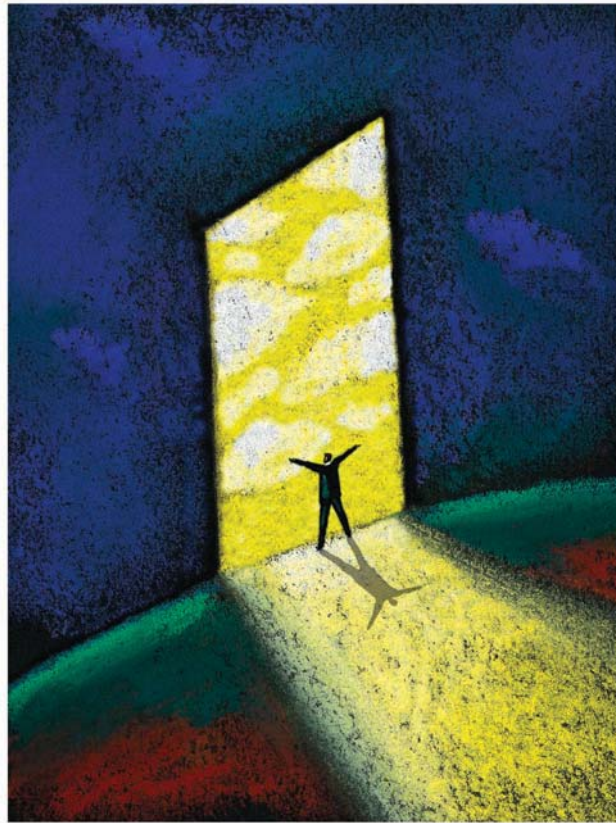


LAST MAN
STANDING



FIRST MAN
FORWARD



ANNUAL REPORT
2011-2012

ADITYA BIRLA NUVO LIMITED



Mr. G. D. Birla and Mr. Aditya Birla, our founding fathers.
We live by their values.
Integrity, Commitment, Passion, Seamlessness and Speed.



Dear Shareholder,

Almost four years after the greatest financial and economic upheaval since the Great Depression, the global economy is regaining a measure of stability and confidence. But the risks to growth remain. The situation looks unsteady once again, with the problems in the Euro Zone. The IMF projects that the global economic growth will decline from 4% in 2011 to 3.5% in 2012, before picking up to 4% in 2013. The Euro zone shows signs of slipping into a recession again, though that is expected to be offset by around 2% growth in the US and 6% in the emerging and developing economies. The economies of Africa, particularly sub-Saharan Africa, are demonstrating structural improvement. Japan is on the road to normalcy after the twin disasters of the tsunami and the Fukushima nuclear reactor accident. The global supply chains, disrupted by the disasters in Japan and the floods in Thailand, have been restored. The financial condition of the large global corporations is extremely strong, and their cash holdings at an all-time high.

The worst-case scenarios for the global economy have not come to pass. That, in no small measure, is due to the unprecedented stimulus provided by governments and central banks. Europe has also reached a degree of consensus on fiscal reforms. The ECB has also put in place firewalls to ward off a widespread economic contagion.

Clearly, the road ahead is not yet smooth. The bond, inter-bank and sovereign debt markets in Europe remain jittery. The process of financial deleveraging still has a long way

For the financial year 2011-12, your Company's consolidated revenue stood at USD 4.5 billion (₹ 21,840 Crore) vis-à-vis USD 3.6 billion (₹ 18,188 Crore) in the previous year. EBITDA surged by 21% to USD 652 million (₹ 3,259 Crore). Net profit at USD 178 million (₹ 890 Crore) is up by 8% in comparison to USD 164 million (₹ 822 Crore) attained in the earlier year.

to go. Oil prices remain stubbornly high. Unemployment is proving extremely sticky and concerns about inequality are growing. A major worry is the political gridlock in many major countries, that makes it difficult to strike the right trade-offs between growth and fiscal and monetary restraint.

The Indian economy was quick off the mark in recovering after the 2008 shocks. But the growth momentum has slowed considerably over the past year. GDP growth in the third quarter of FY 2011-12 was 6.1%, down from 8.3% in the corresponding quarter of FY 2010-11. Some of the key indicators are bearish. Gross fixed capital formation has contracted in recent months. Growth in industrial production in the April 2011-February 2012 period slid to 3.5%, compared to 8.1% during the same period last year. Inflation, particularly in food items, remains high. There have been major slippages on the fiscal side. The current account deficit, in the April-December 2011 period widened to 4.0% of GDP, a clear warning sign. On a trade-weighted basis the Rupee depreciated around 8% in the past year. Given the slippage in growth, RBI's decision to ease monetary policy was timely. Even so monetary policy will not be effective unless it is supported by fiscal restraint. India's economy is poised delicately. Recent policies have not taken the economy forward.

This testing macro-economic environment had a bearing on some of the businesses of your Company too. However, driven by strong performance in other businesses, your Company has posted sound earnings.

For the financial year 2011-12, your Company's consolidated revenue stood at USD 4.5 billion (₹ 21,840 Crore) vis-à-vis USD 3.6 billion (₹ 18,188 Crore) in the previous year. EBITDA surged by 21% to USD 652 million (₹ 3,259 Crore). Net profit at USD 178 million (₹ 890 Crore) is up by 8% in comparison to USD 164 million (₹ 822 Crore) attained in the earlier year.

Growing with agility

Most of our businesses have done well. I am pleased to record that our **Financial Services** business continues to bolster its position as a significant Non-bank Financial Services player. Its market share across almost all verticals has been steadily spiking. Today, it is managing assets of USD 17.5 billion and ranks among the top 5 fund managers in India, excluding banks and LIC and is also the 5th largest

private player in the Life Insurance sector. In the asset management sector, it is the 4th largest player in the country. Having turned profitable, the Life Insurance business has begun paying dividend.

Despite the tectonic shifts in the environment, with volatile capital markets and regulatory changes, **Aditya Birla Financial Services** posted revenue of USD 1.3 billion (₹ 6,550 Crore) and a 27% bottom-line growth. This is laudable. Currently, the Financial Services business is the largest contributor to your Company's profits.

I believe that this sector is bound to grow as we go forward, since much of its potential is still unlocked. Backed by its strong customer base, nation-wide distribution footprint and brand salience, Aditya Birla Financial Services is all set to create a new record.

Regrettably, the **Telecom** sector is going through a phase of uncertain regulatory environment. The proposed policy changes towards spectrum auctioning, pricing and re-farming by the regulator, bode ill for the sector.

The significant strides made by **Idea Cellular**, the telecom arm of your Company, become all the more creditable when set against the unprecedented stress and uncertainty running through the sector. Idea posted an impressive performance, recording a growth rate that is nearly twice that of the industry. Idea is now among the select club of mobile operators globally with 113 million subscribers. It is the 8th largest operator in the world carrying 1.4 billion minutes of voice calls every day.

With the launch of 3G services this year, Idea has scaled up from being in the pure voice business to high speed wireless broadband services as well. I believe Idea will be a major contributor in bridging India's digital divide. Its 3G reach has been extended to more than 3,000 towns and 10,000 villages. The Idea brand 3G smart phones launched this year have met with an encouraging response.

I am confident, that Idea will emerge stronger, consolidate its position in the voice market and participate aggressively in the evolving wireless broadband business.

That said, the changes in regulation proposed would hurt the industry irretrievably. It remains to be seen what shape regulation will actually take. Regulatory and policy change are causing havoc in the sector.

Despite the tectonic shifts in the environment, with volatile capital markets and regulatory changes, Aditya Birla Financial Services posted revenues of USD 1.3 billion (₹ 6,550 Crore) and a 27% bottom-line growth. This is laudable. Currently, the Financial Services business is the largest contributor to your Company's profits.

Your Company has a healthy Balance Sheet. This will provide leverage to capture opportunities across its businesses. In my view, Aditya Birla Nuvo is geared to get bigger.

Let me now highlight the achievements of **Madura Fashion & Lifestyle**. Once again the business outperformed the market, logging a revenue growth of 24%. Its revenue at USD 450 million (about ₹ 2,250 Crore) and ROACE at 21% is a commendable feat. The business recorded its highest ever EBIDTA. Madura Fashion & Lifestyle has laid a solid foundation for sustainable growth. Its retail footprint extends to 1,129 stores spanning 1.6 million square feet.

The proposed acquisition of a controlling stake in the **Pantaloons format of the Future Group**, is in line with our strategic intent to fortify our leadership position in this segment. It will enable your Company to create the largest integrated branded fashion player in the country. This acquisition will catapult Madura Fashion & Lifestyle to a leading position in all the segments through an extension into kids wear and women wear.

In the **IT-ITeS** business, **Aditya Birla Minacs** listed revenue of over USD 415 million (over ₹ 2,075 Crore) - a growth of 23% - one of the highest organic growth rate achieved in this segment. Aditya Birla Minacs added 16 new clients. It attained total contract value sales of over USD 730 million. The business is generating steady cash profit to fund its growth requirements.

In the **Agri Business**, Indo Gulf has moved up the value chain from urea to providing total agri inputs solutions. It now offers the farmers a full range of products and services that cater to their entire cycle from sowing to harvesting. This year the business has grown impressively with revenue of about USD 425 million (₹ 2,100 Crore), buoyed by its trading in imported fertilisers. Urea production at 1.16 million metric tons has been the highest so far. While we have envisaged a Brownfield expansion of our urea capacity, unless there is greater policy clarity on both the availability of natural gas and its pricing, we cannot move further.

In the **Carbon Black** and **Insulators** businesses, sales volume and capacity utilisation remained under pressure due to large scale dumping from China. The Industry Associations for these businesses have approached the Government of India for the levy of appropriate duties. This is extremely essential in order to restore a level playing field.

The **Textiles** business posted its highest ever earnings and crossed the ₹ 1,000 Crore revenue mark. To capitalise

on the increasing popularity of linen, 17 exclusive stores of 'Linen Club' have been added, taking the total to 57 stores. Going forward, we are exploring capacity expansion in the 'Linen Yarn' and the Linen Fabric segments.

In the **Rayon** business, your Company enjoys the rare distinction of being the largest Indian exporter of viscose filament yarn (VFY) for the seventh consecutive year. Our VFY expansion is on track. We expect its commissioning by the end of FY 2012-13 and the 45,625 tons caustic soda plant expansion by 2013-14.

Outlook

Your Company has a healthy balance sheet. This will provide leverage to capture opportunities across its businesses. In my view, Aditya Birla Nuvo is geared to get bigger.

To our teams

I thank of all our teams for their solid performance, undiluted commitment and laser sharp focus on delivering results.

The Aditya Birla Group in perspective

Despite a choppy global economy, our Group turned in a solid performance in FY 2011-12, anchored by our 133,000 strong workforce comprising 42 nationalities spanning 36 countries. Our consolidated revenues were a little over USD 40 billion, reflecting a 14% growth.

It is my abiding belief that our people are the single most important enablers from every perspective. It is with a sense of deep pride that I share with you the fact that our continuous investment in the people area has paid rich dividends. Our Group has been ranked fourth in the Global Top Companies for Leaders and first in Asia Pacific in the 'Top Companies for Leaders 2011' study conducted by Aon Hewitt, Fortune and the RBL Group. 470 companies worldwide participated in this study. This recognition is personally heartening for me, given that we have competed against the best of breed global companies.

I personally am convinced that we are now forging ahead on the people front. Our dedicated efforts in enhancing the quality of life of our employees and their families, continues unabated.

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*It is my abiding belief
that our people are
the single most
important enablers
from every perspective.*

Our Talent Management and Leadership Development processes have been further enhanced, to meet our very specific talent requirements, with many more employees being included. To mention a few, launched:

- a Global Manufacturing Leadership Program to induct lateral recruits and fortify our technical talent in our Units.
- a Continuing Education Policy to support managers in acquiring higher specialist education for skills upgradation while they continue to be in their jobs.
- "Cutting Edge", the accelerated P&L Leadership development Program, to enable function leaders to transition to P&L roles.
- And over 30,000 touch points to our learners through multiple learning formats. With these the number of people being targeted for honing competencies and developing skills has risen many times over. This is in sync with our "World of Opportunities" proposition. The customisation of these learning programmes is far sharper this year on.

Beyond Business

Given that our employees have a desire to contribute to the larger community, including those of their colleagues who need support, we are setting up a new trust called the "World Of Opportunities Foundation", through which our employees can contribute to supporting the higher education of children in need.

Last Man Standing-First Man Forward

And finally let me add that over the years, we have through determined and deliberate effort come to be in this position of being the 'Last Man Standing', almost across each of our businesses. And when we do face a downturn today, from our position of strength, the message I want to convey is that, the last man standing has the best chance at being the first man forward. The first man forward to consolidate market positions, to show superior performance in each industry and get a few steps ahead of competition.

Yours sincerely,



Kumar Mangalam Birla



A premium conglomerate with leadership position across its businesses

A USD 40 billion corporation, the Aditya Birla Group is in the League of Fortune 500. It is anchored by an extraordinary force of over 133,000 employees, belonging to 42 nationalities. The Aditya Birla Group has been ranked 4th in the world and 1st in Asia Pacific in the "Top Companies for Leaders" study 2011, conducted by Aon Hewitt, Fortune Magazine and RBL (a strategic HR and leadership Advisory firm). Aditya Birla Nuvo is proud to be a part of this Group.

A decade ago, Aditya Birla Nuvo's well thought out strategy of investing into the service sector businesses by utilising the cash flows generated by its manufacturing businesses went into execution - transforming Aditya Birla Nuvo from a manufacturing company to a premium conglomerate with a leadership position across its businesses.

In the course of this journey, the consolidated revenue of Aditya Birla Nuvo has risen 14 times to ₹ 21,840 Crore (USD 4.5 billion) and market capitalisation 25 times to ₹ 10,723 Crore (Over USD 2 billion).

Anchored by a committed team of about 65,000 employees, today, Aditya Birla Nuvo touches the lives of 120 million Indians.

Aditya Birla Nuvo is a leading player in India across its Financial Services, Telecom, Fashion & Lifestyle, IT-ITeS and Manufacturing businesses. These businesses are competitively well placed and are contributing to the profitable growth of the Company.

Aditya Birla Nuvo is well positioned to capitalise on growth opportunities available across the wide spectrum of the Indian economy.



Financial Services



One of the largest non-bank financial services player

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

- Funds under management of ₹ 86,750 Crore (USD 17.5 billion)
- Revenue of ₹ 6,550 Crore (USD 1.3 billion)
- Trusted by about 5.5 million customers
- A nationwide presence through more than 1,775 points of presence
- Supported by about 200,000 agents / channel partners.



The fastest growing telecom major

Idea Cellular, the telecom venture of Aditya Birla Nuvo, is the 3rd largest cellular operator in India with 113 million subscribers. It has been the biggest revenue market share gainer since past two years.

- Ranks among the top 10 cellular operators in the world with 1.4 billion minutes of voice calls per day
- A USD 6.5 billion (₹ 32,700 Crore) company by market capitalisation.
- A USD 4 billion (about ₹ 19,500 Crore) company by revenue size.
- Enjoys the highest active subscribers' ratio in the Industry.
- Outperforming the industry as a Mobile Number Portability provider
- Holds a 16% stake in Indus towers, the world's largest tower company

Fashion & Lifestyle



Largest premium branded apparel player

Madura Fashion & Lifestyle is the country's largest premium branded apparel player catering to the fashion and lifestyle needs of its customers.

- Sells two branded apparels every three seconds.
- Marquee brands – Louis Philippe, Van Heusen, Allen Solly, Peter England
- Revenue reached ₹ 2,250 Crore (USD 450 million) mark – Almost doubled in past two years.
- Retailing international luxury brands under 'The Collective'
- Reaching customers through 1,129 exclusive brand outlets spanning across 1.6 million square feet besides more than 1,400 departmental stores and multi brand outlets

Jaya Shree Textiles, backed by its excellent linen, has moved from a commodity product earlier to a lifestyle symbol.

- India's largest manufacturer of Linen Yarn and Linen Fabric
- Retailers linen fabric under the 'Linen Club' brand.
- One of the largest players in the Wool segment
- Revenue crossed ₹ 1,000 Crore (USD 200 million) mark – Doubled in past two years.

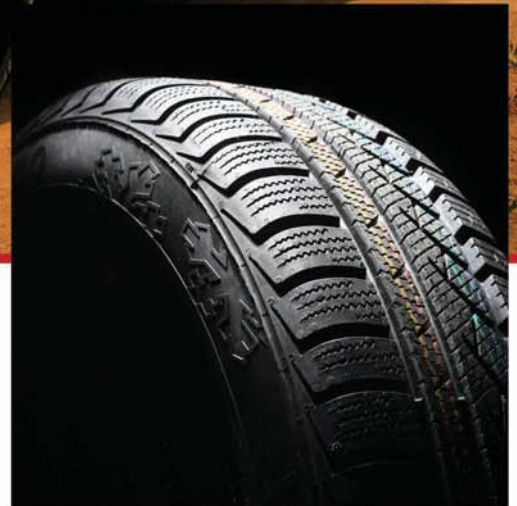


A global delivery solutions provider

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

- Ranks among the top 10 Indian BPO companies by revenue size
- Revenue crossed ₹ 2,075 Crore (USD 415 million) mark
- Serving several Fortune 500 clients
- Global delivery capabilities with 36 centres across US, Canada, Europe, India and the Philippines

Carbon Black



Among the top two carbon black manufacturers

Hi-Tech Carbon caters to all the leading tyre manufacturers in India. Its carbon black provides tensile strength and abrasion resistance to rubber which is critical in the tyre segment.

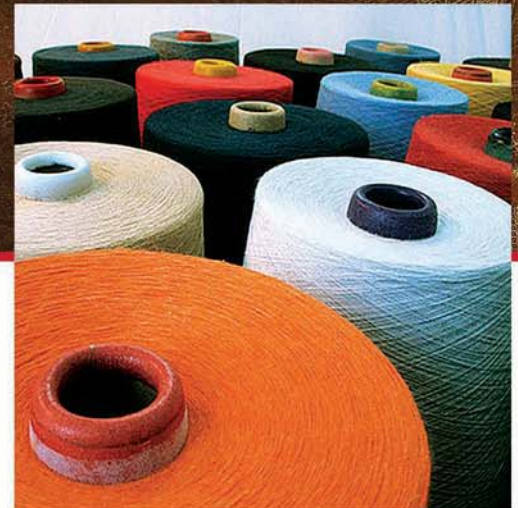
- Enjoys 39% domestic production share with a capacity of 314,000 tons per annum (TPA) at its three plants
- Power plant capacity at 73 MW – Energy sales contribute to the profitability.
- Revenue size of about ₹ 2,000 Crore (USD 400 million)
- Aditya Birla Group is the world's largest carbon black player with a capacity of 2 million TPA



A leading agri-solutions provider

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

- The 8th largest urea manufacturer in India
- Produced 1.16 million tons of urea in 2011-12
- Birla Shaktiman – Indo-Gulf’s flagship brand – enjoys a leadership position in the Indo-Gangetic plains
- Among the top two energy efficient urea plants in India
- Revenue crossed ₹ 2,100 Crore (about USD 425 million) mark



Among the top two VFY manufacturers

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

- One of the two largest VFY manufacturers in India
- With a capacity of 17,520 TPA, it enjoys a 39% domestic production share
- The largest Indian exporter of VFY for the past seven years - contributes to more than 50% of VFY exports from India.
- Integrated facilities with a caustic soda plant and a captive power plant.



1 manufacturer of insulators

Insulators are used in power generation, transmission and distribution. Major customers of Aditya Birla Insulators include Power Grid Corporation of India, State Electricity boards, ABB, Areva, Siemens etc.

- India's largest and World's 4th largest manufacturer of Insulators
- Capacity of 45,260 TPA at two plants
- Enjoys highest market share in India
- Its insulators are up and running in 58 countries across the world



Our Vision



Among the top five private life insurers in India



The fourth largest asset management company in India



A leading NBFC in India



India's leading super premium lifestyle brand for men



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



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



The third largest cellular company in India



Among the top ten Indian BPO companies



The second largest manufacturer of carbon black in India

To become a premium conglomerate with market leadership across businesses delivering superior value to shareholders on a sustained basis

Brandscape

ADITYA BIRLA



PRIVATE EQUITY

Private equity investment advisor and manager

ADITYA BIRLA



MONEY

A leading broking and wealth management player in India

ADITYA BIRLA



INSURANCE BROKERS

A leading general insurance advisory company in India



'Beginning of good things'
India's most loved menswear brand

THE COLLECTIVE

India's first fashion lifestyle concept store



The largest producer of linen yarn and linen fabric in India



A complete agri solutions provider to farmers



RAY ONE

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



Aditya Birla Insulators

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



Sitting from Left: **B. L. Shah**
Non-Executive Director

Rajashree Birla
Non-Executive Director

Kumar Mangalam Birla
Chairman

Dr. Rakesh Jain
Managing Director

Tarjani Vakil
Independent Director

Standing from Left: **T. Chattopadhyay**
Independent (Nominee) Director

Sushil Agarwal
Whole -Time Director

P. Murari
Independent Director

B. R. Gupta
Independent Director

G. P. Gupta
Independent Director

S. C. Bhargava
Independent Director

SENIOR MANAGEMENT TEAM**MANAGING DIRECTOR**

Dr. Rakesh Jain

TELECOM

Mr. Himanshu Kapania Business Head

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

Mr. Sushil Agarwal

IT - ITeSDr. Rakesh Jain Business Director
Mr. Deepak Patel Chief Executive Officer**DY. CHIEF FINANCIAL OFFICER**

Mr. Manoj Kedia

CARBON BLACKDr. Santrupt Misra Business Head
Mr. S. S. Rathi President**COMPANY SECRETARY**

Mr. Devendra Bhandari

FASHION & LIFESTYLE AND TEXTILESMr. Pranab Barua Business Head (Fashion & Lifestyle)
Mr. Thomas Varghese Chief Executive (Textiles)
Mr. Ashish Dikshit Chief Executive Officer (Fashion & Lifestyle)
Mr. S. Krishnamoorthy President - Jaya Shree Textiles**ADITYA BIRLA FINANCIAL SERVICES**Mr. Ajay Srinivasan Chief Executive Officer
Mr. Pankaj Razdan Dy. Chief Executive Officer**AGRI- BUSINESS & INSULATORS**Dr. Rakesh Jain Business Director
Mr. J. C Laddha Chief Executive Officer**RAYON**Mr. Lalit Naik Business Head
Dr. Bir Kapoor President**AUDITORS**Khimji Kunverji & Co.
S.R. Batliboi & Co.**SOLICITORS**Amarchand & Mangaldas & Suresh A. Shroff & Co
Mulla & Mulla and Craigie, Blunt & Caroe**OTHER BRANCH AUDITORS**K. S. Aiyar & Co.
Deloitte Haskins & Sells**CONTENTS**

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*We are confident that
Aditya Birla Nuvo
will continue to leverage
its leadership position and
continue to progress ahead on
the growth trajectory, as a
premium conglomerate*



Dr. Rakesh Jain, Managing Director

Dear Shareholder,

It has been more than a decade when Aditya Birla Nuvo commenced its transformational journey from a small manufacturing company to a USD 4.5 billion diversified conglomerate. Its portfolio is truly a mirror image of Indian economy. In line with the vision, today, most of the businesses of Aditya Birla Nuvo are leading in their respective sectors. Even during the fiscal year 2012, when the Indian economy went through a challenging phase, most of the businesses outperformed the industry.

Today, Aditya Birla Financial Services ranks among the most respected Non-bank Financial Services players in India. Most of the key financial verticals are steadily increasing their market share. Birla Sun Life Insurance and Birla Sun Life Asset Management are the 5th and the 4th largest players in India respectively.

Idea Cellular is the 3rd largest cellular company in India. It has grown at almost twice the industry growth rate and touched USD 4 billion revenue mark. It has been the biggest revenue market share gainer since the past two years.

In the Fashion & Lifestyle business, Madura is the largest premium branded apparel player in India. It has almost doubled its revenue in the past two years. Its operating market size will further expand with the proposed acquisition of controlling stake in the Pantaloons format of the Future Group.

In the IT and ITeS business, Aditya Birla Minacs is amongst the top 10 Indian BPO companies. It has crossed ₹ 2,000 Crore revenue mark during the year.

In the manufacturing businesses namely, Carbon Black, Textiles, Rayon and Insulators, Aditya Birla Nuvo is either number one or number two player in the country. In the Agri business, Indo Gulf has moved up the value chain from urea manufacturing to providing total agri-input solutions. Its urea operation is amongst the most energy and productivity efficient in the country.

Going forward too, we are confident that Aditya Birla Nuvo will continue to leverage its leadership position and continue to progress ahead on the growth trajectory, as a premium conglomerate.

Most importantly, it's the commitment of and the contribution from the employees, the shareholders, the business partners and the customers, which will keep on driving the growth of the Company.

Wish you all the best.

Warm Regards,

Rakesh Jain

***All the businesses are
competitively well placed
and are contributing
to the profitable growth
of the Company***



Sushil Agarwal, Whole Time Director and CFO

Dear Shareholder,

During the financial year 2011-12, Indian GDP growth was impacted by the slowing investment cycle and persistently high inflation and interest rates.

Considering this challenging macro-economic scenario, Aditya Birla Nuvo has posted strong earnings. While some of its businesses were affected due to sector specific challenges, other businesses supported overall earnings. This reflects the strength of its conglomerate model.

Consolidated revenue of the Company crossed ₹ 21,000 Crore mark – registering a 20% growth. EBITDA rose by 21% and Net Profit grew by 8%.

All the businesses are competitively well placed and are contributing to the profitable growth of the Company. To ensure sustainability of this growth, Aditya Birla Nuvo will continue to pursue strategic objectives across its businesses which include:

- Growing assets size in the Life Insurance and the Asset Management businesses,
- Scaling up lending book size in the NBFC business,
- Gaining revenue market share and participating in the evolving wireless broadband segment in the Telecom business,
- Leveraging brand leadership and expanding retail channel in the Fashion & Lifestyle business,
- Maintaining growth momentum and margin enhancement in the IT-ITeS business and
- Enhancing cost competitiveness and margin improvement in the Manufacturing businesses.

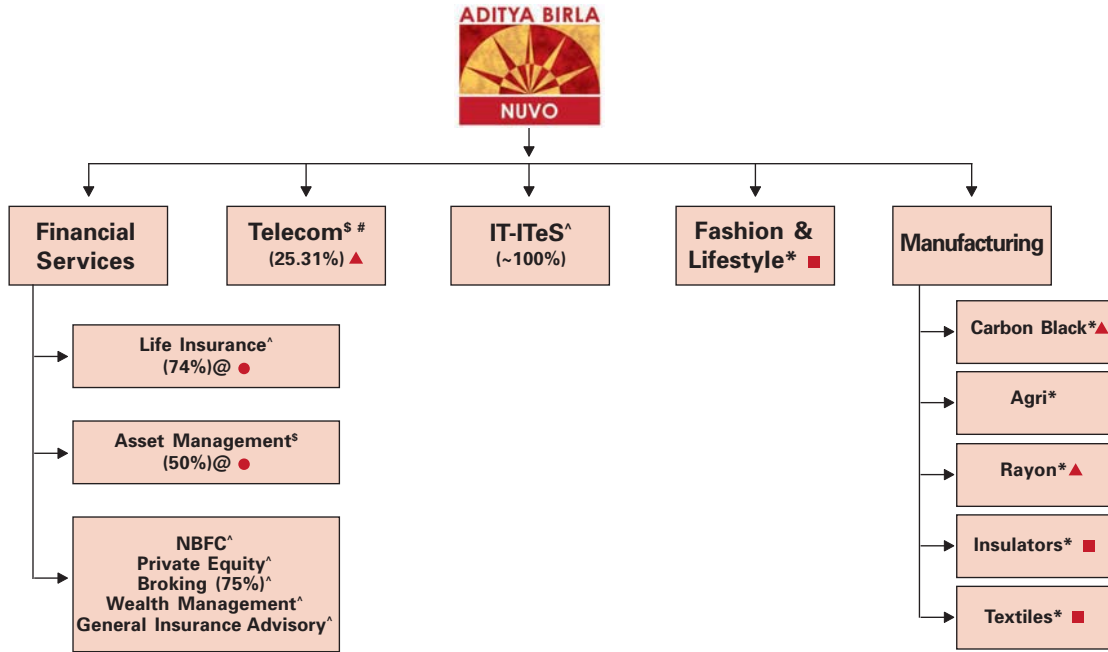
The equity infusion by the promoters will further strengthen the Company's balance sheet to support the growth initiatives.

I take this opportunity to thank all the stakeholders of the Company and look forward for their continued support in future.

Best wishes,

Sushil Agarwal

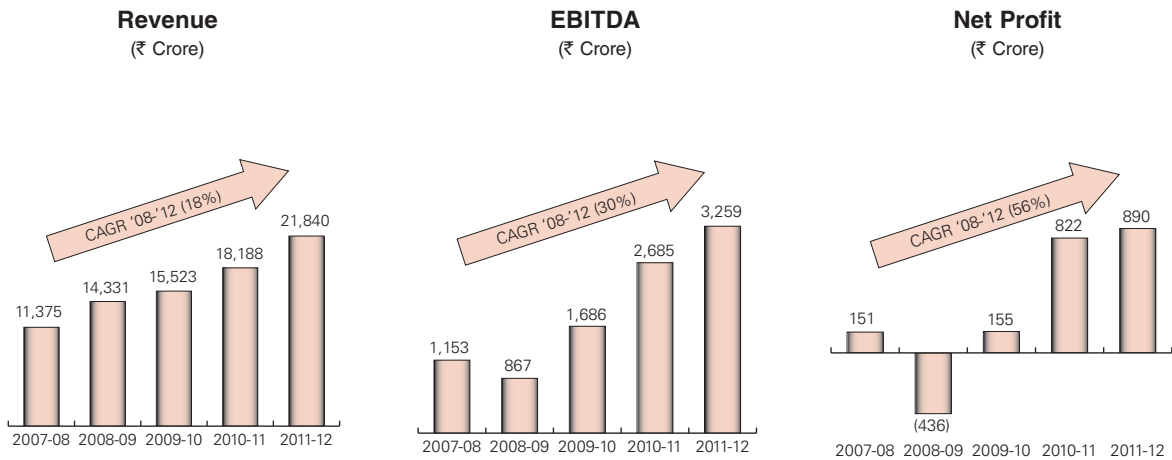
A USD 4.5 BILLION PREMIUM CONGLOMERATE



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

* Represent Divisions; ^Represent Subsidiaries; #Represent Joint Ventures; @JV with Sun Life Financial, Canada; #Listed, Aditya Birla Group holds 45.96%
 Note: Percentage figures indicated above represent ABNL's shareholding in its subsidiaries / JV's

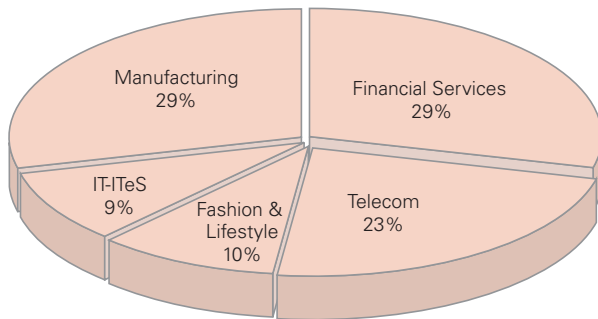
CONSOLIDATED FINANCIAL SNAPSHOT



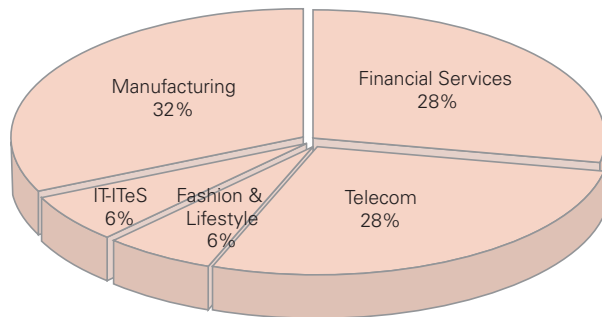
Note: The Profit & Loss Account for 2010-11 and 2011-12 has been prepared as per the revised Schedule VI of the Companies Act, 1956

CONSOLIDATED MIX — 2011-12

Revenue



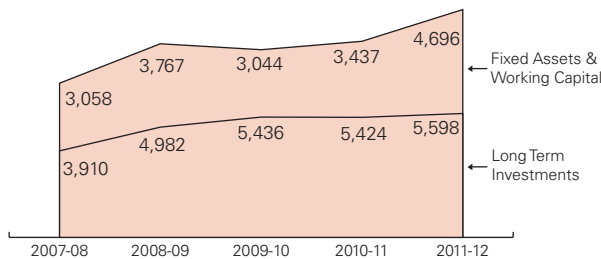
Segment EBIT



GROWTH SUPPORTED BY STRONG STANDALONE BALANCE SHEET

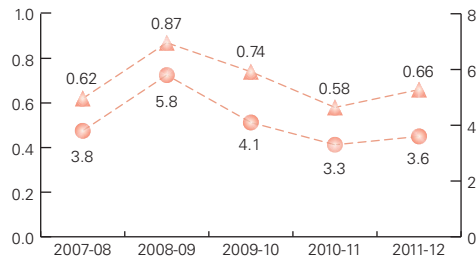
Standalone Capital Employed

(₹ Crore)



Standalone Ratios

● Net Debt/EBITDA (RHS) ▲ Net Debt/Equity (LHS)



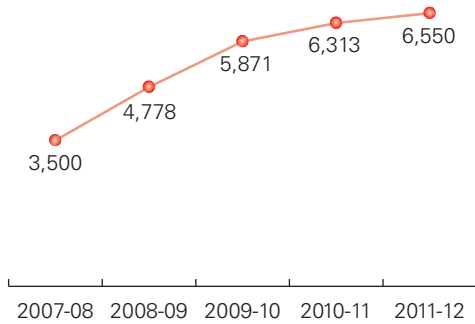
- About 60% of standalone capital employed is deployed in long term investments. Leveraging is at comfortable level supported by strong cash flows generated by the manufacturing businesses.
- Aditya Birla Nuvo, as a premium conglomerate, is progressing well on the growth path to tap sector opportunities. To meet its growth capital requirements, Aditya Birla Nuvo has issued 16.5 million warrants in May 2012 to Promoters / Promoter Group on a preferential basis after being approved by the shareholders.

ROBUST REVENUE GROWTH ACROSS THE BUSINESSES

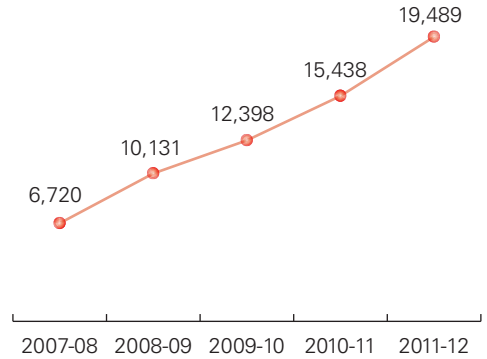
Revenue

(₹ Crore)

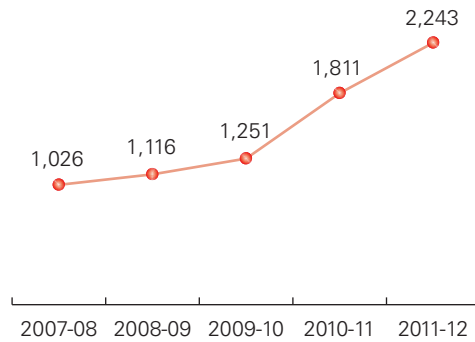
Financial Services¹



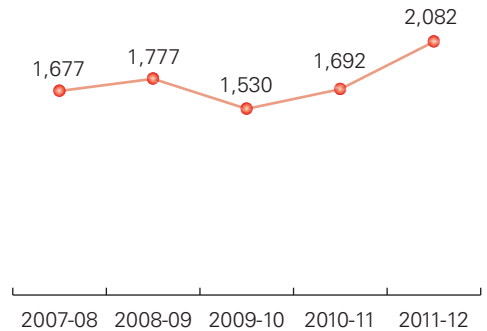
Telecom²



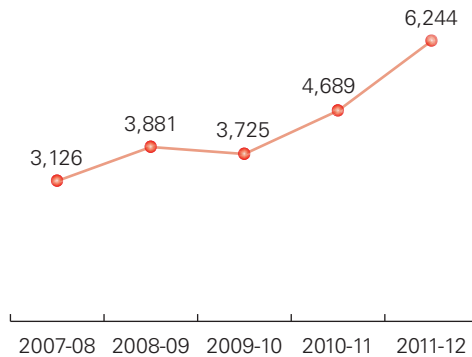
Fashion & Lifestyle



IT-ITeS



Manufacturing



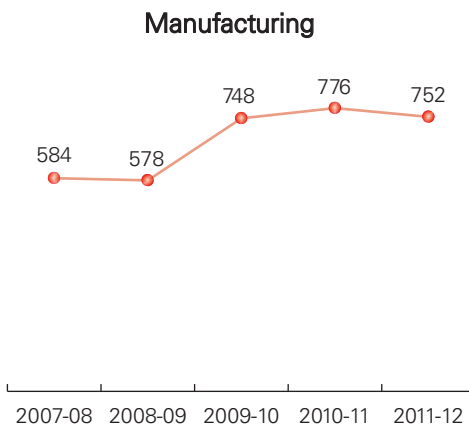
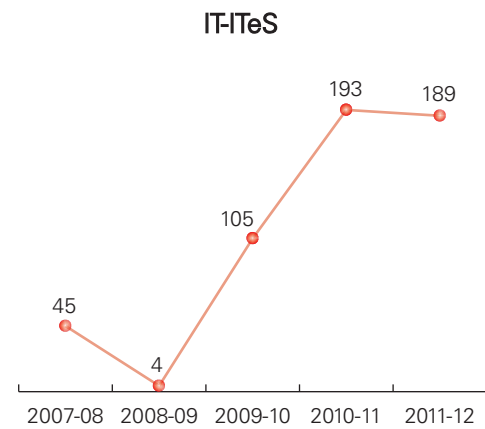
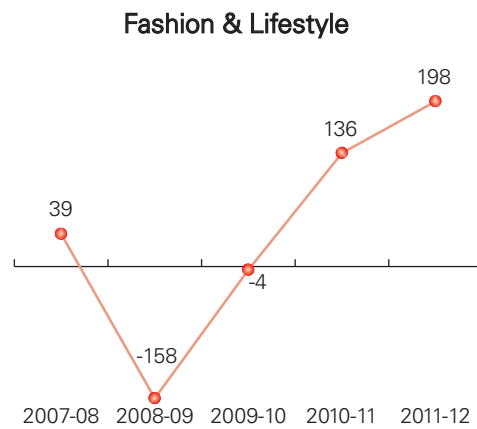
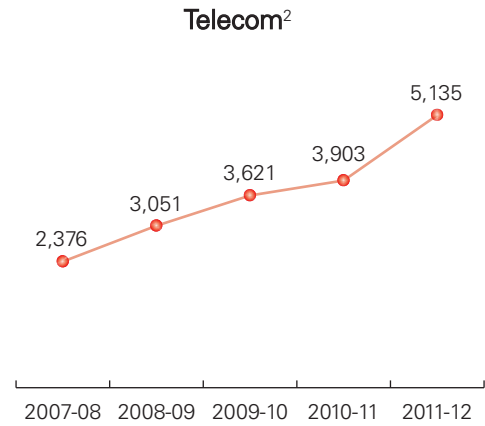
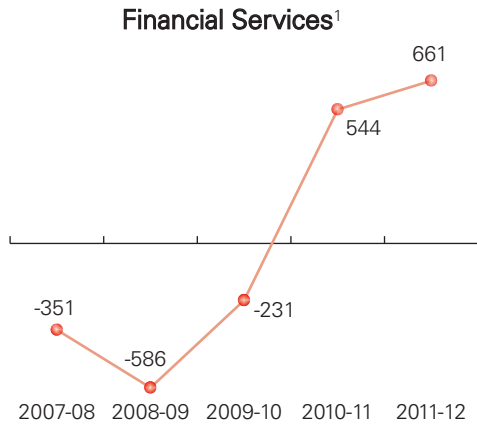
Note¹ : Include full financial numbers of Asset Management business. Being a JV, Asset Management business has been consolidated at 50% in the consolidated financials of ABNL as per AS 27.

Note² : Full financial numbers of Idea Cellular. Being a JV, Idea Cellular has been consolidated at 31.78% from 10th March 2007 upto 12th August 2008, at 27.02% upto 1st March 2010 and at ~ 25.3% thereafter, as per AS 27.

AUGMENTED PROFITABILITY ACROSS THE BUSINESSES

EBITDA

(₹ Crore)



Note¹ : Include full financial numbers of Asset Management business. Being a JV, Asset Management business has been consolidated at 50% in the consolidated financials of ABNL as per AS 27. Interest cost of NBFC business, being an operating expense as per AS17, is deducted from segmental EBITDA.

Note² : Full financial numbers of Idea Cellular. Being a JV, Idea Cellular has been consolidated at 31.78% from 10th March 2007 upto 12th August 2008, at 27.02% upto 1st March 2010 and at ~ 25.3% thereafter, as per AS 27.

PROFIT AND LOSS ACCOUNT¹

	2011-12		2010-11	2009-10	2008-09	2007-08
	USD Million ⁹	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Financial Services	1,278	6,392	6,131	5,725	4,679	3,422
Life Insurance	1,138	5,691	5,534	5,309	4,429	3,225
Other Financial Services ²	140	702	596	416	250	197
Telecom³	987	4,933	3,918	3,331	2,892	2,136
Fashion & Lifestyle (Branded apparels and accessories)	449	2,243	1,811	1,251	1,116	1,026
IT-ITeS (BPO & IT Services)	416	2,082	1,692	1,530	1,777	1,677
Manufacturing	1,249	6,244	4,689	3,725	3,881	3,126
Carbon Black	389	1,943	1,588	1,161	1,096	864
Agri-business (Fertilisers, Agro-Chemicals & Seeds)	421	2,107	1,244	1,022	1,250	787
Rayon (Viscose Filament Yarn, Caustic Soda and Allied Chemicals)	136	680	565	538	537	476
Insulators	94	468	518	428	425	399
Textiles (Linen Yarn and Fabric, Worsted Yarn and Wool Tops)	209	1,046	774	577	573	600
Others / Inter-segment elimination	(11)	(54)	(53)	(38)	(14)	(12)
Revenue	4,368	21,840	18,188	15,523	14,331	11,375
EBITDA	652	3,259	2,685	1,686	867	1,153
Less : Depreciation and Amortisation	218	1,092	941	866	696	525
EBIT	433	2,167	1,745	820	172	628
Less : Finance Costs related to NBFC	40	201	112	80	84	60
Less : Other Finance Costs	127	636	438	582	637	415
Earnings before Tax and Exceptional Items	266	1,330	1,195	158	(549)	152
Add : Exceptional Gain / (Loss) ⁴	(21)	(104)	(104)	—	—	—
Less : Tax Expenses	43	216	183	114	81	126
Net Profit / (Loss) before Minority Interest	202	1,010	908	44	(630)	26
Less : Minority Interest and Share in (Profit) / Loss of Associates	24	120	86	(111)	(195)	(125)
Net Profit / (Loss)	178	890	822	155	(436)	151

BALANCE SHEET

	2011-12		2010-11	2009-10	2008-09	2007-08
	USD Million ⁹	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Net Fixed Assets (Including Capital Advances)	1,881	9,405	8,888	6,988	6,672	5,448
Goodwill on Consolidation	625	3,125	2,995	2,892	3,423	2,571
Life Insurance (Policyholders' Investments)	4,019	20,095	19,063	15,625	8,701	6,470
Life Insurance (Shareholders' Investments)	203	1,015	697	504	467	422
Other Investments	159	797	1,039	827	1,914	427
Total Investments	4,381	21,907	20,799	16,956	11,082	7,320
Net Working Capital ⁵	1,192	5,959	2,811	2,148	2,526	2,253
Total Funds Utilised	8,079	40,397	35,493	28,985	23,703	17,592
Net Worth	1,503	7,517	6,678	5,475	5,742	4,033
Life Insurance Policyholders' Fund ⁶	3,993	19,964	18,977	15,652	8,726	6,511
Total Debt ⁵	1,866	9,328	7,763	6,710	8,058	5,906
NBFC borrowings	595	2,973	1,538	722	778	742
Minority Interest	60	298	278	186	179	174
Deferred Tax Liabilities (Net)	63	317	259	241	220	226
Total Funds Employed	8,079	40,397	35,493	28,985	23,703	17,592

RATIOS AND STATISTICS

	Unit	2011-12	2010-11	2009-10	2008-09	2007-08
Interest Cover (EBITDA / Finance Costs)	x	3.9	4.9	2.5	1.2	2.4
Net Debt to Equity (Net Debt ⁷ / Net Worth)	x	1.0	0.9	1.0	0.8	1.2
Net Debt to EBITDA (Net Debt ⁷ / EBITDA)	x	2.3	2.3	3.1	5.5	4.1
ROACE (EBIT / Average Capital Employed ⁸)	%	11.7	11.7	5.8	1.3	6.3
ROAE (Net Profit / Average Net Worth)	%	12.5	13.5	2.8	(8.9)	4.2
EPS (Weighted Average)	₹	78.4 (USD 1.6)	77.6	15.4	(46.3)	16.0
Book Value per Equity Share	₹	662 (USD 13.2)	586	529	602	419
No. of Equity Shareholders	Number	146,636	153,896	158,163	155,497	155,028
Closing Share Price as on 31st March (NSE)	₹	945 (USD 18.9)	814	906	445	1,396
Market Capitalisation (NSE)	₹ Crore	10,723 (USD 2.1 billion)	9,244	9,336	4,227	13,265

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

Note² : Include Asset Management, NBFC, Private Equity, Broking, Wealth Management & General Insurance Advisory. Being a joint venture, Asset Management business has been consolidated at 50% as per AS-27.

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

Note⁴ : A provision of ₹ 104 Crore has been made during 2011-12 towards entry tax liability (largely related to previous years, earlier recognised as contingent liability) w.r.t. Renukoot (U.P.) plant of the Carbon Black business; the matter is sub-judice. In 2010-11, Aditya Birla Money and Aditya Birla Money Mart, subsidiaries of ABNL, had borne a one-time exceptional loss of ₹ 104 Crore.

Note⁵ : Total Debt and Net Working Capital as on 31st March 2012 are net of MTM provision of ₹ 104 Crore w.r.t. fully hedged foreign currency working capital borrowings.

Note⁶ : Including Fund for Future Appropriations

Note⁷ : Total Debt less Cash Surplus¹⁰

Note⁸ : Excluding Life Insurance Policyholders' Fund

Note⁹ : 1 USD = ₹ 50; 10 Million = 1 Crore

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

PROFIT AND LOSS ACCOUNT¹						
	2011-12		2010-11	2009-10	2008-09	2007-08
	USD Million ⁸	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Revenue	1,687	8,433	6,447	4,827	4,786	3,953
EBITDA	210	1,051	960	835	619	660
Less : Finance Costs	63	313	271	334	291	204
Earnings before Depreciation and Tax	147	737	689	500	328	456
Less : Depreciation and Amortisation	41	203	194	180	166	141
Earnings before Tax and Exceptional Items	107	534	495	320	162	315
Add : Exceptional Gain/ (Loss) ²	(21)	(104)	—	—	—	—
Earnings before Tax	86	430	495	320	162	315
Less : Tax Expenses	17	85	115	37	25	71
Net Profit	69	345	380	283	137	243
Less : Dividend (Including Corporate Tax on Dividend)	14	68	73	59	42	64
Retained Profit	55	277	307	224	95	179
BALANCE SHEET						
	2011-12		2010-11	2009-10	2008-09	2007-08
	USD Million ⁸	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Net Fixed Assets (Including Capital Advances)	395	1,976	1,858	1,815	1,605	1,502
Long Term Investments	1,120	5,598	5,424	5,436	4,982	3,910
Current Investments	—	—	53	—	730	98
Total Investments	1,120	5,598	5,477	5,436	5,712	4,007
Net Working Capital ³	544	2,719	1,526	1,229	1,432	1,459
Capital Employed	2,059	10,294	8,862	8,480	8,750	6,967
Share Capital ⁴	23	114	114	103	95	95
Share Warrants ⁵	—	—	—	142	377	377
Reserves and Surplus	1,113	5,565	5,287	4,416	3,649	3,551
Net Worth	1,136	5,679	5,401	4,662	4,122	4,024
Working Capital Loans ³	443	2,218	1,102	844	848	902
Other Loans	448	2,239	2,185	2,796	3,600	1,841
Total Debt	891	4,457	3,287	3,640	4,448	2,743
Deferred Tax Liabilities (Net)	32	158	174	178	180	200
Capital Employed	2,059	10,294	8,862	8,480	8,750	6,967
RATIOS AND STATISTICS						
	Unit	2011-12	2010-11	2009-10	2008-09	2007-08
Interest Cover (EBITDA / Finance Costs)	x	3.4	3.5	2.5	2.1	3.2
ROACE (EBIT/ Average Capital Employed)	%	8.8	8.8	7.6	5.8	7.9
ROACE ⁶ (Excluding Long Term Investments)	%	18.9	23.5	19.0	12.8	18.2
ROAE (Net Profit/ Average Net Worth)	%	6.2	7.5	6.5	3.4	6.8
Net Debt to Equity (Net Debt ⁷ / Net Worth)	x	0.66	0.58	0.74	0.87	0.62
Net Debt to EBITDA (Net Debt ⁷ / EBITDA)	x	3.6	3.3	4.1	5.8	3.8
Dividend per Equity Share	₹	6.0 (12 Cents)	5.5	5.0	4.0	5.8
Dividend Payout including Tax (as % to Net Profit)	%	19.7	19.1	21.0	30.9	26.3
EPS (Weighted Average)	₹	30.4 (61 Cents)	35.8	28.8	14.5	26.1
Cash EPS (Weighted Average)	₹	47.0 (USD 0.9)	53.7	46.5	29.7	43.9
Book Value per Equity Share	₹	500 (USD 10)	476	453	434	424
Capital Expenditure (Net)	₹ Crore	314 (USD 63 million)	240	256	269	225
<p>Note ¹ : The Profit and Loss Account for 2010-11 and 2011-12 has been prepared as per the revised Schedule VI of the Companies Act, 1956</p> <p>Note ² : A provision of ₹ 104 Crore has been made during 2011-12 towards entry tax liability (largely related to previous years, earlier recognised as contingent liability) w.r.t. Renukoot (U.P) plant of the Carbon Black business; the matter is sub-judice.</p> <p>Note ³ : Total Debt and Net Working Capital as on 31st March 2012 are net of MTM provision of ₹ 104 Crore w.r.t. fully hedged foreign currency working capital borrowings</p> <p>Note ⁴ : Capital raised through conversion of 10.5 million warrants in December 2010 and conversion of 8 million warrants in October 2009 out of 18.5 million warrants issued to promoters in May 2009</p> <p>Note ⁵ : Represents (a) 25% application money of ₹ 142 Crore received in 2009-10 on remaining 10.5 million warrants and (b) 10% application money of ₹ 377 Crore received in 2007-08. w.r.t. warrants issued to promoters in February 2008 and later forfeited in 2009-10</p> <p>Note ⁶ : (EBIT excluding dividend Income) / (Average of Capital Employed less Long Term Investments)</p> <p>Note ⁷ : Total Debt less Cash Surplus⁹</p> <p>Note ⁸ : 1 USD = ₹ 50; 10 Million = 1 Crore</p> <p>Note ⁹ : Cash Surplus including cash, bank balances and current investments</p>						



ADITYA BIRLA GROUP

ADITYA BIRLA



INTEGRITY

Honesty in every action



COMMITMENT

Deliver on the promise



SEAMLESSNESS

Boundary less in letter and spirit



PASSION

Energized action



SPEED

One Step Ahead Always

Indian economy: Slowing investments and high inflation affecting growth

The financial year 2011-12 proved to be a challenging year for the economies across the globe.

Among the developed economies, the US witnessed a rating downgrade and Euro zone faced debt crisis while Japan was adversely impacted by earthquake and tsunami. Among the emerging economies, GDP growth in China and India came under pressure of tight monetary measures to combat stubbornly high inflation.

Indian economy, per se, witnessed many highs and lows during the year.

Its GDP growth rate fell year on year to 6.1% during the third quarter of 2011-12 – touching its lowest level in past two years. Compared to 8.5% growth attained in 2010-11, GDP growth is expected to decline to 6.9% during 2011-12.

Indian Rupee weakened against US dollar to its historically low level of 54.

Benchmark interest rates touched the peak of past ten years, affecting industry growth. Industrial growth averaged 2.8% during the year vis-a-vis 8.2% growth posted last year.

After hiking key policy rates thirteen times in the past two years, the Reserve Bank of India ("RBI") has cut the cash reserve ratio by 125 basis points and repo rate by 50 basis points in past five months.

Still interest rates are at high level and RBI will watch for inflationary trend before announcing further rate cuts to boost the growth.

WPI-based inflation remained stubborn at 6.9% in March 2012.

A large fiscal deficit, arising from high social sector spending and a spike in crude oil prices, has only added to the woes of Indian economy.

Going forward, though inflation and interest rates are anticipated to ease from current levels, slowing investments and declining capital formation may have a greater bearing on the prospective growth of Indian Economy.

Aditya Birla Nuvo: Reflecting strength of its conglomerate model

Amidst this challenging macro-economic environment, Aditya Birla Nuvo ("ABNL") has outperformed the industry across most of its businesses and posted strong earnings. While some of the businesses were affected due to sector specific challenges, other businesses supported overall earnings. This reflects the strength of its conglomerate model. The business-wise key highlights and achievements are detailed below.

- **Financial Services:** Aditya Birla Financial Services ("ABFS") is a large non-bank player in India. With funds under management of USD 17.5 billion and revenue size of USD 1.3 billion, it ranks among top 5 fund managers in India, excluding banks and LIC.
 - Birla Sun Life Insurance and Birla Sun Life Asset Management improved their rankings and gained market share.
 - Aditya Birla Finance, the NBFC arm, almost doubled its book size and diversified its portfolio.
 - Aditya Birla Private Equity launched its second fund.
 - The Broking business garnered its all time high retail market share in commodity as well as equity broking segment.
 - With a strong emergence of profitability, Birla Sun Life Insurance declared its maiden dividend.
- **Telecom :** With 1.4 billion minutes of usage per day, Idea Cellular ranks among the top 10 cellular operators in the world. Idea is third largest in India with a revenue market share¹ of 14.4%. It serves a large 112.7 million subscribers' base. Idea Cellular :
 - Has been the biggest revenue market share gainer in the past two years.
 - Idea ranks 1st or 2nd in eight service areas in terms of revenue market share.
 - Accounted for 20.6% of industry's incremental mobile revenue during the calendar year 2011.

Note¹: Based on gross revenue for UAS & Mobile licenses only, for October-December 2011 quarter, as released by Telecom Regulatory Authority of India ("TRAI")

Note : USD 1 = ₹ 50; 1 billion = 100 Crore

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

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

- Enjoys the highest active subscribers' ratio in the Industry and leads as a Mobile Number Portability provider.
- Is a USD 6.5 billion (₹ 32,700 Crore) company by market cap and USD 4 billion (~ ₹ 19,500 Crore) company by revenue size.

➤ **Fashion & Lifestyle** : Madura Fashion & Lifestyle is the largest premium branded apparel player in India.

- Madura reached ₹ 2,250 Crore (USD 450 million) revenue mark.
- Its revenue almost doubled during the last two years – growing at a CAGR of 34%.
- It sells two branded apparels every three seconds through 1,129 exclusive brand outlets ("EBOs") spanning across 1.6 million square feet besides more than 1,400 departmental stores and multi brand outlets.

➤ **Acquisition of controlling stake in Future Group's 'Pantaloons Format' Business** :

To fortify the Company's position in the Fashion & Lifestyle sector, the Board of Aditya Birla Nuvo has approved the proposed acquisition of a controlling stake in Future Group's 'Pantaloons Format Business' post its demerger from Pantaloon Retail (India) Ltd ("PRIL"), subject to the requisite approvals.

The key strategic benefits of the transaction :

- Extending footprints into the fast growing value fashion segment:
 - Value segment is the largest contributor to the Indian apparel market size with around 40% share
 - Pantaloons Format is a popular and growing platform having strong presence across 31 Indian cities.
- Addressing to a larger segment of market
 - Post this acquisition, ABNL's operating market size will expand. It will have multiple brands and store formats to offer a complete range of casuals, formals, ethnic wear, party wear and sports wear for Men, Women and Kids.

Structure of the transaction :

- PRIL will issue ₹ 800 Crore Optionally Fully Convertible Debentures ("OFCDs") to ABNL or its subsidiary.

- PRIL will demerge its Pantaloons Format business (resulting entity) through court scheme of arrangement.
- PRIL will transfer the net assets of this Format, its apportioned debt of ₹ 800 Crore and OFCDs of ₹ 800 Crore to the resulting entity.
- ABNL's stake in the resulting entity, post demerger will be about 45% triggering an open offer.
- Enterprise Value of Pantaloons Format business comes to ~ ₹ 2,600 Crore.
- ABNL will make an open offer to the shareholders of the resulting entity.
- ABNL's holding in the resulting entity post open offer shall be a minimum of 50.01%.
- The resulting entity will become a listed subsidiary of ABNL.
- The proposed transaction is likely to be completed within 8 to 10 months, subject to the finalisation of the Scheme of Arrangement, due diligence, statutory and other requisite approvals.

➤ **IT-ITeS** : Aditya Birla Minacs is among the top 10 Indian BPO companies. Aditya Birla Minacs:

- Achieved ₹ 2,075 Crore (USD 415 million) revenue mark.
- Sold total contract value of USD 730 million and won 16 new clients.
- Has global delivery capacities serving more than 100 clients including several Fortune 500 clients through 36 centres and more than 19,700 employees.

➤ **Manufacturing** : Having a combined revenue of USD 1.25 billion, manufacturing businesses yielded an ROACE of 20% during 2011-12.

- Dumping from China adversely affected the capacity utilisation and profitability of Hi-tech Carbon, the second largest carbon black manufacturer in India and Aditya Birla Insulators, the largest manufacturer of insulators in India.
- Combined EBITDA was maintained year on year led by the strong earnings growth in the other manufacturing businesses.
- Indo Gulf Fertilisers, the 8th largest urea manufacturer in India, crossed ₹ 2,100 Crore revenue mark. It achieved its highest ever urea production and sales.

- Jaya Shree textiles, the largest manufacturer of linen yarn and fabric in India, achieved its highest ever earnings. Its revenue crossed ₹ 1,000 Crore mark.
- Indian Rayon, the second largest manufacturer of viscose filament yarn in India, became the largest exporter of VFY from India for the 7th year in a row.

Strong earnings growth

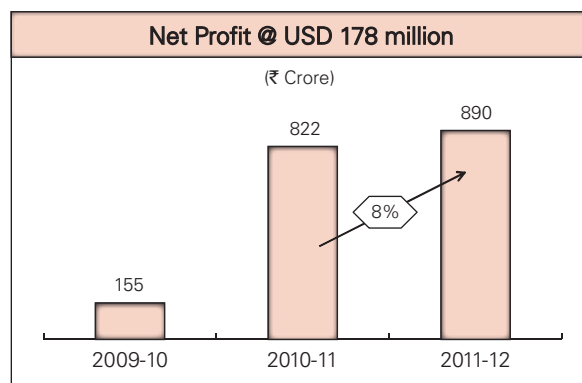
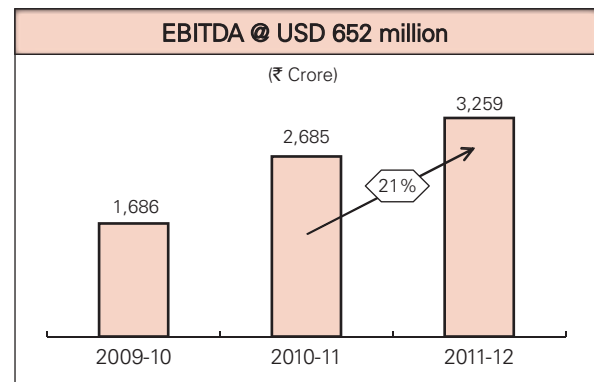
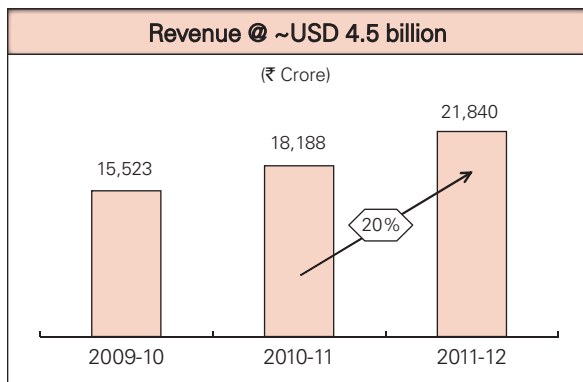
Aditya Birla Nuvo has delivered a strong growth in the consolidated earnings.

Most of its businesses are competitively well placed and are contributing to the earnings growth.

- **Revenue rose by 20% to ₹ 21,840 Crore (~USD 4.5 billion)**
- **EBITDA surged by 21% to ₹ 3,259 Crore (USD 652 million)**
- **Net Profit grew by 8% to ₹ 890 Crore (USD 178 million)**

Consolidated revenue of ABNL rose year on year by 20% to ₹ 21,840 Crore supported by top-line growth across the businesses.

- Revenue of the Life Insurance business grew by 3% to ₹ 5,691 Crore. Due to regulatory changes, high interest rates and uncertain equity markets, growth of ULIPs remained affected. However, growth in the non-ULIP segment, group business and renewal premium supported overall increase in revenue.
- Revenue growth in other financial services was driven by the NBFC business which has almost doubled its book size in past one year.
- In the Telecom business, revenue soared by 26% to ₹ 19,489 Crore (ABNL's share : ₹ 4,933 Crore) led by a strong 25% growth in total minutes on network.
- Fashion & Lifestyle business posted a robust 24% revenue growth. The leadership position of its brands, expansion of retail space, growth in wholesale channel and growth in like to like store sales contributed.



Consolidated Profit & Loss Account

(₹ Crore)

	2011-12	2010-11
Revenue	21,840	18,188
EBITDA	3,259	2,685
Less : Depreciation and Amortisation	1,092	941
Earnings before Interest and Tax (EBIT)	2,167	1,745
Less : Finance Costs related to NBFC	201	112
Less : Other Finance Costs	636	438
Earnings before Tax and Exceptional Items	1,330	1,195
Add : Exceptional Gain / (Loss) ¹	(104)	(104)
Earnings before Tax	1,226	1,091
Less : Tax Expenses	216	183
Less : Minority Interest and Share of (Profit) / Loss of associates	120	86
Net Profit	890	822

Note¹: A provision of ₹ 104 Crore has been made during 2011-12 towards entry tax liability (largely related to previous years, earlier recognised as contingent liability) w.r.t. Renukoot (U.P.) plant of the Carbon Black business; the matter is sub-judice. In 2010-11, Aditya Birla Money and Aditya Birla Money Mart, subsidiaries of ABNL, had borne a one-time exception loss of ₹ 104 Crore

- In the IT-ITeS business, revenue grew by 23% driven by growth in existing accounts, conversion of order book and favourable currency movement.
- In the manufacturing businesses, combined revenue surged by 33% largely driven by

commencement of trading of imported fertilisers. Besides this, increase in realisation in the Agri, Carbon Black, Rayon and Textiles businesses to partly pass on the rise in production costs also contributed.

Consolidated Revenue – Segmental

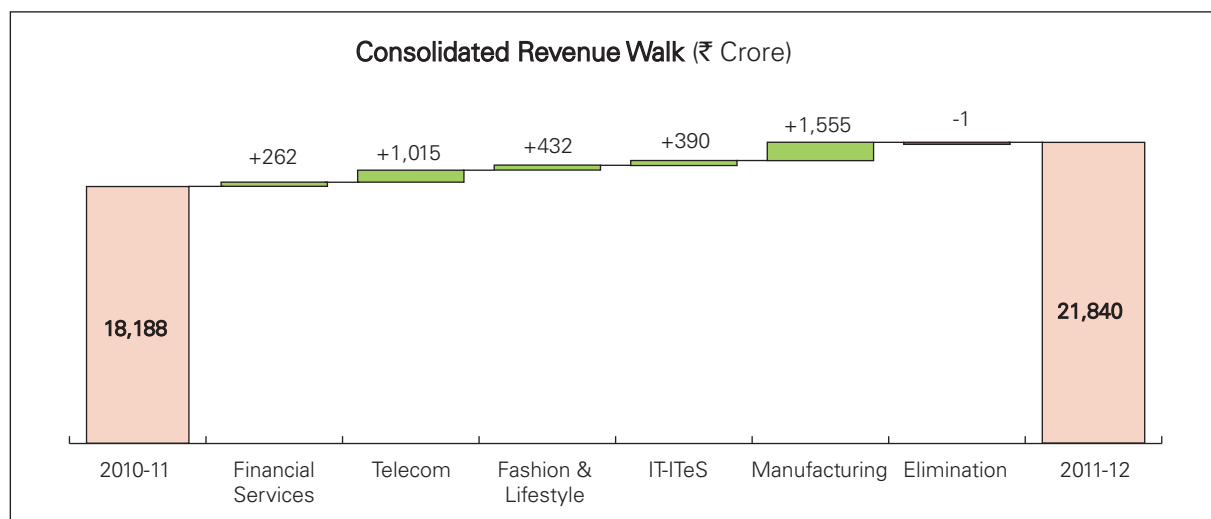
(₹ Crore)

	2011-12	2010-11
Financial Services	6,392	6,131
Life Insurance	5,691	5,534
Other Financial Services ¹	702	596
Telecom²	4,933	3,918
Fashion & Lifestyle	2,243	1,811
IT-ITeS	2,082	1,692
Manufacturing³	6,244	4,689
Inter – segment elimination	(54)	(53)
Consolidated Revenue	21,840	18,188

Note¹: Other financial services include Asset Management, NBFC, Private Equity, Broking, Wealth Management and General Insurance Advisory businesses. Being a 50:50 joint venture, Asset Management business has been consolidated at 50% as per AS 27.

Note²: Represents ABNL's share in Idea's revenue. Being a joint venture, Idea has been consolidated at ~25.3% as per AS 27

Note³: Manufacturing businesses include Carbon Black, Agri-Business, Rayon, Insulators and Textiles



Consolidated EBITDA soared by 21% to ₹ 3,259 Crore. The Financial Services, Telecom and Fashion & Lifestyle businesses posted robust 21%, 32% and 46% growth in EBITDA respectively. Operating EBITDA of the IT-ITeS business grew by 16%. Earnings of the Carbon Black and Insulators businesses were impacted adversely due to dumping from China. However, manufacturing businesses maintained EBITDA

year on year, led by strong earnings growth in the Textiles, Agri and VFY businesses.

Consolidated depreciation grew by 16% to ₹ 1,092 Crore largely in the Telecom business on account of 2G and 3G network expansion coupled with the amortisation of 3G spectrum fee.

Consolidated EBIT rose by 24% from ₹ 1,745 Crore to ₹ 2,167 Crore.

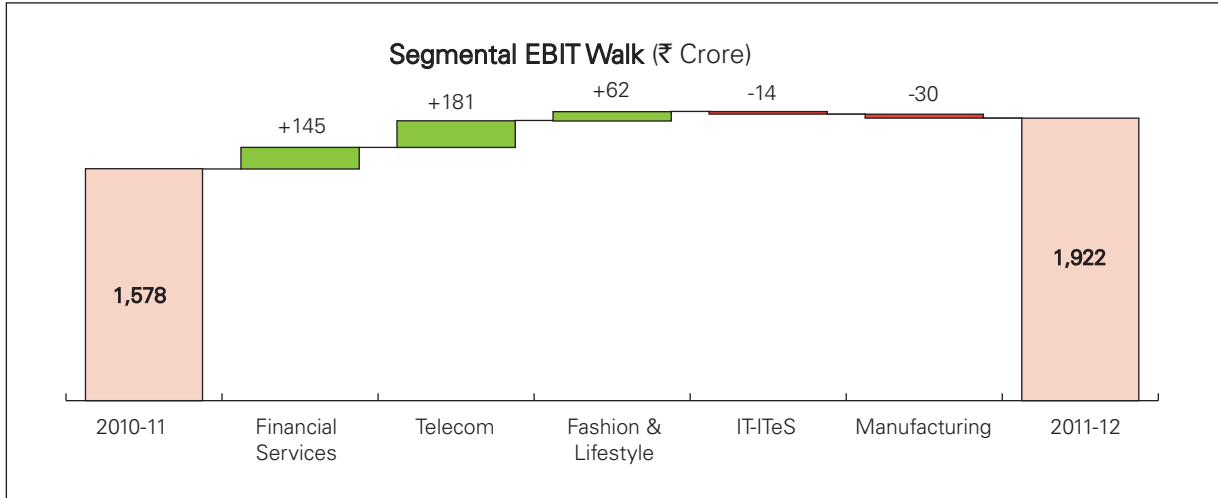
(₹ Crore)

Segmental EBIT as per Accounting Standard ("AS") - 17	2011-12	2010-11
Financial Services	541	396
Life Insurance	461	304
Other Financial Services ¹	81	92
Telecom²	534	354
Fashion & Lifestyle	125	63
IT-ITeS	111	125
Manufacturing	610	640
Segmental EBIT as per AS - 17	1,922	1,578
Add: Net Unallocated Income / (Expenses)	(7)	2
Add: Finance Costs related to NBFC ³	201	112
Add: Consolidated Interest Income (Excluding Interest Income of NBFC) ³	51	52
Consolidated EBIT	2,167	1,745

Note¹: Other financial services include Asset Management, NBFC, Private Equity, Broking, Wealth Management and General Insurance Advisory businesses. Being a 50:50 joint venture, Asset Management business has been consolidated at 50% as per AS 27.

Note²: Represents ABNL's share in Idea's revenue. Being a joint venture, Idea has been consolidated at ~25.3% as per AS 27

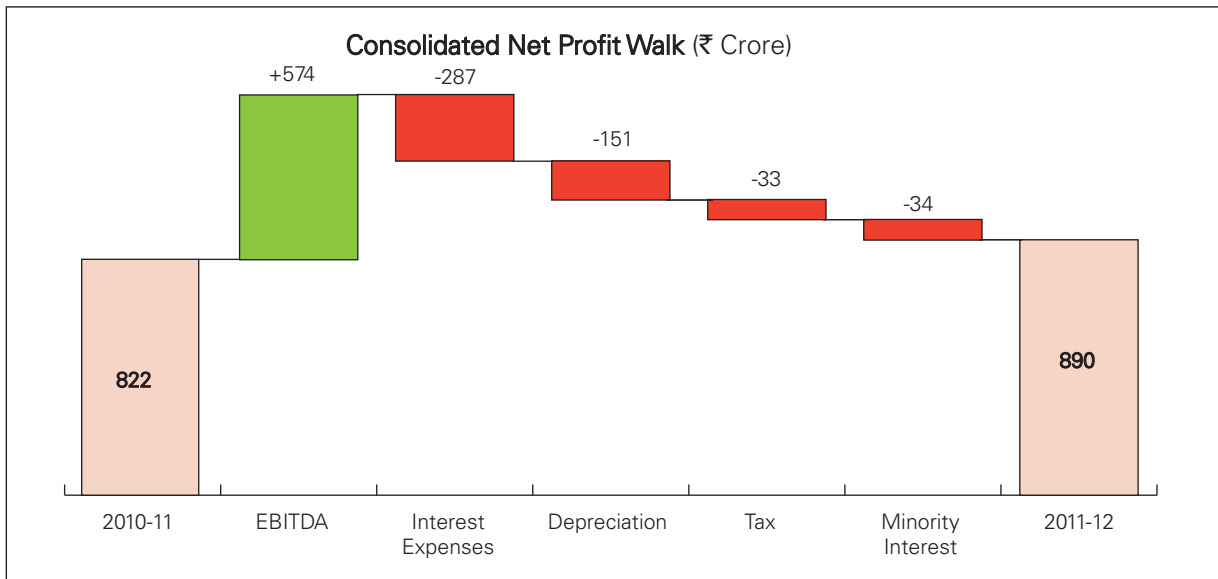
Note³: In accordance with AS-17 on 'Segment Reporting', finance costs of NBFC are reduced from segment EBIT, hence, added back to arrive at Consolidated EBIT. In accordance with AS-17, interest income (excluding interest income of NBFC) is not included in segment EBIT, hence, added back to arrive at Consolidated EBIT.



The Financial Services, Telecom and Fashion & Lifestyle businesses were the major contributors to the growth in the bottom-line.

- Driven by the growing in-force book, expense management and product mix, Life Insurance business posted strong growth in profitability.
- In the Asset Management business, earnings remained under pressure across the industry due to reduction in AUM size and change in asset mix.
- Aided by the expansion of its book size, NBFC business achieved sound earnings growth.
- Segment EBIT of the Telecom business jumped by 51% to ₹ 2,111 Crore (ABNL's share: ₹ 534 Crore). Robust growth in minutes on network and increasing share of valued added services contributed.

- In the Fashion & Lifestyle business, segment EBIT almost doubled to ₹ 125 Crore led by strong sales growth across the channels and brands.
- Excluding non-recurring items such as site closure costs, forex gain and employment incentive arrears, segment EBIT of the IT-ITeS business grew by 16%.
- Profitability of the Carbon Black and the Insulators businesses was strained by increase in cheaper imports from China and rise in production costs. Other manufacturing businesses performed well. In the Agri-business, increase in trading revenue contributed along with pricing gain due to favourable forex movement. In the Textiles and Rayon businesses, improved realisation augmented earnings.



Finance costs related to NBFC business increased in line with the growth in its book size. Other finance costs increased primarily due to higher interest costs relating to front loaded 3G investments in the Telecom business and increase in borrowings in the standalone balance sheet. In the Telecom business, interest expenses of ₹ 409 Crore (ABNL's share : ₹ 104 Crore) on funds borrowed for payment of 3G spectrum fee has been capitalised during the previous year.

Earnings before tax (after exceptional items as explained in the footnote of consolidated profit & loss account) grew by 12% to ₹ 1,226 Crore. Provision for taxation increased primarily in the Telecom business. With a strong rise in profitability of Life Insurance business, minority interest increased from ₹ 86 Crore to ₹ 120 Crore.

ABNL's consolidated net profit grew by 8% from ₹ 822 Crore to ₹ 890 Crore.

Consolidated Balance Sheet

(₹ Crore)

	2011-12	2010-11
Net Worth	7,517	6,678
Total Debt ¹	9,328	7,763
NBFC Borrowings	2,973	1,538
Minority Interest	298	278
Deferred Tax Liabilities (Net)	317	259
Capital Employed	20,433	16,516
Life Insurance Policyholders' Funds (Including Funds for Future Appropriation)	19,964	18,977
Total Funds Employed	40,397	35,493
Net Fixed Assets (Including Capital Advances)	9,405	8,888
Goodwill on Consolidation	3,125	2,995
Long Term Investments	319	289
Life Insurance Investments	21,110	19,760
<i>Policyholders' Investments</i>	<i>20,095</i>	<i>19,063</i>
<i>Shareholders' Investments</i>	<i>1,015</i>	<i>697</i>
Net Working Capital ¹	4,704	2,080
Cash Surplus & Current Investments ²	1,733	1,481
Total Funds Utilised	40,397	35,493
Book Value per Equity Share (₹)	662	586
Net Debt ³ / EBITDA (x)	2.3	2.3
Net Debt ³ / Equity (x)	1.01	0.94

Note¹: Total Debt and Net Working Capital as on 31st March 2012 are net of MTM provision of ₹ 104 Crore w.r.t. fully hedged foreign currency working capital borrowings

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

Note³: Total Debt less Cash Surplus and Current investments

Note : Lending book of the NBFC business forms part of Net Working Capital

At the consolidated level, total debt increased from ₹ 7,763 Crore to ₹ 9,328 Crore largely due to rise in borrowings at the standalone level as well as in the books of Idea Cellular¹. Standalone gross debt increased from ₹ 3,287 Crore to ₹ 4,457 Crore. Standalone net debt increased from ₹ 3,142 Crore to ₹ 3,750 Crore largely on account of higher working capital requirements due to rise in raw material prices in the Carbon Black business and slower recovery of outstanding subsidy in the Agri business. In the IT-ITeS subsidiary, debt has increased mainly due to currency translation; at constant currency basis debt has reduced. NBFC borrowings grew in line with growth in its lending book.

Deferred tax liabilities have increased primarily in the Telecom business.

Net fixed assets have increased largely on account of capital expenditure in the Manufacturing, Fashion & Lifestyle and Telecom businesses.

Goodwill has increased mainly due to currency translation effect in the IT-ITeS business and acquisition of balance shareholding in the ITeS subsidiary.

Long term investments increased mainly due to sponsor commitment of ₹ 29 Crore towards Aditya Birla Private Equity Funds.

Net working capital at ₹ 4,704 Crore is higher due to increased working capital requirements in the Carbon Black and Agri businesses, as explained earlier and on account of growth in lending book of NBFC business.

Aditya Birla Nuvo, as a conglomerate, is progressing well on the growth path to tap sector opportunities. To meet its growth capital requirements, the Company has issued 16.5 million warrants in May 2012 to Promoters / Promoter Group on a preferential basis after being approved by the shareholders at the EoGM held on 25th April 2012.

Of the total equity infusion of ₹ 1,500 Crore, a sum of ₹ 375 Crore has been received as 25% application money in May 2012. Post the conversion of these warrants, paid up capital of the Company will increase from ₹ 113.5 Crore to ₹ 130 Crore and promoters' holding will increase from current 51.05% to 57.25%.

This equity infusion will not only strengthen the financial position of the Company but also provide cushion for capturing the next level of growth.

The business-wise performance and outlook follows.

Note¹: Being a JV, Idea has been consolidated at ~25.3% as per AS27

Financial Services (Aditya Birla Financial Services)

India has one of the highest household savings rate in the world, even though it has come off its peak due to high inflation. Household savings in India as a percentage of GDP was around 33% during 2011-12 compared to 22% a decade ago. It is expected to be further rising. A recent study of Global Financial Literacy points out that though the country has one of the highest savings rate among its global peers, the households may not be aware of many options to invest in. A large proportion of financial savings is being deployed in bank deposits, which offers a huge potential market size for non bank financial services and products. Moreover, growing share of working population, burgeoning middle class segment and rising per capita income levels indicate strong long term growth potential of the Indian financial services sector.

Besides being equipped with a nation-wide distribution network, a large customer base, a talented human resource pool, proven track record of product innovation, customer centric approach and superior investment performance, **Aditya Birla Financial Services ("ABFS")** has a strong parent brand. This will enable Aditya Birla Financial Services to capitalise on the long term growth opportunities offered by the Indian financial services sector.

Currently, the Indian financial services sector is witnessing growth challenges due to regulatory changes and unfavourable investment climate. The financial year 2011-12 saw shrinkage across most of the fee and agency based businesses. Only lending business has grown. In such a market, Aditya Birla Financial Services has strengthened its market positioning across the business verticals.

Aditya Birla Financial Services is today a large non bank player. Having funds under management of about ₹ 86,750 Crore (USD 17.5 billion), ABFS ranks among top 5 fund managers in India excluding banks and Life Insurance Corporation of India ("LIC"). It has a strong presence across seven business verticals viz., Life Insurance, Asset Management, NBFC, Private Equity, Broking, Wealth Management and General Insurance Advisory. Anchored by ~17,000 employees and trusted by ~5.5 million customers, ABFS has a nation-wide reach through over 1,775 branches and about 200,000 agents / channel partners.

(₹ Crore)

Aditya Birla Financial Services	2011-12	2010-11
Revenue		
Birla Sun Life Insurance	5,691	5,534
Birla Sun Life Asset Management	315	366
Aditya Birla Finance	348	196
Aditya Birla Money	88	114
Aditya Birla Money Mart	60	74
Aditya Birla Insurance Brokers	32	21
Aditya Birla Capital Advisors	21	18
Others / Elimination	(5)	(9)
Total Revenue	6,550	6,313
EBITDA	661	544
Earnings before tax	600	472
Net Profit before exceptional items	539	413
Exceptional Gain / (Loss) ¹	-	(104)
Net Profit	539	309

Note¹: Aditya Birla Money Ltd. and Aditya Birla Money Mart Ltd., subsidiaries of ABNL, had borne one time exceptional loss of ₹ 104 Crore in 2010-11

Aditya Birla Financial Services has launched an online money management platform - Aditya Birla Money MyUniverse. This unique brand agnostic platform enables customers to aggregate their various financial relationships in a highly secure environment and provides customised and completely automated advice on money management, based on the financial position and risk profile of the customer. The platform also enables users for expense tracking, setting budgets, getting alerts, investment transactions, tax filing and registering for bill payment.

Aditya Birla Money MyUniverse was voted "Product of the year, 2012" for innovation in financial services, in a survey of over 30,000 people conducted by Nielsen.

While ABFS registered a moderate growth in revenue, it posted a strong growth in the profitability. The combined revenue of ABFS grew year on year from ₹ 6,313 Crore to ₹ 6,550 Crore (about USD 1.3 billion). Its earnings before tax surged by 27% from ₹ 472 Crore to ₹ 600 Crore. Net profit at ₹ 539 Crore registered a strong growth over previous year.

ABFS is the largest contributor to ABNL's consolidated earnings before tax – It contributed 45% during 2011-12.

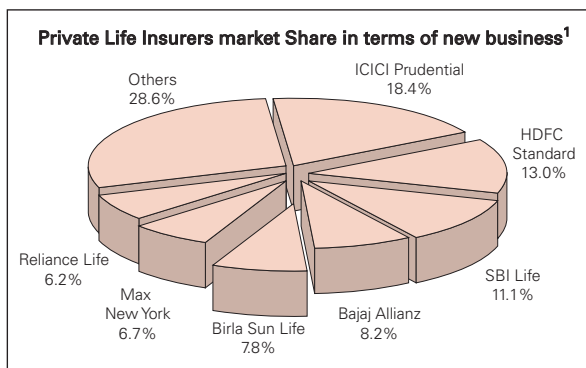
Life Insurance (Birla Sun Life Insurance Company Limited)

Industry Overview

The Indian Life insurance industry ranks among top 10 life insurance markets in the world and among the top 5 in Asia. It currently comprises 23 private life insurers and one public sector life insurer – LIC. The Indian Life Insurance industry covers a large part of Indian population through the distribution network of more than 11,500 branches and over 2.6 million advisors, in addition to the bancassurance and other third party distribution channels. The industry garnered new business premium² of ₹ 67,770 Crore (about USD 13.6 billion) during 2011-12. LIC contributed to 65% of industry's new business while private life insurers contributed remaining 35% [Source: IRDA, www.irda.gov.in]. Top 7 out of 23 private players contributed to about 71% of the private sector's new business. The top 7 private life insurers and LIC combined together accounted for 90% of industry's new business.

Following the issue of new ULIP (Unit Linked Insurance Plan) guidelines by Insurance Regulatory and Development Authority ("IRDA") in September 2010, new business premium growth remained affected in 2011-12 too. During

Note²: Weighted new business premium = 100% of regular first year premium + 10% of single premium



the first half year, de-growth was prominent since new guidelines came into effect from nearly mid of the previous year. During the second half year, private players registered almost flat growth. While rationalisation of distributors’ compensation was a major factor impacting growth, regulatory uncertainty around new product launches, ambiguity on the pension products, weak equity markets and high interest rates were some of the other variables that impacted new business performance.

Performance Review

Birla Sun Life Insurance (“BSLI”) completed 12 years of its journey towards serving the protection, health, retirement, children’s future and wealth management needs of varied customer segments. During 2011-12, BSLI reported lowest de-growth among top 7 private life insurers and improved its private sector market share from 7% to 7.8%. It moved one step up to rank 5th among the private life insurers [Source: IRDA, www.irda.gov.in]. BSLI continues to follow a successful multi-channel distribution strategy with over 650 branches, about 139,000 agents, 5 bank partners and about 200 third party distributors.

In 2011-12, new business premium income of BSLI at ₹ 1,926 Crore de-grew year on year by

7% due to the ULIP segment. Non-ULIP sales gained traction and contributed to 46% of BSLI’s individual new business vis-a-vis 25% in the previous year. BSLI has successfully transitioned its sales force from selling predominantly ULIPs to now having a balanced product mix. BSLI’s performance in the Group segment was also strong driven by improvement in the product lines. This has helped BSLI to achieve 2nd rank amongst private insurers in the group segment.

Renewal premium rose by 10% to ₹ 3,959 Crore. The total premium income grew by 4% to ₹ 5,885 Crore. The conservation ratio at 76% and the 13th month persistency at 82% signify customer stickiness and are among the best in the industry.

AUM grew by 7% to ₹ 21,110 Crore (about USD 4.2 billion). BSLI continued to deliver superior investment returns to its policyholders.

During the year, operating expenses to premium ratio improved from 21.2% to 20.6% and commission ratio reduced from 6.7% to 5.5%.

Driven by rising profit from in-force business, declining expense ratios and changes in product mix and structures, earnings before tax of BSLI surged by 51% from ₹ 304 Crore to ₹ 461 Crore.

No capital infusion has been required since past two years.

With the strong emergence of profitability, BSLI declared its maiden dividend amounting to ₹ 98.5 Crore @ 5% of its paid-up capital. Aditya Birla Nuvo received ₹ 73 Crore for its 74% shareholding.

During the year under review, the Company filed several new products with the regulator to focus on under-penetrated segments and to broad-base its product mix.

Indian Life Insurance Industry : Growth in New business¹

(₹ Crore)

	April 2011 to September 2011		October 2011 to March 2012		2011-12	
	New Business	Y-o-Y growth	New Business	Y-o-Y growth	New Business	Y-o-Y growth
Private Players	8,742	-36%	14,941	-1%	23,683	-18%
LIC	18,204	-12%	25,882	28%	44,086	8%
Total	26,946	-22%	40,823	15%	67,770	-3%

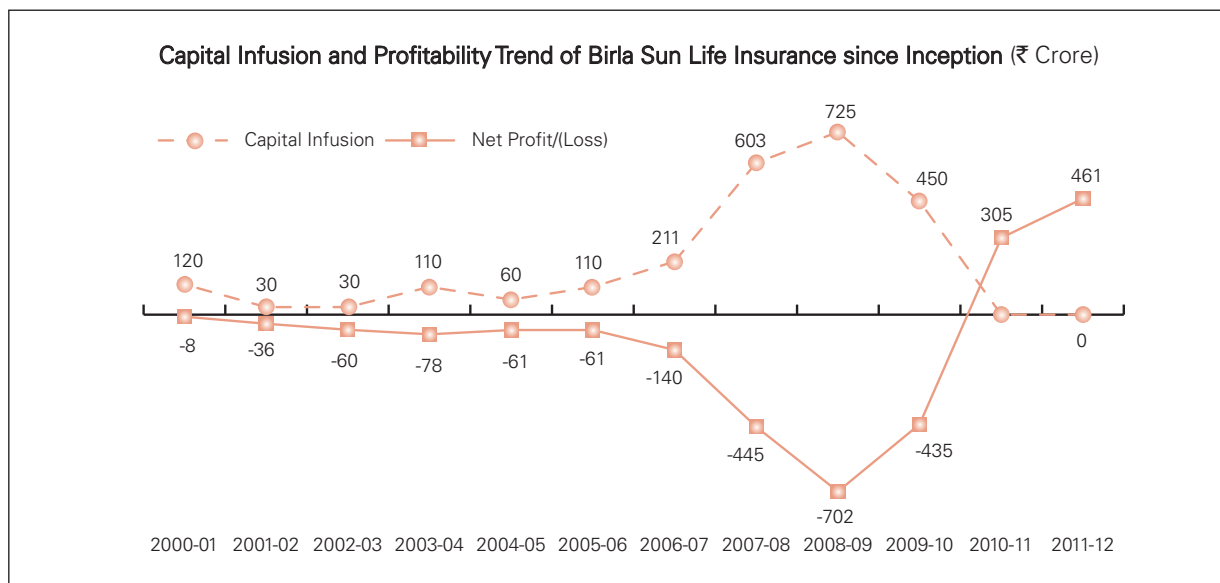
Note¹: Weighted new business premium = 100% of regular first year premium + 10% of single premium (Source: IRDA, www.irda.gov.in)

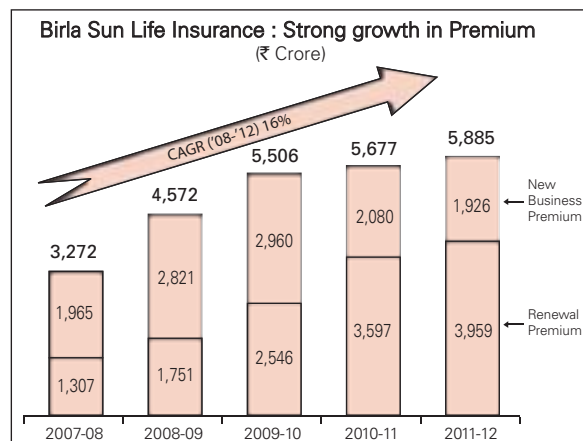
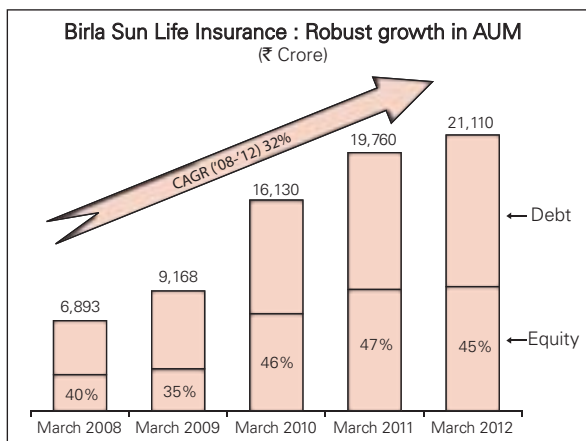
	(₹ Crore)	
Birla Sun Life Insurance	2011-12	2010-11
Branches (Nos.)	Over 650	Over 600
Agents	~139,000	~150,000
Assets under management ("AUM")	21,110	19,760
Individual First Year Premium	1,250	1,644
Group First Year Premium	676	436
First Year Premium	1,926	2,080
Renewal Premium	3,959	3,597
Premium Income (Gross)	5,885	5,677
Less : Reinsurance ceded & Service tax	(261)	(166)
Premium Income (Net)	5,624	5,511
Other Operating Income	67	23
Revenue	5,691	5,534
Earnings before tax	461	304
Net Profit	461	305
Capital	2,450	2,450
ABNL's Investment	1,814	1,814

The agency channel continues to be the largest distribution channel for BSLI contributing to 71% of its individual new business sales during the year. The bancassurance channel contributed 14% and Corporate Agents and Brokers accounted for 15%. In 2011-12, BSLI ranked amongst the top 3 private life insurers in terms of new business sales from agency channel and has consistently been in the top quartile in terms of front line sales staff productivity.

Outlook

The last two years have been challenging for the Indian life insurance industry in terms of new business growth. However, its long term growth prospects undoubtedly remain strong considering that India is still a fairly underpenetrated life insurance market. The insurance density or insurance premium per capita in India at USD 55.5 is one of the lowest in the world (Source: Swiss Re Sigma, 2011). Also looking at the





brighter side of recent regulatory changes, these have not only made ULIPs more cost competitive for the customers but also pushed life insurers towards improving their operating efficiencies and enhancing customer service standards – which will be positive for the industry in the long run. In the short to medium term, stability in the regulatory environment, improvement in the investment climate and evolution of the distribution channels will be key growth drivers.

For BSLI, the action areas will be strengthening the product portfolio, enhancing the operating competitiveness and distribution efficiencies, leveraging the bancassurance channel and improving the customer retention and service standards. A widely trusted brand name, superior investment performance, experienced team and a proven track record in product innovation will support BSLI in effective execution of these actions to further strengthen its market positioning.

Asset Management (Birla Sun Life Asset Management Company Limited)

Industry Overview

The Indian mutual fund industry comprises 44 asset management companies. Top 5 asset management companies contribute to 54% of industry's average AUM (AAUM)¹. After continuous growth for the past few years, the Indian mutual fund industry has witnessed decline in its AUM during last two years. After declining by 8% in the previous year, the AAUM¹ of the industry de-grew by 5% from about ₹ 700,800 Crore (USD 140 billion) in 2010-11 to around ₹ 664,800 Crore (USD 133 billion). [Source : Association of Mutual Funds in India ("AMFI"), www.amfiindia.com].

Industry's equity AAUM¹ de-grew by 3% to about ₹ 201,800 Crore (USD 40 billion) on account of equity market action. Share of equity AAUM in industry's total AAUM remained flat at 30%. Non-equity assets witnessed 6% de-growth during the year largely due to outflow of banks' investments in debt and liquid funds following the direction given by RBI to limit investments in mutual fund schemes up to 10% of net worth as on 31st March of the previous year.

Performance Review

Birla Sun Life Asset Management Company ("BSAMC") completed 17 years of its journey towards offering wealth creation solutions to its customers. During the year, BSAMC outperformed the industry and increased its market share to 9.2% in terms of domestic AAUM¹. BSAMC reported 2nd lowest de-growth in domestic AAUM¹ among the top 5 players (Source: AMFI).

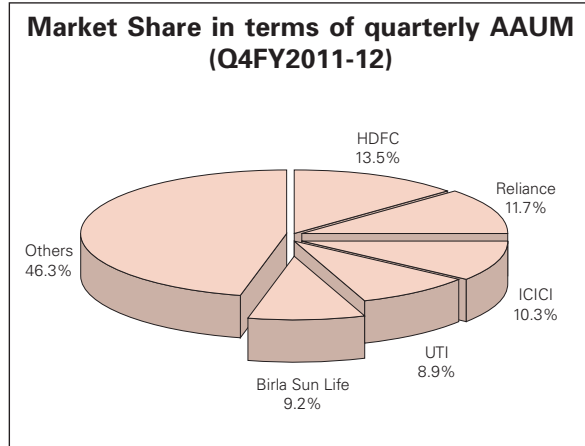
With a total AAUM of ₹ 64,460 Crore (~USD 13 billion), BSAMC improved its ranking by one notch to become the 4th largest asset management company in India.

It continued to focus on alternate assets. Out of total commitments received under the real estate onshore fund launched in the previous year, about 25% has been deployed. BSAMC had set up offices in Singapore and Dubai to reach out to international customers.

Due to reduction in the AUM size and change in asset mix, earnings remained under pressure across the industry. Revenue of BSAMC de-grew from ₹ 366 Crore to ₹ 315 Crore and earnings before tax from ₹ 126 Crore to ₹ 89 Crore.

BSAMC is serving its large investor base through a strong distribution network of 103 branches and

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

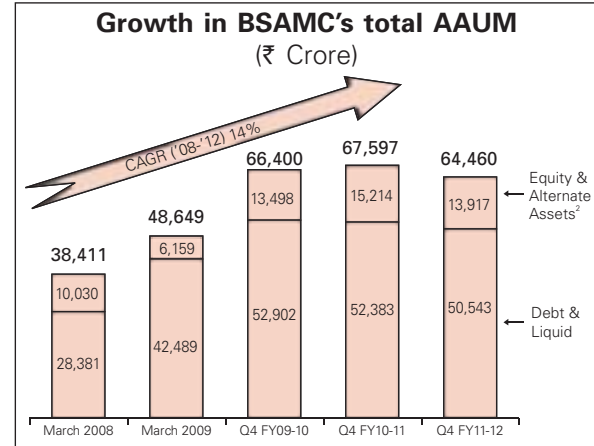


about 34,900 financial advisors. About 82% of its AUM is rated under the 4 and 5 Star categories. As an acknowledgement of its investment performance, following awards and recognitions were conferred on BSAMC at various forums:

- “The Best Debt Fund House of the year 2011” by CNBC TV 18 – CRISIL, UTV Bloomberg and Outlook Money
- “Best Mutual Fund House of the Year - Runner up” by Outlook Money
- “Golden Peacock Award, 2011” for innovative ‘Mobile Investment Manager’ which brings the convenience of transacting and managing investments to the mobile platform.

Outlook

Growth of the Indian mutual fund industry was affected during the last two years. Nevertheless, the long term outlook for the mutual fund industry



remains attractive backed by lower mutual fund penetration, growing incomes and savings level. Mutual fund AUM as a percentage of Indian GDP has grown from ~6% in 2005-06 to more than ~13% in 2011-12. Yet it is very low compared to 50%-90% in the developed countries. Furthermore, the increasing focus of asset management companies on the alternate assets and efforts for increasing retail participation through Systematic Investment Plans (“SIPs”) etc. will also contribute to the growth.

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

(₹ Crore)

Birla Sun Life Asset Management	2011-12	2010-11
Average Assets under Management¹		
Equity	10,631	11,350
Debt and Liquid	50,543	52,383
Domestic	61,174	63,733
Off shore (All Equity)	2,065	2,524
Real Estate Onshore Fund	1,078	1,088
PMS	142	252
Total	64,460	67,597
Revenue	315	366
Earnings before tax	89	126
Net Profit	59	85
Net Worth	284	225

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

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

NBFC (Aditya Birla Finance Limited)

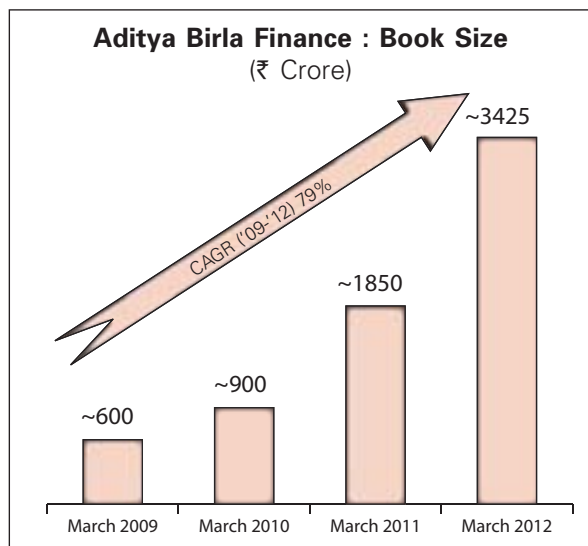
Industry Overview

Aditya Birla Finance (“ABFL”) is categorised as systematically important non-deposit taking NBFC. There are more than 300 systematically important non-deposit taking NBFCs in India. ABFL is one of the leading players in the Loan against Securities (“LAS”) and corporate bill discounting segments.

While Indian financial services sector faced growth challenge in the fee and agency based business verticals in past two years, lending business has grown. However, rise in cost of borrowings led to contraction of net interest margin (“NIM”) across the NBFCs. As a monetary measure to tame inflation, RBI increased the key policy rates thirteen times between March 2010 and November 2011 which forced banks to raise the lending rates. Though in past five months, RBI has cut cash reserve ratio by 125 bps and repo rate by 50 bps, lending rates still remain at high level.

Performance Review

During 2011-12, lending book size of ABFL grew significantly across all the lines of business. Total closing book almost doubled year on year to ~₹ 3,425 Crore. The Capital Market portfolio (Promoter funding, LAS, broker funding, IPO financing, ESOP financing etc.) expanded by 22% to ~₹ 1,625 Crore. Corporate Finance portfolio (Vendor financing, corporate bill discounting, structured finance, term loans etc.) doubled to more than ₹ 850 Crore. ABFL forayed into



(₹ Crore)

Aditya Birla Finance	2011-12	2010-11
Revenue	348	196
Operating Profit ¹	86	57
Earnings before Tax	84	55
Net Profit	56	37
Net Worth	628	497

Note¹: EBITDA less interest cost. Interest cost being an operating expense in the NBFC business is deducted from EBITDA to arrive at the operating profit.

Infrastructure Financing and Mortgage Funding (loan against property and lease rental discounting) and closed the year with a book of over ₹ 650 Crore and ₹ 65 Crore respectively.

Despite the uncertain equity markets and slowing down corporate lending activities, ABFL was not only able to achieve a healthy growth in existing segments, but it has also built a strong infrastructure financing book.

Revenue of ABFL surged by 78% to ₹ 348 Crore in line with the growth in its lending book size. Earnings before tax rose by 51% to ₹ 84 Crore. Net interest margin was lower year on year due to rise in cost of borrowings.

ABFL received a capital infusion of ₹ 75 Crore during the year to support expansion of its lending book. Its net worth stands increased from ₹ 497 Crore to ₹ 628 Crore. Its balance sheet has an optimum leverage of around 5 times of net worth.

The business is growing at a good pace and will require capital for future growth.

The short term borrowings program of ABFL was enhanced from ₹ 2,500 Crore to ₹ 3,000 Crore and has been assigned ‘A1+’ rating by ICRA – the highest credit quality rating assigned by ICRA to short term debt instruments. Its long-term borrowing limit of ₹ 1,000 Crore has been assigned ‘AA’ rating by ICRA. Besides these, a ₹ 250 Crore sub-ordinate debt program (Tier II NCDs of 10 years and above) has been assigned ‘AA’ rating by ICRA as well as CARE.

Outlook

The outlook for the NBFC sector remains positive backed by the lower credit penetration and huge capital formation requirement of the country.

However, in the short term, the sector may find the macro-economic environment challenging for growing quality book on account of overall bearish sentiments, volatile stock markets and high interest rates.

ABFL aims at scaling up its book size cautiously while managing risks optimally. Leveraging Aditya Birla Group's large ecosystem for SME funding will be a key focus area. Extension of portfolio with entry in new arrays of products, strong parent brand and an experienced team having seen more than two decades of business cycles will aid ABFL in reaching towards its goal.

Private Equity (Aditya Birla Private Equity)

Industry Overview

Growth momentum of Private Equity ("PE") investments in India built during 2010 continued in the calendar year 2011 too. During 2011, total investments by the PE firms in India rose by 24% to reach USD 10 billion (including Venture Capital investments and excluding PE investments in Real Estate) compared to USD 8 billion in the previous calendar year. The number of PE deals increased from 362 deals in 2010 to over 441 deals in 2011. This takes total investments by PE firms in India to about USD 47 billion across more than 2,000 transactions over the past five years (Source: *Venture Intelligence*).

Performance Review

After the successful launch of its first fund at a size of ₹ 881 Crore (including 20% sponsor's commitment) in March 2010, Aditya Birla Private Equity ("ABPE") launched its second fund called Sunrise Fund.

Sunrise fund closed for subscription in March 2012 at a size of ₹ 299 Crore (including 10% sponsor's commitment) taking total funds under management to ₹ 1,179 Crore.

The first fund has already deployed about 50% of its total corpus in following companies:

- Anupam Industries – a leading manufacturer of industrial and construction cranes,
- Bombay Stock Exchange – the oldest stock exchange in Asia,
- Credit Analysis & Research Ltd. – a leading credit rating agency,

- GEI Industrial systems and its subsidiary - a leader in air-cooled heat exchangers and condensers for more than 40 years
- Alphion India Pvt. Ltd. - Gigabit passive optical networking systems maker for next generation broadband and mobile backhaul
- Trimax IT infrastructure and Services Ltd. - Systems Integration, IT Infrastructure Management Services

Sunrise Fund has made one investment till date in SMS Paryavaran Ltd. which is into design and construction of Water and Waste-Water Treatment systems.

Both the funds have strong pipeline of deals to deploy the balance of the fund corpus.

Aditya Birla Capital Advisors Private Limited ("ABCAP") provides the investment management and advisory services to ABPE Trust, a venture capital fund registered with SEBI. During 2011-12, ABCAP posted revenue of ₹ 21 Crore and net profit of ₹ 4 Crore vis-a-vis ₹ 18 Crore and ₹ 4 Crore respectively in the previous year.

Outlook

In the past six months, PE investments have slowed down due to economic uncertainty and weak capital markets. However, according to Venture Intelligence, the large uninvested capital lying with PE funds and the increasingly attractive valuations of Indian companies – including the listed ones – signals to a turnaround in the coming future.

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

Broking (Aditya Birla Money Limited)

Industry Overview

The Indian retail broking industry is highly fragmented with the top ten players contributing to less than 20% of equity broking market size. The number of demat accounts in the country shows the depth of equity penetration. Currently there are about 20 million demat accounts in India, which grew at a CAGR of 14% during the past five years. However in 2011-12, industry has seen the lowest demat account additions in past five years.

During 2011-12, Sensex – the benchmark index of BSE – de-grew by 10% and S&P CNX Nifty – the benchmark index of NSE – declined by 9%. The total cash equity volumes of BSE and NSE put together de-grew by 26% to USD 695 billion; however Futures and Options (“F&O”) volumes grew by 7% to USD 6.3 trillion. F&O segment accounted for 90% of the combined equity volumes at NSE and BSE vis-a-vis 86% in 2010-11. Due to increasing contribution of lower margin F&O segment in total pie, earnings of retail brokerage houses have been impacted. This trend indicates increasing speculative activities rather than retail participation. Retail participation in cash equity segment reduced to 51% compared to 56% in the previous year. The combined commodities volumes at MCX and NCDEX rose by 55% to USD 3.5 trillion. [Source: Bombay Stock Exchange Ltd. (“BSE”), National Stock Exchange of India Ltd. (“NSE”), Multi Commodity Exchange of India Ltd. (“MCX”), National Commodity & Derivatives Exchange Ltd. (“NCDEX”).]

Performance Review

Aditya Birla Money (“ABML”) witnessed growth in commodity volumes while cash market volumes were affected across the Industry. Cash market volumes of ABML de-grew by 19% while commodity volumes rose by 145%. F&O volumes of ABML grew by 6% despite falling retail volumes in derivatives. F&O volumes accounted for 81% of total equity volumes of ABML. During the fourth quarter, its market share in the retail cash equity segment, retail F&O segment and commodity segment increased year on year from 0.9% to 1.4%, from 0.5% to 0.9% and from 0.28% to 0.46% respectively.

During 2011-12, ABML’s revenue de-grew by 23% from ₹ 114 Crore to ₹ 88 Crore. ABML has increased its market share across the categories but the revenue growth was impacted owing to sluggish industry volumes. Its net loss increased from ₹ 8 Crore to ₹ 18 Crore.

The number of customers increased to about 292,000. Its points of presence increased from 969 to 985 consisting of 167 branches and 818 franchisees.

ABML has entered into a strategic alliance with Allahabad Bank for providing online trading platform to the bank’s customers. This deal has given ABML an access to a large customer base of Allahabad Bank.

Outlook

Slow down in the economy had a bearing on the capital markets and particularly the retail participation. However, in the long run, growth opportunity does exist for the Indian equity broking industry – given the lower penetration and rising per capita income. Technology is going to play a major role in enhancing the retail participation.

Aditya Birla Money will continue to focus on the six pillars of this business – Brand, Product, Distribution, Operations, Service and People – to gain market share and augment its earnings. It will lay emphasis on cost optimisation and expanding its business through a cost-effective business partner – based model.

Wealth Management (Aditya Birla Money Mart Limited)

Industry Overview

While there are a few large wealth management players in India; mutual fund distribution industry is very fragmented. Aditya Birla Money Mart (“ABMM”) is the third largest corporate distributor of mutual funds in India with Assets under Advisory of more than ₹ 12,500 Crore as on 31st March 2012 [Source: Computer Age Management Services (“CAMS”).]. ABMM is also a significant player in the wealth management space.

Performance Review

Financial year 2011-12 was a challenging year for the wealth management industry as fixed deposits and other safer investment avenues attracted household financial savings amidst volatile capital markets. Equity broking volumes, new business sales in the life insurance sector and AUM of the mutual fund industry witnessed slowdown affecting the business of wealth management and distribution players.

Revenue of ABMM de-grew from ₹ 74 Crore to ₹ 60 Crore due to sluggish financial markets. ABMM reported a net loss of ₹ 21 Crore vis-a-vis loss of ₹ 19 Crore (before one-time exceptional loss) incurred in the previous year.

ABMM has a strong nation-wide distribution presence through 32 branches and about 14,000 channel partners.

Outlook

High savings growth in India implies a huge opportunity for financial intermediation services.

Distribution and wealth management industry will continue to play an important role in the growth of life insurance, mutual funds and equity broking products and services.

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

General Insurance Advisory (Aditya Birla Insurance Brokers Limited)

Industry Overview

Gross premium underwritten in the general insurance segment has grown by 23% from USD 9.5 billion to USD 11.7 billion (*Source: "IRDA"*). Aditya Birla Insurance Brokers Ltd. ("ABIBL"), erstwhile Birla Insurance Advisory and Broking Services Ltd., is one of the leading general insurance brokers in India.

Performance Review

The premium placement by ABIBL surged by 49% from ₹ 205 Crore to ₹ 304 Crore leading to strong earnings growth. Revenue grew by 52% from ₹ 21 Crore to ₹ 32 Crore. Earnings before tax grew three times from ₹ 3 Crore to ₹ 9 Crore and net profit grew from ₹ 2 Crore to ₹ 6 Crore.

Outlook

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

Telecom (Idea Cellular Limited)

Industry Overview

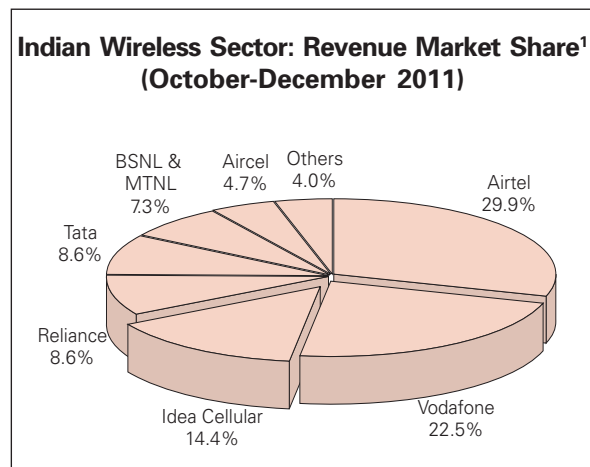
Indian wireless sector, the second largest market in the world in terms of subscribers' base has seen sharp reduction in tariffs during 2009-10 and 2010-11. This affected revenue growth of the sector while its subscribers' base was growing at a strong pace. To the much respite of the sector, reduction in tariffs seen in earlier years got arrested during financial year 2011-12, signifying the unsustainable levels of these tariffs to yield any reasonable return on the investments.

With a strong net addition of over 107 million subscribers, sector's total subscribers' base has reached to 919 million as on 31st March 2012.

Note¹: Based on quarterly gross revenue for UAS & Mobile licenses only, as released by TRAI

Compared to a 19% growth in subscribers' base, gross revenue of the Indian wireless sector rose by 15% to ~USD 27 billion during calendar year 2011. Out of total 15 cellular operators, the top 3 players namely Bharti Airtel, Vodafone and Idea Cellular contributed to about 67% of the Industry's wireless gross revenue. All the major operators launched 3G services in India during the later part of the previous financial year.

The industry is currently facing an uncertain regulatory environment following the cancellation of 2G licenses by the Hon'ble Supreme Court in February 2012. In April 2012, the recommendations of the regulator, towards spectrum auctions, pricing and re-farming, have only added to this uncertainty.

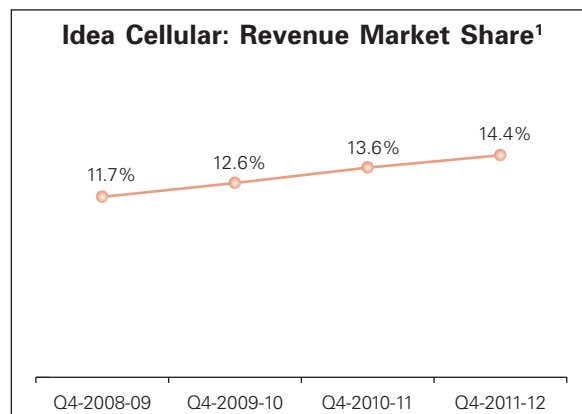
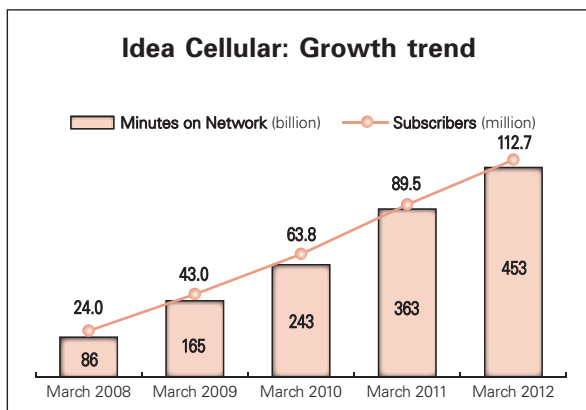


Performance Review

With total Minutes on Network of 1.4 billion per day, Idea Cellular ("Idea") ranks among the top 10 cellular operators in the world. In India, Idea is 3rd largest in terms of revenue market share¹ at 14.4%. Idea is the market leader in four service areas namely Kerala, Maharashtra, Madhya Pradesh and Uttar Pradesh (West), in terms of revenue market share. It ranks 2nd in another four service areas viz., Haryana, Punjab, Andhra Pradesh and Gujarat.

Being the fastest growing major cellular operator in India, Idea has been outperforming the industry across key parameters. This reflects the strength of its brand and quality of its services.

For instance, Idea has been the biggest revenue market share gainer since past two years. Idea has around 93% of its reported subscribers as VLR (active) subscribers, which is highest in the



industry. With the net gain of 2.9 million subscribers and the lowest port-out ratio, Idea leads the industry since the launch of Mobile Number Portability (“MNP”). One out of every four existing customers in India, who chooses to port out, prefers Idea.

Idea’s subscribers’ base grew by 26% in past one year from 89.5 million to 112.7 million. More importantly, Idea continued to expand its revenue market share garnering a much larger share of industry’s incremental revenue. Idea contributed to 20.6% of industry’s incremental mobile revenue during calendar year 2011.

Idea’s average realisation per minute (“ARPM”) during the fourth quarter has grown from ₹ 0.406 in 2010-11 to ₹ 0.422 in 2011-12. Increased share of value added services contributed to ARPM growth. Idea’s minutes on network grew by 25% to reach 453 billion during the year – growing significantly faster than the sector. Growth in these drivers spurred Idea’s earnings.

(₹ Crore)

Idea Cellular	2011-12	2010-11
Subscribers (Nos. in Millions)	112.7	89.5
Revenue	19,489	15,438
EBITDA	5,135	3,903
Segment EBIT	2,111	1,393
Net Profit	723	899
Cash Surplus	250	1,478
Net Worth	13,050	12,300
Total Debt	13,337	12,070
Capital Employed	26,387	24,370
ABNL’s Investment	2,356	2,356
ABNL’s shareholding in Idea at the year end (%)	25.31%	25.35%

Revenue soared by 26% to ₹ 19,489 Crore – growing at twice the industry growth rate. EBITDA grew by 32% to ₹ 5,135 Crore. However, net profit de-grew from ₹ 899 Crore to ₹ 723 Crore largely due to higher depreciation/amortisation costs and interest expenses on account of front loaded 3G investments. Higher deferred tax also strained net profit.

Currently, Idea offers 3G services in 20 service areas (including roaming arrangements with other operators) covering more than 3,000 towns and 10,000 villages. With this, Idea is all set to exploit the untapped wireless broadband data market and other emerging verticals of revenue like Mobile banking, M-commerce, M-health, M-education etc. In this direction, Idea has launched Idea smart phones at attractive price points. Idea also provides Mobile Banking services through ‘Idea MyCash’ – in an alliance with Axis Bank.

The Hon’ble Supreme Court vide its judgment dated 2nd February 2012 quashed the licenses granted pursuant to two press releases issued on 10th January 2008 and subsequent allocation of spectrum. The Supreme Court has also directed the TRAI, to make fresh recommendations for grant of license and allocation of spectrum by auction and the Central Government to consider the recommendations of TRAI and take appropriate decision within next one month for grant of fresh licenses.

However, on an application from the Government of India, the Hon’ble Supreme Court, vide its order dated 24th April 2012 extended the date of spectrum auction, to be concluded by Department of Telecommunications (“DoT”), to 31st August 2012 and allowed licenses to carry on the operations till 7th September 2012.

Note¹: Based on quarterly gross revenue for UAS & Mobile licenses only, as released by TRAI

Idea incurred a capital expenditure (including capital advances) of ₹ 4,545 Crore, during the year. For fiscal 2012-13, capex guidance stands at ₹ 3,500 Crore excluding any payment towards spectrum.

With the standalone net debt to EBITDA at 2.48 and net debt to equity at 0.93, Idea has a strong balance sheet. Idea has been free cash flow positive since past two quarters. With the declining capex requirements for 2G and 3G, free cash flows will further strengthen balance sheet and provide cushion for future growth.

Outlook

The Indian wireless sector continues to offer opportunities, both in voice and data, to the quality operators in the long run. Though overall tele-density in India has reached 76%, the rural tele-density still remains at only 38%. Moreover, launch of 3G services provides a large growth opportunity in the data segment as the broadband penetration in India stands at only 1.1%. However, some of the recent regulatory developments are being viewed negatively by most of the industry players, though the final outcome is yet to be decided by the Government / DoT.

Going forward, Idea will continue to focus on increasing its revenue market share by capitalising on brand !DEA besides participating in the evolving wireless broadband business. Supported by a quality subscribers' base, sound balance sheet and strong brand, Idea is well placed to outperform the sector and emerge even stronger.

Fashion & Lifestyle (Madura Fashion & Lifestyle)

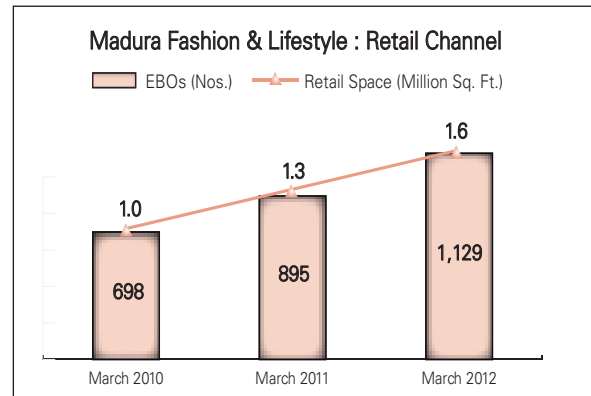
Industry Overview

Branded apparel industry has posted healthy growth in the previous two years, driven by same stores sales growth as well as rapid retail expansion. This growth momentum has moderated during 2011-12, particularly in the second half of the year, largely due to the base effect and subdued demand. Overall consumer spends on discretionary categories, like premium branded apparels, have been affected by the inflationary pressure coupled with rise in apparel prices. Apparel prices were increased by 15-20% across the industry to partly pass on the rise in cotton prices and levy of excise duty. Most of

the players reported flat to negative same stores sales growth. Amidst this scenario, Madura Fashion & Lifestyle continued to outperform the industry, with its like to like stores sales growing in double digits.

Performance Review

Madura Fashion & Lifestyle ("Madura") is the largest premium branded apparel player in India. Its premium brands – Louis Philippe, Van Heusen, Allen Solly and its mass brand - Peter England, are leaders in respective categories. Madura also retails international brands like Armani Collezioni, Hugo Boss, Versace Collection, Hackett, Adidas, Puma, Samsonite and many more under one roof 'The Collective'. Madura also has a strategic tie up with leading international brand Esprit for distribution of its apparels in India.



Madura sells two branded apparels every three seconds through its retail as well as wholesale channel, serving varied fashion & lifestyle needs of its customers. Retail channel comprises of 1,129 EBOs spanning across 1.6 million square feet and contributes to 47% of Madura's total revenue. Wholesale channel consists of more than 1,400 Multi Brand Outlets and departmental stores viz., Shoppers Stop, Lifestyle, Central etc.

(₹ Crore)

Madura Fashion & Lifestyle	2011-12	2010-11
Revenue	2,243	1,811
EBITDA	198	136
Segment EBIT	125	63
Capital Employed	616	598
ROACE (%)	21	11

Madura reached ₹ 2,250 Crore revenue mark. It achieved 24% year on year growth in revenue

supported by a strong 22% growth in branded garments volumes. Retail channel sales rose by 29%. Stores expansion and 10% like to like stores sales growth contributed. During the year, Madura added 234 EBOs on a net basis.

Driven by the strong sales growth across the brands and channels and improved product mix, EBITDA surged by 46% from ₹ 136 Crore to ₹ 198 Crore. Higher discounting and cost pressure were compensated by rise in apparel prices.

Led by sound profitable growth and improved working capital management, return on capital employed grew significantly from 11% to 21%. Over the past two years, Madura has almost doubled its turnover while managing capital employed at similar levels. Its net working capital turnover is at 5.2 times.

Outlook

The long term growth outlook of the domestic branded apparel industry remains bright backed by strong demographics viz., rising disposable income, expansion of aspiring middle class segment, large young population and increasing inclination towards branded apparels. However, in the short term, consumer spends on premium branded apparels are expected to remain subdued on account of high inflation.

Madura will continue to leverage its brand leadership, expand its retail space and strengthen channel relationships with a target of outperforming the industry growth.

IT – ITeS (Aditya Birla Minacs Worldwide Limited)

Industry Overview

During 2011-12, global economic conditions remained challenging, especially in Europe. The IT-ITeS industry did grow and customers did continue to outsource, though at a slower pace. The business models of customers have started changing from cost savings to standardisation, global flexibility and better technology. Customers now expect vendors and outsourcing partners to invest in improving processes whilst passing on continuing cost savings.

Performance Review

With a track record of over 30 years, Aditya Birla Minacs is a leading global delivery solutions provider that partners with global corporations

and provides solutions in the areas of Customer Lifecycle, Marketing, Finance and Accounting, Procurement and IT services.

Aditya Birla Minacs has been named in the Leaders category in ‘Global Outsourcing 100 companies, 2012’ by International Association of Outsourcing Professionals (“IAOP”).

Aditya Birla Minacs ranks among the top 10 Indian BPO companies by revenue size (Source : NASSCOM).

Aditya Birla Minacs won 16 new clients during the year. Aditya Birla Minacs sold Total Contract Value (“TCV”) of more than USD 730 million vis-a-vis USD 775 million sold in the previous year. About 40% of the TCV sold in 2011-12 was on account of new business.

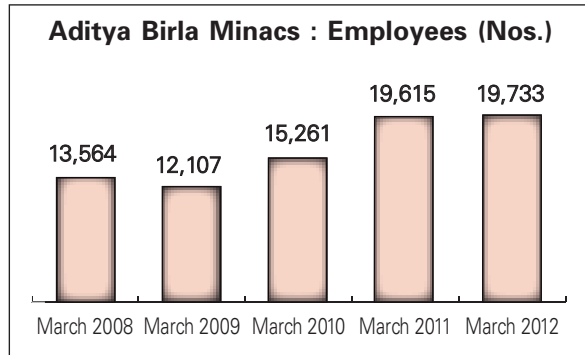
However, it has witnessed slower conversion of sales pipeline due to challenging economic conditions in the US and Europe.

(₹ Crore)

Aditya Birla Minacs	2011-12	2010-11
Revenue	2,082	1,692
Operating EBITDA¹	201	174
Non-recurring Gain/(Loss) and Employment Incentive Arrears	(12)	19
EBITDA	189	193
Segment EBIT	111	125
Net Profit	70	74

Note¹: Before non-recurring items (site closure costs and forex gain) and excluding employment incentive arrears of ₹ 25 Crore received in 2010-11

Revenue grew year on year by 23% to ₹ 2,082 Crore. Growth in the existing accounts, conversion of order book and favourable forex movement contributed to the growth in top-line. The clients located in US contributed 75% of the revenue while Canada, Europe and Asia Pacific contributed 15%, 4% and 6% respectively. The revenue mix by the industry verticals (a) Manufacturing (b) TIME (Telecom, Technology Infrastructure, Media and Entertainment), (c) Banking and Financial Services, (d) Insurance and Healthcare and (e) IT Services is 56%, 28%, 11%, 1% and 4% respectively. Revenue contribution from top 5 clients reduced from 53% in 2010-11 to 50% in 2011-12.



Operating EBITDA grew by 16% to ₹ 201 Crore. Operating EBITDA margin remained flat absorbing costs incurred on ramp up for new contracts and opening up of two new sites. Aditya Birla Minacs posted a net profit of ₹ 70 Crore vis-a-vis ₹ 74 Crore attained in the previous year. During last year, profit was higher to the extent of employment incentive arrears of ₹ 25 Crore. Moreover, a one-time cost of ₹ 21 Crore was incurred in 2011-12 on closure of one site in North America to achieve cost rationalisation. The business is generating steady cash profit to fund its capital expenditure and working capital requirements.

Aditya Birla Nuvo acquired balance 11.72% holding in the ITeS subsidiary. After the merger of IT and ITeS subsidiaries, ABNL and its subsidiary, holds 99.85% in the merged entity.

Outlook

While the global economic outlook seems to remain challenging, outsourcing contracts are expected to grow at a steady rate. In fact, mid-sized companies that have been slow adopters of outsourcing are also expected to enter the market due to cost pressure and need to access technology and best practices. However, with the clients demanding more than cost benefits out of the outsourcing contracts, sustaining margin would be challenging for the outsourcing solutions providers.

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

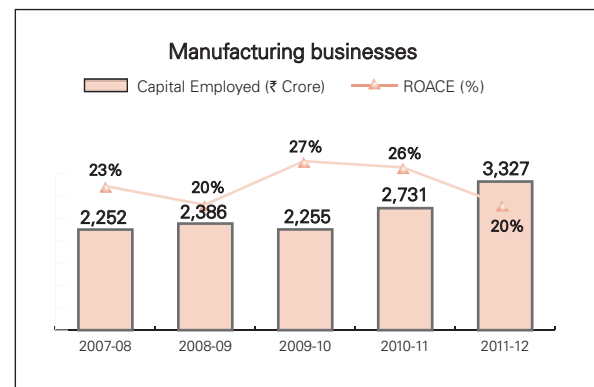
Manufacturing Businesses

Aditya Birla Nuvo has a strong market positioning across its manufacturing businesses. All the manufacturing businesses of ABNL hold leadership position in their respective sectors in terms of capacity as well as profitability.

Aditya Birla Nuvo is:

- The second largest manufacturer of Carbon Black in India (Aditya Birla Group is the largest manufacturer in the world in terms of capacity at 2 million tons per annum)
- The second largest producer and the largest exporter of Viscose Filament Yarn in India
- The eighth largest urea manufacturer and among the top two best energy efficient urea plants in India
- The largest Linen Yarn and Linen Fabric manufacturer in India
- India's largest and world's fourth largest manufacturer of Insulators

These businesses have an outstanding track record of consistent generation of strong cash flows and return on capital employed. Cash flows generated by these businesses have historically provided cushion to the balance sheet of Aditya Birla Nuvo for funding the growth capital requirements of other businesses. At the same time, ABNL continued to invest in the capacity expansion of these businesses to tap sector growth opportunities.

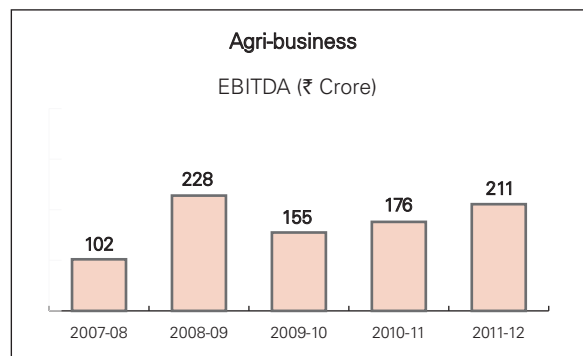
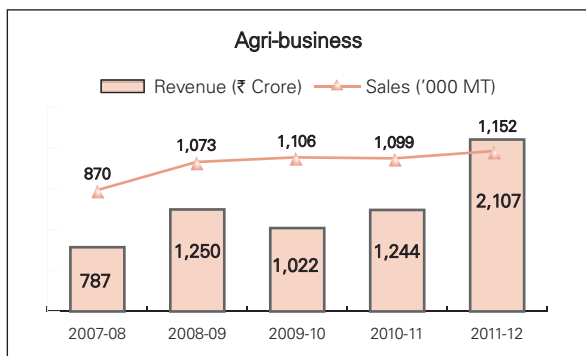


Combined together, manufacturing businesses registered a 33% growth in revenue during 2011-12 to reach USD 1.25 billion. They have posted an EBITDA of ₹ 752 Crore vis-a-vis ₹ 776 Crore earned in the previous year.

Agri-business (Indo-Gulf Fertilisers)

Industry Overview

The financial year 2011-12 has been a mixed year for Indian Agriculture, with an excellent kharif and an average Rabi. Urea sales volume grew from 28.2 million tons in 2010-11 to 29.5 million tons in 2011-12. Urea imports continued to surge



and have crossed 7 million tons in 2011-12. The industry is eagerly waiting for the new investment policy to enable Brownfield / Greenfield projects to bridge this gap.

The Government policy of nutrient based subsidy ("NBS") for P (phosphorus) and K (potassium) based fertilisers has ensured better availability of these fertilisers. However, keeping urea (nitrogen based fertiliser) out of the preview of NBS has led to lop sided usage of urea and adverse N, P, K ratio. Usage of urea increased as the prices of P and K fertilisers doubled during the year owing to increase in international prices and weakening of the Indian Rupee. The industry is keenly awaiting the extension of NBS to Urea, to correct this imbalance.

Performance Review

Today, Indo Gulf Fertilisers is positioned as a complete agri solutions provider, offering an entire range of agri inputs (fertilisers, seeds and agrochemicals) and services to the farmers and catering to their needs right from sowing to harvesting. Indo-Gulf is the 8th largest urea manufacturer in India and among the best plants

(₹ Crore)

Agri- Business	2011-12	2010-11
Revamped Capacity (MTPA)	1,072,500	1,072,500
Urea Production (MT)	1,162,819	1,100,111
Urea Sales (MT)	1,151,929	1,099,428
Revenue	2,107	1,244
Urea	1,563	1,165
Trading	544	79
EBITDA	211	176
Segment EBIT	192	157
Capital Employed	984	496
ROACE (%)	26%	39%

in India in terms of energy efficiency and productivity. It achieved its highest ever urea production and sales during the year.

Revenue soared by 69% to ₹ 2,107 Crore driven by commencement of trading of imported fertilisers and increase in realisation (subsidy). Rise in feed and fuel (natural gas) prices resulted in higher subsidies. Higher urea sales volume, increased share of neem coated urea and increase in sales of seeds and agrochemicals also contributed.

EBITDA rose by 20% from ₹ 176 Crore to ₹ 211 Crore. Pricing gain on the imported fertilisers on account of favorable forex movement also contributed. Indo-Gulf is operating at a strong return on average capital employed ("ROACE") of 26%. It is lower year on year owing to increase in working capital largely due to rise in urea prices, commencement of trading of imported fertilisers and slower recovery of subsidies.

'Birla Shaktiman' has maintained its leadership position in its entire marketing territory zone – Eastern Uttar Pradesh, Bihar, Jharkhand and West Bengal. Indo-Gulf has expanded its product portfolio to cover the full range of N, P, K fertilisers by offering 'Birla Shaktiman DAP, NPK and SSP'. These products were well received by the farmers and the channel partners.

Outlook

The recent government policies intend to encourage indigenous production and reduce subsidy burden by decreasing imports. This is a welcome move. However, better clarity on the pricing and availability of the natural gas is awaited.

Indo-Gulf is working towards de-bottlenecking and revamping of its existing plant for reducing the energy consumption and enhancing the productivity. Indo-Gulf has received clearance from the Ministry of Environment and Forests for the brownfield expansion and it now awaits

policy clarity on the allocation and pricing of the natural gas. It is also evaluating setting up of a customised fertilisers plant. It also remains focused on scaling the agri-inputs trading segment. Being located in the agriculture heartland of the country and having brand leadership, Indo-Gulf is well positioned to capture future growth in this sector.

Carbon Black (Hi-Tech Carbon)

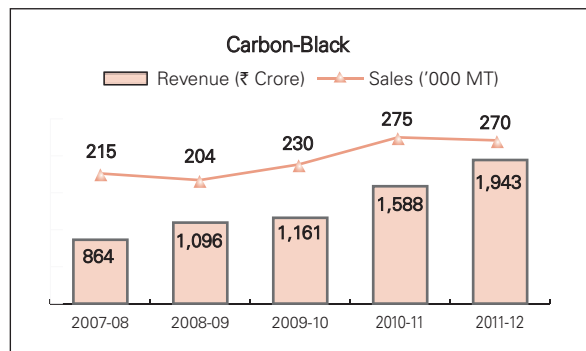
Industry Overview

Carbon Black is used in the tyre industry as well as in the non-tyre sector as reinforcing filler in rubber products and in the printing inks and paints industry. Carbon Black constitutes ~28% of tyre by weight. Tyre production in India grew year on year by 5% during 2011-12. Carbon Black imports increased by more than 50% during the year; affecting the off-take and capacity utilisation of the domestic carbon black manufacturers. Domestic players have approached the Government of India for the levy of appropriate duties on cheaper imports from China. Hi-Tech Carbon, the carbon black business of ABNL and Phillips Carbon Black Ltd. are the leading carbon black manufacturers in India accounting for 39% and 46% of domestic production during 2011-12.

Performance Review

Domestic sales volume of Hi-Tech Carbon dropped by 3%, mainly due to dumping from China. Exports volume grew by 4%. Share of exports in total sales volume increased to 20%.

Revenue increased by 22% to ₹ 1,943 Crore on account of higher realisation. Carbon Black realisation increased by 25% to ₹ 68,276 per ton to partly pass on rise in raw material (CBFS) costs which tend to move in line with crude oil prices. Energy sales grew from ₹ 80 Crore to ₹ 94 Crore with the commencement of power sales from two plants.



(₹ Crore)

Carbon Black	2011-12	2010-11
Capacity (MTPA)	314,000	314,000
Production (MT)	270,953	275,560
Sales Volumes (MT)	270,111	274,920
Realisation (₹/MT)	68,276	54,616
Revenue	1,943	1,588
EBITDA	205	257
Segment EBIT	165	220
Capital Employed	1,365	1,235
ROACE (%)	13%	20%

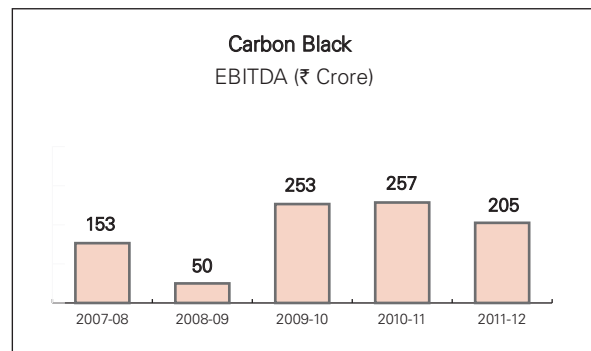
EBITDA de-grew from ₹ 257 Crore to ₹ 205 Crore. Higher CBFS prices and lower capacity utilisation due to drop in sales volumes strained profitability.

Capital employed increased primarily on account of higher CBFS prices which inflated the inventories and receivables. Capital Employed is also higher to the extent of mark-to-market provision of ₹ 88 Crore w.r.t. fully hedged foreign currency working capital borrowings. Due to lower profitability and higher capital employed, ROACE de-grew to 13%.

Outlook

The capacity utilisation and profitability of the domestic manufacturers may improve, provided appropriate duty is levied and the level playing field is restored. Long term growth outlook remains positive. The domestic tyre production is expected to get a boost from the OEM and replacement demand coupled with increase in exports. Tyre exports from India grew by 24% during 2011-12. This will be a prime growth driver for the Indian carbon black industry.

Being a leading and cost effective player, Hi-Tech carbon will be a key driver for as well as beneficiary of the sector growth prospects.



Textiles (Jaya Shree Textiles)

Industry Overview

The business environment in the domestic textiles industry was buoyant during the first half of the financial year but slowing economic growth across the globe and weak consumer sentiments impacted demand in the second half. Rise in coal prices ignited by its shortage and depreciation of Indian rupee inflated costs of production. Prices of Flax Fibre remained on upward trajectory although prices of other competing fibres like Cotton tapered off. Wool prices remained volatile.

Performance Review

Jaya Shree Textiles ("JST") is the largest manufacturer of linen yarn and linen fabric in India with spinning and weaving capacities at 15,640 spindles and 106 looms respectively. It is a leading manufacturer of wool tops and worsted yarn in India with a capacity of 7 carding machines and 25,984 spindles respectively.

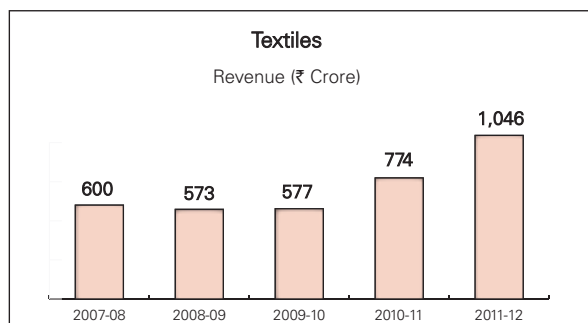
JST has led the successful journey of linen from a commodity product to a lifestyle symbol. JST retails linen fabric under the well-known brand "Linen Club Fabrics".

JST achieved its highest ever earnings, driven by improved realisation across the segments and volume growth in the linen segment.

Realisation increased across the segments mainly to pass on rise in input costs. Linen yarn and Linen fabric segments registered 14% and 7% growth in sales volume, respectively. Wool segment witnessed lower exports volume.

Its revenue at ₹ 1,046 Crore posted 35% growth, year on year. EBITDA soared by 42% from ₹ 99 Crore to ₹ 141 Crore.

ROACE enlarged to 82% driven by improved earnings and efficient working capital



(₹ Crore)

Textiles	2011-12	2010-11
Revenue	1,046	774
Linen Segment	415	301
Wool Segment	631	473
EBITDA	141	99
Segment EBIT	117	76
Capital Employed	88	198
ROACE (%)	82%	32%

management. In fact, JST has doubled its earnings in past two years while managing capital employed at one-third level.

Its efforts for increasing awareness for linen in the domestic market and creating a wide distribution channel of whole-sellers, multi brand outlets and EBOs are yielding results.

With a continued focus on high margin Linen Fabric OTC segment, JST added 17 more EBOs during the year taking the total count to 57. Share of this segment in total linen fabric sales volume grew year on year from 41% to 51%.

Outlook

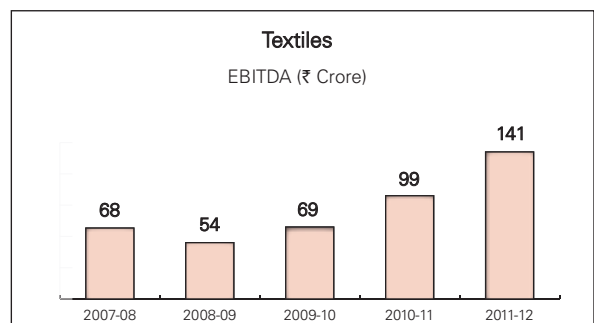
Rising per capita income levels and gaining popularity of linen as a style and comfort fabric, paints a bright long term outlook for the linen segment.

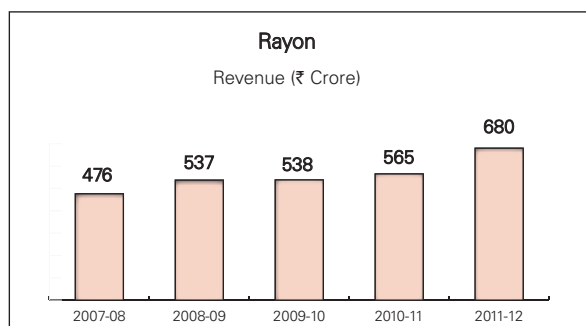
JST is evaluating capacity expansion in the linen yarn and fabric segments to capitalise on the rising demand. It will also continue to focus on high margin linen fabric OTC segment.

Rayon (Indian Rayon)

Industry Overview

Indian Rayon manufactures and sells viscose filament yarn ("VFY"), caustic soda and allied chemicals. Domestic consumption of VFY grew





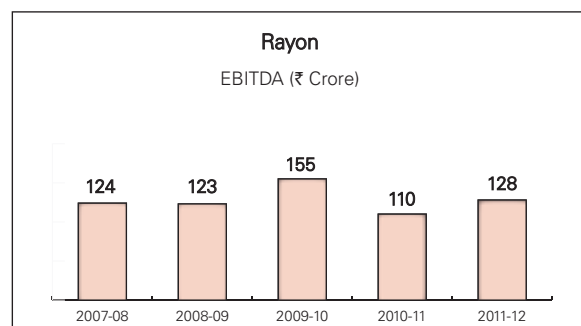
by 1% to 56,727 MT in 2011-12. Domestic VFY production increased by 4% to 42,356 MT while imports increased by 10% to 22,403 MT. VFY exports grew by 12% to 6,118 MT. Century Textiles & Industries Limited and Indian Rayon are leading domestic VFY manufacturers having production share of 44% and 39% respectively (Source: Association of Man-made fibre industry of India).

Caustic Soda is a versatile alkali. It is mainly used in the manufacturing process of pulp and paper, alumina, textiles, soaps and detergents, petroleum products, chemicals etc. Caustic soda prices increased during the year led by demand supply mismatch.

Performance Review

During 2011-12, wood pulp prices came down from the peak level of USD 3000 per ton to (₹ Crore)

Rayon	2011-12	2010-11
VFY		
VFY Capacity (MTPA)	17,520	17,520
VFY Production (MT)	16,399	15,389
VFY Sales (MT)	16,183	15,592
VFY Realisation (₹/Kg.)	288	246
VFY Revenue	467	384
Chemicals		
Caustic Soda Capacity (MTPA)	91,250	91,250
Caustic Soda Production (MT)	82,287	87,932
Caustic Soda Sales (MT)	82,289	88,246
ECU Realisation (₹/MT)	23,700	19,145
Chemicals Revenue	213	181
Total Revenue	680	565
EBITDA	128	110
Segment EBIT	92	75
Capital Employed	515	440
ROACE (%)	19%	17%



USD 1200 per ton. Led by drop in raw material costs, cheaper imports from China increased. This has affected sales volume of the domestic players. Through a notification issued in May 2012, anti dumping duty on Chinese imports has been extended by the Government.

Indian Rayon registered growth in VFY sales volume and maintained inventories at optimum level driven by higher exports, strategic marketing and better product mix. Indian Rayon became the largest Indian exporter of VFY for seventh year in a row - contributing to more than 50% of VFY exports from India.

Revenue of Indian Rayon from the VFY segment grew by 21% to ₹ 467 Crore. VFY realisation increased by 17% while VFY sales volumes grew by 4%. VFY prices were increased during the first half of the calendar year 2011 to pass on higher wood pulp prices. Improved product mix also contributed. Revenue from the Chemicals segment grew by 18% to ₹ 213 Crore. Caustic soda sales volumes de-grew by 7% while ECU realisation grew by 24%. Total revenue of Indian Rayon grew by 20% to ₹ 680 Crore.

EBITDA grew by 16% from ₹ 110 Crore to ₹ 128 Crore. Higher realisation in both the VFY and Chemicals segments coupled with growth in VFY sales volume contributed. Indian Rayon is operating at an ROACE of 19%.

Indian Rayon has commenced expansion of its VFY capacity using Spool Technology from ENKA, Germany. Out of total planned capex of ₹ 270 Crore, a sum of ₹ 76 Crore has been spent till March 2012. It is targeted to complete by the end of fiscal year 2012-13. The new technology will help Indian Rayon to cater to high margin premium segment.

Indian Rayon is also expanding its caustic soda capacity by 45,625 MTPA at a capex of ₹ 155 Crore. It is expected to complete in 2013-14, taking the total capacity to 136,875 MTPA.

Outlook

The rising labour and power costs in China, strong Yuan and extension of anti-dumping duty will lead to rise in landed costs of Chinese imports, which will be favourable for the domestic VFY manufacturers. Caustic soda demand is expected to improve going forward with the expansion plans of customers.

With the planned VFY and caustic soda capacity expansions, Indian Rayon is well positioned to tap the growth opportunity in these sectors and augment its earnings.

Insulators (Aditya Birla Insulators)

Industry Overview

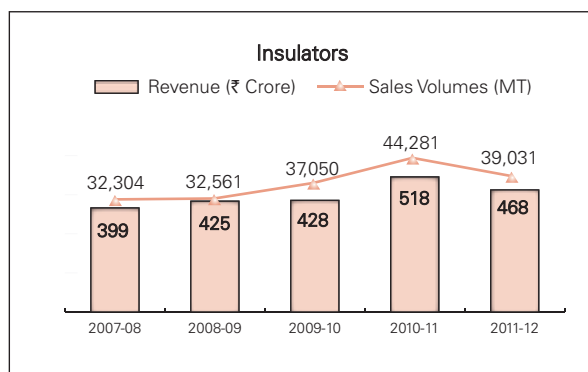
Growth in the power sector is the key driver for the insulators industry. Investments in the power sector have slowed down in India due to liquidity crunch, coal linkage etc., impacting the Indian insulators industry.

Apart from this, dumping from China has also affected the domestic manufacturers by shrinking their market and putting pressure on price levels. Exports markets have also witnessed sluggish demand.

Domestic sales volume of the Indian insulators industry have de-grown year on year by 19% during April 2011- February 2012 (Source : IEEMA). Domestic manufacturers have approached the Government of India for the levy of safeguard / antidumping duty on cheaper imports from China.

Performance Review

Aditya Birla Insulators, the India's largest and world's fourth largest manufacturer of insulators, contained de-growth in its sales volume to 12% and maintained its domestic market leadership. It has increased its geographical reach by



(₹ Crore)

Insulators	2011-12	2010-11
Capacity (MTPA)	45,260	45,260
Production (MT)	40,270	43,498
Sales Volumes (MT)	39,031	44,281
Revenue	468	518
EBITDA	67	134
Segment EBIT	46	113
Capital Employed	375	362
ROACE (%)	12%	34%

identifying new set of customers in the exports market.

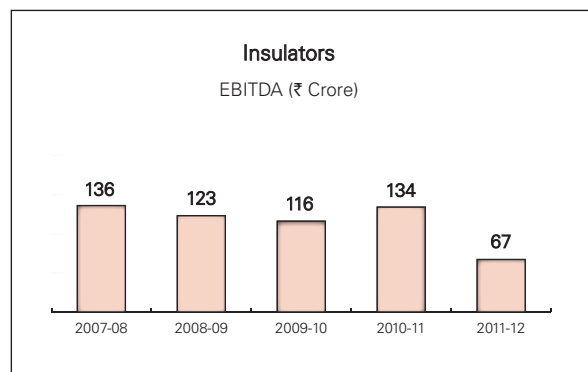
Its revenue is lower year on year by 10% at ₹ 468 Crore. Sales volume and realisation remained under pressure due to deferment of deliveries by customers and increase in cheaper imports from China.

EBITDA de-grew from ₹ 134 Crore to ₹ 67 Crore. Lower capacity utilisation coupled with rise in the production costs strained profitability. ROACE dropped to 12% owing to decline in earnings.

Outlook

In the near future, investments in the power sector are likely to remain affected owing to liquidity crunch and coal shortages. However, the capacity utilisation and the profitability of domestic manufacturers may improve to certain extent, provided the duty is levied on cheaper imports.

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



Financial Review and Analysis - Standalone Financials

(₹ Crore)

Standalone Profit and Loss account	2011-12	2010-11
Revenue	8,433	6,447
EBITDA	1,051	960
Less : Finance Costs	313	271
Earnings before Depreciation and Tax	737	689
Less : Depreciation and Amortisation	203	194
Earnings before Tax and Exceptional Items	534	495
Add : Exceptional Gain / (Loss) ¹	(104)	-
Less : Tax Expenses	85	115
Net Profit	345	380

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

The Standalone revenue rose by 31% to ₹ 8,433 Crore fuelled by the robust sales growth in the Fashion & Lifestyle business, commencement of trading of imported fertilisers and improved realisation in the Agri, Carbon Black, Rayon and Textiles businesses.

The Standalone EBITDA, which grew by 9% from ₹ 960 Crore to ₹ 1,051 Crore, is the highest ever. This growth is despite an adverse impact on profitability in the Carbon Black and the Insulators businesses due to dumping from China. The Fashion & Lifestyle and the Textiles businesses were the largest contributors to the earnings growth. Trading of imported fertilisers in the agri-business (including pricing gain on favourable forex movement) and increase in VFY and ECU realisation in the Rayon business also contributed. ABNL has also received dividend of ₹ 73 Crore from its subsidiary, Birla Sun Life Insurance.

Finance cost rose by 16% to ₹ 313 Crore mainly due to rise in working capital requirements. Depreciation grew largely in the Carbon Black and Fashion & Lifestyle businesses.

Earnings before tax and exceptional Items grew by 8% to ₹ 534 Crore. However, provision for entry tax liability, which is largely related to earlier years, has affected the net profit growth.

The Board of Directors of the Company has recommended a final dividend of 60% for 2011-12 entailing a total outgo of ₹ 68 Crore.

Net debt increased from ₹ 3,142 Crore to ₹ 3,750 Crore mainly due to increase in working capital requirements. As a result, leveraging ratios showed upward movement.

With the equity infusion by promoters, balance sheet will get strengthened.

(₹ Crore)

Standalone Balance Sheet	March 2012	March 2011
Net Worth	5,679	5,401
Total Debt ²	4,457	3,287
Deferred Tax Liabilities (Net)	158	174
Capital Employed	10,294	8,862
Net Fixed Assets (Including Capital Advances)	1,976	1,858
Net Working Capital ²	2,012	1,434
Long Term Investments	5,598	5,424
Cash Surplus and Current Investments ³	707	146
Book Value per Equity Share (₹)	500	476
Net Debt ⁴ / EBITDA (x)	3.6	3.3
Net Debt ⁴ / Equity (x)	0.66	0.58

Note²: Total Debt and Net Working Capital as on 31st March 2012 are net of MTM provision of ₹ 104 Crore w.r.t. fully hedged foreign currency working capital borrowings

Note³: Include cash, cheques in hand, remittances in transit, balances with banks, fertilisers bonds and current investments

Note⁴: Total Debt less Cash Surplus and Current Investments

(₹ Crore)

Standalone Cash Flow	2011-12
Cash Flow from Operations (Net of Tax)	846
(Increase)/Decrease in Net Working Capital	(455)
Net Cash from Operating Activities	391
Capital Expenditure (Net)	(314)
Investments in Subsidiaries / Joint Ventures / Associates (Net)	(174)
(Increase)/Decrease in Inter-Corporate Deposits to Subsidiaries (Net)	(190)
Interest Received	41
Dividends / Profit on Sale of Current Investments	11
Net Cash from/(used in) Investing Activities	(626)
Proceeds from / (Repayment of) Borrowings (Net)	1,177
Proceeds from Issue of Equity Shares to Promoters	0.4
Dividend Paid	(73)
Interest Paid	(309)
Net Cash from / (used in) Financing Activities	796
Increase / (Decrease) in Cash Surplus and Current Investments¹	561

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

Net Cash from Operating Activities

Cash Flow from Operations

Net cash flow from operations stood at ₹ 846 Crore. The Fashion & Lifestyle business was the largest contributor to the year on year growth in profitability followed by the Textiles, Agri and Rayon businesses.

Working Capital

Net working capital stands increased by ₹ 455 Crore. Debtors and other trade receivables increased by ₹ 583 Crore mainly due to slower recovery of outstanding subsidies in the Agri business coupled with rise in raw material (CBFS) prices in the Carbon Black business which inflated its inventories as well as receivables. Debtors and other trade receivables increased in the Fashion & Lifestyle business too in line with its sales growth. Inventory increased by ₹ 117 Crore primarily in the Carbon Black business due to rise in CBFS prices. Trade Payables increased by ₹ 282 Crore largely in the Carbon Black business owing to rise in CBFS prices and in the Textiles business on account of better credit terms.

Net Cash from/(used in) Investing Activities

Capital Expenditure

A sum of ₹ 76 Crore was spent during the year towards expansion of VFY capacity using spool

technology from ENKA, Germany. The Fashion & Lifestyle business invested a sum of ₹ 75 Crore for expansion of retail channel through opening up of exclusive brand outlets and for renovation. The balance capital expenditure was incurred on debottlenecking, upgradation, modernisation and maintenance of plants across the manufacturing businesses.

Investments

ABNL invested a sum of ₹ 56.50 Crore in its wholly owned subsidiary Aditya Birla Financial Services Private Ltd. ("ABFSPL") including towards funding of sponsor commitment in Aditya Birla Private Equity funds. ABNL acquired 11.72% stake in the ITeS subsidiary, Aditya Birla Minacs, for ₹ 116 Crore.

Net Cash from/(used in) Financing Activities

Proceeds from / Repayment of borrowings

ABNL raised term loans aggregating to ₹ 485 Crore by way of foreign currency borrowings towards capital expenditure commitments. ABNL also issued commercial papers worth ₹ 350 Crore. Working capital borrowings aggregating to ₹ 1,116 Crore (net) were also raised during the year.

Term Loans aggregating to ₹ 389 Crore and Non Convertible Debentures of ₹ 390 Crore were repaid during the year.

Risk Management

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

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

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

The risk management approach comprises three key components:

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

discussed at the meetings of the Board of Directors from time to time.

Business Risks

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

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

Foreign exchange risk

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

Interest rate risk

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

Commodity price risk

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

Environment, Health and Safety ("EHS")

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

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

Internal Control System

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

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

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

quarterly basis to the Board of Directors. An effective budgetary control on all capital expenditure ensures that actual spending is in line with the capital budget.

Human Resource Management

The Company had more than 19,750 employees on its rolls as on 31st March, 2012. Including its subsidiaries and joint ventures, the manpower strength is about 65,000 employees. This intellectual resource is integral to the Company's ongoing operations and enables it to deliver superior performance year after year. Human Resource processes of the Company have been covered in depth in the Director's Report.

To sum up

Aditya Birla Nuvo has delivered strong earnings amidst testing business environment. This is a reflection of the strength of its conglomerate model which allows it to diversify sector specific risks. ABNL, as a premium conglomerate, remains focused to tap opportunities across its businesses, to achieve the next level of growth. A strong balance sheet, an experienced management team, salient brand equity, leadership positions across businesses and a talented human asset are the key drivers which will support future growth of ABNL and create value for all the stakeholders.

Disclaimer

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

Dear Shareholder,

We are pleased to present the 55th Annual Report together with the audited accounts of your Company for the financial year ended 31st March, 2012.

MACRO ECONOMIC SCENARIO

Financial year 2011-12 was a challenging year for the economy with GDP growth further slowing down to 6.1%, in the third quarter. Rupee weakened against US dollar to historically low level of 54. High inflation and resultant monetary measures continued to constrain growth. However, with the much anticipated easing of inflation and interest rates, domestic demand growth is expected to improve going forward.

Amidst this testing macro-economic scenario, your Company posted strong earnings.

CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated revenue crossed ₹ 21,000 Crore mark. It grew year on year by 20%. While revenue growth of the Financial Services business moderated, the Telecom business posted 26% growth in revenue driven by MoU growth. The Fashion & Lifestyle and IT-ITeS businesses registered 24% and 23% revenue growth respectively. Manufacturing businesses garnered 33% rise in revenue largely driven by the commencement of trading in imported fertilisers. Increase in the realisation in Agri, Carbon Black, Rayon and Textiles businesses, to partly pass on the rise in production costs, also contributed.

Consolidated EBITDA rose by 21% to ₹ 3,259 Crore – led by the Life Insurance, Telecom and Fashion & Lifestyle businesses. With the strong emergence of profit, Birla Sun Life Insurance Company Limited has declared 5% maiden dividend. Strong growth in the minutes of usage ("MoU") in the Telecom business and sales growth in the Fashion & Lifestyle business contributed to the profitable growth.

Net profit grew by 8% to ₹ 890 Crore. Rise in depreciation and interest costs primarily relating to 3G investments in the Telecom business contained net profit growth.

STANDALONE FINANCIAL PERFORMANCE

Standalone revenue at ₹ 8,433 Crore registered 31% growth. Agri business touched ₹ 2,100 Crore

revenue mark supported by commencement of trading in imported fertilisers. Textiles business crossed ₹ 1,000 Crore revenue mark.

EBITDA rose by 9% to ₹ 1,051 Crore – largely driven by the Fashion & Lifestyle, Agri and Textiles businesses. Higher trading of imported fertilisers in the Agri-business has augmented profitability, including pricing gain due to favourable forex movement. Improved realisation in the Rayon and the Textiles businesses also contributed. However, dumping from China and rise in production costs strained profitability in the Carbon Black and Insulators businesses.

Earnings before Tax and Exceptional Items grew by 8%. A provision of ₹ 104 Crore has been made towards entry tax liability, largely related to the earlier years; the matter is sub-judice.

As a result, net profit de-grew by 9% to ₹ 345 Crore.

NEW INITIATIVES /MAJOR ACTIVITIES❖ Brown Field Expansion

Indian Rayon is planning to expand its presence in fine and superfine VFY segment using Spool Technology from ENKA, Germany at a capex of about ₹ 270 Crore. The new technology will help Indian Rayon to manufacture premium segment quality yarn and cater to high margin premium segment. A sum of ₹ 76 Crore has already been spent.

❖ Restructuring of IT-ITeS Business

As a part of restructuring of IT-ITeS business, your Company has, during the year under review, purchased 19,27,334 Equity Shares and 8,25,999 Equity Shares of Aditya Birla Minacs Worldwide Limited (ABMWL) from RHCP TXW Investments Inc. and RHCP Fund Holdings (Cyprus) Ltd. respectively. Further, as part of the above restructuring, Aditya Birla Minacs IT Services Limited and Aditya Birla Minacs Technologies Limited, subsidiaries of your Company, have been merged with ABMWL through a scheme of amalgamation sanctioned by the Karnataka High Court on 5th September, 2011. Consequently the shareholding of your Company and its

subsidiary in ABMWL has increased to 99.85% as on 31st March, 2012.

❖ Preferential Allotment

With a view to strengthen the balance sheet of your Company, your Directors had been considering various proposals including capital infusion. Accordingly, in their meeting held on 26th March, 2012, the Board of Directors have decided to issue 1,65,00,000 warrants to the Promoters/ Promoter group in accordance with relevant SEBI guidelines for an aggregate sum of ₹ 1,500 Crore. This was approved by the shareholders in their meeting held on 25th April, 2012. Accordingly, 25% of the above issue i.e., ₹ 325 Crore has been received by the Company on 10th May, 2012 in terms of the relevant SEBI guidelines.

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

❖ Acquisition of Future Group's Pantaloon Retail Format Business

To meet your Company's strategic intent to be on the top of the league and to be the largest integrated branded fashion player in the country through an extension into the value segment, your Directors have decided, in principle, on 30th April, 2012 to acquire, directly or through its subsidiaries, a controlling stake in Pantaloon Format business, a division of Pantaloon Retail (India) Limited by making an investment of about ₹ 800 Crore by way of optionally fully convertible debentures, subject to necessary approvals.

This acquisition will catapult your Company to the pole position in the branded fashion space in all the segments with a pan India presence.

The business-wise performance review, outlook and strategy have been spelt out in depth in the Management Discussion and Analysis section, which forms part of the Annual Report.

FINANCIAL PERFORMANCE

(₹ Crore)

	Consolidated		Standalone	
	2011-12	2010-11	2011-12	2010-11
Profit before Depreciation / Amortisation, Interest and Tax	3,259.10	2,685.41	1,050.50	959.94
Depreciation and Amortisation Expenses	1,092.33	940.90	203.06	194.05
Finance cost	836.73	549.62	313.26	270.81
Profit before Exceptional Items and Tax	1,330.04	1,194.89	534.18	495.08
Exceptional (Gain)/Loss	103.88	103.84	103.88	-
Profit before Tax	1,226.16	1,091.05	430.30	495.08
Tax Expenses	216.01	183.08	84.91	115.39
Net Profit before Minority Interest	1,010.15	907.97	345.39	379.69
Share of Profit/(loss) of Associates	-	(0.01)		
Minority Interest	120.02	85.86		
Profit for the year	890.13	822.10	345.39	379.69
Opening balance as per last audited financial statement	(839.33)	(1,284.96)	28.19	17.18
Amount transferred on Stake Change/ Amalgamation of Subsidiaries/ Joint venture	(2.70)	(0.09)		
Profit available for Appropriation	48.10	(462.95)	373.58	396.87

(₹ Crore)

	Consolidated		Standalone	
	2011-12	2010-11	2011-12	2010-11
Appropriations :				
Debenture redemption reserve	54.13	46.11	54.13	46.11
General Reserve	200.70	250.00	200.00	250.00
Special Reserve	11.63	7.70		
Capital Fund	0.01	-		
Proposed Dividend on Preference Share	0.01	0.01	0.01	0.01
Proposed Dividend on Equity Share	68.11	62.43	68.11	62.43
Corporate Tax on Dividend	12.20	10.13		10.13
Closing Balance of Surplus / (Deficit) in the Statement of Profit & Loss	(298.69)	(839.33)	51.33	28.19

DIVIDEND

For the financial year ended on 31st March, 2012, your Directors recommend for your consideration a dividend of :-

- i. ₹ 6/- per Equity Share of ₹ 10/- (last year ₹ 5.50 per Equity share) and
- ii. ₹ 6/- per Preference share of ₹ 100/- each (last year ₹ 6/- per Preference share)

The said dividend, if approved by the Members, would involve cash outflow of ₹ 68.12 Crore (including Corporate dividend Tax of ₹ NIL) compared to ₹ 72.57 Crore (including Corporate dividend Tax of ₹ 10.13 Crore) paid for the year 2010-11.

FINANCE

During the year 2011-12, your Company,

- Raised long-term loan, aggregating to ₹ 485 Crore by way of foreign currency borrowings.
- Repaid term loans aggregating to ₹ 389 Crore and NCDs of ₹ 390 Crore.

HUMAN RESOURCES

The human resource philosophy and strategy of your Company is structured to attract and retain the best talent that encourages innovation and creates engaging and motivating workplace environment. This strategy has, through strong alignment with your Company's vision, successfully built and sustained your Company's

standing as one of the India's most admired and valuable corporations despite unrelenting competitive pressures.

CORPORATE GOVERNANCE

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

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

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

217(2AA) STATEMENT BY DIRECTORS

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true

and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts on a 'going concern basis'.

SUBSIDIARY COMPANIES & CONSOLIDATED FINANCIAL RESULTS

During the year, following changes have taken place in subsidiary companies:

As mentioned above, Aditya Birla Minacs IT Services Ltd. and Aditya Birla Minacs Technologies Ltd., subsidiaries of the Company have merged with Aditya Birla Minacs Worldwide Limited with effect from 1st April, 2010 and have therefore ceased to be subsidiaries of the Company.

As part of exercise to rationalize the operations and the costs, Compass BPO Inc., USA and Transworks Inc., USA, both part of the IT, ITeS business were closed.

Aditya Birla Financial Services Private Limited, a subsidiary of the Company has been classified as a "Core Investment Company (CIC)" by RBI in April 2012.

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

In line with the General Exemption granted by Ministry of Corporate Affairs vide Circular 2/2011 dated 8th February, 2011 for not attaching the Balance Sheet of subsidiaries and in compliance with the conditions enlisted therein, the report and annual accounts of the subsidiary companies for the financial year ended March 31, 2012 have not been attached to the Company's Accounts.

The Annual accounts of the subsidiary companies and the related detailed information are available to Shareholders of the Holding and Subsidiary

companies. The Annual accounts of the Subsidiary companies are kept open for inspection by any shareholder(s) at the Registered Office of the Company and of the concerned Subsidiary Company. Any shareholder, who wishes to obtain a copy of the said documents of any of the subsidiary companies, may send a request in writing to the Company Secretary at the Registered Office of the Company so that the needful can be done.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

During the year, under ESOS – 2006, ESOS Compensation Committee granted 3370 stock options under the Fifth Tranche to eligible employees of the Company.

Details of the stock options issued under ESOS – 2006 upto March 31, 2012, as also the disclosures in compliance with Clause 12 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999 are set out in the *Annexure B* to this report.

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

FIXED DEPOSITS

Your Company was accepting fixed deposits from the employees. Acceptance of such fixed deposits has been discontinued from January, 2009 onwards. As on 31st March, 2012, there are no outstanding deposits.

The erstwhile Birla Global Finance Limited (since amalgamated with the Company) had accepted deposits from the public till May, 2005. Of the total matured fixed deposits, as on 31st March, 2012, there was an unclaimed fixed deposit of ₹ 15,000. This unclaimed deposit is kept in a separate earmarked bank account.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

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

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

DIRECTORS

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

- Mr. Tapasendra Chattopadhyay has been nominated by Life Insurance Corporation of India (LIC) as their nominee/representative in place of Mr. S.C Bhargava with effect from 30th May, 2011.
- Mr. S. C. Bhargava, who was earlier nominee/representative of LIC has been appointed as an Independent Director of the Company.
- Mr. Sushil Agarwal, Chief Financial Officer of the Company has been appointed as Whole Time Director of the Company w.e.f. 1st June, 2011.
- Mr. Pranab Barua has resigned as Whole Time Director of the Company on 7th May, 2012, which was accepted by the Board of Directors of the Company in its meeting held on 15th May, 2012.

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

- Mr. B. R. Gupta,
- Mr. B. L. Shah
- Ms. Tarjani Vakil

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

AWARDS AND RECOGNITION

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

- **INDIAN RAYON DIVISION**
 - Environment Excellence Award - 2011 in Chemical Sector, Awarded by Green Tech Foundation, New Delhi
- **INDO GULF FERTILISERS DIVISION**
 - Certification for ISO / IEC 27001:2005 Awarded by Bureau Veritas Certification.
- **JAYA SHREE TEXTILE DIVISION**
 - Second position under 'Sustained' category in CII Eastern Region Productivity Awards 2011-12.
- **CARBON BLACK DIVISION, PATALGANGA**
 - 12th Annual Greentech Environment Silver Award 2011 in Chemical Sector by Greentech Foundation, New Delhi.
- **MADURA FASHION AND LIFESTYLE**
 - Peter England Fashion And Retail Limited was awarded Brand Equity Award in The Economics Times.
 - Van Heusen won A Power Band Award 2011 in Planman Marcom.
 - Peter England Fashion And Retail Limited was awarded Bronze Award in the Best Website in Retail category at BBC.com Campaign India Digital Media Awards.
 - Van Heusen won "Most Popular Western Wear Brand Award - Female" at Images Fashion Awards 2011.
 - Allen Solly received Best website/microsite – Product for spring/summer 2010 collection in Indian Digital Media Awards (IDMA) 2011.
 - 3rd Global Youth Marketing Awards to Allen Solly, Van Heusen Woman and Louis Philippe.
- **ADITYA BIRLA INSULATORS- RISHRA DIVISION**
 - IMC RAMKRISHNA BAJAJ NATIONAL QUALITY AWARD - Performance Excellence Trophy 2011 in Manufacturing Category.
- **ADITYA BIRLA INSULATORS- HALOL DIVISION**
 - CAPEXIL Special Award - Export Achievement in Porcelain Insulators.

AUDITORS

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

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

APPRECIATION

Your Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation extended by the shareholders, customers, suppliers, bankers and other business associates. Your Directors gratefully acknowledge the ongoing co-operation and support provided

by Central and State Governments and all Regulatory bodies.

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

For and on behalf of the Board



Kumar Mangalam Birla
Chairman

Mumbai

15th May, 2012

Auditor's Certificate on Corporate Governance

To

The Members of Aditya Birla Nuvo Limited

1. We have examined the compliance of conditions of Corporate Governance by Aditya Birla Nuvo Limited ('the Company') for the year ended March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

Khimji Kunverji & Co.

Firm Registration Number: 105146W

Chartered Accountants

Per Shivji K. Vikamsey

Partner

Membership No. 2242

Mumbai

15th May, 2012

For and on behalf of

S. R. Batliboi & Co.

Firm Registration Number: 301003E

Chartered Accountants

Per Vijay Maniar

Partner

Membership No. 36738

Mumbai

15th May, 2012

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

DIRECTORS' REPORT

Particulars	Details of Employee Stock Options as on March 31, 2012				
	Tranche 1 (23 rd August, 2007)	Tranche 2 (25 th January, 2008)	Tranche 3 (20 th August, 2010)	Tranche 4 (8 th September, 2010)	Tranche 5 (7 th June, 2011)
a) Number of Stock Options Granted	1,63,280	1,66,093	17,174	11,952	3,370
b) The Pricing Formula	The exercise price was determined by averaging the daily closing price of the Company's equity shares, during 7 days immediately preceding the date of grant and discounting it by 10%.	The exercise price was the closing market price prior to the date of grant	The exercise price was determined by averaging closing price of Company's equity shares, for the immediately preceding 7 days from the date of issue, and discounting it by 15%.	The exercise price was determined by averaging closing price of Company's equity shares, for the immediately preceding 7 days from the date of issue and discounting it by 15%.	The exercise price was determined by averaging closing price of Company's equity shares, for the immediately preceding 7 days from the date of issue and discounting it by 15%.
c) Options Vested	1,20,111	54,355	4,293	2,987	NIL
d) Options Exercised	3,100	NIL	1,011	NIL	NIL
e) The total number of shares arising as a result of exercise of options	3,100	NIL	1,011	NIL	NIL
f) Options Forfeited/Cancelled/Lapsed	53,012	1,11,738	3,033	NIL	NIL
g) Variation in terms of options	NIL	NIL	NIL	NIL	NIL
h) Money realised by exercise of options	₹ 21,29,700	NIL	₹ 6,94,557	NIL	NIL
i) Total number of options in force	1,07,168	54,355	13,130	11,952	3,370
j) Employee-wise details of options granted					
i) Senior Managerial Personnel	Mr. K.K. Maheshwari*: 20,200 Dr. Bharat K. Singh*: 20,200 Mr. Adesh Gupta*: 8,420 Mr. Vikram Rao*: 20,200 Dr. Rakesh Jain: 13,470 Mr. Sushil Agarwal: 4,040	Mr. Vikram Rao*: 43,400 Mr. K.K. Maheshwari*: 43,400	NIL	Dr. Rakesh Jain: 6,730 Mr. Sushil Agarwal: 5,222	NIL
ii) Any other employee who received a grant in any one year of option amounting to 5% or more of options granted during that year.	NIL	Mr. Ashish Dikshit: 23,861 Mr. Vishak Kumar*: 17,354 Mr. Satyajit R.: 17,354 Mr. Shital Mehta: 17,354	Mr. Rahul Mohnot: 4,044 Mr. J. C. Laddha: 5,050 Mr. S. Visvanathan: 4,040 Mr. Surendra Goyal: 4,040	NIL	Dr. Bir Kapoor: 3,370
iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NIL	NIL	NIL	NIL	NIL

Particulars	Details of Employee Stock Options as on March 31, 2012														
	Tranche 1 (23 rd August, 2007)	Tranche 2 (25 th January, 2008)	Tranche 3 (20 th August, 2010)	Tranche 4 (8 th September, 2010)	Tranche 5 (7 th June, 2011)										
k) Diluted earnings per share			₹ 30.41												
l) Difference between the employee compensation cost, computed using the intrinsic value of the stock options and the employee compensation cost that shall have been recognised if the fair value of the options was used.			₹ 1.33 Crore												
The impact of this difference on profits and on EPS of the Company.	The effect of adopting the fair value on the net income and earnings per share for 2011-12 is as presented below:														
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>₹ in Crore</th> </tr> </thead> <tbody> <tr> <td>Net Profit after Tax but before exceptional items</td> <td>345.40</td> </tr> <tr> <td>Add: Intrinsic Value Compensation Cost</td> <td>0.18</td> </tr> <tr> <td>Less: Fair Value Compensation Cost</td> <td>1.51</td> </tr> <tr> <td>Adjusted Net Income</td> <td>344.07</td> </tr> </tbody> </table>				Particulars	₹ in Crore	Net Profit after Tax but before exceptional items	345.40	Add: Intrinsic Value Compensation Cost	0.18	Less: Fair Value Compensation Cost	1.51	Adjusted Net Income	344.07	
Particulars	₹ in Crore														
Net Profit after Tax but before exceptional items	345.40														
Add: Intrinsic Value Compensation Cost	0.18														
Less: Fair Value Compensation Cost	1.51														
Adjusted Net Income	344.07														
	<table border="1"> <thead> <tr> <th>Earnings per Share (₹)</th> <th>BASIC</th> <th>DILUTED</th> </tr> </thead> <tbody> <tr> <td>As reported</td> <td>30.43</td> <td>30.41</td> </tr> <tr> <td>As adjusted</td> <td>30.31</td> <td>30.29</td> </tr> </tbody> </table>				Earnings per Share (₹)	BASIC	DILUTED	As reported	30.43	30.41	As adjusted	30.31	30.29		
Earnings per Share (₹)	BASIC	DILUTED													
As reported	30.43	30.41													
As adjusted	30.31	30.29													
m) (i) Weighted-average exercise prices and weighted-average fair values of options whose exercise price equals the market price of the stock.	NA														
(ii) Weighted-average exercise prices and weighted-average fair values of options whose exercise price is less than the market price of the stock.	Weighted-average exercise price: ₹ 687	Weighted-average exercise price: ₹ 687	Weighted-average exercise price: ₹ 687	Weighted-average exercise price: ₹ 697	Weighted-average exercise price: ₹ 748										
(iii) Weighted-average exercise prices and weighted-average fair values of options whose exercise exceeds the market price of the stock.	Weighted-average fair value of options: ₹ 355.12	Weighted-average fair value of options: ₹ 366.54	Weighted-average fair value of options: ₹ 471.44	Weighted-average fair value of options: ₹ 486.82	Weighted-average fair value of options: ₹ 443.49										
n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	NA														
On the Date of Grant	Black-Scholes Merton Formula														
(i) Risk-Free Interest Rate (%)	7.78	8.09	8.09	8.09	8.09										
(ii) Expected Life (No. of Years)	5	5	5	5	5										
(iii) Expected Volatility (%)	38	38	54.04	53.88	34.05										
(iv) Dividend Yield (%)	0.52	0.52	0.86	0.86	0.57										
(v) The Price of the underlying share in market at the time of grant of option	₹ 1,283	₹ 1,948.7	₹ 816.85	₹ 839.8	₹ 905.10										
On the Date of Re-pricing															
(i) Risk-Free Interest Rate (%)	8.09	8.09	8.09	8.09	8.09										
(ii) Expected Life (No. of Years)	2	3	3	3	3										
(iii) Expected Volatility (%)	54.04	54.04	54.04	54.04	54.04										
(iv) Dividend Yield (%)	0.36	0.50	0.50	0.50	0.50										
(v) The Price of the underlying share in market at the time of option Re-pricing	₹ 816.85	₹ 816.85	₹ 816.85	₹ 816.85	₹ 816.85										

* Ceased to be in employment of the Company.

Information under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2012.

A. CONSERVATION OF ENERGY

a) Energy Conservation Measures Taken:

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

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

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

i) **Rayon Division**

- Use of LP Steam in CSY Air-Washer instead of 3.2 kg/cm² steam (Steam Saving).
- Replaced Diaphragm Valve by R-55 Butterfly Valve (Steam Saving).
- Replaced Karbate Tube Heater by Graphite Tube Heater (Steam Saving).
- Installed Mother Liquor heating through Condensate (Steam Saving).

ii) **Carbon Black Division, Patalganga**

- Auto On/Off of Lighting Circuit in plant area through Timer.
- Switching off Packing Blower during lunch, changeover and dinner time.
- Stoppage of light, fan, air-conditioner when not in office.
- Reduction of lighting voltage by installation of dedicated Lighting Transformer, under progress.
- Replacement of 500-Watt Halozen with 70-Watt MHD Lamps.
- Switching off cooling tower fan in Night and off-peak load.

- Stoppage of DM water pump and service water pump by provision of tapping from existing another line.

iii) **Carbon Black Division, Gummidipoondi**

- Installation of VFD in Bolier-1 Feed Water Pump-A.
- Installation of VFD in Bolier-2 Feed Water Pump-C.
- Installation of VFD in Turbine-4 Condensate Extraction Pump-A.

iv) **Textiles Division**

- 10 MVA 132/33 KV Transformer replaced to minimise losses.
- 800 TR AC Plant with R11 Refrigerant replaced as lkw/TR was high.
- Pressure Reducing Valve installed for optimisation in Wool Combing Plant.
- 35 nos. of Wind Ventilator with transparent sheet fitted in Wool Combing Plant.
- High efficiency Air-Compressor having a capacity of 400 CFM replaced.

v) **Fertilisers Division**

- The Company has installed Advance Process Control System in Ammonia Plant in March 2011 resulting in reduction of energy consumption by 0.02 MKcal/MT Urea.
- Company has also installed and commissioned Advance Process Control System in Urea Plant during the year 2011-12. This project resulted in reduction of energy consumption by 0.005 MKcal/MT Urea, and consequently reduction in CO₂ gas emissions, a green house gas, thus abating global warming.

vi) Insulators Division**a) Rishra:**

- Installation of 30 nos. VFD in various motors of the plant.
- Installation of Energy Saving Unit for lighting.
- Installation of 65 nos. 24-Watt LED street lights and flood lights to replace 70-W metal Halide flood lights and installed 16 nos. 18W LED tube-lights to replace 400-W HPMV lamps for passage lighting.
- Kiln speed increase to reduce specific fuel consumption.
- Kiln insulation improvement to reduce specific fuel consumption.

b) Halol:

- Energy saving in Blower Fan Motor operation of Dryers.
- Energy saving in humidifier by close loop operation through VFD.
- Conversion of Kiln Car from high-density material to low-density material in Kiln-2, Kiln-3, and Kiln-4.
- Conversion of Brick Pillars of Kiln-4 to Silicon Carbide Pillars

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

- Replaced Light Emitting Diode (LED)-based light fittings in place of tube-lights for reduction in power consumption.
- Installed solar-based street light fittings (power saving).

ii) Carbon Black Division, Patalganga

- CAPEX approved for VFD in following drives for the year 2012-13

- Process Air-blower A and B
- Cooling Tower-fan A and B
- FD Fan A and B
- Air-Compressor – D
- Boiler Feed Water Pump A and B

iii) Carbon Black Division, Gummidipoondi

- Proposed to install Energy Management System-1 No. in the FY 2012-13, which result in saving of payment of electricity tax.

iv) Textile Division

- Replacement of Boiler to reduce the steam cost/kg.
- Installation of 2500 KVA Transformer to optimise the load for better efficiency.
- Replacement of 130 TR AC Plant as lkw/TR is high.
- Heat recovery from the discharge of effluent from Dye House and Bleaching Plant.

v) Fertilisers Division

- Replacement of Package AC units in Administrative Building with energy efficient star-rated AC units.
- Provision of Turbine Condensate of Ammonia, Urea and PPU directly to DM water tank before going to DM plant.
- Replacement of Urea Process Condensate Pump P-950 A/B (2 nos.) in DM Plant. Replacement of existing high head pumps with 35 m head pump having same capacity.
- Replacement of old window AC with energy efficient star-rated window AC in phase manner (24 nos.).
- Replacement of existing de-gassed water pump P-915 A (350 m³/hr capacity) in PPU Plant with 70 m³/hr capacity pump.

- Replacement of 30 nos. 80-Watt HPMV lamps in Plant areas with 20-Watt flame proof CFL.
- Installation of new capacitor banks with detunes filters to reduce the power losses in distribution system.
- To provide 150 nos. modified reflector in control room tube-light.

vi) Insulators Division

a. Rishra:

- Installed 84 nos. 18-W LED tube-lights to replace 40 W tube lights in the plant.
- To replace 70 nos. 70-W MH lamps by 24-Watt LED Flood Lights.
- Installation of 7% detuned Harmonic filters directly with LT feeders of high harmonic distortion and low power factor and reduction of line loss in harmonic-rich environment.
- Installation of PD Blower (with 18.5 KW motor) in Kiln-3 to eliminate Compressed air in Kiln burners (1 compressor of 75 KW motor will stop), which reduces power consumption.
- Low-density refractory "Ultra-light" for Tunnel Kiln cars.
- Reduction in cycle time of Shuttle Kilns by 2 hours.
- Replacement of Tunnel Kiln recuperater for getting excess hot air from Kiln-3 to Shuttle Kiln reduces fuel consumption.

b. Halol:

- Conversion of Brick lining to Fibre lining in Shuttle Kiln-5.
- Conversion of Brick pillars of Kiln-4 cars to Sic pillars.

- Better Kiln atmosphere control by CO analyser.

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

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

The energy conservation measures taken in **Carbon Black Division, Patalganga**, have resulted in energy saving of 7104 Mwh per year.

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

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

As per annexure attached.

B. **TECHNOLOGY ABSORPTION**

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

Form – B

1.) **RESEARCH AND DEVELOPMENT**

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

i) **Rayon Division**

- Developed Super fine denier yarns both in PSY as well as in CSY.
- Developed coarser denier yarns with more number of filaments in PSY as well as in CSY.
- Initiated the process of identifying the key technical parameters of different segments and joint projects with

customers to improve upon the intrinsic quality of the yarn.

- Enhanced intrinsic properties of the yarn on pilot machine by optimising the spinning machine configuration.
- Benchmarking process for better understanding of yarn properties of our competitors yarn.

ii) Fertilisers Division

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

iii) Insulators Division

a. Rishra:

- Development of alternate body for 765 KV transmission line.
- Development of HVDC insulator.

b. Halol:

- Product development for Transmission line: High Voltage DC insulators (HVDC).
- 1200 KV Insulators for Substation Insulators: India's First-ever 1200 KV line Substation is made with ABI insulators.

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

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

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

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

- Production of 4.07 Lac MT of value added product Neem-coated Urea for the farmers under the brand name "KRISHIDEV".
- In a very short time, the Company established a leadership in the field of Neem-coated Urea.

The research and development activities carried out in **Insulator Division, Halol**, have resulted in

- HVDC insulators are export substitute. All testings are in completion phase.
- 1200 KV Substation insulators: A new range of Product and with Future prospect.

Future Plan of action:

i) Rayon Division

- Introducing our yarn in new segments.
- Development of specialty yarn.
- Enhance colour yarn quality.
- Improvement in intrinsic quality of yarn.
- Efforts towards reduction of energy consumption

ii) Fertilisers Division

- Test Marketing of Customised Fertilisers done in December 2011 and 540 trials were monitored in 9 districts for wheat crop.
- Planning to put a 480 TPD customised fertilisers' plant at Jagdishpur to meet the markets needs of Eastern Uttar Pradesh.
- Evaluation of smaller customised fertiliser plants in Bengal and Bihar.

d) Expenditure on R&D:

		(₹ in Lac)
i. Capital Expenditure	-	735.95
ii. Recurring Expenditure	-	1,129.86
iii. Total	-	1,865.81
iv. Total R&D Expenditure as a percentage of total turnover	-	0.20%

2.) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

i) Rayon Division

- Activities carried out for optimisation of spinning process to improve the physical properties of the yarn through learning from other Spinners.
- Developed new dye recipes to improve the coloured yarn quality with the help of Dye Suppliers.
- Experiments related to various recipes of Viscose on the Pilot Viscose Plant and Spinning Machines.
- Implemented various configurations on spinning machines to improve the intrinsic properties.
- Experiments carried out at customer premises for introducing our yarn in various new segments.

ii) Fertilisers Division

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

iii) Insulator Division

a. Rishra

- Lot of innovation was generated through in-house team effort in the forms of Kaizen, Quality circle activity, cross-functional task force activity, etc.

b) Benefits derived as a result of the above efforts:

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

c) Information regarding Technology imported during the last years

- Technology imported during the last five years:

Insulator Division Rishra:

- 105m long tunnel kiln with atmosphere control has been commissioned in the year 2009 from German technology.
- State-of-the-art 500mm diameter Pug mills were imported from Germany for extrusion purpose.
- State-of-the-art flood glazing machine based on Germany technology has been indigenised locally.
- Has Technology been fully absorbed:

All the above mentioned equipment are operational.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Form-A

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

(A) Power and Fuel Consumption:-

	Units	Current Year	Previous Year
1 Electricity			
(A) Purchased - Units	KWH in Lac	1358.28	1200.14
Total Amount	₹ in Lac	7581.40	6103.80
Rate per Unit	₹	5.58	5.09
(B) Own Generation			
(i) Through Diesel Generator - Units	KWH in Lac	109.07	244.34
Unit per Ltr. of Diesel Oil	Units/Ltr.	3.72	1.92
Cost per Unit	₹	12.12	9.18
(ii) Through Steam Turbine/Generator - Units	KWH in Lac	6712.02	5710.15
Units per Ton of Steam Coal	Units/Tonne	0.63	0.43
Cost per Unit	₹	1.90	1.99
(iii) Through Gas Turbine	MWH	174797.98	172189.30
Natural Gas + Naphta	KWH/MCAL	552.03	552.05
Cost per Unit	₹/KWH	6.65	3.86
2 Coal (Grade B, C and D) (used in Boilers)			
Quantity	'000 Tonnes	332.11	314.67
Total Cost	₹ in Lac	12686.32	11369.58
Average Rate	₹ per Tonne	3819.87	3613.15
3 Furnace Oil			
Quantity	K.Ltrs.	3809.82	7302.76
Total Amount	₹ in Lac	1413.29	1928.49
Average Rate	₹ per K.Ltr	37095.99	26407.72
4 SKO/CP/PX Slop			
Quantity	K.Ltrs.	5223.95	6582.52
Total Amount	₹ in Lac	2054.02	2101.11
Average Rate	₹ per K.Ltr	39319.29	31919.55
5 Natural Gas			
Quantity	000 Sm ³	174957.22	147427.89
Total Amount	₹ in Lac	48143.55	24635.42
Average Rate	₹/1000 Sm ³	27517.33	16710.15
6 Naptha-Urea			
Quantity	MT	0.00	7345.26
Total Amount	₹ in Lac	0.00	2716.17
Average Rate	₹/MT	0.00	36978.55
7 LPG			
Quantity	MT	2291.00	2195.90
Total Amount	₹ in Lac	1199.94	958.06
Average Rate	₹/MT	52376.25	43629.30

(B) Consumption per unit of production:

	Units	Current Year	Previous Year
1. Electricity (KWH)			
Viscose Filament Rayon Yarn	MT	4647.00	4782.92
Other Yarns	MT	6828.00	6965.10
Caustic Soda	MT	2326.00	2328.00
Fabrics	000 Mtr	1462.20	1630.70
Carbon Black	MT	465.16	408.70
Urea	MT	154.34	159.11
Insulators	MT	845.17	761.31
2 Coal (Grade B, C and D)			
Viscose Filament Rayon Yarn	MT	4.67	3.57
Other Yarns (Kg)	KG	1.00	0.90
3 Furnace Oil (Kilo Ltr.)			
Viscose Filament Rayon Yarn	MT	0.16	0.37
Other Yarns	MT	27.50	31.90
4 SKO/C9/PX Slop (Kilo Ltr.)			
Insulators	MT	0.13	0.16
5 Natural Gas (Sm³)			
Insulators	MT	727.00	697.00
Urea	MT	141.61	125.84
6 Naptha (Kg)			
Urea	MT	0.00	6.67
7 LPG (MT)			
Insulator	MT	0.09	0.07

Governance Philosophy

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

In line with this philosophy, Aditya Birla Nuvo Limited, one of the flagship Companies of the Aditya Birla Group, is striving for excellence

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

Compliance with Corporate Governance Guidelines

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

I. BOARD OF DIRECTORS

(A) Composition of the Board:

The Company has a balanced Board, comprising of Executive and Non-Executive Directors, which includes Independent professionals. Your Company's Board comprises of 6 Independent Directors, 3 Non-Executive Directors and 2 Executive Directors. Mr. Pranab Barua, Whole-Time Director of the Company has resigned from the Board on 7th May, 2012 which was accepted by the Board in its meeting held on 15th May, 2012.

None of the Directors is a director in more than 15 Companies and member of more than 10 Committees or act as Chairman of more than 5 Committees across all Companies in which they are Directors. The Non-Executive Directors are appointed or re-appointed with the approval of shareholders. All the Directors are liable to retire by rotation except the Whole-time Directors and Managing Director, whose terms have been determined pursuant to the terms and conditions of their appointment, duly approved by the Shareholders. The Non-Executive Directors including Independent Directors on the Board are experienced, competent and highly renowned persons from their respective fields.

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

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

Serial No.	Name of Director	Executive/ Non-Executive/ Independent	No. of Directorship(s) in other Public Companies	Outside Committee Positions Held ¹		No. of Board Meetings		Attended Last AGM
				Member	Chairman/ Chairperson	Held	Attended	
7.	Mr. S.C. Bhargava*	Independent	10	4	NIL	5	5	No
8.	Mr. G.P. Gupta	Independent	10	3	5	5	5	No
9.	Dr. Rakesh Jain	Managing	5	NIL	NIL	5	5	Yes
10.	Mr. Pranab Barua \$	Whole-time	4	1	NIL	5	4	No
11.	Mr. Sushil Agarwal#	Whole-time	9	2	NIL	5	5	Yes
12.	Mr. T. Chattopadhyay@	Independent	NIL	1	NIL	4	4	NA

* Re-appointed as an Independent Director w.e.f. 30th May, 2011, consequent to change in nominee director of LIC.

Appointed a Whole-time Director of the Company w.e.f. 1st June, 2011

@ Appointed an Additional and Independent Director as a representative of LIC w.e.f. 30th May, 2011.

\$ Resigned as a Whole-time Director of the Company w.e.f. 15th May, 2012.

Notes:

1. Excluding Directorships held in private companies, foreign companies and companies under Section 25 of the Companies Act, 1956.
2. Only two Committees, viz., Audit Committee and Shareholder's/Investor's Grievance Committee are considered.

Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla are related as Son and Mother, respectively. No other Director is related to any other Director on the Board.

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

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

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

(C) Board's Functioning and Procedure:

The Company's Board of Directors play primary role in ensuring good governance and functioning of the Company. The Board's roles, functions, responsibilities and accountabilities are well defined. All relevant information as required under the Listing Agreement with the Stock Exchanges is regularly placed before the Board. The Board reviews compliance reports of all laws as applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. The Members of the Board have complete freedom to express their opinion; and decisions are taken after detailed discussions. The details of Board Meetings held during FY 2011-12 are as outlined below:

Date of Board Meeting	City	No. of Directors Present
30 th May, 2011	Mumbai	8 out of 11
13 th August, 2011	Mumbai	12 out of 12
1 st November, 2011	Mumbai	10 out of 12
11 th February, 2012	Mumbai	11 out of 12
26 th March, 2012	Mumbai	10 out of 12

(D) Code of Conduct:

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

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

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

The Committee acts as a link between the management, the statutory and internal auditors and the Board of

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

(B) Meetings of Audit Committee:

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

During the FY 2011-12, the Audit Committee met 7 times to deliberate on various matters and details of the attendance of the Committee members are as follows:

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

The scope of functioning of the Audit Committee is to review, from time to time, the internal control procedures, the accounting policies of the Company, oversee Company's financial reporting process to ensure that the financial statements are correct, sufficient and credible, and also such other functions as are recommended, from time to time, by SEBI, Stock Exchanges and/or under

the Companies Act, 1956, which inter-alia include the following:-

- 1) Management Discussion and Analysis of financial condition and results of operations;
- 2) Statement of significant Related party transactions submitted by the management;

- 3) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- 4) Internal audit reports relating to internal control weaknesses and the appointment, removal and terms of remuneration of the Chief internal auditor; and
- 5) Risk Framework.

Other Committees:-

Names of the other Committee(s), brief terms of reference and number of meetings held during the FY 2010-11 are as under:-

Name of the Committee	Members	Terms of Reference	Meetings Held in FY 2011-12
Risk Management Committee.	Ms. Tarjani Vakil Mr. G.P. Gupta Dr. Rakesh Jain Mr. Ajay Srinivasan Dr. Santrupt Misra Mr. Pranab Barua Mr. Lalit Naik Mr. Sushil Agarwal* Mr. S.C. Bhargava**	To review and reassess the risks of the businesses on an annual basis and to develop an effective risk mitigation plan.	Held on - 27 th July, 2011 - 15 th September, 2011 - 14 th March, 2012
ESOP Compensation Committee	Mr. Kumar Mangalam Birla Mr. B. R. Gupta Mr. G. P. Gupta	Formulating ESOS Scheme, its implementation, administration and supervision, and formulating detailed terms and conditions in accordance with the relevant SEBI Guidelines.	No Meeting held.

* Co-opted on 27th July, 2011.

** Co-opted on 1st November, 2011.

III **SUBSIDIARY COMPANIES**

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

V **DISCLOSURES**

(A) **Basis of Related Party Transactions:**

All the related party transactions are strictly done on arm's-length basis. The Company places all the relevant details relating to related party transactions before the Audit Committee from time to time. Particulars of related party transactions are listed out in Schedule (*) of the Balance Sheet forming part of the Annual Report.

(B) **Disclosure of Accounting Treatment:**

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

(C) **Risk Management:**

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

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

The Committee reviews the risk management process and implementation of risk mitigation plans. This process is improved year after year.

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

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

(E) Remuneration of Directors:

The Company has a system where all the directors and senior management personnel of the Company are required to disclose all pecuniary relationship(s) or transaction(s) with the Company. No significant material transactions have been made with the non-executive directors vis-à-vis the Company.

Besides sitting fees @ of ₹ 20,000/- per meeting of the Board or Committee thereof, the Company also pays commission to the non-executive directors.

For FY 2011-12, considering the financial performance of the Company the Board has decided to pay commission of ₹ 2 Crore (Previous Year: ₹ 2 Crore) to the non-executive directors of the Company which is not exceeding 1% of the net profits of the Company, and pursuant to the authority given by the Shareholders at the Annual General Meeting of the Company held on 9th July, 2008. The amount of commission payable is determined after assigning weightage to attendance, type of meeting and preparations required, time spent, etc.

The Details of remuneration paid to the Directors for/in FY 2011-12 are as follows:

Name of Director	Salary, Allowance, Perquisites and Other Benefits (₹)	Performance-linked Income/Bonus Paid/ Commission Payable (₹)	Sitting Fees Paid
Whole-time Directors:			
Dr. Rakesh Jain	4,90,41,648	1,20,00,000	-
Mr. Sushil Agarwal #	1,27,83,052	42,26,311	-
Mr. Pranab Barua	3,23,34,701	1,10,00,000	-
Non-Executive/ Independent Directors:			
Mr. Kumar Mangalam Birla	-	1,82,05,500	80,000
Mrs. Rajashree Birla	-	6,67,500	60,000
Mr. B.L. Shah	-	1,01,000	1,00,000
Mr. P. Murari	-	1,01,000	1,20,000
Mr. B.R. Gupta	-	1,92,000	2,20,000
Ms. Tarjani Vakil	-	2,23,000	3,00,000
Mr. S.C. Bhargava	-	1,06,000	1,20,000
Mr. G.P. Gupta	-	3,23,000	3,00,000
Mr. T. Chattopadhyay	-	81,000	80,000

Remuneration relates to the part of the year.

Notes:

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

Employee Stock Option Scheme- 2006

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

- 1,63,280 Stock Options on 23rd August, 2007, at a price of ₹ 1,180/- per share (1st Tranche)
- 1,66,093 Stock Options on 25th January, 2008, at a price of ₹ 1802/- per share (2nd Tranche)

In accordance with the approval of the Board of Directors and Shareholders of the Company the ESOS Compensation Committee had repriced the Stock Option under Tranche 1 & 2 from ₹ 1,180 & ₹ 1,802 to ₹ 687 per option on 20th August, 2010.

- 17174 Stock Options on 20th August, 2010, at a price of ₹ 687 (3rd Tranche)
- 11952 Stock Options on 8th September, 2010, at a price of ₹ 697 (4th Tranche) to the eligible employees including Whole-time Directors.

During the year, ESOS Compensation Committee of the Board of Directors of the Company granted 3370 Stock options on 7th June, 2011 at a price of ₹ 748 (5th Tranche) to the eligible employees. Each option is convertible into one equity share of the Company upon vesting/exercise. The exercise price of the option has been determined in accordance with relevant SEBI Guidelines. (Refer Annexure 'A' to the Director's Report).

Details of Stock Options granted to the Directors are as under:

Name of the Director	1 st Tranche			4 th Tranche		
	No. of Options Granted	Vesting Date/%	Exercise Period (within)	No. of Options Granted	Vesting Date/%	Exercise Period (within)
Dr. Rakesh Jain	13,470	23.08.08 (25%)	22.08.13	6,730	08.09.11 (25%)	07.09.16
		23.08.09 (25%)	22.08.14		08.09.12 (25%)	
		23.08.10 (25%)	22.08.15			
		23.08.11 (25%)	22.08.16			
Mr. Sushil Agarwal**	4,040	23.08.08 (25%)	22.08.13	5,222	08.09.11 (25%)	07.09.16
		23.08.09 (25%)	22.08.14		08.09.12 (25%)	
		23.08.10 (25%)	22.08.15			
		23.08.11 (25%)	22.08.16			

* Appointed as Whole-time Director w.e.f. 1st June, 2011

During the year, none of the Directors has exercised their options which have been vested under the term of grant of options.

Details of shareholding of Non- Executive Directors in the Company as on 31st March, 2012, is as follows:

Director	No. of Shares held @
Mr. Kumar Mangalam Birla*	4,609
Mrs. Rajashree Birla	127,634
Ms. Tarjani Vakil	177
Mr. S.C. Bhargava	233
Mr. G.P. Gupta	339

@ Considered only shares held singly or as first shareholder.

* Excluding 150 shares held as Karta of Hindu Undivided Family.

(F) Management:

The Management Discussion and Analysis Report, is prepared in accordance with the requirements laid out in Clause 49 of the Listing Agreement and forms part of this Annual Report.

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

(G) Shareholders:

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

Quarterly Presentations on the Company results are available on the website of the Company (www.adityabirlanuvo.com) and the Aditya Birla Group website (www.adityabirla.com). The Company sent quarterly results and press-release by e-mail (wherever available) to shareholders on the same day of announcement of results. The hard and soft copies are also sent to concerned stock exchanges simultaneously so as to enable them to display them on their notice board/ website.

Shareholder's Grievances Committee:

Your Company has an "Investor Relations and Finance Committee comprising of Mr. P. Murari, Mr. B.L. Shah, Dr. Rakesh Jain as the members. Mr. P. Murari is the Chairman of the Committee. The Committee looks into various issues relating to shareholders including transfer and transmission of shares as well as non - receipt of dividend, Annual Report, and delays in transfer of

shares etc. In addition, the Committee also looks into other issues including status of dematerialisation/re-materialisation of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

During the year under review, the Committee did not meet but has attended the requisite matters through passing of Circular Resolutions.

The Company Secretary acts as Secretary to the Committee. He is the compliance officer of the Company and also responsible for redressal of investor complaints.

The Company's shares are compulsorily traded and delivered in the dematerialised form in all Stock Exchanges. To expedite the transfer in the physical segment, necessary authority has been delegated to officers, to transfer upto 5000 shares under one transfer deed. Details of share transfers/transmission approved by the officers are placed before the Committee from time to time.

Details of complaints received, number of shares transferred during the year, time taken for effecting these transfers and the number of share transfers are given in the Shareholder Information section of this Annual Report.

V. CEO/CFO Certification:

The CEO and CFO certification of the financial statements and the cash flow statement for the year is enclosed separately at the end of this report.

VI. Report on Corporate Governance:

This Corporate Governance Report forms part of the Annual Report. Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock exchanges in India also forms part of this Annual Report.

VII. General Body Meetings:

Details of General Meetings:

Location and time, where Annual General Meetings (AGMs) and Extra Ordinary General Meeting (EOGMs) in the last 3 financial years were held:

Financial Year	AGM/EOGM	Location	Date	Time
2011-12	EOGM	Regd. Office, Veraval, Gujarat	25 th April, 2012	11:30 A.M
2010-11	AGM	Regd. Office, Veraval, Gujarat	28 th September, 2011	11:00 A.M
2009-10	AGM	Regd. Office, Veraval, Gujarat	6 th August, 2010	11:00 A.M.
2008-09	AGM	Regd. Office, Veraval, Gujarat	10 th July, 2009	11:00 A.M.
2008-09	EOGM	Regd. Office, Veraval, Gujarat	17 th June, 2009	11:00 A.M.

All the following special resolutions set out in the respective Notices for AGMs & EOGMs held in the last three years and were passed by the Shareholders:

Date of AGM/EOGM	Section(s)	Particulars of Special Resolution
17 th June, 2009	81(1A)	Approving the issue and allotment of 1,85,00,000 Warrants to Promoter and/or Promoter Group of the Company on a preferential basis.
10 th July, 2009	198,269,309,314	Approving the appointment of Mr. Pranab Barua as the Whole-Time Director of the Company for a period of five years w.e.f. 1 st May, 2009.
10 th July, 2009	198,269 and 309	Approving the appointment of Dr. Rakesh Jain as the Managing Director of the Company for a period of five years w.e.f. 1 st July, 2009.
6 th August, 2010	-	Seeking consent of the Company for sale and transfer of shares held by the Company in the Equity capital of Birla Sun Life Insurance Company Limited to Aditya Birla Financial Services Pvt. Ltd.
6 th August, 2010	-	Re-pricing the stock options granted by ESOS Compensation Committee on 23 rd August, 2007 and 25 th January, 2008.
28 th September, 2011	198, 269, 309 and 310 read with Sch. XIII	Approving revision in limits of remuneration of Dr. Rakesh Jain, Managing Director.
28 th September, 2011	198, 269, 309 and 310 read with Sch. XIII	Approving revision in limits of remuneration of Dr. Pranab Barua, Whole-time Director.
28 th September, 2011	198, 269, 309 and 314 read with Sch. XIII	Appointment of Mr. Sushil Agarwal as Whole-time Director of the Company.
25 th April, 2012	81 (1A)	Approving the issue and allotment of 1,65,00,000 Warrants to Promoter and/or Promoter Group of the Company on a preferential basis.

Postal Ballot

During the year, no resolution has been passed through postal ballot by the shareholders.

Any resolution which is required to be conducted through postal ballot will be conducted as per prevailing law.

VIII. MEANS OF COMMUNICATION**Quarterly Results:****Newspaper in which normally financial results are published: ----**

Newspaper	Cities of Publication
Business Standard	All Editions
Economic Times,	English (Ahmedabad)
Economic Times	Gujarati (Ahmedabad + Mumbai)

Financial results are also sent through e-mail, wherever e-mail IDs of shareholders is available with the Company.

Websites, where the information is displayed	:	www.adityabirlanuvo.com www.adityabirla.com
Whether it also displays official news releases	:	Yes
Presentations made to investors/analysts	:	Yes
General Shareholder Information	:	There is a separate section for this information and the same forms part of the Annual Report.

Status of Compliance of Non-Mandatory Requirements

- 1) The Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance are made available to enable him to discharge his responsibilities effectively.
- 2) The Company does not have a Remuneration Committee except for ESOP. The remuneration of the Managing/Whole-time Directors is fixed by the Board of Directors and the Shareholders.
- 3) Performance update consisting of financial and operational performance for the first six months of financial year is sent to the shareholders.
- 4) The Company continues to adopt best practices to ensure unqualified financial statements.
- 5) The Company has established a policy for employees to report to the management concerns about unethical behaviours, actual or suspected fraud or violation of the Company's Code of Conduct or ethics.

Voluntary Guidelines - 2009:

The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on 'Corporate Governance' and 'Corporate Social Responsibility' in December 2009. These guidelines are expected to serve as a benchmark for the Corporate Sector and also help them in achieving the highest standard of corporate governance.

Some of the provisions of these guidelines are already in place as reported elsewhere in this Report. The other provisions of these guidelines are being evaluated and your Company will endeavour to adopt the same in a phased manner.

CEO/CFO CERTIFICATION

To the Board of Directors
Aditya Birla Nuvo Ltd.

1. We have reviewed the financial results of Aditya Birla Nuvo Limited for the year ended 31st March, 2012, and 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 statement that might be misleading.
 - II. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2012, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify the deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - I. Significant changes in the Company's internal control over financial reporting during the year;
 - II. Significant changes in accounting policies during the year; and
 - III. Instances of significant fraud of which we have become aware and involvement therein if any of the management or other employees having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date: 15th May, 2012

Sushil Agarwal
(Chief Financial Officer)

Dr. Rakesh Jain
(Managing Director)

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange(s), I hereby declare that all the Board of Directors and Senior Management personnel of the Company have affirmed the Compliance with the Code of Conduct for the year ended 31st March, 2012.

Place: Mumbai
Date: 15th May, 2012

Dr. Rakesh Jain
Managing Director

1. Annual General Meeting

Date and Time	: 9 th August, 2012 at 11.30 a.m.
Venue	: Registered Office Indian Rayon Compound Veraval - 362 266 Gujarat, India

2. Financial Calendar

Financial reporting for the quarter ending June 30, 2012	: July/August 2012
Financial reporting for the half year ending September 30, 2012	: October/November 2012
Financial reporting for the quarter ending December 31, 2012	: January/February 2013
Financial reporting for the year ending March 31, 2013	: April/May 2013
Annual General Meeting for the year ended March 31, 2013	: July/August 2013

3. Dates of Book Closure

: 4th August, 2012 to
9th August, 2012
(both days inclusive)

4. Dividend Payment Date

: After its approval in AGM

5(a) Registered office & Investor Service Centre

: Indian Rayon Compound,
Veraval - 362 266
Gujarat, India.
Phone: (02876) 245711/248401
Fax: (02876) 243220
E-mail: abnlsecretarial@adityabirla.com

5(b) Website

: <http://www.adityabirlanuvo.com>
<http://www.adityabirla.com>

6(a) Listing on Stock Exchanges at

Equity Shares	Global Depository Receipts (GDRs)
a) BSE Limited Phiroze Jeejeebhoy Tower Dalal Street, Mumbai - 400 001	Luxembourg Stock Exchange Societe de la Bourse de Luxembourg Societe Anonyme R.C.B 6222, B.P 165 L - 2011, Luxembourg
b) National Stock Exchange of India Ltd Exchange Plaza, Plot No. C/1, G- Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	

Note: Listing Fee for the year 2012-13 has been paid to BSE Ltd. and National Stock Exchange of India Ltd. Listing fee for the GDRs has been paid to Societe de la Bourse de Luxembourg for the Calendar year 2012.

6(b) Stock Code

	Stock Code	Reuters	Bloomberg
Stock Exchange, Mumbai	500303	ABRL.BO	ABNL IB
National Stock Exchange	ABIRLANUVO	ABRL.NS	ABNL IN
Global Depository Receipts (GDRs)		IRYN.LU	IRIG LX
ISIN No. of Equity Shares	INE069A01017		
ISIN No. of GDRs	US0070271137		

6(c) Overseas Depository for GDRs

Citibank N.A. Depository Receipts
388 Greenwich Street, NEW YORK, NY – 10013, USA
Phone: 001212-657-8782 Fax: 212/825-5398

6(d) Domestic Custodian of GDRs

ICICI Bank Limited
Securities Market Services
F7/E7 1st Floor, Empire Complex
414, Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013
Phone: (+91-22) 66672000
Fax: (+91-22) 66672779/40

6(e) Debt Securities

The Wholesale Debt Market (WDM) segment of BSE.

6(f) Debenture Trustees:

Axis Trustee Services Ltd. for 27th and 28th Series
of Debentures

7. Stock Price Data

Year/Month	Bombay Stock Exchange Limited				National Stock Exchange				Luxembourg Stock Exchange		
	High	Low	Close	Av. Volume	High	Low	Close	Av. Volume	High	Low	Close
	(In ₹)			(In Nos.)	(In ₹)			(In Nos.)	(In US\$)		
2011											
April	913.90	816.00	866.65	13359.67	915.00	812.40	867.30	77506.56	20.16	18.50	19.60
May	904.70	803.05	896.95	8536.23	905.40	802.50	899.99	64854.23	19.91	17.95	19.91
June	944.00	820.00	901.35	12877.82	944.00	821.35	903.15	94625.50	20.66	18.87	20.17
July	974.00	880.00	952.85	14692.71	975.00	862.50	953.15	106861.76	21.85	20.01	21.57
August	993.65	813.05	915.60	13313.67	994.00	811.00	917.20	134526.05	22.06	17.94	19.96
September	975.00	896.00	911.95	7253.91	975.00	891.00	913.25	105939.33	20.90	18.38	18.45
October	932.80	862.30	906.60	7750.00	960.00	852.25	900.25	52460.05	18.81	17.51	18.62
November	973.90	848.00	895.15	10595.25	974.95	848.20	896.95	81419.55	19.43	16.59	17.17
December	929.95	725.25	737.45	7807.95	927.25	725.00	740.15	74604.43	17.85	14.07	14.07
2012											
January	853.00	710.10	815.20	8612.18	852.90	708.00	818.30	57767.09	16.88	13.62	16.49
February	927.00	808.35	879.70	15601.70	929.20	807.05	879.95	115488.95	18.55	16.61	17.97
March	963.00	799.70	934.05	24886.77	963.95	857.70	944.60	123971.45	18.60	17.28	18.37

8. Stock Performance

Month	ABNL	NSE	BSE	ABNL	NSE	BSE
	NSE Closing Prices	S&P CNX Nifty	Sensex	Indexed	Indexed	Indexed
2011						
April	867.30	5749.50	19135.96	100.00	100.00	100.00
May	899.99	5560.15	18503.28	103.77	96.71	96.69
June	903.15	5647.40	18845.87	104.13	98.22	98.48
July	953.15	5482.00	18197.20	109.90	95.35	95.09
August	917.20	5001.00	16676.75	105.75	86.98	87.15
September	913.25	4943.25	16453.76	105.30	85.98	85.98
October	900.25	5326.60	17705.01	103.80	92.64	92.52
November	896.95	4832.05	16123.46	103.42	84.04	84.26
December	740.15	4624.30	15454.92	85.34	80.43	80.76
2012						
January	818.30	5199.25	17193.55	94.35	90.43	89.85
February	879.95	5385.20	17752.68	101.46	93.66	92.77
March	944.60	5295.55	17404.20	108.91	92.10	90.95

9. Stock Performance over the past few years :

Absolute Returns (In %)	1 Year	3 Years	5 Years
Aditya Birla Nuvo	15.99%	112.29%	-11.79%
BSE Sensex	-10.50 %	79.27%	33.14%
NSE Nifty	-9.23%%	75.29%	38.57%

Annualised Returns (In %)	1 Year	3 Years	5 Years
Aditya Birla Nuvo	15.99%	28.52%	-2.48%
BSE Sensex	-10.50%	21.48%	5.89%
NSE Nifty	-9.23%	20.57%	6.74%

10. Registrar and Transfer Agents

(For share transfers and other communication relating to share certificates, dividend and change of address)

: In-house Share Transfer
Registered with SEBI as Category II - Share Transfer Agent (Registration No. INR 000001815)

Investor Service Centre

Registered Office: Indian Rayon Compound
Veraval - 362 266, Gujarat, India
Phone: (02876) 245711 Fax: (02876) 243220
E-mail: abnlsecretarial@adityabirla.com

11. Share Transfer System

: Share transfers in physical form are registered normally within 2-3 days from the date of receipt, provided that the documents are complete in all respects.

Investor Relations & Finance Committee of the Board considers and approves transfer above 5,000 shares under one transfer deed. Further, certain officers of the Company have been authorised to approve transfers up to 5,000 shares under one transfer deed.

The total number of shares transferred in physical form during the year were 37,353 (Previous Year: 36,456). Majority of transfers were completed within 5 days from the date of receipt.

Transfer period (in days)	2011-12			
	No. of transfers	No. of shares	%	Cumulative total %
1 - 5	648	25,604	71.44	71.44
1 - 5	399	28199	68.32	68.32
6 - 10	52	2478	8.90	77.22
11 - 15	19	488	3.25	80.47
16 - 20	28	1825	4.80	85.27
21 - 30	86	4363	14.73	100.00
Total	584	37353	100	100.00

No transfer pending as on 31st March, 2012.

12. Investor Services:

- (a) The Investor Service Centre of the Company has been accredited with ISO 9001:2008 Certification for providing Investor and Secretarial Services by Intertek Systems Certifications, Ahmedabad, with effect from August 23, 2010, for a period of three years.
- (b) Complaints received during the year:

Sr. No.	Nature of complaints	2011-12	
		Received	Cleared
1)	Relating to Transfer, Transmission, Duplicate	10	10
2)	Non-receipt of Dividend	6	6
3)	Annual Report	34	34
4)	Demat-Remat	1	1
5)	Others	7	7
	Total	58	58

13. Distribution of Shareholding as on 31st March, 2012:

No. of Equity shares held	No. of shareholders	% of shareholders	No. of shares held	% shareholding
1 - 100	117080	79.65	2863603	2.53
101 - 200	14790	10.18	2103717	1.85
201 - 500	9589	6.60	2969747	2.61
501 - 1000	3000	2.06	2100937	1.87
1001 - 5000	1778	1.23	3358258	2.95
5001 - 10000	125	0.09	889476	0.78
10001 and above	274	0.19	99229504	87.41
Total	146636	100	113515242	100

14. Categories of Shareholding as on 31st March, 2012

Category of shareholders	No. of shareholders	% of shareholders	No. of shares held	% shareholding
Promoters and Promoter Group	21	0.01	57944697	51.05
UTI and other Mutual Funds	72	0.05	2188829	1.93
Banks, Financial Institutions and Insurance Companies	65	0.04	11084279	9.76
FII's	267	0.18	21942641	19.33
NRI's/OCBs	5240	3.57	1069902	0.94
GDRs*	4	0.00	3191794	2.81
Other Corporates	1720	1.17	3005773	2.65
Individuals	139247	94.96	13087327	11.53
Total	146636	100.00	113515242	100.00

* GDR includes 14,25,000 GDRs held by Promoter/Promoter group and One GDR represents one equity share in the Company.

- 15. Dematerialisation of Shares and Liquidity** : The shares of the Company are required to be compulsorily traded in the dematerialised form. The shares of the Company are admitted for trading under both the Depository Systems in India - NSDL and CDSL. A total of 110,300,089 Shares of the Company constituting 97.17% of the Issued and Subscribed Share Capital were dematerialised as on 31st March, 2012.
- The International Securities Identification Number (ISIN) allotted to the Company's Shares under the Depository System is INE069A01017.**
- 16. Details on use of public funds obtained in the last three years** : Not Applicable
- 17. Outstanding GDR/Warrants and Convertible Bonds, Conversion date and likely impact on Equity** : Outstanding GDRs as on 31st March, 2012 are 3,191,794 amounting to 2.81% of outstanding paid-up equity capital of the Company. During the year, the Board of Directors of the Company at its meeting held on 26th March, 2012, had approved the issue of 16,500,000 warrants on preferential basis to the Promoter and Promoter Group Companies. These warrants, entitled the holder thereof to apply for and obtain allotment of one equity shares of the face value of Rs. 10/- within a period of 18 months from the date of allotment. Further, Shareholders have approved the issue of warrants on preferential basis to Promoter and/or Promoter Group in the Extraordinary General Meeting of the Company held on 25th April, 2012. On receipt of the upfront payment of 25% of the issue price, Investor Relations and Finance Committee of the Board have allotted these warrants to Promoter Group Companies on 10th May, 2012.
- 18. Secretarial Audit** : As stipulated by Securities and Exchange Board of India (SEBI), a qualified Practising Company Secretary carries out the Secretarial Audit (now Reconciliation of Share Capital Audit Report) to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL and is also placed before the Board of Directors.

19. Plant Locations:**Garment Division:****Madura Fashion & Lifestyle**

Madura Fashion & Lifestyle
Plot No. 5B, Regent Gateway
Doddanakundi Village
KIADB Industrial Area, ITPL Road
Bangalore - 560 048
Phone: (080) 67271600
Fax: (080) 67272444

Carbon Black Divisions:**Hi-Tech Carbon, Renukoot**

Murdhwa Industrial Area
P.O. Renukoot - 231 217
Dist. Sonbhadra, Uttar Pradesh
Phone: (05446) 252387 to 391
Fax: (05446) 252502/252858
E-mail: hitechr@adityabirla.com
Website: www.birlacarbon.com

Hitech Carbon, Gummidipoondi

K-16, Phase II, SIPCOT Industrial Complex
P.O. Gummidipoondi - 601 201
Dist. Tiruvallur, Tamil Nadu
Phone: (044) 27989233 to 36
Fax: (044) 27989129/27989116
E-mail: htcgmpd@vsnl.com
Website: www.birlacarbon.com

Hi-Tech Carbon, Patalganga

Village: Lohop, Talavali, Patalganga
Taluka: Khalapur,
Dist. Raigad - 410 207
Maharashtra
Website: www.birlacarbon.com

Textile Division:**Jaya Shree Textiles**

P.O. Prabhas Nagar - 712 249
Dist Hooghly, West Bengal
Phone: (033) 26001200
Fax: (033) 26721683/26722626
E-mail: jayashree.abn@adityabirla.com

Rayon Division:**Indian Rayon**

Veraval - 62 266
Gujarat
Phone: (02876) 245711/248401
Fax: (02876) 243220

Fertiliser Division:**Indo Gulf Fertilisers**

P.O. Jagdishpur Industrial Area
Dist. CMS Nagar - 227 817
Uttar Pradesh, India
Phone: (05361) 270032-38
Fax: (05361) 270165 and 270595
E-mail: igfl@adityabirla.com
Website: birlashaktiman.in

Insulator Divisions:**Aditya Birla Insulators, Halol**

P.O. Meghasar Taluka, Halol
Dist. Panchmahal, Gujarat - 389330
Phone: (02676) 221002
Fax: (02676) 223375
E-mail: abi@adityabirla.com

Aditya Birla Insulators, Rishra

P.O. Prabhas Nagar
Rishra
Dist. Hooghly 712 249
West Bengal
Phone: (033) 26723535
Fax: (033) 26722705
E-mail: abi@adityabirla.com

20. Investor Correspondence:

Other than Secretarial Matters

Chief Financial Officer
Aditya Birla Nuvo Limited
Corporate Finance Division
A-4, Aditya Birla Centre, 4th Floor,
S.K. Ahire Marg, Worli
Mumbai 400 030
Phone: (022) 6652 5000/2499 5000
Fax: (022) 6652 5821/2499 5821
E-mail: nuvo.cfd@adityabirla.com
nuvo-investors@adityabirla.com

On Secretarial and Investor
Grievances Matters

Company Secretary
Aditya Birla Nuvo Limited
Registered Office:
Investor Service Centre
Indian Rayon Compound
Veraval - 362 266, Gujarat, India
E-mail: abnlsecretarial@adityabirla.com

Corporate Office:
A-4, Aditya Birla Centre
S.K. Ahire Marg, Worli, Mumbai - 400 030
Phone: (022) 6652 5585
Fax: (022) 6652 5821/2499 5821
E-mail: abnlsecretarial@adityabirla.com

21. Per Share Data:

	2011-12	2010-11	2009-10	2008-09	2007-08
Net Earnings (₹ Crore)	345.39	379.69	283.40	137.43	243.07
Cash Earnings (₹ Crore)	533.06	568.88	457.20	282.34	409.41
EPS (₹)	30.43	35.84	28.81	14.46	26.05
CEPS (₹)	46.96	53.70	46.48	29.72	43.88
Dividend Per Equity Share (₹)	6.00@	5.50	5.00	4.00	5.75
Dividend Payout (on Net Earnings) (%)	19.72	19.11	20.98	30.87	26.29
Book Value Per Equity Share (₹)	500.24	475.79	452.52	433.82	423.51
Price to Net Earnings ratio (NSE)	31.04	22.72	31.46	30.77	53.60
Price to Cash Earnings ratio (NSE)	20.11	15.17	19.50	14.97	31.82
Price to Book Value ratio (NSE)	1.89	1.71	2.00	1.03	3.30

@ Recommended by the Board for approval of the shareholders at the ensuing Annual General Meeting.

22. Investor Services:

1. Equity shares of the Company are under compulsory demat trading by all investors, with effect from 5th April, 1999. Considering the advantages of scripless trading, shareholders are requested in their own interest to consider dematerialisation of their shareholding so as to avoid inconvenience in future.
2. Non- Resident Shareholders:
Non-resident members are requested to immediately notify the following to the Company in respect of shares held in physical form and to their DPs in respect of shares held in dematerialized form:
 - Indian address for sending all communications, if not provided earlier;
 - Change in their residential status on return to India for permanent settlement;
 - Particulars of the Bank Account maintained with a bank in India, if not furnished earlier;
 - Email ID and Fax No.(s), if any.
 - RBI permission with date to facilitate prompt credit of dividend in their Bank Accounts.

23. General Information

1. Shareholders holding shares in physical form are requested to notify to the Company, change in their address/Pin Code number with proof of address and Bank Account details promptly by written request. Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, bank details, nomination, power of attorney, etc., directly to their DP.
2. 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.
3. In case of loss/misplacement of shares, investors should immediately lodge FIR/ Complaint with the Police and inform to

the Company along with original or certified copy of the FIR/Acknowledged copy of Police complaint.

4. For expeditious transfer of shares in physical form, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.
5. Shareholders are requested to keep record of their specimen signature before lodgement of shares with the Company to obviate the possibility of difference in signature at a later date.
6. Shareholders of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s) in physical form are requested to apply for consolidation of such Folio(s) and sent the relevant Share Certificates to the Company.
7. Section 109 A of the Companies Act, 1956, extends nomination facility to individuals holding shares in physical form in companies. Shareholders, in particular, those holding shares in single name, may avail the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form, which can be downloaded from the website of the Company or obtained from the Share Department of the Company by sending written request through any mode including e-mail on abnlsecretarial@adityabirla.com
8. Shareholders are requested to visit the Company's website www.adityabirlanuvo.com for
 - Information on investor services offered by the Company.
 - Downloading of various forms/formats, viz., Nomination form, ECS Mandate form, Indemnity, Affidavits, etc.
 - Registering your e-mail ID with the Company to receive Notice of General Meetings, Audited Financial Statement, Directors' Report, Auditors' Report, etc., henceforth electronically.

9. NECS Facility:

In terms of a notification issued by the Reserve Bank of India, with effect from 1st October, 2009, remittance of Dividend through ECS is replaced by National Electronic Clearing Service (NECS). Banks have been instructed to move to the NECS platform. The advantages of NECS over ECS include faster credit of remittance to the beneficiary's account, coverage of more bank branches and ease of operations. NECS essentially operates on the new and unique bank account number, allotted by bank post-implementation of Core Banking System of inward instructions and efficiency in handling bulk transactions.

To enable remittance of dividend through NECS, Members are requested to provide their new account number allotted to them by their respective banks after implementation of Core Banking Solution. The account number must be provided to the Company in respect of shares held in physical form and to the depository participants in respect of shares held in electronic form.

10. Correspondence with the Company:

Shareholders/Beneficial Owners are requested to quote their Folio No./DP and

Client ID Nos., as the case may be, in all correspondence with the Company. All correspondence regarding shares of the Company should be addressed to the Investor Service Centre of the Company at its Registered Office at Indian Rayon Compound, Veraval. Company has also designated an exclusive e-mail ID abnlsecretarial@adityabirla.com for effective investor's services where they can register their complaints/queries to facilitate speedy and prompt redressal.

11. Shareholders are requested to give their suggestions for improvement of our investor services.**12. Cost Audit Reports**

The Cost Audit Reports for the Financial Year 2010-11 were required to be filed within 180 days from the close of the Company's financial year as per Rules 4 and 5 of the Cost Audit (Report) Rules, 2001, and Section 233B(4) of the Companies Act, 1956.

Details of the Cost Audit reports filed during the year in compliance with the requirements under General Circular 15/2011, dated 1st April, 2011, of Ministry of Corporate Affairs are tabled below:

Name and Address of Auditor	Product	Date of Filing
M/s Ashwini Solanki & Associates D-104, Koyna, Shantivan, Borivali (East) Mumbai – 400 066 Regn, no M-20602	I. Yarn a) Viscose Filament Rayon Yarn II. Chemicals b) Sulphuric Acid c) Caustic Soda d) Carbon Black: 1. Renukoot Unit 2. Gummidipoondi Unit 3. Patalganga Unit	15 th September, 2011 15 th September, 2011 15 th September, 2011 17 th September, 2011 15 th September, 2011 15 th September, 2011
M/s. K.G.Goyal & Associates 8 Chtragupt Nagar, Jyoti Nagar Railway Crossing, Jaipur, 302005 Reg. No M-10884	III. Fertilisers	23 rd September, 2011
M/s R. Chakraborty & Co 18, N.S. Road, 3 rd Floor, Room No. 10, Kolkata- 700 001 Regn. No M-24403	IV. Textiles	13 th September, 2011

Life in the villages is tough. Literacy levels are far from the desired levels as are educational facilities. That by and large women are nonentities should come as no surprise. A low awareness of health and hygiene and the lack of healthcare facilities make life a difficult call for the villagers. Water is a perennial problem. Many villages are ravaged either by floods or plagued by droughts. Not all of the tens of thousands of villagers are gainfully employed. Even as the Government is seized of these issues and is endeavouring to lift the lot of the poor, it will be still a while that these issues will be resolved.

We, in tandem with the Government, work to change the face of our villages and move the villagers from their lowly conditions, according them the dignity that every human being deserves.

So under the aegis of the Aditya Birla Centre for Community Initiatives and Rural Development, spearheaded by Mrs. Rajashree Birla, we at Aditya Birla Nuvo, work in 215 villages, touching the lives of 6.60 lakh people. These 215 villages are in proximity to our Plants at Indo Gulf Fertilisers (Jagdishpur in Uttar Pradesh), Indian Rayon (Veraval in Gujarat), Jaya Shree Textiles (Rishra in Kolkata), Hi Tech Carbon (Renukoot in Uttar Pradesh, Gummidipoondi in Tamil Nadu and Patalganga in Maharashtra) and Aditya Birla Insulators (Halol, Gujarat). Of these 215 villages, we will transform 16 villages into model villages in a phased manner.

In the past, we had been working in collaboration with international agencies such as CARE International (Toronto, North America) and Sure Start - Path India (Bill & Melinda Gates Foundation), for the Reproductive and Child Healthcare Programmes in nearly 900 villages. Given that the mission of these projects has been fulfilled and the international agencies have moved to other geographies, we are exploring linking up with additional villages that have greater needs.

We believe that bringing the benefits of education, basic healthcare, sustainable livelihood, infrastructure and espousing social reform will make a difference to the lives of the poor.

IN THE HEALTHCARE DOMAIN

In the healthcare domain, we have made impressive strides. This year through our medical camps, coupled with our rural mobile medical vans services, we reached out to 1,23,900 villagers. Those diagnosed with serious ailments were taken

to our various companies' hospitals for treatment. The afflictions treated included cataract (6,321 villagers), skin ailments (6,199 patients), certifying erstwhile leprosy patients (25) as RFTs (Released from Treatment). Additionally, 6.48 lakh polio drops/vaccines were administered to over 2 lakh children and 90,000 children were immunised against TB, diphtheria, tetanus and measles. While 1.3 lakh women were given pre-natal and post-natal care along with escort services to institutional delivery. We were also able to convince 130 couples to opt for planned families and responsible parenting at Veraval, Renukoot and Patalganga.

SPARKING THE DESIRE TO LEARN

This year our focus has been on the girl child and on women empowerment. As you are aware the girl child faces a long battle in our country. Not only in the rural areas but also in cities, and small towns. The consistently declining child sex ratio, that is, the number of female children per 1,000 male children in the age group of 0-6 years is a cause for concern. The 2011 census of India data has revealed that the sex ratio in the 0-6 age group is the worst since independence. In 1981, it was 971 girls for every 1,000 boys. In 1991, it came down to 927. In 2011, it is as low as 914. This is a social distortion. It can lead to severe societal problems in the country if this trend continues. Hence, the thrust on the girl child.

In collaboration with the district rural teams, we are at the forefront of the education of the girl child. Under the Sarva Shiksha Abhiyan and the Rashtriya Madhyamik Shiksha Abhiyan - Kasturba Gandhi Balika Vidyalyayas (KGBV), we were able to enlist 930 rural girls who were school dropouts. Motivating girls, and intensive parent counselling on how education can be a leveller and give their children a future so different from their own, has indeed worked wonders. Furthermore, at the KGBVs, we conduct awareness sessions on health and hygiene, have provided merit scholarships and helped out with additional uniforms, library books and also water purifiers.

Yet another initiative that we have taken this year is that of teaming up with Indira Gandhi National Open University (IGNOU) Learning Centre for honing garments stitching skills. This learning programme aimed at rural women, is operating at our Madura Fashion & Lifestyle tailoring factory at Bangalore. We have enrolled 200 village women, whose fees for this course are paid by

us and the Training Centre is also housed in our factory.

Since the launch of the project in mid-August 2011, 3 batches comprising 52 women have been trained. Of these already 30 have joined Madura clothing factory. Over the next 18 months, the remaining 148 will be trained and receive their certificates.

It might interest you to learn that over 5,000 women work with us at Madura Fashion & Lifestyle and that 90% of them are from the villages. Our Company buses ply to and fro in the service of these women employees. A child friendly crèche at their work premises affords these women total peace of mind, besides a fun environment for the little ones.

The Government's Balwadi and Anganwadi projects at various places are running on all cylinders, in the areas in which we operate. We support 41 balwadis at Jagdishpur, Gummidipoondi, Renukoot, Veraval and Patalganga. We are also delighted to share with you that at the Aditya Birla Primary School in Renukoot 201 tribal children study and no fees are charged. Additionally, over 1,400 children in the rural areas have also been provided with uniforms, books and schoolbags.

At Gummidipoondi, Halol and Veraval 255 students were trained in Office Applications (MS Office and Tally) through the digital literacy programme. Adult education centres at Renukoot, Veraval and Jagdishpur provide informal education to 158 adult women.

SOCIAL REPORT

Glimpses of our work



SAFE DRINKING WATER AND SANITATION

To provide water to the villagers, over 455 hand pumps were installed during the year. Alongside, 887 individual household toilets were constructed in Veraval, Renukoot, Jagdishpur, Rural Bengaluru, Patalganga and Gummidipoondi.

SUSTAINABLE LIVELIHOOD

We are pleased to share our recently formed partnership with the Confederation of Indian Industry (CII), the European Union (EU), British Council and City & Guilds U.K. We have converged together for a project relating to the vocational training of 11,000 youngsters from vulnerable and marginalized groups in Sirsa (Haryana) and Sitapur (Uttar Pradesh), over a three year time-span. The training through this unique project extends to basic agriculture and allied service, auto repair and maintenance, hospitality and housekeeping and soft skills development such as training youngsters in spoken and written English. Up until now, we have successfully completed training 359 youngsters, of which 215 have been already placed in various industries.

Of the 96 students trained at the Birla Shaktiman Vocational Training Centre this year, 76 students have joined different industries, while 20 students chose to set up their own small shops.

An Integrated Livestock Development project has been initiated at Veraval, in close association with BAIF. The project objective is to produce superior cattle breed through artificial insemination in camps across villages. The project will benefit over 10,000 farmers and their 15,000 cattle. These camps also provide the cattle vaccination.

Yet another NABARD collaborative project is one through which, we are working to augment farm income with the formation of Farmers' Clubs at Veraval, Jagdishpur, Renukoot and Gummidipoondi. Each of the 192 Farmer Clubs will network, share best practices in agriculture and soil conservation and train in vermicompost. In so doing, be better positioned for success.

At Renukoot and Veraval 800 farmers have been trained in organic composting.

WOMEN EMPOWERMENT PROJECTS

We have also inked collaborative projects with Jan Shiksha Samsthan and the National Jute Board

for training a 100 rural women at Patalganga and Rishra in jute craft-cum-fabrics. Our intent is to enable them perfect the process and through marketing linkages help these SHGs members earn a decent livelihood.

An interesting project that we embarked on is called "ANYA", with NABARD. In this project, over a 150 women from 7 villages in Gummidipoondi have converged to become economically empowered. The project aims at creating income generation opportunities on a sustainable basis through training and skill development spanning tailoring, garments stitching, embroidery, floriculture, phenol and detergent making. Towards this 5 production centres are on the anvil. This project is being implemented in phases. The first phase encompassing the training aspect has been completed. Currently, we have 490 Self Help Groups with a membership of 5,289 women.

INFRASTRUCTURE DEVELOPMENT

To conserve water and foster agriculture 58 ponds, check dams and bore wells were constructed. The installation of 187 solar lamps in houses in Renukoot has been greeted enthusiastically by the tribals.

MODEL VILLAGES

Finally, a word on our model villages. Of the 215 villages, in which we work, we have earmarked 36 villages for transformation into model villages. Up until now 9 villages that is Sithauli, Dhurehari, Kathaura, Banbhariya, Utelwa and Kamrauli in Jagdishpur; Ariyawan and Gadehari in Tilo and Khanapur Chapra in Singhpur blocks have become model villages. Making of a model village entails ensuring self-reliance in all aspects viz. education, healthcare and family welfare, infrastructure, agriculture and watershed management and working towards sustainable livelihood patterns. Fundamentally, ensuring that their development reaches a stage wherein village committees take over the complete responsibility and our teams become dispensable.

IN SUM

The ethos of giving and caring, which forms the very essence of inclusive growth, is part of our Group's DNA, our Group's character.



Synergizing growth with responsibility

Social and environmental practices, far beyond compliance, have been an integral part of your Company's philosophy since its inception. These investments were undertaken with an innate sense of responsibility towards the well-being of society and the environment. In recent years, to cement these relationships, our initiatives have become more structured and have been seamlessly integrated in our business process.

Our key focus areas include – Waste Management, Energy Management, Water Conservation, Biodiversity Management, Afforestation and Reduction in Emissions.

Your Company's Rayon Plant - Indian Rayon at Veraval, Jaya Shree Textiles at Rishra, Hi Tech Carbon Black Plants at Renukoot, Gummidipoondi and Patalganga, Aditya Birla Insulators Plants at Rishra and Halol are ISO 14001 EMS certification for Environment Management, EMS, OHSAS-18001 for Safety Management Systems and SA-8000 for Social Accountability Standards.

In recognition of its outstanding performance in environment management, "The Greentech Environment Excellence Gold Award 2011" in the Chemicals sector was conferred on Indian Rayon.

The Ministry of Environment and Forest has given the necessary environmental clearance for the commissioning of the new and superior German Spool Technology for manufacturing of Viscose Filament Yarn.

In-depth audits to measure our level of commitment to environmental conservation is conducted by professional environment auditors such as Ahmedabad Textile Industries Research Associations (ATIRA), Ahmedabad and Gujarat Industrial & Technical Consultancy Organization Limited (GITCO). Marine monitoring is being done by National Institute of Oceanography Mumbai for assessment of Marine Environment. We are also carrying out bio-assay test of treated effluent through Junagadh Agriculture University. NEERI, Nagpur is the Environmental Consultant which is a Central Government body and has long experience in environment field.

The Effluent Treatment plants at your Company's various locations are continuously upgraded. Recycling the treated effluent and domestic sewage and using the treated water in process applications is an integral part of our operation. The process for sewage water treatment has been upgraded. At Veraval a sewage treatment plant with a capacity of 500 M³/day has been installed.

Indian Rayon's Caustic plant is a benchmark plant with the lowest rate of solid waste per ton of production and specific power consumption. Sodium hypochlorite is produced from waste chlorine as a by-product.

We use hydrogen gas to produce caustic flakes. It is one of the cleanest fuels for the Flakers Furnace and this results in the elimination of carbon dioxide.

The treated waste water at Indo Gulf Fertiliser, Jagdishpur meets the standards required of irrigation. So it is supplied to the irrigation network inside the factory premises. Treated water is also used in the township for horticulture. The recharge pond of a significant capacity under the rain water harvesting scheme has been developed. It will enable us to store the rain water for recharging the aquifer.

At Gummidipoondi collection of water condensate from the boiler traps has led to saving 2200 KL water annually. Replacing sea water membrane in the Effluent Treatments' – Reverse Osmosis Plant has increased the reuse of the effluent from the demineralization plant.

A 425 KW Energy Conservation Turbine has been installed to replace the operation of Medium Pressure to Low Pressure Steam letdown Pressure Reduction Dumping Station (PRDS) to effectively utilize the heat energy. This is

otherwise wasted across the PRDS control valve during the letdown process. The utilization of waste heat, leads to the generation of an additional power – 960,000 units per annum. From the plant facility this is exported to grid. The Turbine installation is unique in nature as it runs on saturated steam produced by waste heat recovery boilers installed in the downstream process of Carbon Black manufacturing Reactors.

Rainwater harvesting at Gummidipoondi through 11 Recharge wells serve as water storage sumps after diverting storm water and roof water from open areas and plant buildings and allowing the water to percolate down to substrata ground water flow lines and enriching underground water bodies.

At Veraval the fly ash generated is fully utilized in the brick plant specially commissioned. These bricks are supplied to our Group's Cement plants and other Government agencies. Dust suppression system provided in the Coal Handling plant and water sprinklers in the coal yard prevent coal dust from escaping into the environment.

Your Company's greenbelt cover in all of its plant locations exudes a leafy splendor.

Our Board, our Management and all our colleagues are committed to living in harmony with nature.

FINANCIAL STATEMENTS

**To
The Members of
Aditya Birla Nuvo Limited**

1. We have audited the attached Balance Sheet of Aditya Birla Nuvo Limited ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. The Branch Auditor's Reports have been forwarded to us and have been appropriately dealt with in this report;
 - iii. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the branches;
 - iv. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - 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 Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
KHIMJI KUNVERJI & CO.
Firm Registration No.: 105146W
Chartered Accountants

For and on behalf of
S.R. BATLIBOI & CO.
Firm Registration No.: 301003E
Chartered Accountants

Per Shivji K. Vikamsey
Partner
Membership No. 2242
Mumbai
Date: May 15, 2012

Per Vijay Maniar
Partner
Membership No. 36738
Mumbai
Date: May 15, 2012

**Annexure referred to in paragraph 3 of our report of even date
Aditya Birla Nuvo Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has phased programme for physical verification of all its fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Based on which, certain fixed assets have been verified during the year. As informed, no material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (b) to (d) of the Order are not applicable to the Company.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (f) and (g) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(v) (b) of the Order is not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Act, in respect of Company's products to which said rules are made applicable and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Natures of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. in Crore)
Central Excise Act	Excise Duty, Interest and Penalty	CESTAT	1985-86 to 2003-04, 2008-09, 2010-11 to 2011-12	2.34
		Commissioner (Appeals)	1983-84 to 2011-12	4.17
		High Court(s)	1977-78, 1996-97 to 1999-00	5.44
Central Sales Tax Act	Central Sales Tax	Assessing Authorities	1995-96 to 1997-98, 1999-00, 2003-04 to 2007-08	4.26
		Commissioner (Appeals)	2006-07, 2008-09 to 2009-10	18.26
		High Court(s)	2002-03, 2004-05	0.28
Customs Act	Tax Demand, Interest and Penalty	CESTAT	2003-04, 2004-05, 2007-08, 2009-10	0.11
		High Court(s)	1975-76, 1976-77, 1986-87, 2001-02	0.39
Finance Act, 1994 (Service Tax)	Service Tax including interest and penalty	CESTAT	2003-04, 2004-05	0.07
		Commissioner (Appeals)	2002-03 to 2005-06	0.38
		Supreme Court of India	1997-98 to 1999-00 and 2004-05 to 2006-07	0.13
Sales Tax Act	Entry Tax	Commissioner (Appeals)	2002-03 to 2004-05	0.02
		Supreme Court of India	2003-2004 to 2011-12	103.88
	Sales Tax / Purchase Tax / Turnover Tax including Interest and Penalty	Appellate Tribunal	2004-05	0.01
		Assessing Authorities	1981-82 to 1986-87, 2002-03 and 2003-04	0.98
		Commissioner (Appeals)	2001-02, 2002-03, 2007-08, 2009-10	0.93
		High Court(s)	2003-04 to 2008-09	0.25
		Taxation Tribunal	2004-05	0.01
Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003	Electricity Tax	Assessing Authorities	2011-12	0.62
		High Court(s)	1999-00 to 2002-03	4.88
Textile Committee Act	Textile Cess	Assessing Authorities	1998-99 to 2004-05	0.65
		Textile Committee Cess Appellate Tribunal, Mumbai	1981-82 to 1998-99	0.63
UP Trade Tax Act	Tax Demand and Interest	Trade Tax Tribunal	2002-03	0.01
Value Added Tax	Tax Demand, Interest and Penalty / Non Submission of Forms	Appellate Tribunal	2005-06, 2006-07	0.06
		Assessing Authorities	2005-06 to 2008-09	1.42
		Commissioner (Appeals)	2008-09	0.02
Income Tax Act	Short payment of TDS	Commissioner (Appeals)	2007-08 to 2009-10	0.23

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order, are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has unsecured debentures outstanding during the year, on which no security or charge is required to be created.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
KHIMJI KUNVERJI & CO.
 Firm Registration No.: 105146W
 Chartered Accountants

Per Shivji K. Vikamsey
 Partner
 Membership No. 2242
 Mumbai
 Date: May 15, 2012

For and on behalf of
S.R. BATLIBOI & CO.
 Firm Registration No.: 301003E
 Chartered Accountants

Per Vijay Maniar
 Partner
 Membership No. 36738
 Mumbai
 Date: May 15, 2012

BALANCE SHEET
AS AT 31ST MARCH, 2012

Aditya Birla Nuvo Limited

₹ in Crore

	Note No.	As at 31st March, 2012	As at 31st March, 2011
(A) Shareholders' Funds			
Share Capital	2	113.52	113.51
Equity Preference		0.10	0.10
Reserves and Surplus	3	5,564.97	5,287.14
	Sub-Total-(A)	5,678.59	5,400.75
(B) Non-Current Liabilities			
Long-Term Borrowings	4A	1,406.42	1,481.79
Deferred Tax Liabilities (Net)	5	158.22	173.61
Other Long-Term Liabilities	6A	69.62	52.24
Long-Term Provisions	7A	5.58	6.18
	Sub-Total-(B)	1,639.84	1,713.82
(C) Current Liabilities			
Short-Term Borrowings	4B	2,670.38	1,101.73
Trade Payables	8	1,227.32	943.71
Other Current Liabilities	6B	812.76	893.63
Short-Term Provisions	7B	159.18	148.08
	Sub-Total-(C)	4,869.64	3,087.15
	TOTAL (A)+(B)+(C)	12,188.07	10,201.72
ASSETS			
(D) Non-Current Assets			
Fixed Assets			
Tangible Assets	9A	1,711.80	1,728.31
Intangible Assets	9B	35.37	41.27
Capital Work-in-Progress		200.87	64.65
Intangible Assets Under Development		0.15	—
		1,948.19	1,834.23
Non-Current Investments	10A	5,597.95	5,424.41
Long-Term Loans and Advances	11A	410.20	194.04
Other Non-Current Assets	12A	1.13	1.81
	Sub-Total-(D)	7,957.47	7,454.49
(E) Current Assets			
Current Investments	10B	—	53.00
Inventories	13	1,320.69	1,203.24
Trade Receivables	14	1,690.19	1,109.29
Cash & Bank Balance	15	596.95	20.90
Short-Term Loans and Advances	11B	377.71	273.04
Other Current Assets	12B	245.06	87.76
	Sub-Total-(E)	4,230.60	2,747.23
	TOTAL (D)+(E)	12,188.07	10,201.72

Significant Accounting Policies 1

The accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date

For KHIMJI KUNVERJI & CO.
Firm Registration No. 105146W
Chartered Accountants

For S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

For and on behalf of Board of Directors

DR. RAKESH JAIN
Managing Director

TARJANI VAKIL
P. MURARI
G.P. GUPTA
B.R. GUPTA
Directors

SUSHIL AGARWAL
Whole-time Director & CFO

Per SHIVJI K. VIKAMSEY
Partner
Membership No. 2242

Per VIJAY MANIAR
Partner
Membership No. 36738

DEVENDRA BHANDARI
Company Secretary

Mumbai, May 15, 2012

		₹ in Crore	
	Note No.	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Revenue from Operations	16	8,855.67	6,701.77
Less Excise Duty		422.19	254.53
Net Revenue from Operations		8,433.48	6,447.24
Other Income	17	189.74	74.86
Total Revenue		8,623.22	6,522.10
Expenses			
Cost of Materials Consumed	18	3,981.46	3,189.21
Purchase of Stock-in-Trade	19	1,108.41	467.11
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	20	(92.61)	(163.28)
Employee Benefits Expenses	21	546.38	480.82
Other Expenses	22	2,029.08	1,588.30
Total Expenses		7,572.72	5,562.16
Profit before Depreciation/Amortisation, Interest and Tax (PBDIT)		1,050.50	959.94
Depreciation and Amortisation Expenses	23	203.06	194.05
Finance Costs	24	313.26	270.81
Profit before Exceptional Item and Tax		534.18	495.08
Exceptional Items	27	(103.88)	—
Profit before Tax		430.30	495.08
Tax Expenses			
Current Tax		122.98	130.30
Write Back of Excess Provision for Tax/Income Tax Refund related to earlier years (Net)		(22.68)	(10.05)
Deferred Tax		(15.39)	(4.86)
Profit for the year		345.39	379.69
Basic Earnings per Share - ₹	37	30.43	35.84
Diluted Earnings per Share - ₹ (Face Value of ₹ 10/- each)		30.41	34.98

Significant Accounting Policies

1

The accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date

For and on behalf of Board of Directors

For KHIMJI KUNVERJI & CO.
Firm Registration No. 105146W
Chartered AccountantsFor S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered AccountantsDR. RAKESH JAIN
Managing DirectorTARJANI VAKIL
P. MURARI
G.P. GUPTA
B.R. GUPTA
DirectorsSUSHIL AGARWAL
Whole-time Director & CFOPer SHIVJI K. VIKAMSEY
Partner
Membership No. 2242Per VIJAY MANIAR
Partner
Membership No. 36738DEVENDRA BHANDARI
Company Secretary

Mumbai, May 15, 2012

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2012**

Aditya Birla Nuvo Limited

₹ in Crore

PARTICULARS	2011-12	2010-11
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	430.30	495.08
Adjustments for:		
Exceptional Items (Refer Note: 27)	103.88	
Depreciation/Amortisation	203.06	194.05
Provisions for Bad and Doubtful Debt, Advances & Other Assets	3.99	3.43
Employee Stock Options Expenses	0.19	2.00
Unrealised (Gain)/Loss on Foreign Exchange	5.85	(0.48)
Interest Expenses	313.26	270.81
Interest Income	(41.27)	(43.48)
(Profit)/Loss on Fixed Assets Sold	(0.09)	0.81
(Profit)/Loss on Sale of Investments	(5.58)	(4.20)
Dividend Income	(77.90)	(4.52)
	<u>505.39</u>	<u>418.42</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	935.69	913.50
Adjustments for:		
Decrease/(Increase) in Trade Receivables	(582.92)	(444.66)
Decrease/(Increase) in Loans and Advances	(99.85)	6.11
Decrease/(Increase) in Other Assets	20.56	(28.67)
Decrease/(Increase) in Inventories	(117.45)	(326.90)
Increase/(Decrease) in Trade Payables	281.65	302.92
Increase/(Decrease) in Other Liabilities	43.10	14.46
Increase/(Decrease) in Provisions	9.90	7.52
	<u>(445.02)</u>	<u>(469.22)</u>
CASH GENERATED FROM OPERATIONS	490.67	444.28
Income Taxes Refund/(Paid)	(89.32)	(104.22)
	<u>401.35</u>	<u>340.06</u>
NET CASH FROM OPERATING ACTIVITIES	401.35	340.06
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(322.84)	(244.01)
Sale of Fixed Assets	8.42	4.19
Acquisition of Additional Shares/Investment in Subsidiaries	(173.60)	(141.21)
Sale of Investments in Subsidiaries	0.05	154.74
Sale/(Purchase) of Current Investments (Net)	58.58	(50.78)
Purchase of Long-Term Investments	—	(0.10)
Inter-Corporate Deposits to Subsidiaries - Given	(996.55)	(1,304.48)
Inter-Corporate Deposits to Subsidiaries - Received back	758.14	1,439.61
Investing in Bank Deposits (original maturity more than three months)	(228.00)	(1.92)
Interest Received	41.26	43.48
Dividend Received	5.03	4.52
	<u>(849.51)</u>	<u>(95.96)</u>
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(849.51)	(95.96)

₹ in Crore

PARTICULARS	2011-12	2010-11
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares (including Securities Premium)	0.39	426.18
Capital Subsidy Received	—	3.93
Repayment of Borrowings	(779.37)	(806.72)
Proceeds from Borrowings	1,956.68	459.76
Dividends Paid	(62.45)	(51.50)
Dividends Distribution Tax Paid	(10.13)	(7.95)
Interest Paid	(308.97)	(262.71)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	796.15	(239.01)
NET INCREASE IN CASH AND EQUIVALENTS	347.99	5.09
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	18.20	13.11
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	366.19	18.20

For Significant Accounting Policies Refer Note: 1

The accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date

For KHIMJI KUNVERJI & CO.
Firm Registration No. 105146W
Chartered AccountantsFor S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered AccountantsPer SHIVJI K. VIKAMSEY
Partner
Membership No. 2242
Mumbai, May 15, 2012Per VIJAY MANIAR
Partner
Membership No. 36738

For and on behalf of Board of Directors

DR. RAKESH JAIN
Managing DirectorSUSHIL AGARWAL
Whole-time Director & CFODEVENDRA BHANDARI
Company SecretaryTARJANI VAKIL
P. MURARI
G.P. GUPTA
B.R. GUPTA
Directors

NOTE: 1**SIGNIFICANT ACCOUNTING POLICIES****ACCOUNTING CONVENTION****I. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard (AS) Notified by the Companies Accounting Standard Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company, and are consistent with those used in the previous year except for the change in the accounting policy as specified below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

II. CHANGE IN ACCOUNTING POLICY**(a) Presentation and Disclosure of the Financial Statements**

The financial statements for the year ended March 31, 2011, had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012, are prepared as per the Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact any recognition and measurement principles followed for the preparation of financial statements.

(b) Exchange Difference

The Company has opted to avail the choice provided under paragraph 46A of AS-11: The Effects of Changes in Foreign Exchange Rates inserted vide Notification dated December 29, 2011. Consequently, the following exchange differences on long-term foreign currency monetary items, which were until now being recognised in the Statement of Profit and Loss, are now being dealt with in the following manner:

- (i) Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- (ii) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long-term asset/liability.

The above change in accounting policy does not have any impact on the current financial year.

III. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainly about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

IV. TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Depreciation on Tangible Fixed Assets is provided on Straight-Line Method at the rates and in the manner prescribed under the Schedule XIV of the Companies Act, 1956, except in case of following, where depreciation is equally charged over the estimated useful lives of the assets, which is higher than rates prescribed under the Schedule XIV of the Companies Act, 1956.

Assets	Estimated Useful Life
Office Computers & Electronic Equipment	4 years
Vehicles	5 years
Assets at Showrooms	5 years
Furniture & Fixtures and Other Office Equipment	7 years
Leasehold Land/Improvements	Over the period of the lease
Catalyst (included in Plant and Machinery)	On the estimated life as technically assessed (ranging from 1.5 to 3 years)

Fixed Assets, individually costing less than ₹ five thousands, are fully depreciated in the year of purchase.

Depreciation on the Fixed Assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

"Continuous process plants" are classified based on technical assessment and depreciation is provided accordingly.

V. INTANGIBLE ASSETS AND AMORTISATION

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

Assets	Estimated Useful Life
Brands/Trademarks	10 years
Computer Software	3 years
Goodwill	Not being amortised (Tested for Impairment)

VI. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

VII. BORROWING COST

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

VIII. TRANSLATION OF FOREIGN CURRENCY ITEMS

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. With respect to long-term foreign currency items from 1st April, 2011, onwards, the Company has adopted following policy:

- (i) Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- (ii) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/liability.

Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss. Other non-monetary items like fixed assets, investments in equity shares are carried in terms of historical cost using the exchange rate at the date of transaction.

IX. DERIVATIVE INSTRUMENTS

Premium/Discount, in respect of forward foreign exchange contract, is recognised over the life of the contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year which the exchange rates changes. Profit/Loss on cancellation/renewal of forward exchange contract is recognised as income/expense for the year.

The Company uses derivative financial instruments such as forward contracts, currency swap and interest rate swaps to hedge its risks associated with foreign currency fluctuations and interest rate. As per The Institute of Chartered Accountants of India (ICAI) announcement regarding accounting for derivative contracts, other than covered under AS-11, these are mark to market on the portfolio basis and net loss after considering the offsetting effect on the underlying hedged item is charged to the income statement. Net gains are ignored.

X. INVESTMENTS

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at lower of cost and net realisable value. Long-term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

XI. INVENTORIES

Raw materials, components, stores and spares, and packing material are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work-in-progress, finished goods and stock-in-trade are valued at lower of cost and net realisable value. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on a weighted average basis.

Proceeds in respect of sale of raw materials/stores are credited to the respective heads. Obsolete, defective and unserviceable inventory is duly provided for.

XII. GOVERNMENT GRANTS

Government Grants are recognised when there is reasonable assurance that the same will be received and all attaching conditions will be complied with. Revenue grants are recognised in the Statement of Profit and Loss. Capital grants relating to specific Tangible/Intangible Assets are reduced from the gross value of the respective Tangible/Intangible Assets. Other capital grants in the nature of promoter's contribution are credited to capital reserve.

XIII. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sale of goods are recorded net of trade discounts, rebates, sales tax and excise duty. Sale of power is recognised based on power off-take by the customer.

Income from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of service tax.

Fertiliser price support under Group Concession and other Scheme of Government of India is recognised based on management's estimate taking into account known policy parameters and input price escalation/de-escalation.

Income from Certified Emission Reductions (CERs) is recognised at estimated realisable value on confirmation of CERs by the concerned authorities.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Dividend income on investments is accounted for when the right to receive the payment is established.

XIV. RETIREMENT AND OTHER EMPLOYEE BENEFITS

(a) Defined Contribution Plan

The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, ESI and Superannuation Schemes, which are recognised in the Statement of Profit and Loss on accrual basis.

(b) Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act, long-term compensated absences and pension are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short-term compensated absences, which are provided for based on estimates.

Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation.

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employee Provident Fund and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year and any shortfall in the Fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

XV. EMPLOYEE STOCK OPTIONS

The stock options granted are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme, Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI, whereby the intrinsic value of the option is recognised as deferred employee compensation. The deferred employee compensation is charged to the Statement of Profit and Loss on the straight-line basis over the vesting period of the option.

In respect of re-pricing of existing stock option, the incremental intrinsic value of the option is accounted as employee cost over the remaining vesting period.

The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense equal to the unamortised portion.

XVI. TAXATION

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. At each Balance Sheet date the Company reassesses the unrecognised deferred tax assets.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

XVII. RESEARCH AND DEVELOPMENT

Revenue expenditure on research is expensed under the respective heads of the account in the period in which it is incurred.

Development expenditure is capitalised as an asset if the following conditions can be demonstrated:

- a) The technical feasibility of completing the asset so that it can be made available for use or sell.

- b) The Company has intention to complete the asset and use or sell it.
- c) The Company has the ability to sell the asset.
- d) The future economic benefits are probable.
- e) The Company has ability to measure the expenditure attributable to the asset during its development reliably.

Other development costs which do not meet the above criteria are expensed out during the period in which they are incurred.

XVIII. OPERATING LEASES

(a) As a Lessee:

Leases, where significant portion of risk and reward of ownership are retained by the Lessor, are classified as Operating Leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

(b) As a Lessor:

The Company has leased certain tangible assets, and such leases, where the Company has substantially retained all the risks and rewards of ownership, are classified as operating leases.

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term.

XIX. CASH AND CASH EQUIVALENT

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of less than three months and short term highly liquid investments with an original maturity of three months or less.

XX. MEASUREMENT OF PROFIT BEFORE DEPRECIATION/AMORTISATION, INTEREST AND TAX (PBDIT)

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present PBDIT as a separate line item on the face of the Statement of Profit and Loss. The Company measures PBDIT on the basis of profit/loss from continuing operations. In its measurement, the Company does not include depreciation and amortisation expenses, finance costs and tax expenses.

XXI. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

XXII. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

XXIII. CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognised when there is a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

NOTE: 2	Numbers	₹ in Crore	
		As at 31st March, 2012	As at 31st March, 2011
SHARE CAPITAL			
Authorised:			
Equity Shares of ₹ 10/- each	175,000,000 (175,000,000)	175.00	175.00
Redeemable Preference Shares of ₹ 100/- each	500,000 (500,000)	5.00	5.00
		180.00	180.00
Issued			
EQUITY SHARE CAPITAL			
Equity Shares of ₹ 10/- each	113,556,765 (113,552,654)	113.56	113.55
		113.56	113.55
PREFERENCE SHARE CAPITAL			
6% Redeemable Cumulative Preference Shares of ₹ 100/- each	10,000 (10,000)	0.10	0.10
		0.10	0.10
Subscribed & Paid-up:			
EQUITY SHARE CAPITAL			
Equity Shares of ₹ 10/- each fully paid-up	113,515,242 (113,509,729)	113.52	113.51
		113.52	113.51
PREFERENCE SHARE CAPITAL			
6% Redeemable Cumulative Preference Shares of ₹ 100/- each, fully paid-up	10,000 (10,000)	0.10	0.10
		0.10	0.10

1 Reconciliation of the number of Shares Outstanding at the beginning and at the end of the period

Sl. No.	Description	As at 31st March, 2012		As at 31st March, 2011	
		Equity Shares	Preference Shares	Equity Shares	Preference Shares
1	No. of Shares Outstanding at the beginning of the period @ ₹ 10/- each	113,509,729	10,000	103,009,542	10,000
2	Allotment of Equity Shares upon conversion of Preferential Warrants to Promoter and Promoter Group on 20th December 2010 @ ₹ 10/- each	—	—	10,500,000	—
3	Allotment of Rights Shares kept in abeyance on various dates @ ₹ 10/- each	1,402	—	187	—
4	Allotment of Shares on exercise of options by employee under ESOS-2006	4,111	—	—	—
5	No. of Shares Outstanding at the end of the period @ ₹ 10/- each	113,515,242	10,000	113,509,729	10,000

2 Term/Right attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all Preference Shareholders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

3 Term of Conversion/Redemption of Preference Shares

In accordance with the Composite Scheme of Arrangement, 10,000 6% Redeemable Cumulative Preference Share of ₹ 100/- each fully paid-up (Previous Year: 10,000) were issued to preference shareholders (other than the Company) of Peter England Fashions and Retail Limited.

Preference shares carry cumulative dividend @6% p.a. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

These preference shares are redeemable by the Company at any time after completion of one year and on or before completion of five years from the 1st January, 2010, at the face value. In the event of liquidation of the Company before conversion/redemption of preference shares, the holders of Preference Shares will have priority over Equity Shares in the payment of dividend and repayment of capital.

- 4 The Company does not have any holding Company.
- 5 Shares in the Company held by each shareholder holding more than 5 percent shares and the number of shares held are as under:

i) Equity Shares

	Name of Shareholder	As at 31st March, 2012		As at 31st March, 2011	
		No. of Shares Held	% of Total Paid-up Equity Share Capital	No. of Shares Held	% of Total Paid-up Equity Share Capital
1	TGS Investment and Trade Private Limited	13,506,736	11.90%	13,506,736	11.90%
2	Trapti Trading & Investments Private Limited	9,423,935	8.30%	9,423,935	8.30%
3	Life Insurance Corporation of India	8,803,295	7.76%	10,032,626	8.84%
4	Hindalco Industries Limited	8,650,412	7.62%	8,650,412	7.62%
5	HSBC Global Investment Funds A/c HSBC Global Investment Funds Mauritius Limited	8,565,822	7.55%	8,522,287	7.51%
6	Mangalam Services Limited	7,546,111	6.65%	7,546,111	6.65%
7	Turquoise Investment & Finance Private Limited	6,441,092	5.67%	6,441,092	5.67%

ii) Preference Share Capital

	Name of Shareholder	As at 31st March, 2012		As at 31st March, 2011	
		No. of Shares Held	% of Total Paid-up Preference Share Capital	No. of Shares Held	% of Total Paid-up Preference Share Capital
1	Naman Finance and Investment Private Limited	5,000	50.00%	5,000	50.00%
2	Infocyper (India) Private Limited	5,000	50.00%	5,000	50.00%

6 Share reserved for issue under options and contracts, including the terms and amounts:

For details of Shares reserved for issue under the Employee Stock Option (ESOP) Plan of the Company Refer Note 38.

- 7 There are no Preference Shares issued as fully paid-up pursuant to any contract in consideration of other than cash or bought back during the preceding last five years except issue of 10,000 6% Redeemable Cumulative Preference Shares of ₹ 100/- each pursuant to a Scheme of Composite Arrangement to shareholders of Peter England Fashions and Retail Limited.

- 8 Pursuant to the provisions of Section 206A of the Companies Act, 1956, the issue of following Equity Shares are kept in abeyance

	Name of Shareholder	No. of Shares	
		As at 31st March, 2012	As at 31st March, 2011
1	Rights Issue (1994)	12,635	12,635
2	Bonus Share on Above	6,318	6,318
3	Rights Issue (2007)	22,570	23,972

- 9 In the year 1997, the Company had forfeited 4,487 shares held by 299 holders on account of non-payment of call money with interest on shares issued against each detachable warrant.

- 10 3,191,794 equity shares (Previous Year: 3,222,993) are represented by Global Depository Receipts.

- 11 During the last five years preceding 31.03.2012, there were 1,048 Bonus Shares (Previous Year: 1,048 Bonus Shares) issued out of shares kept in abeyance.

- 12 Figures in brackets represent corresponding number of shares for previous year.

	As at 31st March, 2012	₹ in Crore As at 31st March, 2011
NOTE: 3		
RESERVES AND SURPLUS		
1) Capital Reserve		
Opening Balance as per last audited Financial Statements	266.62	262.69
Addition:		
Capital Subsidy Received	—	3.93
	266.62	266.62
2) Capital Redemption Reserve	8.46	8.46
3) Securities Premium Account		
Opening Balance as per last audited Financial Statements	2,485.89	1,928.14
Addition:		
Allotment of Rights Issue Shares	0.11	0.01
Addition on ESOP Exercised	0.27	—
Transfer from Stock Option Outstanding	0.09	—
Conversion of Share Warrants	—	557.74
	2,486.36	2,485.89
4) Debenture Redemption Reserve		
Opening Balance as per last audited Financial Statements	115.58	69.47
Addition:		
Appropriation from Profit	54.13	46.11
Deduction:		
Transfer to General Reserve on Redemption of Debentures	97.50	—
	72.21	115.58
5) Share Options Outstanding Account		
Employee Stock Option Outstanding	4.45	4.53
Deduction:		
Transferred to Securities Premium on exercise of options	0.09	—
Deferred Employee's Stock Compensation	0.13	0.39
	4.23	4.14
6) Other Reserves		
a) General Reserve		
Opening Balance as per last audited Financial Statements	2,358.31	2,108.31
Addition:		
Appropriation from Profit	200.00	250.00
Transfer from Debenture Redemption Reserve	97.50	—
Transfer from Investment Reserve	19.95	—
	2,675.76	2,358.31
b) Investment Reserve		
Opening Balance as per last audited Financial Statements	19.95	19.95
Deduction:		
Transfer to General Reserve	19.95	—
	—	19.95
Total Other Reserve	2,675.76	2,378.26

₹ in Crore

	As at 31st March, 2012	As at 31st March, 2011
7) Surplus as per the Statement of Profit and Loss		
Opening Balance as per last audited Financial Statements	28.19	17.18
Addition:		
Profit for the year	345.39	379.69
Less Appropriations:		
Transfer to Debenture Redemption Reserve	54.13	46.11
Transfer to General Reserve	200.00	250.00
Proposed Dividend on Preference Shares *	0.01	0.01
Proposed Dividend on Equity Shares *	68.11	62.43
Corporate Tax on Proposed Equity Dividend#	—	10.13
Corporate Tax on Proposed Preference Dividend#	—	₹
	51.33	28.19
	5,564.97	5,287.14

*Refer Note 28

Net of Tax Credit on dividend from subsidiary company

NOTE: 4A

LONG-TERM BORROWINGS

SECURED

Term Loans from		
Banks	623.60	507.63
Financial Institutions	206.61	247.30
Deferred Sales Tax Liabilities	53.49	62.12
	883.70	817.05

UNSECURED

Debentures	200.00	400.00
Term loans from		
Banks	322.72	264.74
	522.72	664.74
	1,406.42	1,481.79

NOTE: 4B

SHORT-TERM BORROWINGS

SECURED

Loan Repayable on Demand from		
Banks	212.00	159.16
	212.00	159.16

UNSECURED

Loan Repayable on Demand from		
Banks	2,110.22	942.57
Other Loans and Advances		
Commercial Papers	348.16	—
[Maximum balance outstanding during the year ₹ 710 Crore. (Previous Year: ₹ 385 Crore)]		
	2,458.38	942.57
	2,670.38	1,101.73

₹ in Crore

		As at 31st March, 2012		As at 31st March, 2011	
		Current	Non-Current	Current	Non-Current
(I)	SECURED LONG-TERM BORROWINGS:				
A)	Term Loans from Banks				
i)	Term Loans secured by way of first pari passu charge created by mortgage of the immovable properties of the Company situated at Veraval, Rishra (Textile Division), Jagdishpur (Argon Gas Plant), Renukoot and hypothecation of movables (save and except books debts) situated at these locations, subject to prior charge(s) created on certain assets in favour of a Financial Institution and on Bankers Goods in favour of the Company's Bankers for Working Capital Borrowings. Repayment Terms: 17 half yearly instalments from 1st July, 2007. 1st four instalments of ₹ 0.25 Crore each, next 4 instalments of ₹ 0.50 Crore. each, next 4 instalments of ₹ 1.50 Crore each and next 5 instalments of ₹ 3.20 Crore each.	3.00	16.00	3.00	19.00
ii)	Term Loan secured by way of first pari passu charge created by hypothecation of Furniture & Fixtures and other movable fixed assets of the Company's Peter England People Stores at Bangalore and Delhi. Repayment Terms: 15 equal quarterly instalments of ₹ 3.13 Crore each from 30th March, 2011 and one last instalment of ₹ 1.13 Crore.	—	—	12.50	32.38
iii)	Term Loans secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Garment Export Plants at Kasaba Hobli, Karnataka and hypothecation of movable fixed assets of the Company at these plants. Repayment Terms: 17 half yearly instalments from 29th December, 2008. 1st four instalments of ₹ 0.16 Crore each, next 4 instalments of ₹ 0.32 Crore each, next 4 instalments of ₹ 0.96 Crore each and next 5 instalments of ₹ 2.05 Crore each.	1.28	13.12	0.64	14.40
iv)	Term Loans secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Garment Export Plants at Kasaba Hobli, Karnataka and hypothecation of movable fixed assets of the Company at these plants. Repayment Terms: 9 equal half yearly instalments of ₹ 2.22 Crore each from 29th December, 2008.	4.44	—	4.44	4.44
v)	Term Loans secured by way of first pari passu charge created by hypothecation of movable fixed assets of the Company's Madura Garment Export Plant at Kasaba Hobli, Karnataka. Repayment Terms: 32 quarterly instalments from 1st January, 2010. 1st instalment of ₹ 0.16 Crore, next four instalments of ₹ 0.04 Crore each, next 8 instalments of ₹ 0.08 Crore each, next 8 instalments of ₹ 0.24 Crore each, next 8 instalments of ₹ 0.5125 Crore each and next 3 instalments of ₹ 0.34 Crore each.	0.48	6.80	0.32	7.28

₹ in Crore

		As at 31st March, 2012		As at 31st March, 2011	
		Current	Non-Current	Current	Non-Current
vi)	Term Loans secured by way of first pari passu charge created by hypothecation of movable fixed assets of the Company's Madura Garment Export Plant at Kasaba Hobli, Ramanagaram Bangalore. Repayment Terms: 1st instalment of ₹ 1.80 Crore paid on 1st January, 2009 and the balance amount in 17 equal quarterly instalments of ₹ 0.60 Crore each from 1st April, 2009.	2.40	—	2.40	2.40
vii)	Term Loan secured by way of first pari passu charge created by hypothecation of movable plant and machinery of the Company's Madura Clothing Plant at Marasur Village, Karnataka. Repayment Terms: 16 equal quarterly instalments of ₹ 0.1875 Crore each from 27th September, 2008.	0.19	—	0.75	0.19
viii)	Term Loan secured by way of first pari passu charge created by hypothecation of movable plant and machinery of the Company's Madura Clothing Plant at Marasur Village, Karnataka. Repayment Terms: 16 half yearly instalments from 27th September, 2009. 1st four instalments of ₹ 0.04 Crore each, next 4 instalments of ₹ 0.08 Crore each, next 4 instalments of ₹ 0.24 Crore each and next 4 instalments of ₹ 0.64 Crore each.	0.16	3.52	0.16	3.68
ix)	Term Loan secured by way of first pari passu charge created by hypothecation of movable plant and machinery of the Company's Madura Clothing Plant at Marasur Village, Karnataka. Repayment Terms: 17 half yearly instalments from 4th September, 2010. 1st four instalments of ₹ 0.12 Crore each, next 4 instalments of ₹ 0.24 Crore each, next 4 instalments of ₹ 0.72 Crore each and next 5 instalments of ₹ 1.536 Crore each.	0.48	11.04	0.24	11.52
x)	Term Loan secured by way of first pari passu charge created by hypothecation of movable plant and machinery of the Company's Madura Clothing Plant at Marasur Village, Karnataka. Repayment Terms: 21 equal quarterly instalments of ₹ 0.38 Crore each from 4th September, 2009.	1.52	2.29	1.52	3.81
xi)	Term Loan secured by way of second pari passu charge created by mortgage of the immovable properties of the Company's Rayon & Caustic Soda Plant at Veraval, Textile Plant at Rishra, Carbon Black Plant at Renukoot and Argon Gas Plant at Jagdishpur and hypothecation of movable properties of the Company relating to these plants, Garment Division at Bangalore and and Corporate Finance Division at Mumbai, the entire current assets (except investments) of the Company and Brand Rights/Trade Marks owned by Garments Division, Bangalore. Repayment Terms: 4 equal half yearly instalments from 13th December, 2010.	—	—	80.00	40.00

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₹ in Crore

		As at 31st March, 2012		As at 31st March, 2011	
		Current	Non-Current	Current	Non-Current
xii)	Foreign Currency Loan secured by way of first pari passu charge created by hypothecation of movable properties (save and except stocks and book debts) of the Company situated at Gummidipoondi. Repayment Terms: Bullet payment of ₹ 23.38 Crore on 8th August, 2011, ₹ 23.31 Crore on 6th September, 2011 and ₹ 22.32 Crore on 6th December, 2011.	—	—	69.00	—
xiii)	Foreign Currency Loan secured by way of first pari passu charge created by hypothecation of all movable assets (excluding current assets) of the Company's Fertiliser plant situated at Jagdishpur (excluding assets relating to Argon Gas plant). Repayment Terms: Bullet payment of ₹ 36.46 Crore on 17th January, 2012, ₹ 24.36 Crore on 14th February, 2012 and ₹ 20.30 Crore on 6th March, 2012.	—	—	81.12	—
xiv)	Foreign Currency Loans secured by way of first pari passu charge created by hypothecation of entire plant and machinery (fixed and moveable), machinery spares, tools and accessories (save and except current assets) of the Carbon Black plant of the Company situated at Patalganga and by way of first pari passu charge created by hypothecation of movable properties (save and except stocks and book debts) of the Company situated at Gummidipoondi. Repayment Terms: 3 equal instalments of USD 0.50 Crore each from 11th November, 2013, 3 equal instalments of USD 0.50 Crore each from 25th February, 2014.	—	139.86	—	139.86
xv)	Foreign Currency Loan secured by way of first pari passu charge created by hypothecation of movable properties of the Company's Rayon division at Veraval, Textile Plant at Rishra, Argon Gas Plant at Jagdishpur and Carbon Black Plant at Renukoot. Repayment Terms: Bullet payment on 30th November, 2013.	—	97.53	—	97.53
xvi)	Foreign Currency Loan secured by way of first pari passu charge created by hypothecation of movable properties of the Company's Rayon division at Veraval, Textile Plant at Rishra, Argon Gas Plant at Jagdishpur and Carbon Black Plant at Renukoot and by way of first pari passu charge created by hypothecation of movable properties (save and except current assets) of the Carbon Black Plant of the Company situated at Patalganga. Repayment Terms: 3 equal instalments of ₹ 33.33 Crore each on the date falling 48, 60 and 72 months from 21st November, 2008.	33.33	66.67	—	100.00
xvii)	Foreign Currency Loan secured by way of first pari passu charge created by hypothecation of movable fixed assets situated at Insulator Division at Halol and Rishra. Repayment Terms: Six equal instalments of ₹ 10.38 Crore on the dates falling 24, 30, 36, 42, 48, and 54 months from 15th January, 2009.	20.76	10.38	20.76	31.14

₹ in Crore

		As at 31st March, 2012		As at 31st March, 2011	
		Current	Non-Current	Current	Non-Current
xviii)	Foreign Currency Loan to be secured by way of first pari passu charge by hypothecation of certain movable fixed assets of the Company. Repayment Terms: 3 equal instalments of ₹ 32.76 Crore each on the date falling on 36, 42 and 48 months from 29th September, 2011.	—	98.28	—	—
xix)	Foreign Currency Loan to be secured by way of first pari passu charge by hypothecation of certain movable fixed assets of the Company. Repayment Terms: 3 equal instalments of ₹ 52.71 Crore each on the date falling on 4th, 5th & 6th year from 11th January, 2012.	—	158.11	—	—
	Total Term Loans from Banks (A)	68.04	623.60	276.85	507.63
– Effective cost for the above loans are in the range of 4% to 12.60% per annum.					
– Foreign Currency Loans have been fully hedged for foreign exchange and interest rate fluctuation by way of Currency & Interest Rate swaps, Interest swaps and Long Term Forward Contracts.					

		As at 31st March, 2012		As at 31st March, 2011	
		Current	Non-Current	Current	Non-Current
B)	Term Loans from Financial Institutions				
i)	Term Loans secured by way of first pari passu charge created by mortgage of the immovable properties of the Company situated at Veraval, Rishra (Textile Division), Jagdishpur (Argon Gas Plant), Renukoot and hypothecation of movables (save and except books debts) situated at these locations, subject to prior charge(s) created on certain assets in favour of a Financial Institution and on Bankers Goods in favour of the Company's Bankers for Working Capital Borrowings. Repayment Terms: 16 equal half yearly instalments of ₹ 1.88 Crore each from 1st April, 2006.	3.44	2.19	3.44	5.94
ii)	Term Loans secured by way of first pari passu charge created by mortgage of the immovable properties of the Company situated at Veraval, Rishra (Textile Division), Jagdishpur (Argon Gas Plant), Renukoot and hypothecation of movables (save and except books debts) situated at these locations, subject to prior charge(s) created on certain assets in favour of a Financial Institution and on Bankers Goods in favour of the Company's Bankers for Working Capital Borrowings. Repayment Terms: 16 half yearly instalments from 1st October, 2006. 1st four instalments of ₹ 0.50 Crore each, next 4 instalments of ₹ 1.00 Crore each, next 4 instalments of ₹ 3.00 Crore each and next 4 instalments of ₹ 8.00 Crore each.	8.00	24.00	3.00	35.00

₹ in Crore

		As at 31st March, 2012		As at 31st March, 2011	
		Current	Non-Current	Current	Non-Current
iii)	<p>Term Loans secured by way of first pari passu charge created by mortgage of the immovable properties of the Company situated at Veraval, Rishra (Textile Division), Jagdishpur (Argon Gas Plant), Renukoot and hypothecation of movables (save and except books debts) situated at these locations, subject to prior charge(s) created on certain assets in favour of a Financial Institution and on Bankers Goods in favour of the Company's Bankers for Working Capital Borrowings.</p> <p>Repayment Terms: 17 half yearly instalments from 10th August, 2007. 1st four instalments of ₹ 1.00 Crore each, next 4 instalments of ₹ 2.00 Crore each, next 4 instalments of ₹ 6.00 Crore each and next 5 instalments of ₹ 12.80 Crore each.</p>	12.00	64.00	12.00	76.00
iv)	<p>Term Loan secured by way of first pari passu charge created by mortgage of the immovable properties of the Company situated at Veraval, Rishra (Textile Division), Jagdishpur (Argon Gas Plant), Renukoot and hypothecation of movables (save and except current assets) situated at these locations, subject to prior charge(s) created on certain assets in favour of a Financial Institution.</p> <p>Repayment Terms: 17 half yearly instalments from 3rd January, 2009. 1st four instalments of ₹ 0.95 Crore each, next 4 instalments of ₹ 1.90 Crore each, next 4 instalments of ₹ 5.70 Crore each and next 5 instalments of ₹ 12.16 Crore each.</p>	7.60	77.90	3.80	85.50
v)	<p>Term Loan secured by way of exclusive first charge created on assets acquired there-against.</p> <p>Repayment Terms: 16 equal half yearly instalments of ₹ 0.43 Crore each from 20th June, 2006.</p>	0.85	0.85	0.85	1.71
vi)	<p>Term Loan secured by way of first pari passu charge created by hypothecation of movable fixed assets situated at Veraval, Rishra (Textile Division), Jagdishpur (Argon Gas Plant) and Renukoot.</p> <p>Repayment Terms: 17 half yearly instalments from 20th March, 2010. 1st four instalments of ₹ 0.35 Crore each, next 4 instalments of ₹ 0.70 Crore each, next 4 instalments of ₹ 2.10 Crore each and next 5 instalments of ₹ 4.48 Crore each.</p>	1.40	31.50	1.05	32.90
vii)	<p>Term Loans secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Garment Export Plants at Parappana Agrahara, Karnataka and hypothecation of movable fixed assets of the Company at these plants.</p> <p>Repayment Terms: 16 equal half yearly instalments of ₹ 0.38 Crore from 20th September, 2006.</p>	0.75	0.75	0.75	1.50
viii)	<p>Term Loans secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Garment Export Plants at Parappana Agrahara, Karnataka and hypothecation of movable fixed assets of the Company at these plants.</p> <p>Repayment Terms: 16 equal half yearly instalments of ₹ 0.42 Crore from 20th December, 2006.</p>	0.84	1.26	0.84	2.09

₹ in Crore

		As at 31st March, 2012		As at 31st March, 2011	
		Current	Non-Current	Current	Non-Current
ix)	Term Loans secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Garment Export Plants at Parappana Agrahara, Karnataka and hypothecation of movable fixed assets of the Company at these plants. Repayment Terms: 16 equal half yearly instalments of ₹ 0.33 Crore from 20th March, 2008.	0.67	1.67	0.67	2.34
x)	Term Loan secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Clothing Plant at Marasur Village, Karnataka and hypothecation of movable fixed assets of the Unit at these plants. Repayment Terms: 16 equal half yearly instalments of ₹ 0.25 Crore each from 9th February, 2006.	0.50	0.25	0.50	0.75
xi)	Term Loan secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Clothing Plant at Marasur Village, Karnataka and hypothecation of movable fixed assets of the Unit at these plants. Repayment Terms: 16 equal half yearly instalment of ₹ 0.44 Crore each from 20th September, 2006.	0.88	0.88	0.88	1.75
xii)	Term Loan secured by way of first pari passu charge created by mortgage of immovable properties of the Company's Madura Clothing Plant at Marasur Village, Karnataka and hypothecation of movable fixed assets of the Unit at these plants. Repayment Terms: 16 equal half yearly instalments of ₹ 0.23 Crore each from 20th September, 2008.	0.46	1.36	0.46	1.82
	Total Term Loans from Others (B)	37.39	206.61	28.24	247.30
– Effective cost for the above loans are in the range of 2% to 6% per annum.					

		As at 31st March, 2012		As at 31st March, 2011	
		Current	Non-Current	Current	Non-Current
C)	Deferred Sales Tax Loans				
i)	0% Deferred sales tax loan for the Caustic Soda Unit at Veraval to be secured by first pari passu charge over the fixed assets of Caustic Soda Unit of the Company at Veraval and for Carbon Black Plant at Gummidipoondi to be secured by second pari-passu charge over the fixed assets of the respective plant. Repayment Terms: 6 yearly equal instalments of ₹ 5.11 Crore from 30th May, 2007.	5.03	—	5.11	5.03
ii)	0% Deferred sales tax loan for the Carbon Black Plant at Gummidipoondi to be secured by first pari passu charge over the fixed assets of Carbon Black Plant at Gummidipoondi to be secured by second pari-passu charge over the fixed asset. Repayment Terms: The total outstanding as on 31st March, 2012 to be repayable in 80 instalments as per the Sales Tax Deferral Scheme of SIPCOT.	3.60	53.49	3.48	57.09
	Total Deferred Sales Tax Loans (C)	8.63	53.49	8.59	62.12

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₹ in Crore

		As at 31st March, 2012		As at 31st March, 2011	
		Current	Non-Current	Current	Non-Current
(II)	UNSECURED LONG-TERM BORROWINGS:				
i)	Non-Convertible Debentures secured by way of first pari passu charge created by mortgage of the immovable property of the Company located at Ahmedabad, Gujarat: 13.00% 23rd Series (Redeemable at par on 7th November, 2011) 12.50% 24th Series (Redeemable at par on 5th December, 2011) 11.50% 26th Series (Redeemable at par on 19th December, 2011) As the value of Security provided to secure the aforesaid Non-Convertible Debentures is not significant, the Non-Convertible Debentures have been shown as Unsecured.	—	—	125.00	—
ii)	8.40% 27th Series Non-Convertible Debentures Repayment Terms: Redeemable at par on 23rd November, 2012.	200.00	—	—	200.00
	7.90% 28th Series Non-Convertible Debentures (Out of the above, ₹ 25 Crore is held by Birla Sun Life Insurance Company Limited.) Repayment Terms: Redeemable at par on 11th May, 2013.	—	200.00	—	200.00
	Sub-Total (i & ii)	200.00	200.00	390.00	400.00
iii)	Foreign Currency Loan from Banks	170.26	322.72	—	264.74
– Effective cost for the above loans are in the range of 6% to 9% per annum.					
	Total Unsecured Long-Term Loans	370.26	522.72	390.00	664.74
(III)	SECURED SHORT-TERM BORROWINGS:		As at 31st March, 2012	As at 31st March, 2011	
i)	Working Capital Borrowings are secured by hypothecation of inventories, book debts and other movables, both present and future, held as current assets.		212.00	159.16	
– Effective cost for the above loans are in the range of 8% to 14% per annum.					
– Effective cost has been calculated with hedged cost in terms of foreign currency loan and net of interest subsidy in case of TUF loans.					

₹ in Crore

	<u>As at 31st March, 2012</u>	<u>As at 31st March, 2011</u>
NOTE: 5		
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities/(Assets) at the year end comprise timing differences on account of:		
Depreciation	216.94	214.23
Expenditure/Provisions Allowable	(58.72)	(40.62)
	<u>158.22</u>	<u>173.61</u>

NOTE: 6A

OTHER LONG-TERM LIABILITIES

Trade Payables	—	0.49
Other Payables		
Deposits	44.63	32.52
Others	24.99	19.23
	<u>69.62</u>	<u>52.24</u>

NOTE: 6B

OTHER CURRENT LIABILITIES

Current Maturities of Long-Term Borrowings (Refer Note 4A)	484.32	703.69
Interest Accrued but Not Due on Borrowings	67.41	67.81
Investors' Education and Protection Fund to be credited as and when due		
Unpaid Dividend	2.58	2.51
Securities Application Money Received & Due for Refund	0.06	0.06
Other Payables		
Advance from Customers	38.05	36.91
Payables for Capital Expenditure	22.61	11.16
Statutory Dues	164.22	41.86
Deposits	28.96	20.16
Mark to Market - Derivative (Net)*	—	5.14
Others	4.55	4.33
	<u>812.76</u>	<u>893.63</u>

* This represents Mark to Market on Derivative Contract taken for the purpose of hedging of underlying Assets & Liabilities.

NOTE: 7A

LONG-TERM PROVISIONS

Provisions for:

Employee Benefits	5.58	6.18
	<u>5.58</u>	<u>6.18</u>

	As at 31st March, 2012	₹ in Crore As at 31st March, 2011
NOTE: 7B		
SHORT-TERM PROVISIONS		
Provisions for:		
Employee Benefits	70.21	59.74
Others		
Taxation (Net of Advance Tax)	19.98	14.93
Proposed Dividend (Refer Note: 28)		
Equity	68.11	62.43
Preference	0.01	0.01
Corporate Tax on Dividend #		
Equity	—	10.13
Preference	—	ß
Warranty Provisions##	0.87	0.84
	159.18	148.08

Net of Tax Credit on Dividend from Subsidiary Company

Additional disclosure as per Accounting Standard - 29 'Provisions, Contingent Liabilities & Contingent Assets'

Particulars

Opening Balance	0.84	0.40
Arising during the year	0.07	0.44
Utilised	—	—
Unused Amounts Reversed	0.04	—
Closing Balance	0.87	0.84

Warranty

Provision is recognised for expected warranty claims on Insulator products sold during the last three years based on the past experience of level of returns and replacements.

	As at 31st March, 2012	₹ in Crore As at 31st March, 2011
NOTE: 8		
TRADE PAYABLES		
Trade Payables	1,227.32	943.71
	1,227.32	943.71

Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006

There are no Micro, Small & Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2012, and no interest payment made during the year to any Micro, Small & Medium Enterprises. This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE: 9A

TANGIBLE ASSETS

₹ in Crore

	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Leasehold Improve-ments	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles and Aircraft	Railway Sliding	TOTAL
Gross Block											
As at 1 April, 2010	10.53	28.86	300.62	3.00	9.34	2,737.67	182.31	39.29	23.63	5.84	3,341.09
Additions	16.55	4.27	35.66	0.01	—	320.37	27.74	3.51	7.54	—	415.65
Deletions	—	—	—	0.18	—	21.05	2.81	0.80	3.78	—	28.62
As at 31 March, 2011	27.08	33.13	336.28	2.83	9.34	3,036.99	207.24	42.00	27.39	5.84	3,728.12
Additions	—	—	11.97	0.66	—	119.97	39.03	5.68	6.17	—	183.48
Deletions	0.14	0.02	0.69	—	—	7.89	5.23	0.93	4.19	—	19.09
As at 31st March, 2012	26.94	33.11	347.56	3.49	9.34	3,149.07	241.04	46.75	29.37	5.84	3,892.51
Accumulated Depreciation											
As at 1 April, 2010	—	1.97	76.22	0.98	2.40	1,606.33	103.07	30.80	12.98	5.55	1,840.30
For the year	—	0.25	8.91	0.15	1.11	136.27	30.26	2.95	3.23	—	183.13
Deletions	—	—	—	—	—	17.68	2.44	0.73	2.77	—	23.62
As at 31 March, 2011	—	2.22	85.13	1.13	3.51	1,724.92	130.89	33.02	13.44	5.55	1,999.81
For the year	—	0.30	9.33	0.45	1.11	138.77	32.86	5.07	3.77	—	191.66
Deletions	—	—	0.19	—	—	3.24	3.35	0.73	3.25	—	10.76
As at 31st March, 2012	—	2.52	94.27	1.58	4.62	1,860.45	160.40	37.36	13.96	5.55	2,180.71
Net Block as at 31st March, 2012	26.94	30.59	253.29	1.91	4.72	1,288.62	80.64	9.39	15.41	0.29	1,711.80
Net Block as at 31st March, 2011	27.08	30.91	251.15	1.70	5.83	1,312.07	76.35	8.98	13.95	0.29	1,728.31

Notes:

- Gross Block of Fixed Assets Includes:
 - The Company's share in assets held under co-ownership - Leasehold Land ₹ 19.53 Crore (Previous Year: ₹ 19.55 Crore), Buildings ₹ 23.85 Crore (Previous Year: ₹ 23.85 Crore), Furniture, Fixture & Equipment ₹ 7.94 Crore (Previous Year: ₹ 7.92 Crore) and Vehicles and Aircraft ₹ 6.83 Crore (Previous Year: ₹ 6.83 Crore).
 - Buildings include ₹ 8.19 Crore (Previous Year: ₹ 8.19 Crore) being cost of Debentures and Shares in a company entitling the right of exclusive occupancy and use of certain premises.
- For Assets given on Operating Lease - Refer to Note: 40.
- The Company has made an application for exemption under Section 20 of the Urban Land (Ceiling & Regulation) Act, 1976, for excess land of 4.25 acres (Previous Year: 4.25 acres) at Rishra.

NOTE: 9B**INTANGIBLE ASSETS**

₹ in Crore

	Goodwill	Brands/ Trademarks	Computer Software	TOTAL
Gross Block				
As at 1 April, 2010	20.41	173.87	29.31	223.59
Additions	—	—	0.77	0.77
Deletions	—	—	—	—
As at 31 March, 2011	20.41	173.87	30.08	224.36
Additions	—	—	5.50	5.50
Deletions	—	—	0.03	0.03
As at 31st March, 2012	20.41	173.87	35.55	229.83
Accumulated Amortisation				
As at 1 April, 2010	—	153.14	19.03	172.17
For the year	—	5.31	5.61	10.92
Deletions	—	—	—	—
As at 31 March, 2011	—	158.45	24.64	183.09
For the year	—	5.31	6.09	11.40
Deletions	—	—	0.03	0.03
As at 31st March, 2012	—	163.76	30.70	194.46
Net Block as at 31st March, 2012	20.41	10.11	4.85	35.37
Net Block as at 31st March, 2011	20.41	15.42	5.44	41.27

Note:

Based on Written-down Value, the balance period of amortisation of material intangible assets - Brands/Trademark is 18 months (Previous Year 30 months).

NOTE: 9A & 9B**During the year, the Company has capitalised the following expenses to cost of Fixed Assets/Capital Work-in-Progress**

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Raw Material Consumption	0.09	3.97
Power and Fuel	—	1.15
Salaries and Wages	0.60	0.57
Contribution to Provident and Other Funds	0.05	—
Welfare Expenses	—	0.09
Repairs & Maintenance - Others	—	0.03
Insurance	0.19	0.20
Rates & Taxes	—	0.75
Miscellaneous Expenses	—	7.41
Transportation & Handling Charges	—	0.01
Professional Fees	2.99	—
Travelling	0.15	—
Interest	4.70	2.27
Total	8.77	16.45
Add: Amount Brought Forward from previous year	0.26	10.57
Less: Amount Capitalised During the year	—	26.76
Balance Pending Allocation included Capital Work-in-Progress	9.03	0.26

₹ in Crore

	Face Value	Number	As at 31st March, 2012	Number	As at 31st March, 2011
NOTE: 10A					
NON-CURRENT INVESTMENTS					
Trade Investments valued at cost, unless stated otherwise					
Investments in					
Equity Instruments					
Quoted					
Joint Venture					
IDEA Cellular Limited*	10	837,526,221	2,355.81	837,526,221	2,355.81
			2,355.81		2,355.81
Unquoted					
Subsidiaries					
Aditya Vikram Global Trading House Limited., Mauritius	US\$ 1	150,000	0.65	150,000	0.65
Aditya Birla Minacs Worldwide Limited*	1	25,662,266	443.52	20,738,378	218.78
Aditya Birla Financial Services Private Limited	10	110,000,000	110.00	110,000,000	110.00
Birla Sun Life Insurance Company Limited*	10	1,457,430,000	1,814.13	1,457,430,000	1,814.13
ABNL Investment Limited	10	21,000,000	21.00	21,000,000	21.00
LIL Investment Limited	10	389,500	0.39	389,500	0.39
Indigold Trade & Services Limited	10	999,997	1.00	999,997	1.00
Madura Garments Life Style Retail Company Limited*	10	9,950,000	9.95	10,000,000	10.00
Peter England Fashion and Retail Limited	10	500,000	0.50	500,000	0.50
Aditya Birla Minacs IT Limited (Merged with Aditya Birla Minacs Worldwide Limited)	10	—	—	6,460,967	107.64
Shaktiman Mega Food Park Private Limited	10	9,400	0.01	9,400	0.01
			2,401.15		2,284.10
Associate					
Birla Securities Limited	10	495,800	2.53	495,800	2.53
Less: Provision			(2.52)		(2.52)
			0.01		0.01
Others					
Aditya Birla Science & Technology Limited	10	2,400,000	2.40	2,400,000	2.40
Birla Management Centre Services Limited	10	7,000	0.01	7,000	0.01
Aditya Birla Port Limited	10	100,000	0.10	100,000	0.10
			2.51		2.51
Preference Shares					
Unquoted					
Subsidiaries					
7% Cumulative, Redeemable Preference Shares of Aditya Birla Minacs IT Limited (Merged with Aditya Birla Minacs Worldwide Limited)	100	—	—	1,500,000	15.00
7% Cumulative, Redeemable Preference Shares of Aditya Birla Minacs Worldwide Limited	10	1,500,000	15.00	—	—
8.00% Cummulative & Redeemable Preference Shares of Peter England Fashions & Retail Limited	10	500,000	0.50	500,000	0.50
8.00% Cummulative & Redeemable Preference Shares of Madura Garments Lifestyle Retail Company Limited	10	10,000,000	10.00	10,000,000	10.00
0.01% Compulsory Convertible Preference Shares of Aditya Birla Financial Services Private Limited	10	596,500,000	596.50	540,000,000	540.00
			622.00		565.50

₹ in Crore

	Face Value	Number	As at 31st March, 2012	Number	As at 31st March, 2011
Others					
3.50% Cumulative Redeemable Preference Shares of Aditya Birla Health Services Limited #	100	1,500,000	15.00	1,500,000	15.00
8% Preference Shares of Birla Management Centre Services Limited	10	200	₹	200	₹
			15.00		15.00
			5,396.47		5,222.93
Non-Trade Investments Valued at Cost					
Quoted					
Hindalco Industries Limited	1	33,506,337	201.48	33,506,337	201.48
			201.48		201.48
			5,597.95		5,424.41

* Refer Note: 26(e)

Each Preference Shares is optionally convertible into 10 Equity Share of ₹ 10/- each fully paid-up on the expiry of a period of 15 years from the date of allotment.

Note:

1. All shares are fully paid-up, unless otherwise stated				
2. Aggregate amount of Quoted Investments			2,557.29	2,557.29
3. Market Value of Quoted Investments			8,708.33	6,352.51
4. Aggregate Amount of Unquoted Investments			3,040.66	2,867.12
5. Aggregate Amount of Diminution in Value of Investments			2.52	2.52

NOTE: 10B**CURRENT INVESTMENTS****(Valued at lower of Cost and Fair Value)****Unquoted, Fully paid-up**

Units of Mutual Funds	10	—	33,776,679	53.00
Birla Sun Life Cash Plus Institutional Premium Plan - Growth				
			—	53.00
			As at 31st March, 2012	As at 31st March, 2011

NOTE: 11A**LONG-TERM LOANS & ADVANCES**

(Unsecured, Considered Good, except otherwise stated)

Capital Advance			28.26	24.13
Security Deposits #				
Considered Good			141.19	129.39
Considered Doubtful			0.80	0.95
Less: Provision for Doubtful			(0.80)	(0.95)
Loans & Advances to Related Parties (Refer Note 42)			206.72	—
Other Loans & Advances				
Inter-Corporate Deposits			9.27	11.58
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government			0.30	0.20
Prepaid Expenses			15.55	20.53
Advance for Expenses, Materials and Employees			8.91	8.21
			410.20	194.04
# Includes amount due from Directors or other officers of Company			3.00	0.07

₹ in Crore

NOTE: 11B

SHORT-TERM LOANS & ADVANCES

(Unsecured, Considered Good, except otherwise stated)

Security Deposit++

Considered Good 20.59 11.88

Considered Doubtful 0.41 0.41

Less: Provision for Doubtful (0.41) (0.41)

Loans & Advances to Related Parties (Refer Note: 42) 90.78 58.97

Inter-Corporate Deposits 4.92 0.96

VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government

Considered Good 101.21 82.71

Considered Doubtful 0.64 3.66

Less: Provision for Doubtful (0.64) (3.66)

Advance Tax (Net of Provision) 10.18 16.11

Prepaid Expenses 17.56 16.74

Advance for Expenses, Materials and Employees

Considered Good 132.47 85.67

Considered Doubtful 1.65 1.48

Less: Provision for Doubtful (1.65) (1.48)

377.71

273.04

++The Company is one of the Promoter member of Aditya Birla Management Corporation Private Limited, a Company limited by guarantee, which has been formed to provide a common pool of facilities and resources to its members, with a view to optimise the benefits of specialisation and minimise cost to each member. The Company's share of expenses under the common pool has been accounted for under the appropriate heads. Total Amount of Deposit Outstanding as on 31st March, 2012, is ₹ 3.82 Crore (Previous Year: ₹ 3.12 Crore).

Disclosure as per Clause 32 of Listing Agreement

₹ in Crore

(i)	Loans & Advances in the nature of loans given to subsidiaries (including Interest Accrued)	Balance as on 31st March, 2012	Balance as on 31st March, 2011	Maximum Amount Due at any time During the year ended 31st March, 2012	Maximum Amount Due at any time During the year ended 31st March, 2011
	ABNL Investments Ltd.	54.21	17.91	62.38	42.90
	Aditya Birla Minacs IT Services Ltd. (Merged with Aditya Birla Minacs Worldwide Ltd.)	—	16.00	—	16.00
	Aditya Birla Minacs Technologies Ltd. (Merged with Aditya Birla Minacs Worldwide Ltd.)	—	—	—	12.65
	Aditya Birla Minacs World Wide Ltd.	8.50	—	62.81	15.00
	Madura Garments Lifestyle Retail Company Ltd.	150.45	2.61	150.59	288.55
	Peter England Fashions & Retail Company Ltd.	—	—	—	0.32
	Aditya Birla Money Mart Ltd.	42.43	23.03	42.43	117.86
	Aditya Birla Money Ltd.	—	—	—	70.00
	Aditya Birla Finance Ltd.	37.00	—	185.00	—
	Indigold Trade & Services Ltd.	—	1.14	1.14	1.14
	LIL Investment Ltd.	—	₹	₹	0.11
	Aditya Money Insurance Advisory Services Ltd.	3.24	—	3.24	—
	Aditya Birla Customer Services Private Ltd.	2.15	—	2.15	—

₹ in Crore

(ii) Loans & Advances in the nature of loans given to Employees	Balance as on 31st March, 2012	Balance as on 31st March, 2011	Maximum Amount Due at any time During the year ended 31st March, 2012	Maximum Amount Due at any time During the year ended 31st March, 2011
Employee Loan given in the ordinary course of the business and as per the service rules of the Company	1.82	2.04	2.47	2.14
- no repayment schedule or repayment beyond seven years				
- no interest or at an interest rate below which is specified in Section 372A of the Companies Act, 1956	9.69	8.79	11.37	10.55

₹ in Crore

	As at 31st March, 2012	As at 31st March, 2011
NOTE: 12A		
OTHER NON-CURRENT ASSETS		
Other Bank Balances +		
Bank Deposits more than twelve months maturity	0.41	0.40
Government Grant Receivables	0.72	1.41
	<u>1.13</u>	<u>1.81</u>
+ Amount pledge with Government Authorities	0.41	0.40

NOTE: 12B**OTHER CURRENT ASSETS**

Fertiliser Bonds #	9.87	20.32
Mark to Market - Derivative @	104.31	—
Government Grant Receivables	23.44	33.42
Interim Dividend Receivables from subsidiary companies	72.87	—
Export Incentives Receivables	28.26	30.32
Others*	6.31	3.70
	<u>245.06</u>	<u>87.76</u>
* Included dues from subsidiaries	1.00	2.29

@ This represents Mark to Market on Derivative Contract taken for the purpose of hedging of underlying Assets & Liabilities.

The Company had received fertilisers bonds of ₹ 65.5 Crore received from the Ministry of Fertilisers, the Government of India against the outstanding amount of subsidy receivable, out of which bonds amounting to ₹ 9.87 Crore (Previous Year: ₹ 20.32 Crore) are outstanding at the year end. The market value of the above bonds are lower than book value therefore the diminution in the value of above bonds has been accounted under other expenses.

₹ in Crore

	As at 31st March, 2012	As at 31st March, 2011
NOTE: 13		
INVENTORIES (Lower of Cost and Net Realisable Value)		
Raw Materials	591.45	578.28
(Include goods in transit ₹ 147.28 Crore (Previous Year: ₹ 170.13 Crore))		
Work-in-Progress	68.73	82.76
Finished Goods	325.35	270.25
Stock-in-Trade (Traded Goods)	225.61	170.46
Stores & Spares	102.41	95.31
(Include goods in transit ₹ 0.90 Crore (Previous Year: ₹ 3.54 Crore))		
Waste Scrap	0.14	0.08
Packing Materials	7.00	6.10
	<u>1,320.69</u>	<u>1,203.24</u>

₹ in Crore

NOTE: 14

TRADE RECEIVABLES

Due for period exceeding Six months

Secured, Considered Good	0.01	0.01
Unsecured, Considered Good	40.44	28.62
Unsecured, Considered Doubtful	10.20	6.31
Less: Provision for Doubtful	(10.20)	(6.31)

Others #

Secured, Considered Good	25.23	15.32
Unsecured, Considered Good	1,624.51	1,065.34
	1,690.19	1,109.29

Includes subsidy receivable from Government of India

	675.97	289.24
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NOTE: 15

CASH & BANK BALANCE

Cash & Cash Equivalents

Balances with Banks

Current Accounts	301.56	9.54
Deposit Accounts (with original maturity less than three months)	57.00	—

Cash on Hand

1.38	1.39
------	------

Cheques/Drafts on Hand

6.25	7.27
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(A)	366.19	18.20
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Other Bank Balance

Deposit Accounts (with original maturity more than three months)

228.53	0.53
--------	------

Others

Unclaimed Dividend	2.58	2.51
Securities Application Money Received & Due for Refund	0.06	0.06

(B)	231.17	3.10
(A)+ (B)	597.36	21.30

Less: Bank Deposits with more than twelve months maturity (transferred to Other Non-Current Assets)

0.41	0.40
------	------

596.95	20.90
---------------	--------------

₹ in Crore

NOTE: 16**REVENUE FROM OPERATIONS****A. SALE OF PRODUCTS**

Manufactured	6,934.35	5,834.34
Traded	1,728.75	688.30
	<u>8,663.10</u>	<u>6,522.64</u>

B. SALE OF SERVICES

	12.24	14.91
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Total A & B

	8,675.34	6,537.55
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Details of Sale Value of Goods Manufactured under broadheads

Ammonia	49.57	15.86
Carbon Black	1,991.10	1,625.66
Caustic Soda	177.63	123.24
Chlorine	7.00	34.99
Garments	1,128.77	1,130.82
Hydro Chloric Acid	1.45	2.16
Insulators	494.50	548.56
Linen Fabric	199.05	151.50
Liquid Argon	6.16	3.83
Sulphuric Acid and Allied Chemicals	30.82	22.65
Viscose Filament Rayon Yarn	505.86	417.95
Urea	1,515.46	1,144.35
Wool Top	306.20	213.77
Yarn (Linen and Worsted)	514.30	379.90
Others Manufactured	6.48	19.10
	<u>6,934.35</u>	<u>5,834.34</u>

Sale Value of Traded Goods under broadheads

Branded Garments	1,176.96	613.75
Fertilizers & Agro Products	544.31	65.06
Others	7.48	9.49
	<u>1,728.75</u>	<u>688.30</u>

C. OTHER OPERATING INCOME

Scrap Sales	18.19	13.13
Export Incentives	59.85	58.86
Licence Fees and Royalties	2.78	4.34
Sale Tax Subsidy	3.42	2.23
Power and Steam Sales	94.33	79.63
Certified Emission Reductions	1.59	6.03
Miscellaneous Other Operating Income	0.17	—
	<u>180.33</u>	<u>164.22</u>
	8,855.67	6,701.77

STANDALONE FINANCIAL STATEMENTS

₹ in Crore

NOTE: 17

OTHER INCOME

	<u>Year Ended 31st March, 2012</u>	<u>Year Ended 31st March, 2011</u>
Interest Income	41.27	43.48
Dividends Income		
Long-Term Investments	5.03	4.52
Dividend from Subsidiary Companies	72.87	—
Net Gain on Sale of Investments		
Current	5.58	2.22
Long-Term Investments	—	1.98
Other Non-Operating Income		
Profit on Sale of Fixed Assets (Net)	0.09	—
Foreign Exchange Gain (Net)	48.15	6.45
Others	16.75	16.21
	<u>189.74</u>	<u>74.86</u>

NOTE: 18

COST OF MATERIALS CONSUMED

Cost of Raw Materials Consumed	3,855.25	3,081.72
Cost of Packing Materials Consumed	126.21	107.49
	<u>3,981.46</u>	<u>3,189.21</u>

Details of Raw Materials Consumed under broadheads is as follows:

Alumina	23.81	19.44
CBFS	1,535.27	1,195.02
Cotton Staple & Synthetic Yarn	148.48	111.32
Clays	25.26	23.62
Fabric	264.52	344.36
Flax Fibre	45.77	29.95
Natural Gas	790.63	612.94
Metal Parts	129.91	113.98
Wool Fibre	481.85	325.27
Wood Pulp	178.28	119.96
Staple and Synthetic Fibre	11.55	10.77
Others	219.92	175.09
	<u>3,855.25</u>	<u>3,081.72</u>

NOTE: 19

PURCHASE OF STOCK-IN-TRADE

Purchase of Finished Goods	1,108.41	467.11
	<u>1,108.41</u>	<u>467.11</u>

Details of Purchases of Finished Goods under broadhead is as follows:

Branded Garments	597.11	404.92
Fertilisers & Agro Products	506.15	53.21
Others	5.15	8.98
	<u>1,108.41</u>	<u>467.11</u>

₹ in Crore

NOTE: 20**CHANGES IN INVENTORIES OF FINISHED GOODS,
WORK-IN-PROGRESS & STOCK-IN-TRADE**

Closing Stocks:

Finished Goods	325.35	270.25
Stock-in-Trade	225.61	170.46
Work-in-Progress	68.73	82.76
Waste Scrap	0.14	0.08
	619.83	523.55

Less:

Opening Stocks:

Finished Goods	270.25	247.88
Stock-in-Trade	170.46	45.95
Work-in-Progress	82.76	67.09
Waste Scrap	0.08	0.05
	523.55	360.97

(Increase)/Decrease in Excise Duty on Stocks

3.67 (0.70)

(Increase)/Decrease

(92.61) **(163.28)****Details of Inventories:**

	As at 31st March, 2012	As at 31st March, 2011
Manufactured Goods		
Garments	123.04	147.05
Viscose Filament Rayon Yarn	14.64	10.28
Yarn (Linen & Worsted)	59.47	27.75
Linen Fabric	20.41	25.29
Carbon Black	51.65	34.48
Insulators	34.20	17.17
Urea	18.79	4.80
Others Manufactured	3.15	3.43
	325.35	270.25
Traded Goods		
Branded Garments	221.02	167.98
Others Traded	4.59	2.48
	225.61	170.46
Work-In-Progress		
Garments	17.31	26.62
Viscose Filament Rayon Yarn	5.86	6.08
Yarn (Linen & Worsted)	19.34	17.61
Wool Top	0.12	0.08
Linen Fabric	6.45	9.65
Carbon Black	1.81	0.89
Insulators	16.35	12.67
Ammonia	1.49	9.16
	68.73	82.76

₹ in Crore

NOTE: 21

EMPLOYEE BENEFIT EXPENSES

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Salaries, Wages and Bonus	464.40	406.97
Contribution to Provident & Other Funds (Refer Note: 43)	44.91	44.48
Staff Welfare Expenses	36.89	27.41
Employee Compensation under ESOP (Refer Note: 38)	0.18	1.96
	546.38	480.82

NOTE: 22

OTHER EXPENSES

Consumption of Stores	83.62	72.52
Consumption of Spares	57.51	55.33
Power & Fuel	755.37	520.88
Rent	199.69	171.68
Repairs & Maintenance of:		
Buildings	13.79	12.46
Plant & Machinery	41.66	38.93
Others	39.29	29.14
Insurance	10.57	9.36
Rates & Taxes	11.85	9.68
Processing Charges	52.00	75.07
Commission to Selling Agents	176.87	123.42
Brokerage & Discounts	19.57	15.73
Advertisement	91.84	88.02
Transportation & Handling Charges	79.11	57.39
Other Selling Expenses	83.33	62.79
Legal & Profession Fees	41.51	30.24
Provisions for Bad & Doubtful Debts	3.95	2.24
Provisions for Bad & Doubtful Advances	0.04	0.72
Bad Debts Written off	0.04	0.86
Travelling & Conveyance	35.17	31.17
Directors' Seating Fees	0.14	0.12
Directors' Commission	2.00	2.00
Loss on Sale/Discard of Fixed Assets (Net)	—	0.81
Contribution to Research & Development Institution	3.31	1.89
Bank Charges	11.55	8.00
Miscellaneous Expenses	215.30	167.85
	2,029.08	1,588.30

NOTE: 23

DEPRECIATION & AMORTISATION EXPENSES

Depreciation of Tangible Assets	191.66	183.13
Amortisation of Intangible Assets	11.40	10.92
	203.06	194.05

NOTE: 24

FINANCE COST

Interest Expenses*	273.20	259.25
Other Borrowing Costs	40.06	11.56
	313.26	270.81

*Net of Interest Rebate Subsidy from Technology Upgradation Fund

14.04

17.81

*Interest Cost capitalised netted from the Interest Cost

4.70

2.27

NOTE: 25 CONTINGENT LIABILITIES NOT PROVIDED FOR:

₹ in Crore

a) Claims against the Company not acknowledged as debts

Nature of Statute	Brief Description of Contingent Liabilities	Forum where dispute is pending	As at 31st March, 2012	As at 31st March, 2011
Customs Duty, Customs Act, 1942	Departmental appeal against CESTAT order for deleting demand of payment of duty for non fulfillment of provision of EXIM policy related to Advance Licence	High Court - Karnataka	2.04	—
Excise Duty, Central Excise Act, 1944	Department issued show cause cum demand notice for simultaneous availment of C.E. Not. 29/04 & 30/04 date 09.07.2004 for the period 2004-05 to 2006-07	Commissioner, LTU, Mumbai	10.88	10.88
	Demand for payment of duty for removal of Refinished Imported Garments without paying Duty	CESTAT-Bangalore	2.03	2.03
	Demand of duty against availment of benefit of exemption under Notification 38/2003-CE in respect of ready made garments procured from job workers	Hon'ble Supreme Court	8.25	8.25
	Demand for reversal on cenvat on CBFS & other inputs allegedly to be used for manufacturing of electricity sold outside for the period 2006 to September 2011	Dy. Commissioner LTU Mumbai	32.04	1.42
	Demand of difference in duty on processing of yarn from Cake to Cone	Dy. Commissioner/ Commissioner-LTU, Mumbai	4.09	2.69
	Demand for reversal of cenvat on CBFS alleged to be used for generation of Steam	High Court, Allahabad	3.27	3.27
	Demand for reversal of cenvat of Service Tax on business auxiliary services	Commissioner	1.05	1.05
Sales Tax	Demand against C & F forms and also against Input Tax Credit (ITC) on purchases by Power Plant, reversal of ITC, for AY 2006-07	Joint Commissioner of Sales Tax (Appeals), Rajkot	10.68	—
	Demand against issue of Form C against supply of Natural Gas during F.Y. 2009-10, FY 2010-11 and FY 2011-12	High Court, Lucknow	74.69	38.61
	Demand of Entry Tax	Supreme Court	—	69.84
	Sales Tax demand on export to Nepal	High Court, Allahabad	1.43	1.17
	Demand against Form H, I & C, ITC Short adjusted on Stores Spares	W.B. Commercial Tax, Revisional Board	4.94	4.90
Service Tax, Finance Act, 1994	Demand of Service Tax on Commission paid to overseas agents during the period from 01.10.2002 to 31.03.2006	CESTAT, Kolkata	—	1.12
	Demand for reversal of cenvat of Service Tax taken on Goods transport Agency service on outward transportation	Commissioner-LTU, Mumbai	4.04	3.67
Others	Demand of textile cess on removal of Ready made garments	High Court, Karnataka	2.14	2.14
	Payment of Wages of Strike Period	Industrial Tribunal, Rajkot	3.12	3.12
	Labour Reinstatement & Workmen Compensation cases	Labour Court	5.77	5.47
	Claim by PEDEEE Syria for late supply under different contracts	Syrian Arab republic Council of State, Administrational Judicature Court, Syria	1.20	1.05
	HPCL arbitration for supply of low sulphur heavy stocks and other liquid fuels	CIT (Appeals)	1.04	1.04

NOTE: 25 CONTINGENT LIABILITIES NOT PROVIDED FOR: (CONTD.)

₹ in Crore				
Nature of Statute	Brief Description of Contingent Liabilities	Forum where dispute is pending	As at 31st March, 2012	As at 31st March, 2011
	Railways demanded Land Licence Fees, in 2008, for the land used for constructing and connecting siding with Railway at Sindurwa since 1988	DRM, Northern Railways, LKO	3.50	3.50
	Demand letter issued by UPSIDC for making payment of maintenance charges on land allotted in 1983	High Court, Lucknow	11.17	8.21
	Demand of water drawal charges by irrigation department	High Court, Gujarat	50.59	—
	Recovery of payment for material not supplied/Contract cancelled		5.92	5.92
Income Tax Act, 1961	Various Department Appeal in ITAT, High Court on various matter	ITAT, High Court	52.22	57.89
	Demand for various additions in tax assessment of AY 2008-09 & 2009-10	CIT (Appeals)	1.59	0.61
	Penalty on disallowance of provision of leave salary	CIT (Appeals)	—	3.11
	Various others cases		21.36	20.88
	Grand Total		319.05	261.84
b)	Bills Discounted with Banks		124.02	89.99
c)	Corporate Guarantees given to Banks for loans taken by subsidiaries		930.82	510.58
d)	Corporate Guarantees given in connection with performance obligation of the subsidiaries		99.76	87.07
e)	Under the Jute Packaging Material (Compulsory use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched was required to be supplied in jute bags up to 31st August, 2001. The Company made conscious efforts to use jute packaging material as required under the said Act. However, due to non-availability of material as per the Company's product specifications as well as due to strong customer resistance to use of jute bags, the specific percentage could not be adhered to. The Company has received a show cause notice, against which a writ petition has been filed with the Hon'ble High Court, which is awaiting for hearing. The Jute Commissioner, Kolkata had filed transfer petition, various writ petitions have been filed in different High Courts by other aggrieved parties, including the Company, before the Hon'ble Supreme Court of India, praying for consolidation of all cases at one Court. The transfer petition is pending before the Hon'ble Supreme Court. The Company has been advised that the said levy is bad in law.			

NOTES:

			₹ in Crore	
			As at 31st March, 2012	As at 31st March, 2011
26	Capital & Other Commitments			
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances).		207.94	95.09
b)	Customs duty on capital goods and raw materials imported under advance licensing/EPCG scheme, against which export obligation is to be fulfilled.		96.16	18.80
c)	For commitment under derivative contract Refer Note 44.			
d)	For commitment under lease contract Refer Note 39.			
e)	Transfer of investments in IDEA Cellular Ltd. (IDEA) and Birla Sun Life Insurance Co. Ltd. is restricted by the terms contained in their respective joint venture agreements. Non-disposal undertakings for IDEA, Aditya Birla Minacs Worldwide Ltd and Madura Garments Lifestyle Retail Company Limited investments have also been provided to certain Banks for respective credit facilities extended by them.			

Pursuant to the Shareholders' Agreement entered into with the Joint Venture partner, the Company has, in respect of Birla Sun Life Insurance Company Limited, agreed to infuse its share of capital from time to time to meet the solvency requirement prescribed by the regulatory authority.

- f) Aditya Birla Minacs Worldwide Ltd. (ABMWL), a subsidiary of the Company, has issued Zero Coupon Compulsorily Convertible Debentures (CCD) aggregating ₹ 250 Crore to be converted into Equity of ABMWL on the expiry of a period of 60 months from the date of allotment of such CCD. The Company has entered into an option agreement with the subscribers of such CCD, pursuant to which the subscribers has put option on the Company and the Company has call option on the subscribers on 22nd May, 2012, at a pre-agreed price. Further, on happening of certain events, the put option can also be exercised by the subscribers on the Company on any other date on happening of such events.
- g) Madura Garments Lifestyle Retail Company Limited (MGLRCL), a subsidiary of the Company, has issued Zero Coupon Compulsorily Convertible Debenture (CCD) aggregating ₹ 300 Crore to be converted into Equity of MGLRCL on the expiry of a period of 60 months from the date of allotment of such CCD. The Company has entered into an option agreement with the subscribers of such CCD, pursuant to which the subscribers has put option on the Company and the Company has call option on the subscribers on expiry of 24, 36, 48 and 60 months from the date of allotment of CCD at a pre-agreed price. Further, on happening of certain events, the put option can also be exercised by the subscribers on the Company on any other date on happening of such events.

- 27 The Hon'ble High Court of Allahabad, vide its order dated December 23, 2011, has upheld the constitutional validity and retrospective application of entry tax under UP Tax on Entry of Goods into Local Area Act, 2007 in response to a writ petition filed by the Company earlier. On further appeal, the Hon'ble Supreme Court, vide its order dated January 10, 2012, has granted stay on said order subject to certain conditions, accordingly, the Company has paid ₹ 47.88 Crore under protest and submitted bank guarantee aggregating ₹ 42.90 Crore. Considering the complexities involved and pending final hearing before the Hon'ble Supreme Court, the Company has made provision for entry tax aggregating ₹ 103.88 Crore (including ₹ 20.96 Crore for the current year) and the same is considered as an exceptional item.

	<u>Year Ended</u> <u>31st March, 2012</u>	<u>Year Ended</u> <u>31st March, 2011</u>
		₹ in Crore
28 Proposed Dividend		
The final dividend proposed for the year is as follows:		
a) On Preference Shares of ₹ 100/- each		
Amount of Dividend Proposed	0.01	0.01
Dividend per Preference Share (₹)	6.00	6.00
b) On Equity Shares of ₹ 10/- each		
Amount of Dividend Proposed	68.11	62.43
Dividend per Equity Share (₹)	6.00	5.50
There are no arrears of dividends relating to preference shares		
29 Value of Imports calculated on C.I.F. Basis		
Raw Materials	2,461.65	1,925.21
Spare Parts	24.21	22.68
Capital Goods	72.40	10.94
Purchase of Finished Goods	400.33	45.11
30 Expenditure in Foreign Currency (on accrual basis):		
Advertisement	1.05	1.39
Technical Assistance Fees/Royalties	2.26	1.56
Interest and Commitment Charges	54.54	30.74
Professional Charges	5.92	5.38
Travelling	1.12	1.16
Commission	11.74	9.53
Selling Expenses	1.13	1.64
Others	4.30	6.97

₹ in Crore

31 Value of Imported and Indigeneous Raw Materials & Spare Parts Consumed and percentage thereof to the total consumption:

	Percentage	Year Ended 31st March, 2012	Percentage	Year Ended 31st March, 2011
Raw Materials:				
Imported	63.46%	2,446.55	58.29%	1,796.21
Indigenous	36.54%	1,408.70	41.71%	1,285.51
		3,855.25		3,081.72
Spare Parts:				
Imported	19.68%	11.32	17.99%	9.95
Indigenous	80.32%	46.19	82.01%	45.38
		57.51		55.33

In respect of accounting year

32 Amount Remitted in Foreign Currency on Account:

	2010-11	2009-10
No. of Shareholders	492	508
No. of Equity Shares	130,510	131,925
Dividend Remitted in Foreign Currency	0.07	0.07
	Year Ended 31st March 2012	Year Ended 31st March 2011

33 Earnings in Foreign Currency (on accrual basis):

i) On Export of Goods (F.O.B. Basis):	1,024.40	825.04
ii) Sale of Certified Emission Reduction	1.59	6.03
iii) Service Charge	0.02	0.08

34 The following are included under other heads of expenses in the Statement of Profit and Loss:

Particulars	Head under which it is clubbed		
i) Stores and Spares Consumed	Repairs & Maintenance	14.36	15.46
ii) Salaries and Wages	Welfare Expenses	0.62	0.45
iii) Insurance	Salaries and Wages	1.12	0.92

35 Details of Auditors' Remuneration:

Payments to Statutory Auditor:		
As Auditors:		
For Audit Fees (Incl. Limited Review Fees)	1.06	0.88
For Tax Audit Fees	0.15	0.18
In other capacity:		
For Taxation Matters	—	0.04
For Management Services	—	0.50
For Other Services	0.19	0.10
For Reimbursement of Expenses	0.14	0.20
	1.54	1.90
Payments to Branch Auditor:		
As Auditors (Incl. Limited Review Fees)	0.34	0.29
As Tax Audit Fees	0.03	—
For Reimbursement of Expenses	0.09	0.05
	0.46	0.34
Payments to Cost Auditor:		
As Auditors	0.03	0.02
For Reimbursement of Expenses	0.01	0.01
	0.04	0.03
	2.03	2.27

₹ in Crore

- 36 Details of expenditure incurred in in-house Research & Development (R&D) facilities approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, under Section 35 of Income tax Act, 1961.

	<u>Year Ended 31st March, 2012</u>	<u>Year Ended 31st March, 2011</u>
i) Capital Expenditure		
Capital Equipment	7.36	1.19
ii) Revenue Expenditure		
Salaries & Wages	5.72	2.83
Other Expenditure directly related to R&D	2.27	0.66
iii) Total R&D Expenditure on approved R&D Facilities (Total i) & ii)	15.35	4.68
iv) Less: Amount Received by R&D Facilities	—	—
v) Net Amount of R&D Expenditure	15.35	4.68

37 **Earnings per Share**

Earnings per Share (EPS) is calculated as under:

Net Profit as per the Statement of Profit and Loss		345.39	379.69
Less: Preference Dividend and Tax thereon		0.01	0.01
Net Profit for EPS	(A)	345.38	379.68
Weighted Average Number of Equity Shares for calculation of Basic EPS	(B)	113,511,645	105,943,880
Basic EPS (₹)	(A/B)	30.43	35.84
Weighted Average Number of Equity Shares Outstanding		113,511,645	105,943,880
Add: Shares Held in Abeyance		41,522	42,925
Add: Dilutive Impact of Employee Stock Options		38,416	15,876
Add: Potential Equity Shares Due to Warrant		—	2,531,479
Weighted Average Number of Equity Shares for calculation of Diluted EPS	(C)	113,591,583	108,534,160
Diluted EPS (₹)	(A/C)	30.41	34.98
Nominal Value of Shares (₹)		10.00	10.00

38 Disclosure under Employee Stock Option Scheme

Under the Employee Stock Option Scheme - 2006 (ESOS-2006), the Company has granted options to the eligible employees of the Company and its Subsidiaries. During the year under ESOS-2006, 3,370 options have been granted as 'Tranche-V' on 23rd May, 2011, to the eligible employees of the Company. These options are convertible into equivalent equity shares of the Company. The details are as under:

(A) Employees Stock Option Scheme:

Particulars	Tranche - I	Tranche - II	Tranche - III	Tranche- IV	Tranche- V
No. of Options *	163,280	166,093	17,174	11,952	3,370
Method of Accounting	Intrinsic Value	Intrinsic Value	Intrinsic Value	Intrinsic Value	Intrinsic Value
Vesting Plan	Graded Vesting - 25% every year	Graded Vesting - 25% every year	Graded Vesting - 25% every year	Graded Vesting - 25% every year	Graded Vesting - 25% every year
Exercise Period	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting
Grant Date	23.08.2007	25.01.2008	20.08.2010	08.09.2010	23.05.2011
Grant/Exercise Price (₹ Per Share)	1,180.00	1,802.00	687.00	697.00	748.00
Repricing of the Option on 6th August, 2010 (₹ Per Share)	687.00	687.00	—	—	—
Market Price on the date of Grant of Option (₹ Per Share)	1,282.55	1,948.70	816.85	839.80	830.00
Market Price on the date of Repricing of Option (₹ Per Share)	816.85	816.85	—	—	—

(B) Movement of Options Granted:

Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
Options Outstanding at the beginning of the year	195,426	208,632
Granted during the year	3,370	29,126
Exercised during the year	4,111	—
Lapsed during the year	4,710	42,332
Options Outstanding at the end of the year (Refer Note: 2.6)	189,975	195,426
Options unvested at the end of the year	18,813	52,184
Options exercisable at the end of the year	171,162	143,242

* Includes 3,360 options granted to employees of Subsidiaries

The ESOP compensation cost is amortised on a straight-line basis over the total vesting period of the options. Accordingly ₹ 0.18 Crore (net of recovery of ₹ 13 Crore from the subsidiaries) (Previous Year : ₹ 1.96 Crore net of recovery of ₹ 0.05 Crore from the subsidiaries) has been charged to the Statement of Profit and Loss.

For the option exercised during the period, the weighted average share price at the exercise date was ₹ 927.92 per share (Previous Year : no option exercised).

The weighted average remaining contractual life for the stock options outstanding as at 31st March, 2012, is 3.35 years (Previous Year : 3.25 years).

(C) Fair Valuation:

The fair value of the options used to compute proforma net profit and earnings per share have been done by an independent valuer on the date of grant using Black-Scholes Merton Formula. The key assumptions and the Fair Value are as under:

Particulars	Tranche - I	Tranche - II	Tranche - III	Tranche-IV	Tranche- V
Risk-Free Interest Rate (%)	7.78	7.78	8.09	8.09	8.09
Option Life (Years)	5	5	5	5	5
Expected Volatility	38.00	38.00	54.04	53.88	34.05
Expected Dividend Yield (%)	0.52	0.52	0.86	0.86	0.57
Weighted Average Fair Value per Option (₹)	591.53	825.67	471.44	486.82	443.49

Particulars	On the Date of Repricing	
	Tranche - I	Tranche - II
Risk-Free Interest Rate (%)	8.09	8.09
Option Life (Years)	5	5
Expected Volatility	54.04	54.04
Expected Dividend Yield (%)	0.36	0.50
Weighted Average Fair Value per Option (₹)	355.12	366.54
Incremental Fair Value (₹)	148.89	237.35

Expected volatility of the Company's stock price is based on NSE price data of last two years.

Had the compensation cost for the stock options granted under ESOS-2006 been recognised based on fair value at the date of grant in accordance with the Black-Scholes Merton Formula, the proforma amount of net profit and earnings per share of the Company would have been as under: ₹ in Crore

Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
Net Profit	345.39	379.69
Add: Compensation Cost as per Intrinsic Value	0.18	1.96
Less: Compensation Cost as per Fair Value	1.51	2.53
Adjusted Net Income	344.06	379.12
Weighted Average Number of Basic Equity Shares Outstanding (in No.)	113,511,645	105,943,880
Weighted Average Number of Diluted Equity Shares Outstanding (in No.)	113,591,583	108,534,160
Face Value of the Equity Share (in ₹)	10	10
Reported Earnings Per Share (EPS)		
- Basic EPS (₹)	30.43	35.84
- Diluted EPS (₹)	30.41	34.98
Proforma Earnings Per Share (EPS)		
- Basic EPS (₹)	30.31	35.78
- Diluted EPS (₹)	30.29	34.93

₹ in Crore

	<u>Year Ended 31st March, 2012</u>	<u>Year Ended 31st March, 2011</u>
39 Leases:		
Disclosure pursuant to Accounting Standard-19 - Leases		
A. Operating Lease Payment recognised into the Statement of Profit and Loss:		
Minimum Lease Rent	190.12	165.52
Contingent Lease Rent	8.52	5.69
	<u>198.64</u>	<u>171.21</u>

The Company has taken certain office premises, showrooms and residential houses on cancellable and non-cancellable operating lease.

	<u>As at 31st March, 2012</u>	<u>As at 31st March, 2011</u>
B. The future minimum lease rental payments in respect of non-cancellable operating lease are as follows:		
- Not later than one year	52.04	33.07
- Later than one year and not later than five years	26.19	31.03
- Later than five years	—	—
	<u>78.23</u>	<u>64.10</u>

40 The Company has given certain Plant and Machinery (Storage Tank) on non-cancellable operating lease.

The gross carrying amount of the above referred assets	4.90	4.90
The accumulated depreciation for the above assets	2.29	2.05
The depreciation for the above assets for the year	0.23	0.23
The future minimum lease rental in respect of aforesaid lease is as follows:		
- Not later than one year	1.64	1.66
- Later than one year and not later than five years	0.08	2.94
- Later than five years	—	—

41 Disclosure in respect of Company's Joint Ventures in India pursuant to Accounting Standard-27 'Financial Reporting of Interest in Joint Ventures':

a) Name of the Venture	Country of Incorporation	Proportion of Ownership Interest	
		<u>As at 31st March, 2012</u>	<u>As at 31st March, 2011</u>
1. IDEA Cellular Limited	India	25.31%	25.35%
The aggregate of Company's share in the above venture is:			
Non-Current Assets		7,575.77	6,849.06
Current Assets		684.75	810.92
Non-Current Liabilities		2,726.76	2,461.98
Current Liabilities		2,230.52	2,079.43
Total Revenue		4,956.99	3,962.74
Expenses (including Depreciation and Taxation)		4,774.00	3,734.66
Contingent Liabilities		639.59	380.30
Capital Commitments		463.18	556.79

	Country of Incorporation	Proportion of Ownership Interest	
		As at 31st March, 2012	As at 31st March, 2011
2. Birla Sun Life Asset Management Company Limited (JV of Subsidiary Company (ABFSPL))	India	49.99%	49.99%
The aggregate of Company's share in the above venture is:			
Non-Current Assets		81.94	59.87
Current Assets		106.64	86.98
Non-Current Liabilities		5.37	9.83
Current Liabilities		41.64	42.90
Total Revenue		174.04	193.55
Expenses (including Depreciation and Taxation)		144.62	151.27
Contingent Liabilities		45.29	2.07
Capital Commitments		0.03	0.18
3. Birla Sun Life Trustee Company Private Limited (JV of Subsidiary Company (ABFSPL))	India	49.85%	49.85%
The aggregate of Company's share in the above venture is:			
Non-Current Assets		0.01	0.01
Current Assets		0.14	0.13
Non-Current Liabilities		—	—
Current Liabilities		—	—
Total Revenue		0.03	0.04
Expenses (including Depreciation and Taxation)		0.02	0.01
Contingent Liabilities		—	—
Capital Commitments		—	—

NOTE : 42**Disclosure in respect of Related Parties pursuant to Accounting Standard-18****Sl. No. List of Related Parties:****Parties where control exist****SUBSIDIARIES**

- 1 Aditya Birla Financial Services Private Limited (ABFSPL) (100% Subsidiary)
 - 1.1 Aditya Birla Capital Advisors Private Limited (ABCAPL) (100% Subsidiary of ABFSPL)
 - 1.2 Aditya Birla Customer Services Private Limited (ABCSP) (100% Subsidiary of ABFSPL)
 - 1.3 Aditya Birla Trustee Company Private Limited (ABTCPL) (100% Subsidiary of ABFSPL)
 - 1.4 Aditya Birla Money Limited (ABML) (75% Subsidiary of ABFSPL)
 - 1.4.1 Aditya Birla Commodities Broking Limited (ABCBL) (100% Subsidiary of ABML)
 - 1.5 Aditya Birla Financial Shared Services Limited (ABFSSL) (100% Subsidiary of ABFSPL)
 - 1.6 Aditya Birla Finance Limited (ABFL) (100% Subsidiary of ABFSPL)
 - 1.6.1 Aditya Birla Securities Private Limited (ABSPL) (100% Subsidiary of ABFL w.e.f. 31st July, 2010)
 - 1.7 Aditya Birla Insurance Brokers Limited (ABIBL) (50.01% Subsidiary of ABFSPL)
 - 1.8 Aditya Birla Money Mart Limited (ABMML) (100% Subsidiary of ABFSPL)
 - 1.8.1 Aditya Birla Money Insurance Advisory Services Limited (100% Subsidiary of ABMML)
- 2 Aditya Birla Minacs Worldwide Limited (ABMWL) (99.85% Subsidiary)
 - 2.1 Transworks Inc (TW Inc) (100% Subsidiary of ABMWL) (upto 9th October, 2011)
 - 2.2 Aditya Birla Minacs Philippines Inc. (ABMPI) (100% Subsidiary of ABMWL)
 - 2.3 AV TransWorks Limited. (AVTL) (100% Subsidiary of ABMWL)
 - 2.3.1 Aditya Birla Minacs Worldwide Inc. (ABMWI) (100% Subsidiary of AVTL)
 - 2.3.1.1 Aditya Birla Minacs BPO Limited (ABMBL) (100% Subsidiary of ABMWI)
 - 2.3.1.1.1 Aditya Birla Minacs BPO Private Limited (ABMBPL) (100% Subsidiary of ABMBL)
 - 2.3.1.1.2 Compass BPO Inc. (100% Subsidiary of ABMBL) (Upto 29th September, 2011)
 - 2.3.1.2 Minacs Worldwide SA de CV (MWSC) (100% Subsidiary of ABMWI)
 - 2.3.1.3 The Minacs Group (USA) Inc. (MGI) (100% Subsidiary of ABMWI)
 - 2.3.1.3.1 Bureau of Collection Recovery, LLC (BCR) (100% Subsidiary of MGI) (w.e.f. 2nd June, 2010)
 - 2.3.1.4 Bureau of Collections Recovery (BCR) Inc. (w.e.f. 4th March, 2011) (100% Subsidiary of ABMWI)
 - 2.3.1.5 Minacs Limited (ML) (100% Subsidiary of ABMWI)
 - 2.3.1.6 Minacs Worldwide GmbH (MWGH) (100% Subsidiary of ABMWI)
 - 2.3.1.6.1 Minacs Kft. (100% Subsidiary of MWGH)

Sl. No. List of Related Parties:**Parties where control exist****SUBSIDIARIES**

- | | |
|----|---|
| 3 | Aditya Vikram Global Trading House Limited (AVGTHL) (100% Subsidiary) |
| 4 | Birla Sun Life Insurance Company Limited (BSLICL) (74% Subsidiary) |
| 5 | ABNL Investment Limited (ABNLInv) (100% Subsidiary) |
| 6 | Shaktiman Mega Food Park Private Limited (w.e.f. 2nd December, 2010) (94% Subsidiary) |
| 7 | Madura Garments Lifestyle Retail Company Limited (MGLRCL) (100% Subsidiary) |
| 8 | Peter England Fashions and Retail Limited (PEFRL) (100% Subsidiary) |
| 9 | Indigold Trade and Services Limited (ITSL) (w.e.f. 30th June, 2010) (99.99% Subsidiary) |
| 10 | LIL Investment Limited (LIL) (w.e.f. 30th June, 2010) (99.99% Subsidiary) |

JOINT VENTURES

- | | |
|---|---|
| 1 | Birla Sun Life Asset Management Company Limited (BSAMC) (Joint Venture of ABFSPL) |
| 2 | Birla Sun Life Trustee Company Private Limited (BSTPL) (Joint Venture of ABFSPL) |
| 3 | IDEA Cellular Limited (IDEA) |

ASSOCIATES

- | | |
|---|---|
| 1 | Birla Securities Limited (BSL) |
| 2 | Indigold Trade and Services Limited (ITSL) (Upto 29th June, 2010) |
| 3 | LIL Investment Limited (LILIL) (Upto 29th June, 2010) |

Key Management Personnel

- | | |
|---|---|
| 1 | Dr. Rakesh Jain - Managing Director |
| 2 | Mr. Pranab Barua - Whole-time Director |
| 3 | Mr. Sushil Agarwal- Whole-time Director (w.e.f. 1st June, 2011) |
| 4 | Mr. K.K. Maheshwari - Whole-time Director (upto 20th May, 2010) |

Relatives of Key Management Personnel

- | | |
|---|--|
| 1 | Mrs. Anita Agarwal (Wife of Mr. Sushil Agarwal) |
| 2 | Mrs. Sharda Maheshwari (Wife of Mr. K.K. Maheshwari) |

Disclosure in respect of Related Parties pursuant to Accounting Standard 18

During the year following transactions were carried out with the related parties in the ordinary course of business:

₹ in Crore

Transaction/Nature of Relationship	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Relatives of Key Management Personnel	Grand Total
Purchase of Goods and Services						
ABMWL	0.69 (0.42)	-	-	-	-	0.69 (0.42)
BSLICL	0.82 (0.40)	-	-	-	-	0.82 (0.40)
IDEA	-	2.36 (0.74)	-	-	-	2.36 (0.74)
Others	- (0.44)	-	-	-	0.06 (0.01)	0.06 (0.45)
TOTAL	1.51 (1.26)	2.36 (0.74)	-	-	0.06 (0.01)	3.93 (2.01)
Sales of Goods and Services						
PEFRL	14.30 (8.25)	-	-	-	-	14.30 (8.25)
MGLRCL	18.49 (6.47)	-	-	-	-	18.49 (6.47)
Others	0.04 (0.46)	0.01 (0.01)	-	-	-	0.05 (0.47)
TOTAL	32.83 (15.18)	0.01 (0.01)	-	-	-	32.84 (15.19)
Interest Received						
ABNL Inv.	1.10 (2.65)	-	-	-	-	1.10 (2.65)
ABMWL	4.05 (0.08)	-	-	-	-	4.05 (0.08)
ABFL	1.13 (0.70)	-	-	-	-	1.13 (0.70)
MGLRCL	0.04 (12.87)	-	-	-	-	0.04 (12.87)
Others	0.01 (3.58)	-	(0.02)	-	-	0.01 (3.60)
TOTAL	6.33 (19.88)	-	(0.02)	-	-	6.33 (19.90)
Dividend Received						
BSLICL	72.87	-	-	-	-	72.87
TOTAL	72.87	-	-	-	-	72.87
Receipt against Reimbursement of Revenue/Capital Expenditure						
PEFRL	0.07 (0.18)	-	-	-	-	0.07 (0.18)
MGLRCL	0.11 (1.41)	-	-	-	-	0.11 (1.41)
TOTAL	0.18 (1.59)	-	-	-	-	0.18 (1.59)
Interest Expenses						
BSLICL	6.85 (7.40)	-	-	-	-	6.85 (7.40)
TOTAL	6.85 (7.40)	-	-	-	-	6.85 (7.40)
Managerial Remuneration Paid *						
Dr. Rakesh Jain	-	-	-	6.10 (5.85)	-	6.10 (5.85)
Mr. Pranab Barua	-	-	-	4.31 (2.75)	-	4.31 (2.75)

₹ in Crore

Transaction/Nature of Relationship	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Relatives of Key Management Personnel	Grand Total
Mr. Sushil Agarwal	-	-	-	1.70	-	1.70
Mr. K.K. Maheshwari	-	-	-	(1.83)	-	(1.83)
TOTAL	-	-	-	12.11 (10.43)	-	12.11 (10.43)
Fresh Investments Made						
ABMWL	117.10	-	-	-	-	117.10
ABFSPL	56.50 (140.00)	-	-	-	-	56.50 (140.00)
Others	- (1.20)	-	-	-	-	- (1.20)
TOTAL	173.60 (141.20)	-	-	-	-	173.60 (141.20)
Sale of Investments						
AVGTHL	- (3.05)	-	-	-	-	- (3.05)
ABNL Inv.	0.05	-	-	-	-	0.05
ABFL	- (149.08)	-	-	-	-	- (149.08)
Others	- (0.64)	-	-	-	-	- (0.64)
TOTAL	0.05 (152.77)	-	-	-	-	0.05 (152.77)
Loans/Deposits Granted (including Inter-Corporate Deposits)						
ABNL Inv.	61.41 (43.69)	-	-	-	-	61.41 (43.69)
ABMITS	- (12.65)	-	-	-	-	- (12.65)
ABMWI	55.00 (15.00)	-	-	-	-	55.00 (15.00)
ABFL	706.00 (484.00)	-	-	-	-	706.00 (484.00)
MGLRCL	148.45 (366.59)	-	-	-	-	148.45 (366.59)
ABML	- (185.00)	-	-	-	-	- (185.00)
ABMML	23.54 (197.22)	-	-	-	-	23.54 (197.22)
Others	2.15 (0.33)	-	-	-	-	2.15 (0.33)
TOTAL	996.55 (1,304.48)	-	-	-	-	996.55 (1,304.48)
Deposits Received						
ITSL	1.25	-	-	-	-	1.25
LIL	1.25	-	-	-	-	1.25
TOTAL	2.50	-	-	-	-	2.50
Loans Granted Received Back (including Inter-Corporate Deposits)						
LIL	24.97 (0.10)	-	-	-	-	24.97 (0.10)

₹ in Crore

Transaction/Nature of Relationship	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Relatives of Key Management Personnel	Grand Total
ABNL Inv	- (56.31)	-	-	-	-	- (56.31)
ABMWL	62.50 (15.00)	-	-	-	-	62.50 (15.00)
ABFL	669.00 (549.00)	-	-	-	-	669.00 (549.00)
MGLRCL	0.65 (423.12)	-	-	-	-	0.65 (423.12)
ABML	- (205.00)	-	-	-	-	- (205.00)
ABMML	- (175.09)	-	-	-	-	- (175.09)
Others	1.04 (15.99)	-	-	-	-	1.04 (15.99)
TOTAL	758.16 (1,439.61)	-	-	-	-	758.16 (1,439.61)
Guarantees given during the year						
ABMWI	437.50 (25.00)	-	-	-	-	437.50 (25.00)
The Minacs Group (USA) Inc.	102.31 (91.96)	-	-	-	-	102.31 (91.96)
TOTAL	539.81 (116.96)	-	-	-	-	539.81 (116.96)
Outstanding Balances as on 31st March, 12						
Loans / Deposit Granted	297.31 (58.92)	-	-	3.00 (3.00)	4.60 -	304.91 (61.92)
Debentures held by	25.00 (85.00)	-	-	-	-	25.00 (85.00)
Interest Accrued on Loans Granted	0.67 (1.77)	-	-	-	-	0.67 (1.77)
Amounts Receivable	80.03 (2.26)	0.03 (₹)	-	-	-	80.06 (2.26)
Amounts Payable	1.32 (0.74)	0.04 -	(0.01)	(0.12)	-	1.36 (0.87)
Performance Guarantees Outstanding For	99.76 (87.07)	-	-	-	-	99.76 (87.07)
Corporate Guarantees Outstanding For	930.81 (510.58)	-	-	-	-	930.81 (510.58)
Deposits Payable	2.50 -	0.01 (0.01)	-	-	-	2.51 (0.01)
Investments Outstanding	3,023.15 (2,849.60)	2,355.81 (2,355.81)	0.01 (0.01)	-	-	5,378.96 (5,205.41)

- Figures in brackets represent corresponding amount of previous year
- No amount in respect of the related parties have been written off/back are provided for during the year
- Related party relationship has been identified by the management and relied upon by the auditors

₹ in Crore

***Remuneration to Key Personnel**

	Current year	Previous year
Salary	10.59	9.08
Contribution to Provident & Other Funds	0.72	0.58
Other Perquisites	0.80	0.77
	<u>12.11</u>	<u>10.43</u>

Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year, and, accordingly, have not been considered in the above information and excluding Employee Compensation under ESOP.

NOTE : 43**Retirement Benefits**

₹ in Crore

Disclosure in respect of Employee Benefits pursuant to Accounting Standard -15 (Revised)

	As at 31st March, 2012	As at 31st March, 2011
a) The details of the Company's defined benefit plans in respect of Gratuity (funded by the Company):		
Amounts recognised in the Balance Sheet in respect of gratuity		
Present Value of the funded Defined Benefit Obligations at the end of the period	101.02	92.43
Fair Value of Plan Assets	97.70	86.22
Net Liability/(Asset)	3.32	6.21
Amounts recognised in Employee Benefits in the Statement of Profit and Loss in respect of gratuity		
Current Service Cost	7.77	6.37
Interest on Defined Benefit Obligations	7.11	6.20
Expected Return on Plan Assets	(6.80)	(6.22)
Net Actuarial (Gain)/Loss recognised during the period	1.97	7.10
Past Service Cost	-	0.27
Net Gratuity Cost	10.05	13.72
Actual Return on Plan Assets:		
Expected Return on Plan Assets	6.80	6.22
Actuarial Gain/(Loss) on Plan Assets	(1.52)	(0.08)
	5.28	6.14
Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:		
Change in Present Value of Obligation:		
Opening Defined Benefit Obligations	92.43	80.08
Current Service Cost	7.77	6.37
Interest Cost	7.11	6.20
Actuarial (Gain)/Loss	0.46	7.02
Past Service Costs	-	0.27
Benefits Paid	(6.74)	(7.51)
Closing Defined Benefit Obligations	101.02	92.43
Change in Fair Value Plan Assets:		
Opening Fair Value of the Plan Assets	86.22	78.16
Expected Return on Plan Assets	6.80	6.22
Actuarial Gain/(Loss)	(1.52)	(0.08)
Contributions by the Employer	12.95	9.43
Benefits Paid	(6.74)	(7.51)
Closing Fair Value of the Plan Assets	97.70	86.22
Investment Details of Plan Assets		
Government of India Securities	25%	29%
Corporate Bonds	1%	2%
Insurer Managed Fund	60%	65%
Special Deposit Scheme	2%	0%
Others	12%	4%
Total	100%	100%

₹ in Crore

Experience Adjustment	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Defined Benefit Obligations	101.02	92.43	80.08	75.30	64.29
Plan Assets	97.70	86.22	78.16	77.30	61.36
Surplus/(Deficit)	(3.32)	(6.21)	(1.92)	2.00	(2.93)
Experience Adjustments on Plan Liabilities	3.01	6.62	1.16	4.73	1.83
Experience Adjustments on Plan Assets	(1.52)	(0.08)	(3.32)	8.55	(1.65)

There are no amount included in the Fair Value of Plan Assets for:

- Company's own financial instrument
- Property occupied by or other assets used by the Company

Expected rate of return on assets is based on the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

General Description Fair Value of the Plan

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's Scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

	As at 31st March, 2012	As at 31st March, 2011
--	---------------------------	---------------------------

Principal Actuarial Assumptions at the Balance Sheet date

Discount Rate	8.40%	8.10%
Estimated Rate of Return on Plan Assets	8.50%	8.00%

The Estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply & demand in the employment market.

Estimated amount of contribution expected to be paid to the fund during the annual period being after the Balance Sheet date is ₹ 7.00 Crore (Previous Year : ₹ 6.25 Crore).

- b) The details of the Company's defined benefit plans in respect of the Company owned Provident Fund Trust

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Contribution to Company Owned Employees Provident Fund Trust	9.36	7.92

The Guidance Note on implementation of AS-15, Employee Benefits (Revised 2005), issued by the ICAI states that Provident Fund set up by the employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefits plan. The Company set up Provident Fund does not have existing deficit of Interest shortfall. The Actuarial Society of India has issued the final guidance for measurement of Provident Fund liabilities.

The actuary has accordingly provided a valuation and based on the below provided assumptions there is no short fall as at 31st March, 2012.

The details of Plan Assets position as under

	₹ in Crore
Plan Assets at Fair Value	274.10
Liabilities Recognised in the Balance Sheet	Nil

Assumption used in determining the present value obligation of interest rate guarantee under the Deterministic Approach

Discount Rate for the term of the Obligation	8.35%
Discount Rate for the remaining term of maturity of Investment portfolio	8.30%
Guaranteed Interest Rate	8.25%

	₹ in Crore				
	As at 31st March, 2012	As at 31st March, 2011			
c) The details of the Company's defined benefit plans in respect of Pension for its employees are given below:					
Amounts recognised in the Balance Sheet in respect of Pension (unfunded by the Company):					
Present Value of Unfunded Obligations at the end of the period	6.46	6.93			
Fair Value of Plan Assets	-	-			
Net Liability/(Asset)	6.46	6.93			
Amounts recognised in Employee Benefits in the Statement of Profit and Loss in respect of Pension (unfunded by the Company):					
Interest on Defined Benefit Obligations	0.52	0.54			
Net Actuarial (Gain)/Loss recognised during the period	0.03	0.22			
Net Pension Cost	0.55	0.76			
Reconciliation of Present Value of the Obligations:					
Opening Defined Benefit Obligations	6.93	7.20			
Interest Cost	0.52	0.54			
Actuarial (Gain)/Loss	0.03	0.22			
Benefits Paid	(1.02)	(1.03)			
Closing Defined Benefit Obligations	6.46	6.93			
Change in Fair Value Plan Assets:					
Contributions by the Employer	1.02	1.03			
Benefits Paid	(1.02)	(1.03)			
Closing Fair Value of the Plan Assets	-	-			
Financials Assumptions at the valuation date					
Discount Rate (p.a.)	8.40%	8.10%			
Experience Adjustment	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Defined Benefit Obligation	6.46	6.93	7.20	7.49	7.29
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(6.46)	(6.93)	(7.20)	(7.49)	(7.29)
Experience Adjustment on Plan Liabilities	0.13	0.05	0.55	0.31	1.00

General Description of the Plan

In addition to contribution to the state managed pension plan, the Company provide pension to some employees, which is discretionary in the nature. The quantum of pension depends on the cadre of the employee at the time of retirement.

	₹ in Crore	
	Year Ended 31st March, 2012	Year Ended 31st March, 2011
d) Defined Contribution Plans –		
The Company has recognised the following amount as an expense and included in the Note 21 - "Contribution to Provident & Other Funds":	25.50	22.84

NOTE : 44

Statement of Derivatives - Outstanding at the Balance Sheet Date

a) Derivatives: Outstanding as at Balance Sheet date

Nature of Contract	Foreign Currency	Option	Amount in Foreign Currency as at		Purpose
			31st March, 2012	31st March, 2011	
Currency & Interest Rate Swap	JYen	Buy	11,480,350,000	13,719,300,000	Hedging of Loan
Currency & Interest Rate Swap	USD	Buy	105,000,000	35,000,000	Hedging of Loan
Forward Contracts	USD	Buy	200,427,342	104,170,585	Hedging Purpose
		Sell	27,359,619	8,926,679	
Forward Contracts	Euro	Buy	10,187,725	6,031,254	Hedging Purpose
		Sell	5,716,462	5,969,659	
Forward Contracts	GBP	Sell	2,161,682	2,007,148	Hedging Purpose
Forward Contracts	AUD	Buy	600,000	497,037	Hedging Purpose
		Sell	83,630	—	
Forward Contracts and Interest Rate Swap	USD	Buy	15,000,000	15,192,277	Hedging of Loan

b) Foreign Currency exposure which are not hedged

As at 31st March, 2012

Particulars	Currency	Foreign Currency	₹ in Crore
Trade Receivables	USD	8,630,578	44.15
	Euro	396,522	2.71
Trade Payables	USD	12,071,174	61.75
Other Current Liabilities	USD	1,828,372	9.37
	Euro	77,462	0.53
	GBP	56,894	0.47
Short-Term Secured Loans taken	USD	5,854,000	29.95
	Euro	1,651,453	11.29
Non-Current Investments	USD	150,000	0.65

As at 31st March, 2011

Particulars	Currency	Foreign Currency	₹ in Crore
Trade Receivables	USD	14,337,783	64.02
	Euro	1,451,648	9.18
	GBP	181,077	1.30
Trade Payables	USD	9,758,092	43.57
Other Current Liabilities	USD	1,134,834	5.07
	Euro	63,412	0.40
	GBP	163,468	1.18
Short Term Secured Loans taken	USD	6,554,000	29.26
	GBP	1,000,000	7.19
Non-Current Investments	USD	150,000	0.65
Cash and Bank Balance	USD	6,361	0.03
	GBP	3,690	0.03

45 The Company has presented segmental information in its Consolidated Financial Statements, which are part of the same annual report. Accordingly, in terms of provisions of Accounting Standard on Segment Reporting (AS-17) no disclosure related to the segment are presented in the Standalone Financial Statements.

46 Subsequent Events

- a) The Board of Directors of the Company at its meeting held on 30th April, 2012, has, in principle approved, subject to necessary approvals, the proposed acquisition of a controlling stake in Future Group's 'Pantaloon Format Business' post its demerger from Pantaloon Retail (India) Ltd. (PRIL) either directly or through its subsidiary company. PRIL will issue debentures to the company/its subsidiary worth ₹ 800 Crore convertible in the equity shares of the resulting entity on mutually agreed terms. The transaction is likely to be completed in the next 8-10 months time, subject to the finalisation of the Scheme of Arrangement, due diligence, statutory and other requisite approvals.
- b) The Board of Directors of the Company at their meeting, held on 26th March, 2012, have, subject to necessary approval(s) and in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, approved issuance of 1.65 Crore warrants to Promoter and/or Promoter Group, entitling the holder thereof to get one equity share of ₹ 10/- each of the Company against each warrant within a period of eighteen months from the date of allotment. Subsequently, the Members of the Company in the Extraordinary General Meeting held on 25th April, 2012, have also approved issue of the said warrants.

Further, on receipt of 25% of the price fixed per warrants on 10th May, 2012, the Company has issued and allotted 1.65 Crore Warrants to the Promoter Group Companies on a preferential basis.

47 Figures of ₹ 50,000 or less have been denoted by '₹'.

48 Previous Year's figures have been regrouped/rearranged wherever necessary.

As per our attached Report of even date

For KHIMJI KUNVERJI & CO.
Firm Registration No. 105146W
Chartered Accountants

For S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

Per SHIVJI K. VIKAMSEY
Partner
Membership No. 2242
Mumbai, May 15, 2012

Per VIJAY MANIAR
Partner
Membership No. 36738

For and on behalf of Board of Directors

DR. RAKESH JAIN
Managing Director

SUSHIL AGARWAL
Whole-time Director & CFO

DEVENDRA BHANDARI
Company Secretary

TARJANI VAKIL
P. MURARI
G.P. GUPTA
B.R. GUPTA
Directors

The Board of Directors

Aditya Birla Nuvo Limited

- 1 We have audited the attached Consolidated Balance Sheet of Aditya Birla Nuvo Group, comprising Aditya Birla Nuvo Limited ('the Company') and its subsidiaries, joint ventures and associate (collectively referred to as, 'the Group'), as at March 31, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto (collectively referred to as 'Consolidated Financial Statements'). These Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information of the components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Consolidated Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Consolidated Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 Included in the Consolidated Financial Statement, are total assets of Rs. 31,941 crore as at March 31, 2012, total revenues of Rs. 11,659 crore and net cash outflow of Rs. 131 crore for the year then ended, of twenty subsidiaries, three joint venture and one associates which have not been jointly audited by us. These have been audited by either of us singly or jointly with others or by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these entities, is based solely on reports of those respective auditors.
- 4 The auditor of Aditya Birla Minacs Worldwide Limited ('ABMWL'), a subsidiary company, has reported that they did not audit the financial statement of Aditya Birla Minacs Worldwide Inc. (Consolidated) ('MWI') and Aditya Birla Minacs Philippines, Inc. ('MPI'), subsidiary companies of ABMWL, whose financial statements reflect total assets of Rs. 1,030.68 crore as at March 31, 2012 and total revenue of Rs. 1,780.26 crore and cash flows amounting to Rs. 6.01 crore for the year then ended. The financial statements and other financial information of MWI and MPI have been audited by other auditors as per the requirement of Canadian Generally Accepted Accounting Principles ('GAAP') and Philippines GAAP respectively. These have been converted as per the requirements of Indian GAAP by the management of ABMWL and the conversion has been audited by the auditors of ABMWL. Our opinion, in so far it relates to the amounts included in respect of MWI and MPI and its conversion into Indian GAAP as stated above is based solely on the report of auditors of ABMWL.
- 5 The auditors of Idea Cellular Limited ('Idea') a jointly controlled entity of the Company, without qualifying their opinion on the Consolidated Financial Statements of Idea have drawn attention to:
 - (a) Note no. 42(i)(a) to the Consolidated Financial Statement, that the Hon'ble Supreme Court of India, vide judgment dated February 2, 2012 has quashed the press release dated January 10, 2008 issued by the Department of Telecommunications ('DoT') and consequent grant of 122 licenses. Idea and erstwhile Spice Communications Limited ('Spice') have been issued 9 and 4 licenses respectively in January 2008 which have been cancelled due to the above mentioned order of the Hon'ble Supreme Court.

Of the 13 licenses, 7 licenses are being operated by Idea and balance 6 overlapping licenses have been impaired in previous financial years. Vide a further order dated April 24, 2012, the Hon'ble Supreme Court has allowed Idea to operate these licenses upto September 07, 2012.

The impact, if any, on the operations of the said 7 services areas and on the group's share of carrying values of these licenses as on March 31, 2012 amounting to Rs. 70.31 crore, is dependent upon the steps taken by DoT and outcome of the auction.
 - (b) Note no. 42(i)(c) to the Consolidated Financial Statement, that the Hon'ble High Court of Delhi on July 04, 2011 has reaffirmed its order dated February 05, 2010 sanctioning the Scheme of Amalgamation of

Spice with Idea. However the said judgment transferred and vested unto DoT, the six telecom licenses granted to erstwhile Spice along with the spectrum (including two operational licenses for Punjab and Karnataka service areas) till the time permission of DoT is granted for transfer thereof upon an application from Idea to that effect. Idea has filed an appeal before the Appellate Bench of Hon'ble High Court of Delhi, challenging the above judgment dated July 04, 2011. The Appellate Bench of Hon'ble High Court of Delhi through interim order has directed DoT to maintain status quo in respect of the two operational licenses for Punjab and Karnataka and not to take any coercive action for remaining four non-operational licenses. The Appellate Bench of Hon'ble High Court of Delhi has reserved the judgement on the said matter.

Since the matter is sub judice, the outcome of which is uncertain at this stage, the auditors of Idea are unable to comment on the consequential impact, if any, on Consolidate Financial Statements of Idea.

As a result of above paragraph 5(a) and 5(b), we are also unable to comment on the consequential impact, if any, on the attached Consolidated Financial Statements.

- 6 The auditors of Birla Sun Life Insurance Company Limited ('BSLI'), a subsidiary company, have reported that the actuarial valuation of liabilities of BSLI for policies in force is responsibility of the BSLI's Appointed Actuary ('the appointed actuary'). The actuarial valuation of liabilities for policies in force has been duly certified by the appointed actuary. The appointed actuary has certified to BSLI that the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority (IRDA) and the Actuarial Society of India in concurrence with IRDA. BSLI auditor's has relied on the appointed actuary's certificate in this regard for forming their opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists on financial statements of BSLI.
- 7 We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard ('AS') 21 Consolidated Financial Statements, AS 23 Accounting for Investments in Associates in Consolidated Financial Statements and AS 27 Financial Reporting of Interests in Joint Ventures, notified by Companies Accounting Standard Rules, 2006 (as amended).
- 8 Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the Components and to the best of our information and according to the explanations given to us and read with our comments in paragraph 5 above, we are of the opinion that the attached Consolidated Financial Statement, give a true and fair view in conformity with accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its Subsidiaries, Joint Ventures and Associate as at March 31, 2012;
 - (b) in the case of the consolidated Profit and Loss Account, 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.

For and on behalf of
KHIMJI KUNVERJI & CO.
Firm Registration No. 105146W
Chartered Accountants

Per Shivji K. Vikamsey
Partner
Membership No. 2242
Mumbai
Date: May 15, 2012

For and on behalf of
S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

Per Vijay Maniar
Partner
Membership No. 36738
Mumbai
Date: May 15, 2012

**CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2012**

Aditya Birla Nuvo Limited

₹ in Crore

	Note No.	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
(A) Shareholders' Funds			
Share Capital	2	113.52	113.51
Equity Preference		0.59	25.59
Reserves and Surplus	3	7,402.98	6,539.25
	Sub-Total - (A)	7,517.09	6,678.35
(B) Minority Interest			
		298.34	278.48
(C) Non-Current Liabilities			
Long-term Borrowings	4A	5,283.54	4,455.20
Deferred Tax Liabilities (Net)	5A	332.54	264.45
Other Long-term Liabilities	6A	332.48	225.45
Long-term Provisions	7A	71.36	74.55
Policyholders' Fund		19,230.28	18,237.42
Fund for Future Appropriations		177.59	279.88
	Sub-Total - (C)	25,427.79	23,536.95
(D) Current Liabilities			
Short-term Borrowings	4B	5,684.88	3,337.65
Trade Payables		2,727.52	2,624.43
Other Current Liabilities	6B	2,708.68	2,497.40
Short-term Provisions	7B	239.25	187.50
Policyholders' Fund		337.86	282.66
Fund for Future Appropriations		218.30	177.10
	Sub-Total - (D)	11,916.49	9,106.74
	TOTAL (A)+(B)+(C)+(D)	45,159.71	39,600.52
ASSETS			
(E) Non-Current Assets			
Fixed Assets			
Tangible Assets	8A	7,091.54	6,489.15
Intangible Assets	8B	1,863.78	1,357.53
Capital Work-in-Progress		381.30	982.06
Intangible Assets under Development		28.40	18.82
		9,365.02	8,847.56
Goodwill on Consolidation		3,125.47	2,995.07
Non-Current Investments			
Investments of Life Insurance Business	9A	2,162.47	1,678.83
Other Investments	10A	451.84	363.06
Assets Held to Cover Linked Liabilities of Life Insurance Business	11A	15,158.58	14,148.82
Deferred Tax Assets (Net)	5B	15.95	5.84
Long-term Loans and Advances	12A	1,548.08	623.65
Other Non-Current Assets	13A	8.16	5.10
	Sub-Total - (E)	31,835.57	28,667.93
(F) Current Assets			
Current Investments			
Investments of Life Insurance Business	9B	811.17	621.79
Other Investments	10B	345.01	676.18
Assets Held to Cover Linked Liabilities of Life Insurance Business	11B	2,977.84	3,310.40
Inventories	14	1,364.90	1,233.84
Trade Receivables	15	2,214.30	1,530.03
Cash & Bank Balances	16	1,415.91	848.86
Short-term Loans and Advances	12B	3,550.36	2,275.31
Other Current Assets	13B	644.65	436.18
	Sub-Total - (F)	13,324.14	10,932.59
	TOTAL (E)+(F)	45,159.71	39,600.52

Significant Accounting Policies 1

The accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date

For KHIMJI KUNVERJI & CO.
Firm Registration No. 105146W
Chartered Accountants

For S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

For and on behalf of Board of Directors

DR. RAKESH JAIN
Managing Director

TARJANI VAKIL
P. MURARI
G.P. GUPTA
B.R. GUPTA
Directors

SUSHIL AGARWAL
Whole-time Director & CFO

Per SHIVJI K. VIKAMSEY
Partner
Membership No. 2242

Per VIJAY MANIAR
Partner
Membership No. 36738

DEVENDRA BHANDARI
Company Secretary

Mumbai, May 15, 2012

		₹ in Crore	
	Note No.	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Revenue from Operations	17	22,262.48	18,442.30
Less: Excise Duty		422.19	254.53
Net Revenue from Operations		21,840.29	18,187.77
Other Income	18	308.74	212.62
Total Revenue		22,149.03	18,400.39
Expenses			
Cost of Materials Consumed	19	3,981.46	3,189.21
Purchase of Stock-in-Trade	20	1,179.26	513.15
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	21	(106.06)	(166.18)
Employee Benefits Expenses	22	2,948.01	2,455.76
Other Expenses	23	9,670.30	7,866.45
Change in Valuation of Liability in respect of Life Insurance Policies in Force	24	1,216.96	1,856.59
Total Expenses		18,889.93	15,714.98
Profit before Depreciation/Amortisation, Interest and Tax (PBDIT)		3,259.10	2,685.41
Depreciation and Amortisation Expenses	25	1,092.33	940.90
Finance Cost	26	836.73	549.62
Profit before Exceptional Item and Tax		1,330.04	1,194.89
Exceptional Items	29	103.88	103.84
Profit before Tax		1,226.16	1,091.05
Tax Expenses			
- Current Tax		234.67	221.85
- MAT Credit		(52.60)	(46.06)
- Write Back of Excess Provision for Tax/ Income Tax Refund Related to Earlier Years (Net)		(22.72)	(11.34)
- Deferred Tax		56.66	18.63
Profit before Minority Interest		1,010.15	907.97
Share of Profit/(Loss) of Associates		—	(0.01)
Minority Interest		120.02	85.86
Profit for the Year		890.13	822.10
Basic Earnings per Share - ₹	}	78.42	77.60
Diluted Earnings per Share - ₹		78.36	75.74
(Face Value of ₹ 10/- each)			

Significant Accounting Policies

1

The accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date

For KHIMJI KUNVERJI & CO.
Firm Registration No. 105146W
Chartered AccountantsFor S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

For and on behalf of Board of Directors

DR. RAKESH JAIN
Managing DirectorTARJANI VAKIL
P. MURARI
G.P. GUPTA
B.R. GUPTA
DirectorsSUSHIL AGARWAL
Whole-time Director & CFOPer SHIVJI K. VIKAMSEY
Partner
Membership No. 2242Per VIJAY MANIAR
Partner
Membership No. 36738DEVENDRA BHANDARI
Company Secretary

Mumbai, May 15, 2012

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2012**

Aditya Birla Nuvo Limited

₹ in Crore

PARTICULARS	2011-12	2010-11
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	1,226.16	1,091.05
Adjustments for:		
Exceptional Items	103.88	—
Depreciation/Amortisation	1,092.33	940.90
Change in Valuation of Liabilities in respect of Life Policies	1,216.96	1,856.59
Provision for Bad and Doubtful Debt, Advances & Other Assets	38.37	24.02
Employee Stock Options Expenses	3.04	10.32
Unrealised (Gain)/Loss on Foreign Exchange	(11.34)	(21.75)
Interest Expenses	638.20	452.50
Interest Income	(51.50)	(52.24)
(Profit)/Loss on Fixed Assets Sold	4.38	10.14
(Profit)/Loss on Sale of Investments	(19.67)	(23.23)
Dividend Income	(7.87)	(7.47)
	<u>3,006.78</u>	<u>3,189.78</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,232.94	4,280.83
Adjustments for:		
Decrease/(Increase) in Trade Receivables, Loans & Advances and Other Assets	(2,805.88)	(1,227.48)
Decrease/(Increase) in Inventories	(131.06)	(331.18)
Decrease/(Increase) in Investments of Life Insurance Policyholders	(1,262.14)	(1,968.52)
Increase/(Decrease) in Trade Payables, Other Liabilities and Provisions	494.32	720.90
	<u>(3,704.76)</u>	<u>(2,806.28)</u>
CASH GENERATED FROM OPERATIONS	528.18	1,474.55
Income Taxes Refund/(Paid)	(252.12)	(211.51)
	<u>276.06</u>	<u>1,263.04</u>
NET CASH FROM OPERATING ACTIVITIES	276.06	1,263.04
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,670.11)	(2,881.52)
Sale of Fixed Assets	63.49	34.35
Acquisition of Additional Shares/ Investments in subsidiaries (Net of Cash)	(152.75)	(84.11)
Sale/(Purchase) of Current Investments (Net)	(56.00)	(368.55)
Purchase of Long-term Investments	—	(0.10)
(Increase)/Decrease in Inter-Corporate Deposits	(85.29)	265.46
Interest Received	11.74	13.75
(Increase)/Decrease in Other Bank Deposits (Original Maturity more than three months)	(356.08)	12.16
Dividend Received	7.87	7.47
	<u>(2,237.13)</u>	<u>(3,001.09)</u>
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(2,237.13)	(3,001.09)

₹ in Crore

PARTICULARS	2011-12	2010-11
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares (including Securities Premium)	6.38	429.55
Capital Subsidy Received	—	3.93
Repayment of Borrowings	(2,059.61)	(1,171.85)
Proceeds from Borrowings	4,947.10	3,049.41
Dividend Paid (including Dividend Distribution Tax)	(88.54)	(62.13)
Interest Paid	(635.60)	(441.58)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	2,169.73	1,807.33
Foreign Exchange difference on Translation of Foreign Currency Cash and Cash Equivalents	2.33	₹
NET INCREASE IN CASH AND EQUIVALENTS	210.99	69.28
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	801.30	732.02
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	1,012.29	801.30

For Significant Accounting Policies Refer Note: 1

The accompanying Notes are an integral part of the Financial Statements

As per our attached Report of even date

For KHIMJI KUNVERJI & CO.
Firm Registration No. 105146W
Chartered Accountants

For S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

For and on behalf of Board of Directors

DR. RAKESH JAIN
Managing Director

TARJANI VAKIL
P. MURARI
G.P. GUPTA
B.R. GUPTA
Directors

SUSHIL AGARWAL
Whole-time Director & CFO

Per SHIVJI K. VIKAMSEY
Partner
Membership No. 2242

Per VIJAY MANIAR
Partner
Membership No. 36738

DEVENDRA BHANDARI
Company Secretary

Mumbai, May 15, 2012

NOTE: 1

SIGNIFICANT ACCOUNTING POLICIES:

I. ACCOUNTING CONVENTION

The Consolidated Financial Statements (CFS) comprises the financial statements of Aditya Birla Nuvo Ltd. ("Company") and its Subsidiaries, Joint Ventures and Associate (hereinafter referred to as "Group Companies" and together as "Group"). The CFS of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified by the Companies Accounting Standard Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 1956, in case of Life Insurance Company guidelines issued by the Insurance Regulatory and Development Authority (IRDA) and in case of Non-Banking Financial Companies (NBFCs) guidelines issued by Reserve Bank of India (RBI) as applicable to NBFC. The accounting policies have been consistently applied by the Group, and are consistent with those used in the previous year except for the change in accounting policy as specified below.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as upto twelve months for the purpose of current/non-current classification of assets and liabilities.

II. CHANGE IN ACCOUNTING POLICY

(a) Presentation and Disclosure of the Financial Statements

The financial statements for the year ended March 31, 2011, had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012, are prepared as per the Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact any recognition and measurement principles followed for preparation of financial statements.

(b) Exchange Difference

The Group has opted to avail the choice provided under paragraph 46A of AS-11: The Effects of Changes in Foreign Exchange Rates inserted vide Notification dated December 29, 2011. Consequently, the following exchange differences on long term foreign currency monetary items, which were until now being recognised in the Statement of Profit and Loss are now being dealt with in the following manner:

- (i) Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- (ii) In other cases, foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/liability.

Had the Group continued to follow the earlier accounting policy the net foreign exchange loss recognised in the Statement of Profit and Loss would have been higher by ₹ 142.64 crore and the Gross Tangible Assets would have been lower by the same amount.

III. ACCOUNTING ESTIMATES

The preparation of Consolidated Financial Statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumption that affect reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these judgements, assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

IV. PRINCIPLES OF CONSOLIDATION

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and transactions as per AS-21 "Consolidated Financial Statements".

Investments in Associate Companies have been accounted under the equity method as per AS-23 - "Accounting for Investments in Associates in Consolidated Financial Statements".

Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per AS-27 - "Financial Reporting of Interests in Joint Ventures".

The excess/deficit of cost to the Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the CFS as Goodwill/Capital reserve.

Minority Interest in the net assets of Subsidiaries consists of:

- i. The amount of equity attributable to the minorities at the date on which investment in Subsidiary is made;
- ii. The minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.

Entities acquired during the year have been consolidated from the respective dates of their acquisition.

List of companies included in Consolidation are mentioned in Annexure A.

V. TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Depreciation on Tangible Fixed Assets is provided on Straight Line Method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, or as per the useful lives of the assets estimated by the management. In case depreciation is provided, based on the estimate useful life, the same is always higher than the Schedule XIV rates.

<u>Assets</u>	<u>Estimated Useful Life</u>
Office Computers & Electronic Equipment	2 to 7 years
Vehicles	4 to 10 years
Assets at Showrooms	5 years
Furniture & Fixtures and Other Office Equipment	3 to 15 years
Leasehold Land/Improvements	Over the period of the lease
Catalyst (Included in Plant & Equipment)	On the estimated life as technically assessed (ranging from 1.5 to 3 years)
Buildings	9 to 58 years
Plant and Equipment	3 to 20 years
Network Equipment	10 to 20 years
Optical Fibre	15 years

Fixed assets individually costing less than ₹ Five thousand are fully depreciated in the year of purchase.

Depreciation on the Fixed Assets added/disposed of/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

"Continuous process plants" are classified based on technical assessment, and depreciation is provided accordingly.

VI. INTANGIBLE ASSETS AND AMORTISATION

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

<u>Assets</u>	<u>Estimated Useful Life</u>
Brands/Trademarks	5 to 10 years
Computer Software	3 to 6 years
Telecom Entry and Licence Fees	Over period of licence
Client Acquisition Cost	2 to 10 years
Investment Management Rights	Over period of 10 years
Non-Compete Fees	3 years
Goodwill	Not being amortised (Tested for Impairment) *

* Amortised by the subsidiaries before its acquisition by the Group.

VII. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

VIII. BORROWING COSTS

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset up to the date when such assets are ready for its intended use.

Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

IX. TRANSLATION OF FOREIGN CURRENCY ITEMS

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. With respect to long term foreign currency items from 1st April, 2011, onwards, the Group has adopted following policy:

- (i) Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.
- (ii) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long-term asset/liability.

Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss. Other non-monetary items like fixed assets, investments in equity shares are carried in terms of historical cost using the exchange rate at the date of transaction.

Translation of foreign subsidiary is done in accordance with AS-11 (Revised) "The Effects of Changes in Foreign Exchange Rates". In the case of subsidiaries, the operation of which are considered as integral, the Balance Sheet items have been translated at closing rate except share capital and fixed assets, which have been translated at the transaction date. The income and expenditure items have been translated at the average rate for the year. Exchange Gain/(Loss) are recognised in the Statement of Profit and Loss.

In case of subsidiaries, the operation of which are considered as non-integral, all assets and liabilities are converted at the closing rate at the end of the year and items of income and expenditure have been translated at the average rate for the year. Exchange gain/(loss) arising on conversion are recognised under Foreign Currency Translation Reserve.

X. DERIVATIVE INSTRUMENTS

Premium/Discount in respect of forward foreign exchange contract is recognised over the life of the contracts. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Profit/Loss on cancellation/renewal of forward exchange contract is recognised as income/expense for the year.

The Group uses the Derivative financial instruments such as forward contracts, currency swaps and interest rate swaps to hedge risks associated with foreign currency fluctuations and interest rate. As per ICAI announcement, regarding accounting for derivative contracts, other than covered under AS-11, these are mark to market on the portfolio basis and net loss after considering the offsetting effect on the underlying hedged item is charged to the income statement. Net gains are ignored.

XI. INVESTMENTS

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at lower of cost and net realisable value. Long-term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

Investments of Life Insurance Business:

Investments are made in accordance with the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, the Insurance Regulatory and Development Authority (Investment) (Amendment) Regulations, 2001, and various other circulars/notifications issued by the IRDA in this context from time to time.

i. Debt Securities

- a) Investments of Shareholders' fund and non-linked fund of Policyholders':

All debt securities, including government securities, are considered as 'held to maturity' and stated at amortised cost.

- b) Policyholders' linked funds:

All debt securities, including government securities, are valued using CRISIL Bond Valuer/CRISIL Gilt Prices, as applicable.

ii. Equity Shares:

Listed equity shares are valued and stated at fair value, using the last quoted closing prices on the National Stock Exchange (NSE), at the Balance Sheet date. If the equity shares are not traded on the NSE, then closing prices of the Bombay Stock Exchange (BSE) is considered. Equity shares acquired through primary markets and awaiting listing are valued at their issue price. Unlisted equity shares are valued as per the valuation policy duly approved by its Investment Committee.

iii. Mutual Funds

Mutual fund units are valued at previous day's Net Asset Value.

XII. INVENTORIES

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work-in-progress, finished goods and stock-in-trade are valued at lower of cost and net realisable value. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost of inventories is computed on a weighted average basis.

Proceeds in respect of sale of raw materials/stores are credited to the respective heads. Obsolete, defective and unserviceable inventory is duly provided for.

XIII. GOVERNMENT GRANTS

Government Grants are recognised when there is reasonable assurance that the same will be received, and all attaching conditions will be complied with. Revenue grants are recognised in the Statement of Profit and Loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other capital grants in the nature of promoter's contribution are credited to capital reserve.

XIV. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured.

Sales of goods are recorded net of trade discounts, rebates, sales tax and excise duty. Revenue from sale of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sale of power is recognised based on power off-take by the customer. Revenue from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and recognised net of service tax. In case of fixed price contracts revenue is recognised on percentage of completion method and revenue from time and materials contract is recognised as the services are provided. Maintenance income is accrued evenly over the period of contract.

Unbilled revenue represents revenues recognised in excess of the amounts billed as at the Balance Sheet date.

Amounts collected from customers prior to the performance of services are recorded as deferred revenue. These advances are amortised to revenue in accordance with the Group's policy on revenue recognition.

Income from Certified Emission Reductions (CERs) is recognised at estimated realisable value on confirmation of CERs by the concerned authorities.

Fertiliser price, support under Group Concession and other Scheme of Government of India, is recognised based on management's estimate taking into account known policy parameters and input price escalation/de-escalation.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate except in case of NBFC business non-performing assets are recognised on receipt basis.

Dividend income on investments is accounted for when the right to receive the payment is established.

For **Life Insurance business**, revenue is recognised as follows:

Premium is recognised as income when due from policyholders. For unit-linked businesses, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are reinstated. Premiums are net of service tax on risk premium collected, if any.

In case of Linked Business, Top-up premiums paid by policyholders are considered as single premium and are unitised as prescribed by the regulations. This premium is recognised when the associated units are created.

Income from linked policies, which include asset management fees, policy administration charges, mortality charges and other charges, if any, are recovered from the linked funds in accordance with the terms and conditions of the policies and recognised when due.

Accretion of discount and amortisation of premium relating to debt securities is recognised over the remaining maturity period on a straight-line basis.

The realised gain/loss on debt securities held for linked business and on sale of equity shares/mutual fund units is the difference between the net sale consideration and weighted average cost.

Re-insurance premium ceded is accounted for at the time of recognition of the premium income in accordance with the terms and conditions of the relevant treaties with the reinsurers. Impact on account of subsequent revisions to or cancellations of premium is recognised in the year in which they occur.

In case of **Telecom business** Recharge fees on recharge vouchers is recognised as revenue as and when the recharge voucher is activated by the subscriber. Unbilled receivables, represent revenues recognised from the bill cycle date to the end of each month. These are billed in subsequent periods as per the terms of the billing plans.

Income from **Financial Services** includes brokerage and fees on mutual fund units, bonds, fixed deposits, IPOs, private equity and other alternative products and services, which is recognised when due, on completion of transaction. Management fees are recognised on accrual basis at specific rates, applied on the average daily net assets of each scheme. The fees charged are in accordance with the terms of Scheme Information Documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. Advisory and portfolio management fees are accounted on an accrual basis as per contractual terms with clients. Income on discounted instruments is recognised over the tenure of the instrument on a straight line basis. Stock and Commodity Brokerage Income is recognised on the trade date of the transaction upon confirmation of the transactions by the exchanges.

XV. BENEFITS PAID (INCLUDING CLAIMS)

In case of Life Insurance Business, deaths and other claims are accounted for, when notified. Survival and maturity benefits are accounted when due. Surrenders/Withdrawals under linked policies are accounted in the respective schemes when the associated units are cancelled. Re-insurance recoverable thereon is accounted for in the same period as the related claim. Repudiated claims, disputed before judicial authorities, are provided for based on management prudence considering the facts and evidences available in respect of such claims.

XVI. LICENSE FEES - REVENUE SHARE (TELECOM BUSINESS)

With effect from August 1, 1999, the variable Licence fee computed at prescribed rates of revenue share is being charged to the Statement of Profit and Loss in the period in which the related revenue arises. Revenue for this purpose comprises adjusted gross revenue as per the license agreement of the licence area to which the licence pertains.

XVII. SCHEME EXPENSES (ASSET MANAGEMENT BUSINESS)

Expenses relating to New Fund Offer are charged to the Statement of Profit and Loss. Expenses of schemes of Birla Sun Life Mutual Fund in excess of the stipulated limits as per SEBI (Mutual Fund) Regulations, 1996, and expenses incurred directly (inclusive of advertisement/brokerage of expenses) on behalf of schemes of Birla Sun Life Mutual Fund are charged to the Statement of Profit and Loss in the year in which they are incurred. Trail Commission paid for future period for Equity Link Saving Schemes (ELSS), Fixed Tenure Schemes, Close ended schemes and Systematic Investment Plans (SIPs) in the different schemes during the year are treated as prepaid expenses, and such brokerage and commission are expensed out over three years in case of ELSS or duration of closed schemes or over the duration of the SIP. Any other brokerage/commission is expensed in the year in which they are incurred. Brokerage paid in advance in respect of Portfolio Management Business is amortized over the contractual period.

XVIII. DISTRIBUTION COST (PRIVATE EQUITY FUND)

Distribution costs incurred by the Group in respect of Private Equity - Fund I and the Aditya Birla Private - Sunrise Fund has been accrued over the Commitment Period and the extended Commitment Period of the Fund I and the Sunrise Fund, respectively; as defined in the Fund's Private Placement Memorandum.

XIX. FUND FOR FUTURE APPROPRIATION (LIFE INSURANCE BUSINESS)

Amounts estimated by the Appointed Actuary as Funds for Future Appropriation in respect of lapsed Unit Linked Policies are set-aside in the Balance Sheet and are not available for distribution to shareholders until expiry of the revival period.

XX. RETIREMENT AND OTHER EMPLOYEE BENEFITS**a) Defined Contribution Plan:**

The Group makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, ESI and Superannuation Scheme which are recognised in the Statement of Profit and Loss on accrual basis.

b) Defined Benefit Plan:

The Group's liabilities under Payment of Gratuity Act, long-term compensated absences and pension are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short-term compensated absences, which are provided for based on estimates. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation.

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Group. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employee's Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Group. The Group's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year and any shortfall in the Fund size maintained by the Trust set up by the Group is additionally provided for. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

XXI. EMPLOYEE STOCK-BASED COMPENSATION

The stock options granted are accounted for as per the accounting treatment prescribed by Employee Stock Option Scheme, Employee Stock Purchase Guidelines, 1999, issued by the Securities and Exchange Board of India & the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI, whereby the intrinsic value of the option is recognised as deferred employee compensation. The deferred employee compensation is charged to the Statement of Profit and Loss on straight line basis over the vesting period of the option.

In respect of re-pricing of existing stock option, the incremental intrinsic value of the option is accounted as employee cost over the remaining vesting period.

The options that lapse are reversed by a credit to employee compensation expense, equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expense equal to the unamortised portion.

XXII. TAXATION

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961, and tax laws prevailing in the respective tax jurisdictions Group operates.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Group writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profit. At each Balance Sheet date the Group re-assesses unrecognized deferred tax assets.

Minimum Alternatives Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the companies in the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by The Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The companies in the Group reviews the same at each Balance Sheet date, and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during the specified period.

XXIII. RESEARCH AND DEVELOPMENT

Revenue expenditure on research is expensed under the respective heads of the account in the period in which it is incurred.

Development expenditure is capitalised as an asset if the following conditions can be demonstrated:

- a) The technical feasibility of completing the asset so that it can be made available for use or sell.
- b) The Group has intention to complete the asset and use or sell it.
- c) The Group has the ability to sell the asset.
- d) The future economic benefits are probable.
- e) The Group has ability to measure the expenditure attributable to the asset during its development reliably.

Other development costs, which do not meet the above criteria, are expensed out during the period in which they are incurred.

XXIV. OPERATING LEASES

a) As a Lessee:

Leases, where significant portion of risk and reward of ownership are retained by the Lessor, are classified as Operating Leases, and lease rentals thereon are charged to the Statement of Profit and Loss on a straight line basis over lease term.

b) As a Lessor:

The Group has leased certain tangible assets and such leases where the Group has substantially retained all the risks, and rewards of ownership are classified as operating leases.

Lease income is recognised in the Statement of Profit and Loss on a straight line basis over lease term.

XXV. FINANCE LEASE

Leases, where substantially all the risks and benefits incidental to ownership of the leased item by the Lessee, are classified as Finance Lease. The group has capitalised the leased item at lower of fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets.

Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Finance charges are charged directly against income. Lease management fees, lease charges and other initial direct costs are capitalised.

XXVI. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of less than three months and short term highly liquid investments with an original maturity of three months or less.

XXVII. MEASUREMENT OF PROFIT BEFORE DEPRECIATION/AMORTISATION, INTEREST AND TAX (PBDIT)

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Group has elected to present PBDIT as a separate line item on the face of the Statement of Profit and Loss. The Group measures PBDIT on the basis of profit/loss from continuing operations. In its measurement the Group does not include depreciation and amortisation expense, finance costs and tax expense.

XXVIII. SEGMENT REPORTING

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group.

The Group's operating business are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based.

Unallocated items include general corporate income and expense item which are not allocated to any business segment.

XXIX. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

XXX. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

XXXI. CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligation as on the Balance Sheet date, based on the available evidence.

Provisions are recognised when there is a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

The General Provision @0.25% on Standard Assets is in NBFC business made as per RBI Circular issued in January 2011.

Annexure 'A' to Note - 1 "Significant Accounting Policies"

	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2012	Proportion of Ownership Interest as on March 31, 2011
SUBSIDIARIES			
Aditya Birla Financial Services Private Limited (ABFSPL)	India	100.00%	100.00%
Aditya Birla Capital Advisors Private Limited (ABCAPL) (Subsidiary of ABFSPL)	India	100.00%	100.00%
Aditya Birla Customer Services Private Limited (ABCSPL) (Subsidiary of ABFSPL)	India	100.00%	100.00%
Aditya Birla Trustee Company Private Limited (ABTCPL) (Subsidiary of ABFSPL)	India	100.00%	100.00%
Aditya Birla Money Limited (ABML) (Subsidiary of ABFSPL)	India	75.00%	75.00%
Aditya Birla Commodities Broking Limited (ABCBL) (100% Subsidiary of ABML)	India	75.00%	75.00%
Aditya Birla Financial Shared Services Limited (ABFSSL) (Subsidiary of ABFSPL)	India	100.00%	100.00%
Aditya Birla Finance Limited (ABFL) (Subsidiary of ABFSPL)	India	100.00%	100.00%
Aditya Birla Securities Private Limited (ABSPL) (Subsidiary of ABFL w.e.f. July 31, 2010)	India	100.00%	100.00%
Aditya Birla Insurance Brokers Limited (ABIBL) (Subsidiary of ABFSPL)	India	50.01%	50.01%
Aditya Birla Money Mart Limited (ABMML) (Subsidiary of ABFSPL)	India	100.00%	100.00%
Aditya Birla Money Insurance Advisory Services Limited (Subsidiary of ABMML)	India	100.00%	100.00%
Aditya Birla Minacs Worldwide Limited (ABMWL)	India	99.85%	88.28%
TransWorks Inc. (TW Inc.) (100% Subsidiary of ABMWL) (upto October 9, 2011)	USA	—	88.28%
Aditya Birla Minacs Philippines Inc. (ABMPI) (100% Subsidiary of ABMWL)	Philippines	99.85%	88.28%

	Country of Incorporation	Proportion of Ownership Interest as on March 31, 2012	Proportion of Ownership Interest as on March 31, 2011
AV TransWorks Limited (AVTL) (100% Subsidiary of ABMWL)	Canada	99.85%	88.28%
Aditya Birla Minacs Worldwide Inc. (ABMWI) (100% Subsidiary of AVTL)	Canada	99.85%	88.28%
Aditya Birla Minacs BPO Ltd (ABMBL) (100% Subsidiary of ABMWI)	U K	99.85%	88.28%
Aditya Birla Minacs BPO Private Limited (ABMBPL) (100% Subsidiary of ABMBL)	India	99.85%	88.28%
Compass BPO Inc. (100% Subsidiary of ABMBL) (upto September 29, 2011)	USA	—	88.28%
Minacs Worldwide SA de CV (MWSC) (100% Subsidiary of ABMWI)	Mexico	99.85%	88.28%
The Minacs Group (USA) Inc. (MGI) (100% Subsidiary of ABMWI)	USA	99.85%	88.28%
Bureau of Collection Recovery, LLC (BCR) (100% Subsidiary of MGI) (w.e.f. June 2, 2010)	USA	99.85%	88.28%
Bureau of Collections Recovery (BCR) Inc. (Subsidiary of ABMWI) (w.e.f March 4, 2011)	USA	99.85%	88.28%
Minacs Limited (ML) (100% Subsidiary of ABMWI)	UK	99.85%	88.28%
Minacs Worldwide GmbH (MWGH) (100% Subsidiary of ABMWI)	Germany	99.85%	88.28%
Minacs Kft. (100% Subsidiary of MWGH)	Hungary	99.85%	88.28%
Aditya Vikram Global Trading House Limited (AVGTHL)	Mauritius	100.00%	100.00%
Birla Sun Life Insurance Company Limited (BSLICL)	India	74.00%	74.00%
ABNL Investment Limited (ABNLIL)	India	100.00%	100.00%
Shaktiman Mega Food Park Private Limited (w.e.f. December 2, 2010)	India	94.00%	94.00%
Madura Garments Lifestyle Retail Company Limited (MGLRCL)	India	100.00%	100.00%
Peter England Fashions and Retail Limited (PEFRL)	India	100.00%	100.00%
Aditya Birla Minacs IT Services Limited (ABMITS) (merged with ABMWL)	India	—	87.36%
Aditya Birla Minacs Technologies Limited (100% Subsidiary of ABMITS) (merged with ABMWL)	India	—	87.36%
Indigold Trade and Services Limited (ITSL) (Subsidiary w.e.f. June 30, 2010)	India	99.99%	99.99%
LIL Investment Limited (LILIL) (Subsidiary w.e.f. June 30, 2010)	India	99.99%	99.99%
JOINT VENTURES			
Birla Sun Life Asset Management Company Limited - Consolidated (BSAMC) (Joint Venture of ABFSPL)	India	49.99%	49.99%
Birla Sun Life Trustee Company Private Limited (BSTPL) (Joint Venture of ABFSPL)	India	49.85%	49.85%
IDEA Cellular Limited - Consolidated (IDEA)	India	25.31%	25.35%
ASSOCIATES			
Birla Securities Limited (BSL)	India	50.00%	50.00%
Indigold Trade and Services Limited (ITSL) (upto June 29, 2010)	India	—	—
LIL Investment Limited (LILIL) (upto June 29, 2010)	India	—	—

	Numbers	As at 31st March, 2012	₹ in Crore As at 31st March, 2011
NOTE: 2			
SHARE CAPITAL			
Authorised:			
Equity Shares of ₹ 10/- each of the Company	175,000,000 (175,000,000)	175.00	175.00
Redeemable Preference Shares of ₹ 100/- each of the Company	500,000 (500,000)	5.00	5.00
		180.00	180.00
Issued			
EQUITY SHARE CAPITAL			
Equity Shares of ₹ 10/- each	113,556,765 (113,552,654)	113.56	113.55
		113.56	113.55
Subscribed & Paid-up			
EQUITY SHARE CAPITAL			
Equity Shares of ₹ 10/- each fully paid-up	113,515,242 (113,509,729)	113.52	113.51
		113.52	113.51
Issued, Subscribed & Paid-up			
PREFERENCE SHARE CAPITAL			
6% Redeemable Cumulative Preference Shares of ₹ 100/- each, fully paid-up of the Company	10,000 (10,000)	0.10	0.10
		0.10	0.10
Subsidiaries/Joint Ventures			
6% Redeemable Cumulative Preference Shares of ₹ 100/- each, fully paid-up of the Subsidiary company		0.01	0.01
7% Compulsory Convertible Cumulative Preference Shares of ₹ 10/- each, fully paid-up of the Subsidiary company		—	25.00
Compulsory Convertible Preference Shares of ₹ 10/- each, fully paid-up of the Subsidiary company of Joint Venture company		0.48	0.48
		0.49	25.49
		0.59	25.59

- 1 For details of Shares reserved for issue under the Employee Stock Option (ESOP) Plan of the Group refer Note: 37.
- 2 Figures in brackets represent corresponding number of shares of Previous Year.

₹ in Crore

NOTE: 3

RESERVES & SURPLUS

1) Capital Reserves

Opening Balance as per last audited Financial Statement	269.97	266.04
Addition: Capital Subsidy received	—	3.93
	269.97	269.97

2) Capital Redemption Reserve

	9.61	9.61
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3) Securities Premium Account

Opening Balance as per last audited Financial Statement	4,494.28	3,933.17
Addition:		
Allotment of Right Issue Shares	0.11	0.01
Addition on ESOP Exercised	4.87	2.65
Transfer from Stock Option Outstandings	4.25	2.96
Conversion of Share Warrants	—	557.74
Deduction:		
Stake Change in Joint Venture	3.63	2.25
	4,499.88	4,494.28

4) Debenture Redemption Reserve

Opening Balance as per last audited Financial Statement	115.58	69.47
Addition:		
Appropriation from Profit	54.13	46.11
Deduction:		
Amount transfer to General Reserve on Redemption of Debentures	97.50	—
	72.21	115.58

5) Share Options Outstanding Account

Employee Stock Option Outstandings	26.92	30.28
Deduction:		
Transfer to Securities Premium on exercise of Options	4.25	2.96
Deferred Employee Stock Options	1.88	5.30
	20.79	22.02

6) Other Reserves

i) General Reserve

Opening Balance as per last audited Financial Statement	2,364.66	2,114.66
Addition:		
Appropriation from Profit	200.70	250.00
Transfer from Debenture Redemption Reserve	97.50	—
Transfer from Investment Reserve	19.95	—
	2,682.81	2,364.66

ii) Investment Reserve

Opening Balance as per last audited Financial Statement	19.95	19.95
Deduction:		
Transfer to General Reserve	19.95	—
	—	19.95

iii) Special Reserve

Opening Balance as per last audited Financial Statement	26.63	18.93
Addition:		
Appropriation from Profit	11.63	7.70
	38.26	26.63

	As at 31st March, 2012	₹ in Crore As at 31st March, 2011
iv) Capital Fund		
Opening Balance as per last audited Financial Statement	0.01	0.01
Addition:		
Appropriation from Profit	0.01	—
	0.02	0.01
v) Credit/(Debit) Fair Value Change Account		
Opening Balance as per last audited Financial Statement	₹	0.02
Deduction during the year	₹	0.02
	₹	₹
vi) Business Restructuring Reserve		
Opening Balance as per last audited Financial Statement	4.28	4.28
Deduction:		
Stake Change in Joint Venture	0.01	—
	4.27	4.28
vii) Foreign Exchange Fluctuation Reserve		
Opening Balance as per last audited Financial Statement	51.59	38.26
Addition during the year	52.26	13.33
	103.85	51.59
Total Other Reserve	2,829.21	2,467.12
7) Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance as per last audited Financial Statement	(839.33)	(1,284.96)
Addition:		
Profit for the year	890.13	822.10
Amount transferred on Stake Change/Amalgamation of Subsidiaries/Joint Ventures	(2.70)	(0.09)
Less: Appropriations		
Transfer to Debenture Redemption Reserve	54.13	46.11
Transfer to Special Reserve	11.63	7.70
Transfer to General Reserve	200.70	250.00
Transfer to Capital Fund	0.01	—
Proposed Dividend on: (Refer Note: 30)		
Equity	68.11	62.43
Preference	0.01	0.01
Corporate Tax on Dividend	12.20	10.13
	(298.69)	(839.33)
	7,402.98	6,539.25

₹ in Crore

	As at 31st March, 2012	As at 31st March, 2011
NOTE: 4A		
LONG-TERM BORROWINGS		
SECURED		
Debentures	147.40	—
Term Loans from		
Banks	1,954.60	2,189.39
Others	1,325.90	728.12
Deferred Sales Tax Liabilities	53.49	62.12
Finance Lease Liabilities	7.95	5.16
	3,489.34	2,984.79
UNSECURED		
Debentures	780.00	950.00
Term Loans from		
Banks	1,007.99	517.93
Others	3.66	2.48
Deposits	2.55	—
	1,794.20	1,470.41
	5,283.54	4,455.20

NOTE: 4B

SHORT-TERM BORROWINGS

SECURED

Loan Repayable on Demand from Banks	820.18	449.42
	820.18	449.42

UNSECURED

Loan Repayable on Demand from		
Banks	2,279.68	1,245.47
Others	114.31	165.09
Deposits	8.50	—
Others		
Commercial Papers	2,462.21	1,477.67
	4,864.70	2,888.23
	5,684.88	3,337.65

NOTE: 5A

DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities at the year end comprise timing differences on account of:

Depreciation	639.05	467.48
Expenditure/Provisions Allowable	(306.51)	(203.03)
	332.54	264.45

NOTE: 5B

DEFERRED TAX ASSETS (NET)

Deferred Tax Assets at the year end comprise timing differences on account of:

Depreciation	0.89	(0.41)
Expenditure/Provisions Allowable	15.06	6.25
	15.95	5.84

Deferred Tax Assets are not recognised on losses and unabsorbed depreciation in certain subsidiaries.

	As at 31st March, 2012	₹ in Crore As at 31st March, 2011
NOTE: 6A		
OTHER LONG-TERM LIABILITIES		
Trade Payables	85.05	74.88
Interest Accrued but not due on Borrowings	2.33	—
Other Payables		
Deposits	44.62	32.52
Advance from Customers	106.33	71.90
Income Received in Advance	53.68	11.61
Others	40.47	34.54
	332.48	225.45
NOTE: 6B		
OTHER CURRENT LIABILITIES		
Current Maturities of Long-term Borrowings	1,331.64	1,507.40
Current Maturities of Finance Lease Obligations	0.67	0.63
Interest Accrued but not due on Borrowings	84.59	81.99
Income Received in Advance	11.53	8.08
Investors' Education and Protection Fund to be credited as and when due		
Unpaid Dividend	2.65	2.59
Unpaid Matured Deposits and Interest Accrued thereon	0.02	0.03
Securities Application Money Received & Due for Refund	0.06	0.06
Other Payables		
Advance from Customers	364.94	324.42
Book Overdraft	68.52	11.07
Payables for Capital Expenditure	35.53	13.61
Statutory Dues	401.40	226.36
Margin Money from Customers	2.80	2.15
Deposits	74.97	66.96
Interim Dividend Payable by Subsidiary Company	25.60	—
Due to Life Insurance Policyholders	282.51	190.84
Mark to Market of Derivatives (Net) *	—	5.14
Others	21.25	56.07
	2,708.68	2,497.40

* This represents Mark to Market on Derivative Contract taken for the purpose of hedging of underlying Assets & Liabilities.

₹ in Crore

	As at 31st March, 2012	As at 31st March, 2011
NOTE: 7A		
LONG-TERM PROVISIONS		
Provisions for:		
Employee Benefits	30.87	27.17
Others		
Contingent Provision on Standard Asset of Financing Activities	1.73	0.26
Provision for Doubtful Loans & Advances of Financing Activities	6.49	0.66
Other Long-term Provisions *	32.27	46.46
	71.36	74.55

	As at 31st March, 2012	As at 31st March, 2011
NOTE: 7B		
SHORT-TERM PROVISIONS		
Provisions for:		
Employee Benefits	100.27	91.49
Others		
Taxation (Net of Advance Tax)	21.18	15.43
Proposed Dividend		
Equity	70.34	62.42
Preference	0.01	0.02
Corporate Tax on Dividend		
Equity	0.72	10.13
Preference	0.03	₹
Contingent Provision on Standard Asset of Financing Activities	7.47	4.88
Provision for Doubtful Loans & Advances of Financing Activities	4.55	0.22
Provision for Mark to Market Loss on Forward Contract	3.33	—
Other Short-term Provisions *	31.35	2.91
	239.25	187.50

* Additional disclosure as per Accounting Standard-29 "Provisions, Contingent Liabilities & Contingent Assets"

A. Warranty		
Opening Balance	0.84	0.40
Arising during the year	0.07	0.44
Utilised	—	—
Unused Amounts Reversed	(0.04)	—
Closing Balance	0.87	0.84
Long-term		
Short-term	0.87	0.84
	0.87	0.84

Provision is recognised for expected warranty claims on Insulator product sold during last three years based on the past experience of level of returns and replacements.

	As at 31st March, 2012	As at 31st March, 2011
		₹ in Crore
B. Long-Term Bonus Plan		
Opening Balance	25.72	5.23
Arising during the year	15.64	21.43
Utilised	—	—
Unused Amounts Reversed	(2.23)	(0.94)
Closing Balance	39.13	25.72
Long-term	8.71	23.94
Short-term	30.42	1.78
	39.13	25.72
Expected timing of outflow:	3 Years	4 Years
The Group has estimated and recognises a liability in respect of employee benefits arising out of the "Employee Phantom Unit Plan" announced by it.		
The cost estimate is determined after factoring in assumptions in respect of criteria identified in the Bonus Plan which includes the following:		
a.	Units granted to employee under different options under the plan	
b.	Maximum payout over vesting period per unit	
c.	Employee attrition rates	
d.	Performance condition	
C. Renewal Bonus		
Opening Balance	0.29	0.57
Arising during the year	(0.08)	(0.08)
Utilised	(0.12)	(0.20)
Unused Amounts Reversed	(0.03)	—
Closing Balance	0.06	0.29
Long-term	—	—
Short-term	0.06	0.29
	0.06	0.29
Nature of Obligation:	Renewal Bonus	Renewal Bonus
Expected timing of outflow:	2 Years	2 Years
D. Asset Retirement Obligation		
Opening Balance	22.52	31.95
Arising during the year	1.20	2.21
Change in Liability on Stake Change of Joint Ventures	(0.04)	(0.03)
Utilised	(0.12)	(11.61)
Unused Amounts Reversed	—	—
Closing Balance	23.56	22.52
Long-term	23.56	22.52
Short-term	—	—
	23.56	22.52

Asset Retirement Obligation provision is recognised for the costs to be incurred for the restoration of premises taken on lease to install equipment, at the end of the lease period. It is expected that this provision will be utilised at the end of the lease period of the respective sites as per the respective lease agreements.

NOTE: 8A

TANGIBLE ASSETS

₹ in Crore

	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Leasehold Improve-ments	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles & Aircraft	Railway Slidings	TOTAL
Gross Block											
As at 1st April, 2010	14.52	33.74	350.80	3.00	180.91	8,526.56	349.61	700.24	60.23	5.84	10,225.45
Additions	16.56	4.30	375.4	0.01	6.78	1,151.87	46.01	83.17	14.51	—	1,360.75
Deletions	1.42	—	—	0.18	5.95	62.12	6.90	9.89	10.90	—	97.36
Foreign Exchange Translation Difference	—	—	—	—	3.42	0.04	2.41	11.47	0.01	—	17.35
Addition/(Deletion) on Stake Change/Amalgamations	—	(0.01)	(0.04)	—	—	(6.80)	(0.04)	(0.09)	(0.02)	—	(7.00)
As at 31st March, 2011	29.66	38.03	388.30	2.83	185.16	9,609.55	391.09	784.90	63.83	5.84	11,499.19
Additions	—	0.01	13.01	0.66	12.93	1,364.34	50.21	79.23	15.68	—	1,536.07
Deletions	0.14	0.02	0.73	—	20.61	28.80	23.73	292.52	11.37	—	377.92
Foreign Exchange Translation Difference	—	—	—	—	11.61	0.27	8.30	46.34	—	—	66.52
Addition/(Deletion) on Stake Change/Amalgamations	—	(0.01)	(0.06)	—	0.36	(11.00)	0.11	—	(0.04)	—	(10.64)
As at 31st March, 2012	29.52	38.01	400.52	3.49	189.45	10,934.36	425.98	617.95	68.10	5.84	12,713.22
Accumulated Depreciation											
As at 1st April, 2010	—	3.33	87.70	0.98	97.95	3,249.37	185.74	561.92	31.07	5.55	4,223.61
For the year	—	0.56	10.99	0.15	24.98	669.87	55.36	65.32	11.09	—	838.32
Deletions	—	—	—	—	5.59	35.57	6.04	9.04	7.10	—	63.34
Foreign Exchange Translation Difference	—	—	—	—	2.08	0.02	1.48	10.23	—	—	13.81
Addition/(Deletion) on Stake Change/Amalgamations	—	—	(0.01)	—	—	(2.23)	(0.02)	(0.08)	(0.02)	—	(2.36)
As at 31st March, 2011	—	3.89	98.68	1.13	119.42	3,881.46	236.52	628.35	35.04	5.55	5,010.04
For the year	—	0.60	11.54	0.45	22.92	742.84	56.76	75.65	11.29	—	922.05
Deletions	—	—	0.22	—	16.61	23.01	19.73	291.88	8.86	—	360.31
Foreign Exchange Translation Difference	—	—	—	—	6.31	0.21	5.51	41.60	—	—	53.63
Addition/(Deletion) on Stake Change/Amalgamations	—	—	(0.02)	—	0.05	(3.60)	(0.03)	(0.11)	(0.02)	—	(3.73)
As at 31st March, 2012	—	4.49	109.98	1.58	132.09	4,597.90	279.03	453.61	37.45	5.55	5,621.68
Net Block as at											
31st March, 2011	29.66	34.14	289.62	1.70	65.74	5,728.09	154.57	156.55	28.79	0.29	6,489.15
31st March, 2012	29.52	33.52	290.54	1.91	57.36	6,336.46	146.95	164.34	30.65	0.29	7,091.54

A. Gross Block of Tangible Assets Includes:

- (i) Assets held under co-ownership - Leasehold Land ₹ 19.53 Crore (Previous Year: ₹ 19.55 Crore), Buildings ₹ 23.85 Crore (Previous Year: ₹ 23.85 Crore), Furniture & Fixtures ₹ 7.94 Crore (Previous Year: ₹ 7.92 Crore) and Vehicles & Aircraft ₹ 6.83 Crore (Previous Year: ₹ 6.83 Crore).
- (ii) Buildings include ₹ 21.68 Crore (Previous Year: ₹ 21.68 Crore) being cost of Debentures and Shares in a company entitling the right of exclusive occupancy and use of certain premises.
- (iii) Plant & Equipment includes asset held for disposal - Gross Block of ₹ 1.67 Crore (Previous Year: ₹ 4.46 Crore) and Net Block ₹ 0.03 Crore (Previous Year: ₹ 0.03 Crore).

B. The Company has made an application for exemption under Section 20 of the Urban Land (Ceiling and Regulation) Act, 1976, for excess land of 4.25 acres (Previous Year: 4.25 acres) at Rishra.

C. Details of Tangible Assets capitalised under Finance Lease:

- (i) Plant and Equipment includes Gross Block of ₹ 178.35 Crore (Previous Year: ₹ 131.70 Crore) and Net Block ₹ 60.30 Crore (Previous Year: ₹ 54.24 Crore).
- (ii) Office Equipment includes Gross Block of ₹ 1.54 Crore (Previous Year: ₹ 1.16 Crore) and Net Block of ₹ 1.45 Crore (Previous Year: ₹ 1.01 Crore).

D. Depreciation charge for the year includes Group's share of accelerated depreciation of ₹ 3.77 Crore (Previous Year: ₹ 15.56 Crore) due to the change in estimate useful life of certain tangible assets of IDEA.

E. Exchange loss amounting to ₹ 142.64 Crore has been capitalised as per Para 46A of AS-11 [Refer Note: 1 (II) (b)].

F. For Assets given on Operating Lease - Refer Note: 36.

NOTE: 8B

INTANGIBLE ASSETS

₹ in Crore

	Goodwill	Brands/ Trademarks*	Computer Software	Investment Management Rights*	Client Acquisition Cost	Telecom Entry/Licence Fees*	Product Development	Non- Compete Fees	TOTAL
Gross Block									
As at 1st April, 2010	59.64	178.95	234.46	26.92	1.77	839.76	0.89	—	1,342.39
Additions	—	—	41.75	—	9.87	868.69	—	—	920.31
Deletions	1.78	—	15.25	—	(3.93)	0.19	—	—	13.29
Foreign Exchange Translation Difference	(0.34)	—	—	—	(0.02)	—	—	—	(0.36)
Addition/(Deletion) on Stake Change/ Amalgamations	—	—	(0.11)	—	—	(1.78)	—	—	(1.89)
As at 31st March, 2011	57.52	178.95	260.85	26.92	15.55	1,706.48	0.89	—	2,247.16
Additions	—	0.97	56.64	—	—	615.70	—	0.33	673.64
Deletions	5.36	—	8.47	—	—	—	0.89	—	14.72
Foreign Exchange Translation Difference	4.92	—	—	—	1.38	—	—	—	6.30
Addition/(Deletion) on Stake Change/ Amalgamations	—	—	(0.18)	—	—	(2.87)	—	—	(3.05)
As at 31st March, 2012	57.08	179.92	308.84	26.92	16.93	2,319.31	—	0.33	2,909.33
Accumulated Amortisation									
As at 1st April, 2010	11.52	157.21	153.95	12.12	0.74	452.82	0.29	—	788.65
For the year	—	5.59	45.32	2.69	2.29	46.09	0.60	—	102.58
Deletions	—	—	1.31	—	—	0.02	—	—	1.33
Foreign Exchange Translation Difference	(1.22)	—	—	—	1.55	—	—	—	0.33
Addition/(Deletion) on Stake Change/ Amalgamations	—	—	(0.08)	—	—	(0.52)	—	—	(0.60)
As at 31st March, 2011	10.30	162.80	197.88	14.81	4.58	498.37	0.89	—	889.63
For the year	—	5.78	42.34	2.69	0.45	118.91	—	0.11	170.28
Deletions	5.36	—	8.05	—	—	—	0.89	—	14.30
Foreign Exchange Translation Difference	0.55	—	—	—	0.36	—	—	—	0.91
Addition/(Deletion) on Stake Change/ Amalgamations	—	—	(0.13)	—	—	(0.84)	—	—	(0.97)
As at 31st March, 2012	5.49	168.58	232.04	17.50	5.39	616.44	—	0.11	1,045.55
Net Block as at 31st March, 2011	47.22	16.15	62.97	12.11	10.97	1,208.11	—	—	1,357.53
Net Block as at 31st March, 2012	51.59	11.34	76.80	9.42	11.54	1,702.87	—	0.22	1,863.78

Details of Intangible Assets capitalised under Finance Lease:

Software includes Gross Block of ₹ 49.74 Crore (Previous Year: ₹ 46.01 Crore) and Net Block of ₹ 16.53 Crore (Previous Year: ₹ 26.55 Crore).

* Based on Written-down Value, the balance amortisation period of material intangible assets:

Intangible Assets	As at 31st March, 2012	As at 31st March, 2011
Investment Management Rights	48 months	60 months
Brands/Trademarks	18 months	30 months
Telecom Entry/Licence fees	Ranges between 48 to 228 months based on the respective Telecom Service Licence period.	Ranges between 60 to 240 months based on the respective Telecom Service Licence period.

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
		₹ in Crore
NOTE: 8A & 8B (Contd.)		
During the year, the Group has capitalised the following expenses to cost of Fixed Assets/Capital Work-in-Progress		
Raw Material Consumption	0.09	3.97
Power and Fuel	—	1.15
Salaries and Wages	2.29	0.65
Contribution to Provident and Other Funds	0.05	—
Welfare Expenses	—	0.09
Repairs & Maintenance - Others	0.62	0.03
Rent	0.36	—
Insurance	0.19	0.20
Rates & Taxes	—	0.75
Professional Fees	3.32	0.37
Travelling	0.17	—
Miscellaneous Expenses	1.12	7.41
Transportation & Handling Charges	—	0.01
Interest	5.77	106.05
Total	13.98	120.68
	As at 31st March, 2012	As at 31st March, 2011
NOTE: 9A		
INVESTMENTS OF LIFE INSURANCE BUSINESS: NON-CURRENT		
(i) Shareholders' Investments		
Quoted		
Investments in		
Government or Trust Securities	578.96	343.99
Debentures/Bonds	375.07	205.26
	954.03	549.25
Unquoted		
Investments in		
Equity Instruments	1.25	—
Others (Fixed Deposits)	9.90	9.90
	11.15	9.90
Sub-Total - (i)	965.18	559.15
(ii) Policyholders' Investments		
Quoted		
Investments in		
Equity Instruments	9.21	—
Government or Trust Securities	600.06	736.83
Debentures/Bonds	587.42	382.75
	1,196.69	1,119.58
Unquoted		
Investments in		
Others (Fixed Deposits)	0.60	0.10
	0.60	0.10
Sub-Total - (ii)	1,197.29	1,119.68
Total - (i) + (ii)	2,162.47	1,678.83
Aggregate Market Value of Quoted Investments	2,117.97	1,648.74
Aggregate Book Value of Quoted Investments	2,150.72	1,668.83
Aggregate Book Value of Unquoted Investments	11.75	10.00

	As at 31st March, 2012	As at 31st March, 2011
₹ in Crore		
NOTE: 9B		
INVESTMENTS OF LIFE INSURANCE BUSINESS: CURRENT		
(i) Shareholders' Investments		
Quoted		
Investments in		
Government or Trust Securities	3.14	35.14
Debentures/Bonds	25.02	8.44
	28.16	43.58
Unquoted		
Investments in		
Mutual Funds	15.14	46.53
Others		
Certificate of Deposits	1.87	1.37
Commercial Papers	4.97	46.64
	21.98	94.54
Sub-Total - (i)	50.14	138.12
(ii) Policyholders' Investments		
Quoted		
Investments in		
Government or Trust Securities	400.60	73.95
Debentures/Bonds	163.81	159.34
	564.41	233.29
Unquoted		
Investments in		
Mutual Funds	11.16	22.00
Others		
Fixed Deposits	34.86	0.10
CBLO	7.43	3.30
Certificate of Deposits	143.17	224.98
	196.62	250.38
Sub-Total - (ii)	761.03	483.67
Total - (i) + (ii)	811.17	621.79
Aggregate Market Value of Quoted Investments	588.93	274.95
Aggregate Book Value of Quoted Investments	592.57	276.87
Aggregate Book Value of Unquoted Investments	218.60	344.92

₹ in Crore

NOTE: 10A

OTHER INVESTMENTS: NON-CURRENT

Quoted

Investments in

Equity Instruments	201.94	201.94
Preference Shares	1.74	—
Debentures or Bonds	100.71	59.31
Mutual Funds	10.02	—

314.41

261.25

Unquoted

Investments in

Equity Instruments	2.52	9.85
Preference Shares	30.02	16.47
Mutual Funds	0.03	0.03
Others (Private Equity Fund, PMS and Real Estate Fund)	104.86	75.46

137.43

101.81

Total

451.84

363.06

Aggregate Market Value of Quoted Investments

534.10

758.97

Aggregate Book Value of Quoted Investments

314.41

261.25

Aggregate Book Value of Unquoted Investments

137.43

101.81

NOTE: 10B

OTHER INVESTMENTS: CURRENT

Quoted

Investments in

Mutual Funds	42.50	27.50
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42.50

27.50

Unquoted

Investments in

Debentures or Bonds	205.81	284.60
Mutual Funds	49.25	364.08
Others (Commercial Papers)	47.45	—

302.51

648.68

Total

345.01

676.18

Aggregate Market Value of Quoted Investments

43.20

28.14

Aggregate Book Value of Quoted Investments

42.50

27.50

Aggregate Book Value of Unquoted Investments

302.51

648.68

	As at 31st March, 2012	As at 31st March, 2011
₹ in Crore		
NOTE: 11A		
ASSET HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS :		
NON-CURRENT		
Quoted		
Investments in		
Equity Instruments	9,398.64	9,226.38
Government or Trust Securities	2,236.01	1,758.98
Debentures or Bonds	3,444.38	3,080.87
	15,079.03	14,066.23
Unquoted		
Investments in		
Debentures or Bonds	24.65	22.78
Others		
Fixed Deposits	49.60	59.60
Other Current Assets		
Interest Accrued on Investments	5.30	0.21
	79.55	82.59
Total	15,158.58	14,148.82
Aggregate Market Value of Quoted Investments	15,079.03	14,066.23
Aggregate Book Value of Quoted Investments	15,079.03	14,066.23
Aggregate Book Value of Unquoted Investments	74.25	82.38
NOTE: 11B		
ASSET HELD TO COVER LINKED LIABILITIES OF LIFE INSURANCE BUSINESS :		
CURRENT		
Quoted		
Investments in		
Equity Instruments	—	8.24
Government or Trust Securities	2.41	59.78
Debentures or Bonds	726.50	790.54
	728.91	858.56
Unquoted		
Investments in		
Mutual Funds	241.94	392.98
Others		
Fixed Deposits	424.83	97.50
CBLO	169.35	144.71
Certificate of Deposits	975.62	1,154.01
Commercial Papers	144.42	247.21
Other Current Assets		
Bank Balances	114.03	104.00
Interest Accrued on Investments	232.64	185.08
Dividend Receivables	1.22	0.77
Outstanding Contracts	(55.12)	125.58
	2,248.93	2,451.84
Total	2,977.84	3,310.40
Aggregate Market Value of Quoted Investments	728.91	858.56
Aggregate Book Value of Quoted Investments	728.91	858.56
Aggregate Book Value of Unquoted Investments	1,956.16	2,036.41

	As at 31st March, 2012	₹ in Crore As at 31st March, 2011
NOTE: 12A		
LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Capital Advance		
Considered Good	40.29	40.14
Considered Doubtful	0.44	—
Less: Provision for Doubtful	(0.44)	—
Security Deposits		
Considered Good	544.33	247.66
Considered Doubtful	0.83	0.95
Less: Provision for Doubtful	(0.83)	(0.95)
Other Loans and Advances		
Loans and Advances of Financing Activities		
Secured, Considered Good	527.69	40.99
Considered Good	38.75	3.22
Considered Doubtful	9.10	0.66
Inter-Corporate Deposits		
Secured, Considered Good	37.23	37.23
Considered Good	9.27	11.58
Loans against Insurance Policy (Secured)	24.16	18.64
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government		
Considered Good	20.54	14.34
Considered Doubtful	10.72	18.12
Less: Provision for Doubtful	(10.72)	(18.12)
Advance Tax (Net of Provision)	16.47	5.59
MAT Credit Entitlement	194.59	142.57
Prepaid Expenses	29.34	33.84
Others	56.32	27.19
	1,548.08	623.65

	As at 31st March, 2012	₹ in Crore As at 31st March, 2011
NOTE: 12B		
SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good, except otherwise stated)		
Security Deposits		
Considered Good	89.29	86.02
Considered Doubtful	0.42	0.41
Less: Provision for Doubtful	(0.42)	(0.41)
Other Loans and Advances		
Loans and Advances of Financing Activities		
Secured, Considered Good	1,842.42	1,107.40
Considered Good	710.87	451.22
Inter-Corporate Deposits	162.80	75.20
Loans against Insurance Policy (Secured)	0.86	7.71
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government		
Considered Good	236.41	204.83
Considered Doubtful	0.64	3.73
Less: Provision for Doubtful	(0.64)	(3.73)
Advance Tax (Net of Provision)	144.68	107.50
MAT Credit Entitlement	0.35	0.59
Advance for Expenses & Material		
Considered Good	139.35	79.28
Considered Doubtful	1.41	1.24
Less: Provision for Doubtful	(1.41)	(1.24)
Prepaid Expenses	70.21	58.94
Others *		
Considered Good	153.12	96.62
Considered Doubtful	18.90	17.99
Less: Provision for Doubtful	(18.90)	(17.99)
	3,550.36	2,275.31

* Refer Note No. 42 (iii)

	As at 31st March, 2012	As at 31st March, 2011
₹ in Crore		
NOTE: 13A		
OTHER NON-CURRENT ASSETS		
Other Bank Balances*		
Bank Deposits with more than twelve months maturity	1.56	1.55
Interest Accrued on Loans and Advances and Investments	5.88	2.14
Others	0.72	1.41
	<u>8.16</u>	<u>5.10</u>
* Amount held as Margin Money under lien to bank for issuing guarantee	0.80	0.79
* Lien Marked in favour of IRDA	0.76	0.76

NOTE: 13B		
OTHER CURRENT ASSETS		
Fertiliser Bonds #	9.87	20.32
Unbilled Revenue	251.68	168.59
Mark to Market of Derivatives (Net) +	112.36	—
Interest Accrued on Loans & Advances, Investments and Fixed Deposits	106.88	70.86
Government Grant Receivables	112.09	119.80
Others	51.77	56.61
	<u>644.65</u>	<u>436.18</u>

The Company had received fertilisers bonds of ₹ 65.5 Crore received from the Ministry of Fertiliser, the Government of India, against the outstanding amount of subsidy receivable, out of which bonds amounting to ₹ 9.87 Crore (Previous Year: ₹ 20.32 Crore) are outstanding at the year end. The market value of the above bonds are lower than book value, therefore the diminution in the value of above bonds has been accounted under other expenses.

+ This represents Mark to Market on Derivative Contract taken for the purpose of hedging of underlying Assets & Liabilities.

NOTE: 14		
INVENTORIES (Lower of Cost and Net Realisable Value)		
Raw Materials	591.45	578.28
(Includes Goods-in-transit ₹ 147.28 Crore (Previous Year : ₹ 170.13 Crore))		
Work-in-Progress	68.73	82.76
Finished Goods	325.35	270.25
Stock-in-Trade	256.42	187.82
Stores & Spares	115.81	108.55
(Includes Goods-in-transit ₹ 0.90 Crore (Previous Year : ₹ 3.54 Crore))		
Waste Scrap	0.14	0.08
Packing Materials	7.00	6.10
	<u>1,364.90</u>	<u>1,233.84</u>

	As at 31st March, 2012	As at 31st March, 2011
		₹ in Crore
NOTE: 15		
TRADE RECEIVABLES		
Due for period exceeding Six months		
Secured, Considered Good	0.01	0.01
Unsecured, Considered Good	45.92	37.98
Unsecured, Considered Doubtful	91.29	69.10
Less: Provision for Doubtful	(91.29)	(69.10)
Others #		
Secured, Considered Good	25.23	15.32
Unsecured, Considered Good	2,143.14	1,476.72
Unsecured, Considered Doubtful	7.90	6.29
Less: Provision for Doubtful	(7.90)	(6.29)
	2,214.30	1,530.03
# Includes subsidy receivable from Government of India	675.97	289.24
NOTE: 16		
CASH & BANK BALANCES		
Cash & Cash Equivalents		
Balances with Banks		
Current Accounts	491.92	154.05
Deposit Accounts (with original maturity less than three months)	409.13	503.27
Cash on Hand	19.33	20.23
Cheques/Drafts on Hand	91.91	123.75
	(A) 1,012.29	801.30
Other Bank Balances		
Deposit Accounts (with original maturity more than three months)#	303.96	46.44
Earmarked Balances (Dividend Deposit Account)	98.48	—
Others		
Unclaimed Dividend	2.66	2.59
Securities Application Money Received and Due for Refund	0.06	0.06
Unclaimed Matured Deposits	0.02	0.02
	(B) 405.18	49.11
	(A)+ (B) 1,417.47	850.41
Less: Bank Deposits with more than twelve months maturity (transferred to Other Non-Current Assets)	1.56	1.55
	1,415.91	848.86
# Includes deposits placed under lien towards bank guarantees for margins with exchanges/banks.	63.37	42.23

₹ in Crore

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
NOTE: 17		
REVENUE FROM OPERATIONS		
A. SALE OF PRODUCTS		
Manufactured	6,905.46	5,827.36
Traded	1,840.11	752.00
	8,745.57	6,579.36
B. SALE OF SERVICES		
Telecom Services	4,894.82	3,907.31
Life Insurance Premium	5,624.13	5,511.14
Other Financial Services	693.43	584.69
IT-ITES Services	2,044.23	1,656.31
Other Services	12.49	15.19
	13,269.10	11,674.64
C. OTHER OPERATING INCOME		
Scrap Sales	18.19	13.13
Export Incentives	60.77	59.66
Licence Fees and Royalties	2.78	4.34
Sale Tax Subsidy	3.42	2.23
Power and Steam Sales	94.33	79.63
Certified Emission Reductions	1.59	6.03
Investment Income/(Loss) on Life Insurance Policyholders' Fund related to Non-Linked Business	66.56	23.28
Miscellaneous Other Operating Income	0.17	—
	247.81	188.30
	22,262.48	18,442.30
NOTE: 18		
OTHER INCOME		
Interest Income	158.37	121.04
Dividends Income on Investments		
Current	2.70	0.65
Long-term	5.17	6.82
Net Gain on Sale of Investments		
Current	16.74	18.07
Long-term	2.93	5.16
Foreign Exchange Gain (Net)	75.78	16.45
Miscellaneous Income	47.05	44.43
	308.74	212.62
NOTE: 19		
COST OF MATERIALS CONSUMED		
Raw Materials Consumed	3,855.25	3,081.72
Packing Materials Consumed	126.21	107.49
	3,981.46	3,189.21
NOTE: 20		
PURCHASE OF STOCK-IN-TRADE		
Purchase of Finished Goods	1,179.26	513.15
	1,179.26	513.15

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
₹ in Crore		
NOTE: 21		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE		
Closing Stocks:		
Finished Goods	325.35	270.25
Stock-in-Trade	256.43	187.83
Work-in-Progress	68.73	82.76
Waste Scrap	0.14	0.08
	650.65	540.92
Less:		
Opening Stocks:		
Finished Goods	270.25	247.88
Stock-in-Trade	187.83	60.42
Work-in-Progress	82.76	67.09
Waste Scrap	0.08	0.05
	540.92	375.44
(Increase)/Decrease in Excise Duty on Stocks	3.67	(0.70)
(Increase)/Decrease	(106.06)	(166.18)

NOTE: 22**EMPLOYEE BENEFITS EXPENSES**

Salaries and Wages	2,637.10	2,175.32
Contribution to Provident & Other Funds (Refer Note: 38)	132.42	103.55
Expense on Employee Stock Option Scheme (Refer Note: 37)	3.04	10.32
Staff Welfare Expenses	175.45	166.57
	2,948.01	2,455.76

NOTE: 23**OTHER EXPENSES**

Consumption of Stores & Spares	189.16	168.86
Power & Fuel	1,152.91	880.86
Rent	529.79	468.15
Repairs & Maintenance of:		
Buildings	27.86	31.64
Plant & Machinery	226.67	195.96
Others	85.65	72.59
Insurance	19.33	18.20
Rates & Taxes	76.90	66.18
Outsourcing Charges	187.89	134.38
Processing Charges	52.00	75.07
Passive Infrastructure Charges	285.00	240.99
Licence and WPC Charges	588.04	449.90
Roaming and Access Charges	830.19	628.21
Connectivity Charges	160.92	141.12
Subscriber Acquisition & Servicing Expenses	146.74	137.30
Commission to Selling Agents	825.04	744.12
Brokerage & Discounts	58.62	66.05
Advertisement	298.08	299.99

₹ in Crore

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
NOTE: 23 (Contd.)		
Transportation & Handling Charges	79.53	57.91
Other Selling Expenses	84.06	63.62
Distribution Expenses	49.37	104.14
Benefits Paid (Life Insurance Business)	2,704.62	1,934.37
Legal & Profession Fees	137.10	109.99
Bad Debts and Provision for Bad & Doubtful Debt & Advances	34.31	22.20
Contingency Provision for Standard Assets of NBFC Business	4.06	5.14
Printing & Stationery	104.27	87.24
Travelling & Conveyance	129.41	110.76
Communication Expenses	73.60	78.67
Loss on Sale/Discard of Fixed Assets (Net)	4.38	10.14
Provision for Mark to Market Loss on Forward Contracts	3.33	—
Bank Charges	30.65	21.63
Miscellaneous Expenses	490.82	441.07
	9,670.30	7,866.45

**NOTE: 24
CHANGE IN VALUATION OF LIABILITY IN RESPECT
OF LIFE INSURANCE POLICIES IN FORCE**

(Release from)/Transfer to Fund for Future Appropriation	(61.09)	158.55
Change in Valuation of Liability in respect of Life Insurance Policies	1,048.23	3,166.70
Investment (Income)/Loss on Life Insurance Policyholders' Fund related to Linked Business	229.82	(1,468.66)
	1,216.96	1,856.59

**NOTE: 25
DEPRECIATION AND AMORTISATION EXPENSES**

Depreciation of Tangible Assets	922.05	838.32
Amortisation of Intangible Assets	170.28	102.58
	1,092.33	940.90

**NOTE: 26
FINANCE COST**

Interest Expenses*	763.71	520.28
Other Borrowing Costs	56.61	21.87
Net Loss on Foreign Currency Transactions & Translations	16.41	7.47
	836.73	549.62
*Net of Interest Rebate Subsidy from Technology Upgradation Fund	14.04	17.81
*Net of Interest Capitalised	5.77	106.05

NOTE: 27**CONTINGENT LIABILITIES NOT PROVIDED FOR:**

a) Claims against the Company not acknowledged as debts

		₹ in Crore	
Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March, 2012	As at 31st March, 2011
Customs Duty, Customs Act, 1942	Departmental appeal against CESTAT order for deleting demand of payment of duty related to Advance License. The matter is pending in the High Court, Karnataka.	2.04	—
Excise Duty, Central Excise Act, 1944	Show cause-cum-demand notice by Commissioner, LTU, Mumbai, for simultaneous availment of C.E. Not. 29/04 and 30/04 dated 09.07.2004 for the period 2004-05 to 2006-07.	10.88	10.88
	Demand for payment of duty for removal of Refinished Imported Garments without paying duty. Matter is pending before CESTAT-Bangalore.	2.03	2.03
	Demand of duty against availment of benefit of exemption under Notification 38/2003-CE in respect of ready-made garments procured from job workers. The matter is pending in Hon'ble Supreme Court.	8.25	8.25
	Show cause-cum-demand notice by Commissioner, LTU, Mumbai, for reversal of cenvat on CBFS & other inputs allegedly used for manufacturing of electricity sold outside.	32.04	1.42
	Show cause-cum-demand notice by Commissioner, LTU, Mumbai, for difference in duty on processing of yarn from Cake to Cone.	4.09	2.69
	Demand for reversal of cenvat on CBFS alleged to be used for generation of Steam. The matter is currently pending with High Court, Allahabad.	3.27	3.27
	Show cause-cum-demand notice by Commissioner for reversal of cenvat of service tax on Business Auxiliary Services.	1.05	1.05
Sales Tax	Demand against C and F forms and also against Input Tax Credit (ITC) on purchases by Power Plant, reversal of ITC, for AY 2006-07. Matter is currently pending before Joint Commissioner of Sales Tax (Appeals), Rajkot.	10.68	—
	Demand against issue of Form C against supply of Natural Gas during FY 2009-10, FY 2010-11 and FY 2011-12. Matter is currently pending in High Court, Lucknow.	74.69	38.61
	Sales Tax demand on export to Nepal. Currently the matter is pending in High Court, Allahabad.	1.43	1.17
	Demand of Entry Tax. Matter is pending before Hon'ble Supreme Court.	—	69.84
	Demands raised by the VAT/Sales Tax authorities of few states on Broadband Connectivity, SIM cards, etc.	69.82	88.72
	Entry Tax demand in certain states on receipt of material from outside the state.	10.29	8.96
	Demand against Form H, I and C, ITC Short adjusted on Stores & Spares. Matter is currently pending before WB Commercial Tax, Revisional Board.	4.94	4.90
Service Tax, Finance Act, 1994	Demand of Service Tax on Commission paid to overseas agents during the period from 01.10.2002 to 31.03.2006. The matter is currently pending in CESTAT, Kolkata.	—	1.12
	Show cause-cum-demand notice by Commissioner, Mumbai, for AY 2007-08 to AY 2011-12 disputing cenvat eligibility.	42.41	—

₹ in Crore

Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March, 2012	As at 31st March, 2011
	Demand mainly on account of interpretation of Rule 6(3), denial of cenvat related to towers, shelters and OFC ducts, disallowance of cenvat allegedly not related to output service.	120.71	98.88
	Service Tax refund relating to year 2005-07 rejected by Service Tax Department.	5.92	2.67
	Service Tax demands related to excess utilisation of cenvat against liability on risk premium and payment of reimbursements to agents.	30.95	44.30
	Show cause-cum-demand notice by Commissioner, LTU, Mumbai, for reversal of cenvat of Service Tax taken on Goods Transport Agency Service on outward transportation.	4.04	3.67
Others	Demand of textile cess on removal of ready-made garments pending in High Court, Karnataka.	2.14	2.14
	Payment of Wages of Strike Period, pending at various forums.	3.12	3.12
	Labour Reinstatement & Workmen Compensation cases pending in Labour Court.	5.77	5.47
	Claim by PEDEEE Syria for late supply under different contracts. Matter is pending in Syrian Arab Republic, Council of State, Administrational Judicature Court, Syria.	1.20	1.05
	Demand of water drawl charges by irrigation department, Issue is currently pending in High Court, Gujarat.	50.59	—
	Demand by HPCL for supply of low sulphur heavy stocks and other liquid fuels.	1.04	1.04
	Demand by DRM, Northern Railways, Lucknow, for Land License Fees, in 2008, for the land used for constructing and connecting siding with Railway at Sindurwa since 1988.	3.50	3.50
	Demand letter issued by UPSIDC for making payment of maintenance charges on land allotted in 1983. The matter is currently pending in High Court, Lucknow.	11.17	8.21
	Demand against compliance of licensing conditions & other disputes with DOT, disputed matters with local municipal corporations, electricity boards, etc.	172.87	163.71
	Provident Fund – for the period from March 2009 to May 2011 for non-inclusion of certain components like allowances, etc., while computing and remitting the employer and employees' contribution to Provident Fund.	1.40	—
	Disputed claim of SEBI towards turnover fees. Matter is currently before Hon'ble Supreme Court.	2.77	2.77
	Claims made on the Group by various customers alleging unauthorised trades, loss of profits, etc.	5.10	2.33
	Various cases relating to preference dividend & sale of securities.	8.12	5.12
	Claims by parties in respect of dispute relating to the beneficiary of whole life insurance policy and term life insurance policy.	16.60	14.95
	Repudiation of death claims and customer complaints.	15.33	11.89
	Recovery of payment for material not supplied/contract cancelled.	5.92	5.92

₹ in Crore

Nature of Statute	Brief Description of Contingent Liabilities	As at 31st March, 2012	As at 31st March, 2011
Income Tax Act, 1961	Various Dept. Appeal in ITAT, High Court on various matters.	52.22	57.89
	Demand for various additions in tax assessment of AY 2008-09 and 2009-10. Matter is currently pending with CIT (Appeals).	1.59	0.61
	Disallowing initial issue Expenses, Repairs and Renovation Expenses and Fund Migration Expenses on the alleged contention that the same were capital in nature. The matter is currently pending in High Court.	2.01	—
	Appeals pending before various Appellate Authorities mainly on account of non-deduction of tax on roaming charges, etc.	265.90	19.40
	Depreciation on Intangibles and Motor Cars, Disallowance u/s 14A. Matter is currently pending in ITAT, Mumbai.	3.22	—
	Various Income Tax matter for different assessment years.	3.67	3.56
	Penalty on disallowance of provision of leave salary.	—	3.11
	Various other cases.	28.24	24.94
	Grand Total	1,103.02	733.16
(b)	Bill Discounting with Banks	124.02	89.99
(c)	Corporate Guarantees given by the Group	23.17	22.18
(d)	Under the Jute Packaging Material (Compulsory use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched was required to be supplied in jute bags up to 31st August 2001. The Company made conscious efforts to use jute packaging material as required under the said Act. However, due to non-availability of material as per the Company's product specifications as well as due to strong customer resistance to use of jute bags, the specific percentage could not be adhered to. The Company has received a show cause notice, against which a writ petition has been filed with the Hon'ble High Court, which is awaiting for hearing. The Jute Commissioner, Kolkata, had filed transfer petition, various writ petitions have been filed in different High Courts by other aggrieved parties, including the Company, before Hon'ble Supreme Court of India praying for consolidation of all cases at one Court. The transfer petition is pending before Hon'ble Supreme Court. The Company has been advised that the said levy is bad in law.		
(e)	The Group share in certain disputed tax demand notices and show cause notices relating to Indirect tax matters of Joint Venture of IDEA (IDEA's JV) amounting to ₹ 159.50 Crore (Previous Year : ₹ 9.67 Crore) have neither been acknowledged as claims nor considered as contingent liabilities by the IDEA's JV. Based on internal assessment and independent advice taken from tax experts by the IDEA's JV, it is of the view that the possibility of any of these tax demands materialising is remote.		
(f)	The Birla Sun Life Mutual Fund has invested in the "Pass Through Certificates" (PTC), issued by various trusts. The Income Tax Department treated the interest income from the PTC as taxable in the hands of such securitisation trusts. The Department has also issued the demand notices to the various MFs who are the beneficiaries in such trusts. The Birla MF has also received the demand notice for AY 2009-10. The fund has filed a writ petition before the Hon'ble High Court and the Hon'ble High Court has stayed all actions by the department till the disposal of CIT(A) and six weeks thereafter. Based on the expert's advice, the management doesn't expect the liability to crystallise, hence no provision is made in the books of accounts.		

	As at 31st March, 2012	As at 31st March, 2011
₹ in Crore		
NOTE: 28		
CAPITAL AND OTHER COMMITMENTS		
a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of advances)	681.45	665.33
b) Uncalled commitments in respect of Investments in Units of Aditya Birla Private Equity Fund I and Aditya Birla Private Equity Sunrise Fund	106.13	105.68
c) Custom Duty on Capital Goods and Raw Materials Imported under Advance Licensing/EPCG scheme, against which export obligation is to be fulfilled	96.16	19.10
d) For commitment under derivative contract Refer Note: 32		
e) For commitment under lease contract Refer Note: 36		
f) Aditya Birla Minacs Worldwide Ltd. (ABMWL), a subsidiary of the Company, has issued Zero Coupon Compulsorily Convertible Debentures (CCD) aggregating ₹ 250 Crore to be converted into Equity of ABMWL on the expiry of a period of 60 months from the date of allotment of such CCD. The Company has entered into an option agreement with the subscribers of such CCD, pursuant to which the subscribers has put option on the Company and the Company has call option on the subscribers on 22nd May, 2012, at a pre agreed price. Further, on happening of certain events, the put option can also be exercised by the subscribers on the Company on any other date on happening of such events.		
g) Madura Garments Lifestyle Retail Company Limited (MGLRCL), a subsidiary of the Company, has issued Zero Coupon Compulsorily Convertible Debenture (CCD) aggregating ₹ 300 Crore to be converted into Equity of MGLRCL on the expiry of a period of 60 months from the date of allotment of such CCD. The Company has entered into an option agreement with the subscribers of such CCD, pursuant to which the subscribers has put option on the Company and the Company has call option on the subscribers on expiry of 24, 36, 48 and 60 months from the date of allotment of CCD at a pre-agreed price. Further, on happening of certain events, the put option can also be exercised by the subscribers on the Company on any other date on happening of such events.		
h) Idea Cellular Limited (IDEA), a Joint Venture Company, has a contingent obligation to buy compulsory convertible preference shares issued by Aditya Birla Telecom Limited, its wholly owned subsidiary, from the holder at the original price, the Group's share of the same is ₹ 531.10 Crore (Previous Year : ₹ 532.00 Crore).		

NOTE: 29

EXCEPTIONAL ITEMS

- a) The Hon'ble High Court of Allahabad vide its order dated December 23, 2011, has upheld the constitutional validity and retrospective application of entry tax under UP Tax on Entry of Goods into Local Area Act, 2007, in response to a writ petition filed by the Company earlier. On further appeal, the Hon'ble Supreme Court, vide its order dated January 10, 2012, has granted stay on said order subject to certain conditions, accordingly, the Company has paid ₹ 47.88 Crore under protest and submitted bank guarantee aggregating ₹ 42.90 Crore. Considering the complexities involved and pending final hearing before the Hon'ble Supreme Court, the Company has made provision for entry tax aggregating ₹ 103.88 Crore (including ₹ 20.96 Crore for the current year) and same is considered as an exceptional item.
- b) In the previous year, Exceptional items consist of one time loss of ₹ 103.84 Crore borne by Aditya Birla Money Limited and Aditya Birla Money Mart Limited, subsidiaries of the Company, on account of certain trades of their clients.

NOTE: 30

PROPOSED DIVIDEND

	As at 31st March, 2012	As at 31st March, 2011
₹ in Crore		
The final dividend proposed by the Company for the year is as follows:		
a) On Preference Shares of ₹ 100/- each		
Amount of Dividend Proposed	0.01	0.01
Dividend per Preference Share	₹ 6.00	₹ 6.00
b) On Equity Shares of ₹ 10/- each		
Amount of Dividend Proposed	68.11	62.43
Dividend per Equity Share	₹ 6.00	₹ 5.50

NOTE: 31**DETAILS OF PROPORTIONATE SHARE OF JOINT VENTURE COMPANIES**

The Company's proportionate share in the Assets, Liabilities, Income and Expenses of its Joint Venture companies included in these Consolidated Financial Statements are given below:

₹ in Crore

BALANCE SHEET	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital		
Equity	846.53	846.53
Preference	0.49	0.49
Reserves and Surplus	2,597.94	2,384.22
Sub-Total - (A)	3,444.96	3,231.24
Non-Current Liabilities		
Long-term Borrowings	2,410.22	2,280.57
Deferred Tax Liabilities	158.78	78.58
Other Long-term Liabilities	114.52	69.32
Long-term Provisions	48.61	43.34
Sub-Total - (B)	2,732.13	2,471.81
Current Liabilities		
Short-term Borrowings	437.27	453.94
Trade Payables	833.40	946.74
Other Current Liabilities	998.60	719.40
Short-term Provisions	2.90	2.25
Sub-Total - (C)	2,272.17	2,122.33
Total - (A)+(B)+(C)	8,449.26	7,825.38
ASSETS		
Non-Current Assets		
Fixed Assets		
Tangible Assets	5,100.74	4,468.37
Intangible Assets	1,745.33	1,250.95
Capital Work-in-Progress	172.08	912.90
Sub-Total - (D)	7,018.15	6,632.22
Goodwill on Consolidation	1.55	1.55
Non-Current Investments	14.41	8.86
Deferred Tax Assets	1.46	0.59
Long-term Loans and Advances	622.15	284.15
Sub-Total - (D)	7,657.72	6,927.37
Current Assets		
Current Investments	81.49	312.48
Inventories	23.43	16.71
Trade Receivables	129.66	89.10
Cash & Bank Balances	47.13	118.98
Short-term Loans and Advances	409.58	293.65
Other Current Assets	100.25	67.09
Sub-Total - (E)	791.54	898.01
Total - (D)+(E)	8,449.26	7,825.38
Contingent Liability	684.88	382.37
Capital Commitment	463.21	556.97

Notes 31 (Contd.)

₹ in Crore

STATEMENT OF PROFIT AND LOSS	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Revenue from Operations	5,090.54	4,100.87
Other Income	40.53	55.46
Total Revenue	5,131.07	4,156.33
Expenses		
Purchase of Stock-in-Trade	42.35	12.18
Changes in Inventories of Stock-in-Trade	(6.56)	(1.72)
Employee Benefits Expenses	284.96	254.69
Other Expenses	3,459.59	2,830.39
Total Expenses	3,780.34	3,095.54
Profit before Interest, Tax and Depreciation/Amortisation	1,350.73	1,060.79
Depreciation and Amortisation Expenses	761.05	615.41
Finance Cost	278.11	129.30
Profit before Tax	311.57	316.08
Tax Expenses		
Current Tax	72.59	67.75
MAT Credit	(52.60)	(45.13)
Write Back of Excess Provision for Tax Related to Earlier Years	(0.30)	(0.14)
Deferred Tax	79.46	23.22
Profit for the Year	212.42	270.38

NOTE: 32

Statement of Derivatives - Outstanding at the Balance Sheet Date

a) Derivatives: Outstanding at the Balance Sheet date

Nature of Contract	Foreign Currency	Option	Amount in Foreign Currency as at		Purpose
			31st March, 2012	31st March, 2011	
Currency & Interest Rate Swap	JYen	Buy	13,463,750,000	13,774,719,000	Hedging of Loan
Currency & Interest Rate Swap	USD	Buy	105,000,000	35,000,000	Hedging of Loan
Forward Contracts	USD	Buy	352,292,225	277,053,011	Hedging Purpose
		Sell	126,921,619	113,561,679	
Forward Contracts	JYen	Buy	3,818,419,284	4,501,425,247	Hedging Purpose
Forward Contracts	Euro	Buy	10,243,064	6,164,531	Hedging Purpose
		Sell	5,716,462	5,969,659	
Forward Contracts	GBP	Buy	76,376	37,859	Hedging Purpose
		Sell	2,161,682	2,007,148	
Forward Contracts	AUD	Buy	600,000	497,037	Hedging Purpose
		Sell	83,630	—	
Forward Contracts	CAD	Sell	—	38,400,000	Hedging Purpose
Forward Contracts & Interest Rate Swap	USD	Buy	15,000,000	15,192,277	Hedging of Loan

b) Foreign Currency Exposure which are not hedged

As at 31st March, 2012

Particulars	Currency	Foreign Currency	₹ in Crore
Trade Receivables	USD	11,169,342	57.14
	Euro	434,490	2.97
Trade Payables	USD	26,557,675	135.86
	Euro	15,187	0.10
Other Current Liabilities	USD	2,772,498	14.20
	Euro	77,462	0.53
	GBP	56,894	0.47
Borrowings	USD	172,192,368	880.87
	Euro	1,651,453	11.29

As at 31st March, 2011

Trade Receivables	USD	16,506,769	73.71
	Euro	1,492,215	9.44
	GBP	393,193	2.83
	JYen	21,634,693	1.17
	CAD	93,476	0.43
Trade Payables	USD	43,371,414	193.65
	Euro	44,256	0.28
	GBP	133,921	0.96
	JYen	5,462,833	0.30
	CAD	26,829	0.12
Other Current Liabilities	USD	1,522,756	6.80
	Euro	63,412	0.40
	GBP	163,468	1.18
Borrowings	USD	81,625,843	364.46
	GBP	1,000,000	7.19
Cash & Bank Balances	USD	6,361	0.03
	GBP	3,690	0.03

NOTE: 33

The effect of acquisition of subsidiaries on the financial position and results:

₹ in Crore

Name of Subsidiary	Revenue (Post-Acquisition)	Net Profit/ (Loss) (Post-Acquisition)	Net Assets
Year Ended 31st March, 2012	—	—	—
Year Ended 31st March, 2011			
Bureau of Collections Recovery Inc. and its subsidiaries	50.58	0.09	15.04

NOTE: 34

Disclosure in respect of Related Parties pursuant to Accounting Standard-18

1 List of Related Parties

Joint Ventures

Birla Sun Life Asset Management Company Limited (BSAMC) (Joint Venture of ABFSPL)
Birla Sun Life Trustee Company Private Limited (BSTPL) (Joint Venture of ABFSPL)
IDEA Cellular Limited (IDEA)

Associates

Birla Securities Limited (BSL)
Indigold Trade and Services Limited (ITSL) (Upto June 29, 2010)
LIL Investment Limited (LIL) (Upto June 29, 2010)

Key Management Personnel

Dr. Rakesh Jain – Managing Director
Mr. Pranab Barua – Whole-time Director
Mr. Sushil Agarwal – Whole-time Director (w.e.f. June 1, 2011)
Mr. K.K. Maheshwari – Whole-time Director (Upto May 20, 2010)

Relatives of Key Management Personnel

Mrs. Anita Agarwal (Wife of Mr. Sushil Agarwal)
Mrs. Sharda Maheshwari (Wife of Mr. K.K. Maheshwari)

2 During the year following transactions were carried out with the related parties:

₹ in Crore

Transaction/Nature of Relationship	Joint Ventures	Associates	Key Management Personnel	Relatives of Key Management Personnel	Grand Total
Purchase of Goods and Services					
IDEA	5.03 (1.85)	- -	- -	- -	5.03 (1.85)
Others	- -	- -	- -	0.06 (0.01)	0.06 (0.01)
TOTAL	5.03 (1.85)	- -	- -	0.06 (0.01)	5.09 (1.86)
Sale of Goods and Services					
IDEA	0.01 (0.01)	- -	- -	- -	0.01 (0.01)
Interest Received					
ITSL	- -	- (0.02)	- -	- -	- (0.02)
LIL	- -	- (₹)	- -	- -	- (₹)
TOTAL	- -	- (0.02)	- -	- -	- (0.02)

₹ in Crore

Transaction/Nature of Relationship	Joint Ventures	Associates	Key Management Personnel	Relatives of Key Management Personnel	Grand Total
Managerial Remuneration Paid *					
Dr. Rakesh Jain	-	-	6.10 (5.85)	-	6.10 (5.85)
Mr. Pranab Barua	-	-	4.31 (2.75)	-	4.31 (2.75)
Mr. Sushil Agarwal	-	-	1.70 -	-	1.70 -
Mr. K.K. Maheshwari	-	-	- (1.83)	-	- (1.83)
TOTAL	-	-	12.11 (10.43)	-	12.11 (10.43)
Outstanding Balances as on 31st March, 2012					
Deposit Granted	-	-	3.00 (3.00)	4.60 -	7.60 (3.00)
Amount Payables	0.04 -	-	- (0.12)	-	0.04 (0.12)
Amount Receivable against Advances	0.03 (₹)	-	-	-	0.03 (₹)
Deposit Payables	0.01 (0.01)	-	-	-	0.01 (0.01)

- Figures in brackets represent corresponding amount of Previous Year.
 - No amount in respect of the related parties have been written off/back are provided for during the year.
 - Related parties relationships have been identified by the management and relied upon by the auditors.
- * Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year and accordingly have not been considered in the above information and excluding Employee Compensation under ESOP.

NOTE: 35**Disclosure pursuant to Accounting Standard-20 - Earnings Per Share**

		Year Ended 31st March, 2012	Year Ended 31st March, 2011
Earnings per Share (EPS) is calculated as under:			
Net Profit as per the Statement of Profit and Loss		890.13	822.10
Less: Preference Dividend and Tax thereon		0.03	0.01
Net Profit for EPS	(A)	890.10	822.09
Weighted average number of Equity Shares for calculation of Basic EPS	(B)	113,511,645	105,943,880
Basic EPS (₹)	(A/B)	78.42	77.60
Weighted average number of Equity Shares Outstanding		113,511,645	105,943,880
Add: Shares Held in Abeyance		41,522	42,925
Add: Dilutive impact of Employee Stock Options		38,416	15,876
Add: Potential Equity Shares Due to Share Warrants		—	2,531,479
Weighted average number of Equity Shares for calculation of Diluted EPS	(C)	113,591,583	108,534,160
Diluted EPS (₹)	(A/C)	78.36	75.74
Nominal Value of Shares (₹)		10.00	10.00

NOTE: 36

Disclosure pursuant to Accounting Standard-19 - Leases is as under:

A Assets taken on Lease:

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
₹ in Crore		
i) Operating Lease payment recognised in the Statement of Profit and Loss		
- Minimum Lease Rent	767.21	666.84
- Contingent Lease Rent	8.52	6.65
	775.73	673.49
ii) The Group has taken certain Office Premises, Main switching centre locations, Leasehold Improvements, Furniture and Fixtures, Information Technology and Office Equipment, BPO centres, Showrooms and Residential Houses on non-cancellable/cancellable operating lease.		
	As at 31st March, 2012	As at 31st March, 2011
iii) The future minimum rental payable in respect of non-cancellable operating lease are as follows:		
- Not later than one year	419.26	337.38
- Later than one year and not later than five years	999.08	795.38
- Later than five years	349.64	381.76
	1,767.98	1,514.52
iv) The details of finance lease payments payable and their Present Value of the Group as at the Balance Sheet date:		

₹ in Crore			
Particulars	Total Lease Charges Payable	Present Value	Interest
a) Not later than one year	0.97 (0.63)	0.67 (0.42)	0.30 (0.21)
b) Later than one year and not later five years	2.41 (1.89)	2.01 (1.59)	0.39 (0.30)
c) Later than five years	— —	— —	— —
Total	3.38 (2.52)	2.68 (2.01)	0.69 (0.51)

Figures in brackets represent corresponding amount of Previous Year.

B Assets Given on Lease:

	As at 31st March, 2012	As at 31st March, 2011
₹ in Crore		
The Group has given certain Plant and Machinery (Storage Tank) on non-cancellable operating lease.		
- The Gross carrying amount of the above referred assets	4.90	4.90
- The accumulated depreciation for the above assets	2.29	2.05
- The depreciation for the above assets for the year	0.23	0.23
The Group has also leased under operating lease arrangements certain Optical Fibre Cables on Indefeasible Rights of Use basis, the gross block, accumulated depreciation and depreciation expense of the assets given on IRU basis is not separately identifiable and, hence, not disclosed.		
The future minimum lease rental in respect of above Storage Tank and Optical Fibre Cables lease is as follows:		
- Not later than one year	5.17	2.66
- Later than one year and not later than five years	1.31	4.65
- Later than five years	0.01	0.01

NOTE: 37**DISCLOSURE UNDER EMPLOYEE STOCK OPTIONS SCHEME****1 OF THE COMPANY**

Under the Employee Stock Options Scheme - 2006 (ESOS - 2006), the Company has granted options to the eligible employees of the Company and its Subsidiaries. During the year under ESOS-2006, 3,370 options have been granted as 'Tranche V' on 23rd May, 2011, to the eligible employees of the Company. These options are convertible into equivalent equity shares of Company. The details are as under:

(A) Employees Stock Options Scheme:

Particulars	Tranche - I	Tranche - II	Tranche - III	Tranche - IV	Tranche - V
No. of Options	163,280	166,093	17,174	11,952	3,370
Method of Accounting	Intrinsic Value	Intrinsic Value	Intrinsic Value	Intrinsic Value	Intrinsic Value
Vesting Plan	Graded Vesting - 25% every year	Graded Vesting - 25% every year	Graded Vesting - 25% every year	Graded Vesting - 25% every year	Graded Vesting - 25% every year
Exercise Period	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting	5 Years from the date of Vesting
Grant Date	23.08.2007	25.01.2008	20.08.2010	08.09.2010	23.05.2011
Grant/Exercise Price (₹ Per Share)	1,180.00	1,802.00	687.00	697.00	748.00
Repricing of the Option on 6th August, 2010 (₹ Per Share)	687.00	687.00	—	—	—
Market Price on the date of Grant of Option (₹ Per Share)	1,282.55	1,948.70	816.85	839.80	830.00
Market Price on the date of Repricing of Option (₹ Per Share)	816.85	816.85	—	—	—

(B) Movement of Options Granted:

₹ in Crore

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Options Outstanding at the beginning of the year	195,426	208,632
Granted during the year	3,370	29,126
Exercised during the year	4,111	—
Lapsed during the year	4,710	42,332
Options Outstanding at the end of the year	189,975	195,426
Options Unvested at the end of the year	18,813	52,184
Options exercisable at the end of the year	171,162	143,242

For the option exercised during the period, the weighted average share price at the exercise date was ₹ 927.92 per share (Previous Year : no option exercised).

The weighted average remaining contractual life for the stock options outstanding as at 31st March, 2012, is 3.35 years (Previous Year : 3.25 years).

(C) Fair Valuation:

The fair value of the options used to compute proforma net profit and earnings per share have been done by an independent valuer on the date of grant using Black-Scholes Merton Formula. The key assumptions and the Fair Value are as under:

Particulars	On the Date of Grant				
	Tranche - I	Tranche - II	Tranche - III	Tranche - IV	Tranche - V
Risk-Free Interest Rate (%)	7.78	7.78	8.09	8.09	8.09
Option Life (Years)	5	5	5	5	5
Expected Volatility	38.00	38.00	54.04	53.88	34.05
Expected Dividend Yield (%)	0.52	0.52	0.86	0.86	0.57
Weighted Average Fair Value per Option (₹)	591.53	825.67	471.44	486.82	443.49

Particulars	On the Date of Repricing	
	Tranche - I	Tranche - II
Risk-Free Interest Rate (%)	8.09	8.09
Option Life (Years)	5	5
Expected Volatility *	54.04	54.04
Expected Dividend Yield (%)	0.36	0.50
Weighted Average Fair Value per Option (₹)	355.12	366.54
Incremental Fair Value (₹)	148.89	237.35

* Expected volatility of the Company's stock price is based on NSE price data of last two years.

2 OF SUBSIDIARY COMPANY

In December 2009, Aditya Birla Minacs Worldwide Limited (ABMWL), a subsidiary of the Company, has approved the Employee's Stock Option Plan 2009 ("the Plan"), which covers its employees including its subsidiaries. The plan is administered and supervised by the Compensation Committee of the Board (the 'Committee').

(A) Employees Stock Options Scheme:

The participants shall exercise the options within five years from vesting or within three years from the date of listing, whichever is earlier. The Plan is contingent on the shares being listed in a recognised stock exchange in India on or before 1st July, 2015. If the ABMWLs shares are not listed on the stock exchange by 30th June, 2015, the existing employees shall have to sell all options vested to the ABMWL or its nominee at a price determined as per Plan.

The Plan provides that these options would vest in tranches over a period of 3-4 years as follows:

Period within which options will vest unto the participant	% of options that will vest
End of 15 months from the date of grant of options	20%
End of 27 months from the date of grant of options	20%
End of 39 months from the date of grant of options	60%

(B) Movement of Options Granted:

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Total Options under the Plan	1,897,337	1,879,337
Options Outstanding at the beginning of the year	1,367,000	1,491,500
Granted during the year	Nil	34,500
Forfeited during the year	154,500	159,000
Exercised during the year	Nil	Nil
Outstanding at the end of the year	1,212,500	1,367,000
Expired during the year	Nil	Nil
Exercisable at the end of the year	Nil	Nil
Exercise Price (₹)	230	230

(C) Fair Valuation:

The fair valuation of the options used to compute proforma net profit and earnings per share have been done by an independent valuer on the date of grant using Black-Scholes Model. The key assumptions and the fair value are as under:

Particulars	
Risk-Free Interest Rate (%)	6.84%
Option Life (Years)	4.80
Expected Volatility (%)	0%
Historical Volatility (%)	0%
Expected Dividend Yield (%)	0%
Weighted Average Fair Value per Option (₹)	141

3 OF JOINT VENTURE OF THE COMPANY

Under the Employee Stock Options Scheme ("ESOS-2006"), IDEA Cellular Limited (IDEA), the Joint Venture of the Company, has granted options to its eligible employees. Each option when exercised would be converted into one fully paid-up equity share of ₹ 10/- of IDEA. Options granted under the ESOS-2006 carry no rights to dividends and no voting rights till the date of exercise. As at the end of the financial year reporting date, details of outstanding options are as follows:

(A) Movement of Options Granted:

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Options Outstanding at the beginning of the year	24,516,925	27,119,449
Options granted during the year	Nil	2,524,500
Options Forfeited/Lapsed during the year	471,960	1,693,311
Options Exercised during the year	5,573,605	3,433,713
Options Outstanding at the end of the year	18,471,360	24,516,925
Weighted average exercise price of outstanding price of outstanding options (₹)	49.04	47.65

(B) Fair Valuation:

The fair value of each option is estimated using Black and Scholes Option Pricing Model on date of grant/repricing based on the following

Particulars	On the Date of Grant				On the Date of Repricing	
	Tranche-I	Tranche-II	Tranche-III	Tranche-IV	Tranche-I	Tranche-II
Excepted Dividend Yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Option Life	6 years & 6 months	6 years & 6 months	6 years & 6 months	6 years & 6 months	4 years & 6 months	5 years & 9 months
Risk-Free Interest Rate (%)	7.78	7.5	7.36	8.04-8.14	7.36	7.36
Expected Volatility (%)	40.00	45.8	54.54	50.45	54.54	54.54

4 The Group is following intrinsic value for Employee Stock Options Scheme valuation.

Had the compensation cost for the various stock options granted has been recognised based on fair value at the date of grant in accordance with Fair Value approach (calculated using valuation methods as mentioned above), the proforma amount of profit for the year and earnings per share of the Group would have been as under:

₹ in Crore

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Profit for the year	890.13	822.10
Add: Compensation Cost as per Intrinsic Value	3.04	10.32
Less: Compensation Cost as per Fair Value	8.85	19.34
Adjusted Net Income	884.32	813.08
Weighted average number of Basic Equity Shares Outstanding	113,511,645	105,943,880
Weighted average number of Diluted Equity Shares Outstanding	113,591,583	108,534,160
Face Value of the Equity Share (in ₹)	10.00	10.00
Reported Earnings Per Share (EPS)		
- Basic EPS (₹)	78.42	77.60
- Diluted EPS (₹)	78.36	75.74
Proforma Earnings Per Share (EPS)		
- Basic EPS (₹)	77.91	76.75
- Diluted EPS (₹)	77.84	74.90

₹ in Crore

	As at 31st March, 2012	As at 31st March, 2011
NOTE: 38		
RETIREMENT BENEFITS		
Disclosure in respect of Employee Benefits pursuant to Accounting Standard-15 (Revised)		
a) The details of the Group's defined benefit plans in respect of Gratuity (funded by the Group):		
Amounts Recognised in the Balance Sheet in respect of Gratuity		
Present value of the funded defined benefit obligation at the end of the year	143.87	126.73
Fair Value of Plan Assets	133.25	113.98
Net Liability/(Asset)	10.62	12.75
Amounts Recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity		
Current Service Cost	16.54	14.09
Interest on Defined Benefit Obligations	10.23	8.47
Expected Return on Plan Assets	(8.91)	(7.86)
Net Actuarial (Gain)/Loss recognised during the year	1.60	6.24
Past Service Cost	—	0.44
Net Gratuity Cost	19.46	21.38
Actual Return on Plan Assets:		
Expected Return on Plan Assets	8.91	7.86
Actuarial Gain/(Loss) on Plan Assets	(1.79)	0.36
	7.12	8.22
Reconciliation of Present Value of the Obligations and the Fair Value of the Plan Assets:		
Change in Present Value of the Obligations:		
Opening Defined Benefit Obligation	126.73	105.75
Current Service Cost	16.54	14.09
Interest Cost	10.23	8.47
Actuarial (Gain)/Loss	(0.19)	6.60
Liability on Stake Change/Amalgamation of Subsidiaries/Joint Ventures	0.03	—
Liability in respect of Employee's Transferred to Unfunded Plan	(0.27)	—
Past Service Cost	—	0.44
Benefits Paid	(9.20)	(8.62)
Closing Defined Benefit Obligations	143.87	126.73
Change in Fair Value Plan Assets:		
Opening Fair Value of the Plan Assets	113.98	98.46
Expected Return on Plan Assets	8.91	7.86
Actuarial Gain/(Loss)	(1.79)	0.36
Asset on Stake Change/Amalgamation of Subsidiaries/Joint Ventures	(0.01)	—
Contributions by the Employer	21.36	15.92
Benefits Paid	(9.20)	(8.62)
Closing Fair Value of the Plan Assets	133.25	113.98
Investment Details of Plan Assets		
Government of India Securities	20%	24%
Corporate Bonds	1%	2%
Insurer Managed Funds*	69%	71%
Others	10%	3%
Total	100%	100%
* Included in the Fair Value of Plan Assets, investment in Group's own financial instruments (funds of Birla Sun Life Insurance Company Limited)	72.33	64.15
There are no amount included in the fair value of Plan Assets for Property occupied by or other assets used by the Group.		

₹ in Crore

Experience Adjustment	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Defined Benefit Obligations	143.87	126.73	105.75	96.85	74.50
Plan Assets	133.25	113.98	98.46	93.09	70.03
Surplus/(Deficit)	(10.62)	(12.75)	(7.29)	(3.76)	(4.47)
Experience Adjustment on Plan Liabilities	3.86	7.09	0.57	7.22	2.23
Experience Adjustment on Plan Assets	(1.79)	0.36	(1.88)	8.50	(1.48)

Expected rate of return on assets is based on the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

General Description of the Plan

The Group operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Group's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972. A small part of the gratuity plan, which is not material, is unfunded and managed within the Group.

₹ in Crore

	As at 31st March, 2012	As at 31st March, 2011
Principal Actuarial Assumptions at the Balance Sheet Date		
Discount Rate	8.00% - 8.75%	7.70% - 8.50%
Estimated Rate of Return on Plan Assets	7.50% - 9.00%	7.50% - 9.00%

The Estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply & demand in the employment market.

- b) The details of the Group's defined benefit plans in respect of Gratuity (unfunded by the Group):

₹ in Crore

	As at 31st March, 2012	As at 31st March, 2011	
Amounts Recognised in the Balance Sheet in respect of Gratuity			
Present value of the funded defined benefit obligation at the end of the year	0.83	0.39	
Amounts Recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Gratuity			
Current Service Cost	0.26	0.19	
Interest on Defined Benefit Obligations	0.05	0.02	
Net Actuarial (Gain)/Loss recognised during the year	(0.08)	(0.02)	
Net Gratuity Cost	0.23	0.19	
Reconciliation of Present Value of the Obligations:			
Opening Defined Benefit Obligations	0.39	0.23	
Current Service Cost	0.26	0.19	
Interest Cost	0.05	0.02	
Actuarial (Gain)/Loss	(0.08)	(0.02)	
Liability in respect of Employee's Transferred from Funded Plan	0.27	—	
Benefits Paid	(0.06)	(0.03)	
Closing Defined Benefit Obligations	0.83	0.39	
Experience Adjustment	31st March, 2012	31st March, 2011	31st March, 2010
Defined Benefit Obligations	0.83	0.39	0.23
Plan Assets	—	—	—
Surplus/(Deficit)	(0.83)	(0.39)	(0.23)
Experience Adjustment on Plan Liabilities	₹	₹	0.04
Principal Actuarial Assumptions at the Balance Sheet Date			
Discount Rate	8.50% - 8.75%	8.00% - 8.50%	

- c) The details of the Group's defined benefit plans in respect of Group owned Provident Fund Trust

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Contribution to Group Owned Employees Provident Fund Trust	10.20	8.63

The Guidance Note on implementation of AS-15, Employee Benefits (Revised 2005), issued by the ICAI states that Provident Fund set up by the employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefits plan. The Company set up Provident Fund does not have existing deficit of Interest shortfall. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities.

The actuary has accordingly provided a valuation and based on the below provided assumptions there is no short fall as at 31st March, 2012.

The details of Plan Assets position as under:

	₹ in Crore
Plan Assets at Fair Value	274.10
Liability Recognised in the Balance Sheet	Nil

Assumption used in determining the present value obligation of interest rate guarantee under the Deterministic Approach

Discount Rate for the term of the Obligations	8.35%
Discount Rate for the remaining term of maturity of Investments Portfolio	8.30%
Guaranteed Interest Rate	8.25%

- d) The details of the Group's defined benefit plans in respect of Pension for its employees are given below:

	As at 31st March, 2012	As at 31st March, 2011
Amounts Recognised in the Balance Sheet in respect of Pension (unfunded by the Group):		
Present Value of unfunded obligation at the end of the period	6.46	6.93
Fair Value of Plan Assets	—	—
Net Liability/(Asset)	6.46	6.93
Amounts Recognised in Employee Benefits Expenses in the Statement of Profit and Loss in respect of Pension (unfunded by the Group):		
Interest on Defined Benefit Obligations	0.52	0.54
Net Actuarial (Gain)/Loss Recognised during the period	0.03	0.22
Net Pension Cost	0.55	0.76
Reconciliation of Present Value of the Obligations:		
Opening Defined Benefit Obligations	6.93	7.20
Interest Cost	0.52	0.54
Actuarial (Gain)/Loss	0.03	0.22
Benefits Paid	(1.02)	(1.03)
Closing Defined Benefit Obligations	6.46	6.93
Change in Fair Value of the Plan Assets		
Contributions by the Employer	1.02	1.03
Benefits Paid	(1.02)	(1.03)
Closing Fair Value of the Plan Assets	—	—
Financial Assumptions at the Valuation Date		
Discount Rate	8.40%	8.10%

Experience Adjustment	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Defined Benefit Obligations	6.46	6.93	7.20	7.49	7.29
Plan Assets	—	—	—	—	—
Surplus/(Deficit)	(6.46)	(6.93)	(7.20)	(7.49)	(7.29)
Experience Adjustment on Plan Liabilities	0.13	0.05	0.55	0.31	1.00

General Description of the Plan

In addition to contribution to state managed pension plan, the Company provides pension to some employees, which is discretionary in the nature. The quantum of pension depends on the cadre of the employee at the time of retirement.

₹ in Crore

Year Ended	Year Ended
31st March, 2012	31st March, 2011

e) Defined Contribution Plans –

Amount recognised as an expense and included in the Note: 22 as
“Contribution to Provident & Other Funds:

102.76

73.54

NOTE: 39**SEGMENT DISCLOSURES**

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organisational structure as well as differential risk and returns of these segments.

The Group has considered business segment as the primary segment for disclosure. The products and services included in each of the reported business segments are as follows:

SEGMENT	ACTIVITIES
Financial Services	
Life Insurance	Life Insurance Services
Other Financial Services	Asset Management, Non-Bank Financial Services, Private Equity, Equity and Commodity Broking, Wealth Management and General Insurance Advisory
Telecom	Telecommunication Services
Fashion & Lifestyle	Branded Apparels and Accessories
IT-ITeS	Business Process Outsourcing Services and Software Services
Manufacturing	
Agri-business	Fertilisers, Agro-Chemicals and Seeds
Carbon Black	Carbon Black
Insulators	Insulators
Rayon Yarn	Viscose Filament Yarn, Caustic Soda and Allied Chemicals
Textiles	Linen Yarn and Fabric, Worsted Yarn and Wool Tops

The Group considers secondary segment based on revenues within India as Domestic Revenues and outside India as Export Revenues. Assets are segregated based on their geographical location.

Information about Primary Business Segments:

₹ in Crore

	For the year ended 31st March, 2012			For the year ended 31st March, 2011		
	External	Inter-Segment	Total	External	Inter-Segment	Total
Segment Revenue						
Financial Services						
Life Insurance	5,690.69	-	5,690.69	5,534.42	-	5,534.42
Others Financial Services	693.43	8.31	701.74	586.27	9.88	596.15
Telecom	4,932.92	-	4,932.92	3,917.93	-	3,917.93
Fashion & Lifestyle	2,243.48	-	2,243.48	1,811.09	0.04	1,811.13
IT-ITES	2,044.22	37.36	2,081.58	1,657.78	34.06	1,691.84
Manufacturing Services						
Agri-business	2,107.32	-	2,107.32	1,243.79	-	1,243.79
Carbon Black	1,942.87	-	1,942.87	1,588.46	-	1,588.46
Insulators	467.64	-	467.64	517.98	(0.01)	517.97
Rayon	679.84	-	679.84	564.80	-	564.80
Textiles	1,037.88	8.32	1,046.20	765.25	8.88	774.13
Total Segment	21,840.29	53.99	21,894.28	18,187.77	52.85	18,240.62
Eliminations			53.99			52.85
Total Revenue			21,840.29			18,187.77

₹ in Crore

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Segment Result (PBIT)		
Financial Services		
Life Insurance	460.73	304.41
Others Financial Services	80.66	91.79
Telecom	534.33	353.64
Fashion & Lifestyle	124.97	63.03
IT-ITES	110.94	124.78
Manufacturing Services		
Agri-business	191.85	157.22
Carbon Black	164.59	220.15
Insulators	45.54	112.58
Rayon	91.83	74.67
Textiles	116.54	75.76
Total Segment	1,921.98	1,578.03
Less: Finance Cost*	635.96	437.73
Add: Interest Income*	50.92	52.25
Add: Unallocable Income (net of unallocable expense)	(6.90)	2.34
Profit before Exceptional Items and Tax	1,330.04	1,194.89
Exceptional Items (Refer Note No. 29)	(103.88)	(103.84)
Profit before Tax	1,226.16	1,091.05
Tax Expenses	216.01	183.08
Profit before Minority Interest	1,010.15	907.97
Share of Profit/(Loss) of Associate	—	(0.01)
Minority Interest	120.02	85.86
Profit for the Year	890.13	822.10

* Finance Cost exclude finance Cost of ₹ 200.77 Crore (Previous Year : ₹ 111.89 Crore) and Interest Income excludes interest income of ₹ 106.87 Crore (Previous Year : ₹ 57.01 Crore) on Financial Services Business, since it is considered as an expense and income, respectively, for deriving Segment Result.

Information about Primary Business Segments

₹ in Crore

	Carrying Amount of Segment Assets (including Goodwill) as on		Carrying Amount of Segment Liabilities as on	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Other Information				
Financial Services				
Life Insurance	22,057.68	20,556.57	20,979.87	19,824.84
Others Financial Services	4,426.33	2,676.92	3,684.47	1,993.65
Telecom	9,851.42	9,117.66	1,406.09	1,390.99
Fashion & Lifestyle	1,289.73	1,166.01	673.47	568.17
IT-ITES	1,825.08	1,630.14	239.96	276.26
Manufacturing Services				
Agri-business	1,126.39	609.11	142.27	113.09
Carbon Black	1,714.03	1,469.64	349.42	234.56
Insulators	447.31	432.58	71.93	70.12
Rayon	578.11	506.56	63.00	66.56
Textiles	458.91	384.44	371.10	186.68
Total Segment	43,774.99	38,549.63	27,981.58	24,724.92
Inter-segment Eliminations	(7.69)	(7.73)	(7.69)	(7.73)
Unallocated Corporate Assets/Liabilities	1,392.41	1,058.62	9,370.39	7,926.50
Total Assets/Liabilities	45,159.71	39,600.52	37,344.28	32,643.69

₹ in Crore

	Cost incurred to Acquire Segment Fixed Assets (including CWIP and Capital Advance) for the Year Ended		Depreciation/Amortisation for the Year Ended	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Financial Services				
Life Insurance	26.49	9.43	25.23	37.41
Others Financial Services	33.99	29.73	23.53	21.51
Telecom	1,148.80	2,514.46	754.63	608.39
Fashion & Lifestyle	80.80	38.83	71.93	71.24
IT-ITES	74.20	93.21	77.03	67.05
Manufacturing Services				
Agri-business	50.71	33.09	18.92	18.41
Carbon Black	32.26	99.60	40.32	36.91
Insulators	41.37	27.45	21.17	20.58
Rayon	106.84	31.21	34.80	34.55
Textiles	20.39	9.99	22.80	22.55
Total Segment	1,615.85	2,887.00	1,090.36	938.60
Unallocated	2.83	2.25	1.97	2.30
Total	1,618.68	2,889.25	1,092.33	940.90

Information about Secondary Business Segments:

₹ in Crore

	For the Year Ended	
	31st March, 2012	31st March, 2011
Revenue by Geographical Market		
In India	18,813.47	15,736.02
Outside India	3,026.82	2,451.75
Total	21,840.29	18,187.77
Carrying Amount of Segment Assets		
In India	43,462.50	38,112.22
Outside India	1,697.21	1,488.30
Total	45,159.71	39,600.52
Cost incurred to acquire Segment Fixed Assets		
In India	1,548.80	2,825.44
Outside India	69.88	63.81
Total	1,618.68	2,889.25

NOTE: 40

The Company has opted for general exemption granted by the Ministry of Corporate Affairs (MCA), vide General Circular No: 2/2011 dated February 8, 2011, regarding direction under Section 212(8) of the Companies Act, 1956 (the Act). The information required to be disclosed in aggregate for each subsidiary (including subsidiaries of subsidiaries) under Section 212(8) of the Act is as follow:

₹ in Crore, unless otherwise stated

	Aditya Birla Financial Service Private Limited		Aditya Birla Capital Advisors Private Limited		Aditya Birla Customer Services Private Limited		Aditya Birla Trustee Company Private Limited	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Share Capital (Equity and Preference)	706.50	650.00	3.50	3.50	0.01	0.01	0.05	0.05
Reserves and Surplus	(12.33)	(8.53)	6.21	2.30	(7.36)	(1.49)	0.05	0.01
Total Assets (Non-Current Assets + Current Assets)	695.14	643.37	17.77	10.65	22.10	6.71	0.10	0.06
Total Liabilities (Non-Current Liabilities + Current Liabilities)	0.97	1.90	8.05	4.85	29.44	8.18	—	₹
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	115.44	90.22	8.80	1.02	—	—	0.09	0.05
Revenue from Operations	0.17	3.39	21.16	17.61	—	—	0.06	0.05
Profit/(Loss) before Tax	(3.80)	(1.66)	5.57	5.07	(5.87)	(1.22)	0.05	0.04
Tax Expenses	—	0.42	1.66	1.41	—	—	0.01	0.01
Profit/(Loss) for the Year	(3.80)	(2.08)	3.91	3.66	(5.87)	(1.22)	0.04	0.03
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2012/2011	—	—	—	—	—	—	—	—

	Aditya Vikram Global Trading House Limited				Aditya Birla Money Limited		Aditya Birla Commodities Broking Limited	
	Current Year		Previous Year		Current Year	Previous Year	Current Year	Previous Year
	US \$ in Lakh	₹ in Crore	US \$ in Lakh	₹ in Crore				
Share Capital (Equity and Preference)	1.50	0.48	1.50	0.48	13.54	13.54	2.00	2.00
Reserves and Surplus	0.27	0.42	0.41	0.37	34.63	51.92	3.00	3.55
Total Assets (Non-Current Assets + Current Assets)	1.81	0.93	2.02	0.90	182.76	171.08	56.07	45.47
Total Liabilities (Non-Current Liabilities + Current Liabilities)	0.04	0.02	0.11	0.05	134.60	105.61	51.07	39.92
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	10.01	—	—
Revenue from Operations	—	—	—	—	67.40	98.90	20.88	15.38
Profit/(Loss) before Tax	(0.14)	0.05	(0.19)	(0.02)	(18.49)	(13.60)	(0.77)	1.51
Tax Expenses	—	—	—	—	(1.20)	(4.15)	(0.23)	0.49
Profit/(Loss) for the Year	(0.14)	0.05	(0.19)	(0.02)	(17.29)	(9.46)	(0.54)	1.02
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2012/2011	US\$= ₹ 51.85		US\$= ₹ 45.29		—	—	—	—

	Aditya Birla Finance Limited		Aditya Birla Securities Private Limited		Aditya Birla Insurance Brokers Limited		Birla Sun Life Insurance Company Limited	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Share Capital (Equity and Preference)	480.96	405.96	0.03	0.03	2.70	2.70	1,969.50	1,969.50
Reserves and Surplus	147.39	91.19	(0.02)	(0.01)	19.51	18.87	(896.23)	(1,242.51)
Total Assets (Non-Current Assets + Current Assets)	3,747.33	2,059.13	0.02	0.02	35.16	27.13	22,053.21	20,552.01
Total Liabilities (Non-Current Liabilities + Current Liabilities)	3,118.98	1,561.97	0.01	—	12.95	5.56	20,979.94	19,825.02
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	211.05	184.78	0.02	0.02	—	—	21,110.06	19,759.85
Revenue from Operations	350.17	197.23	—	—	32.29	21.22	5,584.51	7,086.50
Profit/(Loss) before Tax	83.62	55.36	(0.01)	—	8.94	3.17	460.73	304.41
Tax Expenses	27.39	18.14	—	—	3.12	1.05	—	(0.59)
Profit/(Loss) for the Year	56.23	37.22	(0.01)	—	5.82	2.12	460.73	305.00
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	0.04	0.02	Nil	Nil	5.18	Nil	114.45	Nil
Exchange Rate as on 31st March, 2012/2011	—	—	—	—	—	—	—	—

₹ in Crore, unless otherwise stated

	Aditya Birla Money Mart Limited		Aditya Birla Money Insurance Advisory Services Limited		ABNL Investment Limited		LIL Investment Limited	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Share Capital (Equity and Preference)	120.00	120.00*	0.49	0.49	21.00	21.00	2.05	2.05
Reserves and Surplus	(132.64)	(116.22)	(18.79)	(14.11)	13.19	11.56	0.14	0.02
Total Assets (Non-Current Assets + Current Assets)	41.23	42.57	4.17	7.16	91.32	52.36	2.22	2.11
Total Liabilities (Non-Current Liabilities + Current Liabilities)	53.87	38.78	22.47	20.78	57.13	19.79	0.02	0.03
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	0.60	0.07	—
Revenue from Operations	51.77	64.36	7.95	9.31	2.02	3.42	—	—
Profit/(Loss) before Tax	(16.43)	(103.60)	(4.64)	(10.85)	2.30	1.43	0.18	0.12
Tax Expenses	(0.01)	0.02	0.03	—	0.67	0.52	0.06	0.04
Profit/(Loss) for the Year	(16.42)	(103.62)	(4.67)	(10.85)	1.63	0.94	0.12	0.08
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2012/2011	—	—	—	—	—	—	—	—

* including Share Application Money pending allotment

	Indigold Trade Services Limited		Shaktiman Mega Food Park Limited		Aditya Birla Financial Shared Services Limited		Madura Garments Lifestyle Retail Company Limited	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Share Capital (Equity and Preference)	2.00	2.00	0.01	0.01	0.05	0.05	20.00	20.00
Reserves and Surplus	0.08	(0.13)	(0.02)	(0.01)	0.01	—	(159.68)	(133.92)
Total Assets (Non-Current Assets + Current Assets)	2.39	3.04	0.32	0.06	10.86	8.28	361.55	279.57
Total Liabilities (Non-Current Liabilities + Current Liabilities)	0.31	1.17	0.33	0.05	10.79	8.23	501.23	393.48
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	0.02	1.97	—	—	—	—	—	—
Revenue from Operations	—	—	—	—	—	—	60.00	46.19
Profit/(Loss) before Tax	0.22	(0.07)	(0.01)	(0.01)	0.02	0.05	(25.76)	(37.54)
Tax Expenses	0.02	—	—	—	0.01	0.01	—	—
Profit/(Loss) for the Year	0.20	(0.07)	(0.01)	(0.01)	0.01	0.04	(25.76)	(37.54)
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2012/2011	—	—	—	—	—	—	—	—

	Peter England Fashion and Retail Limited		Aditya Birla Minacs Worldwide Limited		A V Transworks Limited, Canada			
	Current Year	Previous Year	Current Year	Previous Year	CAD in Mn.		₹ in Crore	
					Current Year	Previous Year	Current Year	Previous Year
Share Capital (Equity and Preference)	1.01	1.01	17.58	2.35	127.00	648.72	157.00	722.20
Reserves and Surplus	0.20	(0.88)	144.05	191.36	0.73	3.73	(2.31)	(10.62)
Total Assets (Non-Current Assets + Current Assets)	3.79	1.84	698.19	994.87	157.69	805.44	214.09	984.79
Total Liabilities (Non-Current Liabilities + Current Liabilities)	2.58	1.72	536.57	801.16	29.95	152.99	59.40	273.21
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	7.00	—	—	—	—
Revenue from Operations	18.34	12.78	330.69	244.01	4.55	22.08	0.77	3.43
Profit/(Loss) before Tax	1.79	0.04	(24.51)	(37.76)	3.04	14.76	(0.42)	(1.86)
Tax Expenses	0.57	0.03	0.47	0.29	—	—	—	—
Profit/(Loss) for the Year	1.22	0.01	(24.98)	(38.05)	3.04	14.76	(0.42)	(1.86)
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	0.14	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2012/2011	—	—	—	—	CAD\$= ₹. 51.08		CAD\$= ₹. 46.00	

	Aditya Birla Minacs Philippines Inc.				Aditya Birla Minacs Worldwide Inc., Canada			
	PHP in Mn.	₹ in Crore	PHP in Mn.	₹ in Crore	CAD in Mn.	₹ in Crore	CAD in Mn.	₹ in Crore
	Current Year		Previous Year		Current Year		Previous Year	
Share Capital (Equity and Preference)	118.51	14.10	96.92	9.97	70.07	357.92	120.39	553.81
Reserves and Surplus	(115.82)	(13.78)	(131.63)	(13.54)	(38.26)	(195.44)	(47.80)	(219.87)
Total Assets (Non-Current Assets + Current Assets)	215.30	25.62	135.70	13.98	157.43	804.15	132.45	609.27
Total Liabilities (Non-Current Liabilities + Current Liabilities)	212.61	25.30	170.59	17.55	125.62	641.67	59.85	275.34
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	—	—	—
Revenue from Operations	467.81	52.86	238.96	24.72	169.49	822.53	158.75	710.52
Profit/(Loss) before Tax	15.83	1.79	12.07	1.25	17.75	86.14	21.83	97.71
Tax Expenses	0.01	₹	₹	₹	(5.50)	(26.69)	(2.61)	(11.70)
Profit/(Loss) for the Year	15.82	1.79	12.07	1.25	23.25	112.83	24.45	109.41
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	Nil	Nil	Nil	Nil	4.37	21.21	Nil	Nil
Exchange Rate as on 31st March, 2012/2011	PHP = ₹ 1.19		PHP = ₹ 1.03		CAD\$=₹. 51.08		CAD\$= ₹. 46.00	

	Minacs Kft.- Hungary				Minacs Limited, UK			
	HUF in Mn.	₹ in Crore	HUF in Mn.	₹ in Crore	GBP in Mn.	₹ in Crore	GBP in Mn.	₹ in Crore
	Current Year		Previous Year		Current Year		Previous Year	
Share Capital (Equity and Preference)	3.00	0.07	3.00	0.07	₹	0.01	₹	0.01
Reserves and Surplus	99.38	2.29	81.25	1.94	0.39	3.23	0.33	2.42
Total Assets (Non-Current Assets + Current Assets)	122.93	2.82	169.79	4.05	0.87	7.21	1.04	7.54
Total Liabilities (Non-Current Liabilities + Current Liabilities)	20.55	0.48	85.54	2.04	0.48	3.98	0.70	5.11
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	—	—	—
Revenue from Operations	322.90	7.42	392.47	8.57	1.59	12.19	2.26	16.00
Profit/(Loss) before Tax	29.23	0.67	24.81	0.53	0.08	0.61	0.09	0.64
Tax Expenses	11.10	0.25	13.10	0.29	0.02	0.15	0.03	0.18
Profit/(Loss) for the Year	18.13	0.42	11.71	0.25	0.06	0.46	0.07	0.46
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2012/2011	HUF = ₹ 0.23		HUF = ₹ 0.24		GBP = ₹ 82.90		GBP = ₹ 72.60	

	Minacs Worldwide S.A. de C.V., Mexico				Minacs Worldwide GmbH, Germany			
	MXN in Mn.	₹ in Crore	MXN in Mn.	₹ in Crore	EUR in Mn.	₹ in Crore	EUR in Mn.	₹ in Crore
	Current Year		Previous Year		Current Year		Previous Year	
Share Capital (Equity and Preference)	0.05	0.02	0.05	0.02	0.03	0.21	0.03	0.16
Reserves and Surplus	(0.05)	(0.02)	(0.05)	(0.02)	2.61	18.05	2.35	14.99
Total Assets (Non-Current Assets + Current Assets)	—	—	—	—	3.06	21.17	2.78	17.75
Total Liabilities (Non-Current Liabilities + Current Liabilities)	—	—	—	—	0.42	2.91	0.41	2.60
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	—	—	—
Revenue from Operations	—	—	—	—	7.21	47.51	6.89	41.50
Profit/(Loss) before Tax	—	—	—	—	0.38	2.50	0.36	2.17
Tax Expenses	—	—	—	—	0.12	0.79	0.11	0.64
Profit/(Loss) for the Year	—	—	—	—	0.26	1.71	0.25	1.53
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2012/2011	MXN = ₹ 3.62		MXN = ₹ 3.62		EURO= ₹ 69.16		EURO= ₹ 63.84	

₹ in Crore, unless otherwise stated

	The Minacs Group (USA) Inc.				Bureau Collection Recovery, LLC (US)			
	USD in Mn.	₹ in Crore	USD in Mn.	₹ in Crore	USD in Mn.	₹ in Crore	USD in Mn.	₹ in Crore
	Current Year		Previous Year		Current Year		Previous Year	
Share Capital (Equity and Preference)	0.30	1.57	0.30	1.37	0.02	0.11	0.02	0.09
Reserves and Surplus	10.53	54.61	9.00	40.76	2.42	12.58	3.10	14.04
Total Assets (Non-Current Assets + Current Assets)	70.72	366.69	66.96	303.22	2.79	14.52	5.38	24.38
Total Liabilities (Non-Current Liabilities + Current Liabilities)	59.89	310.51	57.66	261.09	0.35	1.82	2.26	10.25
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	—	—	—
Revenue from Operations	167.90	858.98	115.22	525.26	9.98	46.02	11.20	51.23
Profit/(Loss) before Tax	2.25	11.51	2.06	9.01	(1.57)	(7.24)	(0.50)	(2.33)
Tax Expenses	0.72	3.67	1.16	5.28	(0.90)	(4.15)	(0.52)	(2.36)
Profit/(Loss) for the Year	1.53	7.84	0.90	3.73	(0.67)	(3.09)	0.02	0.03
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2012/2011	US\$= ₹ 51.85		US\$= ₹ 45.29		US\$= ₹ 51.85		US\$= ₹ 45.29	

	Bureau of Collections Recovery (BCR) Inc. (USA)				Aditya Birla Minacs BPO Private Limited	
	USD in Mn.	₹ in Crore	USD in Mn.	₹ in Crore	Current Year	Previous Year
	Current Year		Previous Year		Current Year	Previous Year
Share Capital (Equity and Preference)	0.01	0.05	—	—	1.35	1.35
Reserves and Surplus	—	—	—	—	(0.70)	(0.22)
Total Assets (Non-Current Assets + Current Assets)	0.01	0.05	—	—	4.63	7.40
Total Liabilities (Non-Current Liabilities + Current Liabilities)	—	—	—	—	3.98	6.27
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—	—	—
Revenue from Operations	—	—	—	—	18.52	18.57
Profit/(Loss) before Tax	—	—	—	—	(0.48)	(0.33)
Tax Expenses	—	—	—	—	—	0.15
Profit/(Loss) for the Year	—	—	—	—	(0.48)	(0.48)
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	Nil	Nil	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2012/2011	US\$= ₹ 51.85		US\$= ₹ 45.29		—	—

	Aditya Birla Minacs BPO Limited UK			
	GBP in Mn.	₹ in Crore	GBP in Mn.	₹ in Crore
	Current Year		Previous Year	
Share Capital (Equity and Preference)	0.02	0.17	0.02	0.14
Reserves and Surplus	1.11	9.20	0.82	5.95
Total Assets (Non-Current Assets + Current Assets)	1.26	10.53	1.17	8.51
Total Liabilities (Non-Current Liabilities + Current Liabilities)	0.14	1.16	0.33	2.42
Details of Investments (excluding investments in subsidiary companies) (details as per Annexure A)	—	—	—	—
Revenue from Operations	1.81	13.81	1.69	12.01
Profit/(Loss) before Tax	0.32	2.44	(0.09)	(0.65)
Tax Expenses	0.03	0.23	—	—
Profit/(Loss) for the Year	0.29	2.21	(0.09)	(0.65)
Proposed/Interim Dividend (including Dividend Tax) (including on Preference Share)	Nil	Nil	Nil	Nil
Exchange Rate as on 31st March, 2012/2011	GBP = ₹ 82.90		GBP = ₹ 72.60	

Annexure 'A' to Note: 40

A) Details of Investments of Birla Sun Life Insurance Company Limited

₹ in Crore

	Shareholders		Policyholders		Assets Held to Cover Linked Liabilities		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
LONG-TERM INVESTMENTS								
1 Government Securities and Government Guaranteed Bonds including Treasury Bills	578.96	343.99	600.08	736.83	2,236.01	1,758.98	3,415.05	2,839.80
2 Other Investments								
(a) Debentures/Bonds	60.78	51.36	232.26	173.30	1,696.42	1,632.35	1,989.46	1,857.00
(b) Equity Shares	—	—	7.37	—	7,706.99	7,473.37	7,714.36	7,473.37
(c) Other Securities	9.90	9.90	0.60	0.10	49.60	59.60	60.10	69.60
3 Investments in Infrastructure and Social Sector	285.89	151.40	356.99	209.46	2,610.95	2,236.01	3,253.83	2,596.87
4 Other than Approved Investments	29.65	2.50	—	—	853.32	988.30	882.97	990.80
Total (A)	965.18	559.15	1,197.30	1,119.68	15,153.29	14,148.61	17,315.77	15,827.44
SHORT-TERM INVESTMENTS								
1 Government Securities and Government Guaranteed Bonds including Treasury Bills	3.14	35.14	400.59	73.95	2.41	59.78	406.14	168.87
2 Other Approved Securities								
- Fixed Deposits	—	—	34.86	0.10	424.82	97.50	459.68	97.60
- Others	6.84	48.01	150.59	228.28	1,265.23	1,545.93	1,422.67	1,822.22
3 Other Investments								
(a) Mutual Funds	15.14	46.43	11.16	21.94	159.06	327.92	185.36	396.29
(b) Debentures/Bonds	2.5	3.44	42.70	104.97	377.12	618.49	422.32	726.90
(c) Other Securities	—	—	—	—	—	—	—	—
(d) Application Money	—	—	—	—	—	8.24	—	8.24
4 Investments in Infrastructure and Social Sector	20.02	5.00	121.10	54.37	333.67	157.13	474.79	216.50
5 Other than Approved Investments	2.5	0.10	—	0.06	122.76	79.98	125.26	80.14
Total (B)	50.14	138.12	761.00	483.67	2,685.07	2,894.98	3,496.22	3,516.77
Other Assets								
1 Bank Balances					114.03	104.00	114.03	104.00
2 Interest Accrued on Investments					239.16	186.06	239.16	186.06
3 Fund Charges					—	—	—	—
4 Outstanding Contract (Net)					(55.12)	125.58	(55.12)	125.58
Sub-Total (C)	—	—	—	—	298.07	415.64	298.07	415.64
Total (A+B+C)	1,015.32	697.27	1,958.30	1,603.35	18,136.43	17,459.22	21,110.06	19,759.85

	As at 31st March, 2012		As at 31st March, 2011	
	Number	₹ in Crore	Number	₹ in Crore
B) Details of Investments of Aditya Birla Financial Services Private Limited				
LONG-TERM INVESTMENTS				
EQUITY SHARES - UNQUOTED				
Birla Sun Life Asset Management Company Limited	8,999,980	14.31	8,999,980	14.31
Birla Sun Life Trustee Company Private Limited	9,950	0.01	9,950	0.01
Aditya Birla Private Equity Shares - Fund I	17,612,625	96.87	17,612,625	70.45
Aditya Birla Private Equity - Sunrise Fund	2,986,223	2.99		—
CURRENT INVESTMENTS				
MUTUAL FUND - UNQUOTED				
Birla Sun Life Cash Plus	73,385	1.26	3,473,262	5.45
Total		115.44		90.22
C) Details of Investments of Aditya Birla Capital Advisors Private Limited				
CURRENT INVESTMENTS				
MUTUAL FUND - UNQUOTED				
Birla Sun Life Saving Fund Institutional Daily Dividend Reinvestment Scheme	878,915	8.80	10,19,959	1.02
Total		8.80		1.02
D) Details of Investments of Aditya Birla Trustee Company Private Limited				
CURRENT INVESTMENTS				
MUTUAL FUND - UNQUOTED				
Birla Sun Life Saving Fund Retail Daily Dividend Reinvestment Scheme	9,324	0.09	52,240	0.05
Total		0.09		0.05
E) Details of Investments of Aditya Birla Finance Limited				
LONG-TERM INVESTMENTS				
NON-TRADE INVESTMENTS				
EQUITY SHARES - QUOTED				
HDFC Bank Ltd.	1,300	₹	260	₹
MOIL	12,245	0.46	12,245	0.46
OTHERS - UNQUOTED				
Birla Management Centre Services Ltd.	7,000	0.01	7,000	0.01
Birla Sun Life Trustee Co. Pvt. Ltd.	20	₹	20	₹
PREFERENCE SHARES - UNQUOTED				
Share Microfin Limited (0.001% Optionally Convertible Cumulative Redeemable Preference Shares)	12,980,000	12.98		—

	As at 31st March, 2012		As at 31st March, 2011	
	Number	₹ in Crore	Number	₹ in Crore
DEBENTURES - QUOTED				
ABK Consultants Pvt. Ltd. (Non-Convertible Debentures carrying fixed coupon rate of 10% (2.47% payable quarterly))		—	86	9.16
JSW Techno Projects Management Limited (Non-Convertible Debentures carrying fixed coupon rate of 8% (4% payable annually))	50	50.15	50	50.15
Shree Renuka Sugars Limited (Non-Convertible Debentures carrying floating coupon rate of 12.08% (payable semi annually))	500	50.00	—	—
OTHER SECURITIES - UNQUOTED				
PMS Investment		5.00		5.00
CURRENT INVESTMENTS				
COMMERCIAL PAPER - UNQUOTED				
Karvy Financial Services Private Limited	500	24.14		—
ABG Shipyard Limited	500	23.31		—
DEBENTURES - QUOTED				
Muthoot Finance Limited (Non-Convertible Debentures carrying fixed coupon rate of 12.5% (payable semi-annually))		—	500	50.00
RHC Holding Private Limited (Non-Convertible Debentures carrying fixed coupon rate of 10.315% (payable on maturity))	450	45.00	700	70.00
Total		211.05		184.78

F) Details of Investments of Aditya Birla Securities Private Limited

CURRENT INVESTMENTS

MUTUAL FUND - UNQUOTED

Birla Sun Life Cash Plus-Retail Growth	826	0.02	8,255	0.02
Total		0.02		0.02

G) Details of Investments of LIL Investment Limited

CURRENT INVESTMENTS

MUTUAL FUND (UNQUOTED)

Birla Sun Life Cash Plus Institutional Premium Plan Growth	2,261	0.07		—
Total		0.07		—

H) Details of Investments of Indigold Trade Services Limited

CURRENT INVESTMENTS

MUTUAL FUND (UNQUOTED)

Birla Sun Life Cash Plus Institutional - Growth	626	0.02		—
Birla Sun Life Saving Fund Institutional - Growth		—	1,130,756	1.97
Total		0.02		1.97

NOTE: 41**SUBSEQUENT EVENT**

- (i) The Board of Directors of the Company at its meeting held on 30th April, 2012, has, in principle approved, subject to necessary approvals, the proposed acquisition of a controlling stake in Future Group's 'Pantaloons Format Business' post its demerger from Pantaloon Retail (India) Ltd. (PRIL) either directly or through its subsidiary company. PRIL will issue debentures to the Company/its subsidiary worth ₹ 800 Crore convertible in the equity shares of the resulting entity on mutually agreed terms. The transaction is likely to be completed in the next 8-10 months time, subject to the finalisation of the Scheme of Arrangement, due diligence, statutory and other requisite approvals.
- (ii) The Board of Directors of the Company at their meeting held on 26th March, 2012, have, subject to necessary approval(s) and in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, approved issue of 1.65 Crore warrants to Promoter and/or Promoter Group, entitling the holder thereof to get one equity share of ₹ 10/- each of the Company against each warrant within a period of 18 months from the date of allotment. Subsequently, the Members of the Company in the Extraordinary General Meeting held on 25th April, 2012, have also approved issue of the said warrants.

Further, on receipt of 25% of the price fixed per warrants on 10th May, 2012, the Company has issued and allotted 1.65 Crore warrants to the Promoter Group Companies on a preferential basis.

NOTE: 42**OTHER SIGNIFICANT NOTE**

- (i) a) The Hon'ble Supreme Court, while pronouncing its judgement dated 2nd February, 2012 in the Writ Petition filed, inter alia, by the Centre for Public Interest Litigations & others, quashed the Press Release dated 10th January, 2008 issued by the Department of Telecommunications and consequent grant of 122 licenses including operational licenses held by Idea Cellular Limited (IDEA), a Jointly Controlled Entity of the Company, for 7 (seven) service areas and 6 (six) non-operational licenses, (four out of the said six non-operational licenses having been granted to erstwhile Spice Communications Limited) and allocation of related spectrum. This directive of the Hon'ble Supreme Court, which was originally to have come into effect after four months from 2nd February, 2012, has now been further extended till 7th September, 2012, pursuant to the order dated 24th April, 2012, passed while disposing off the clarificatory applications filed, inter alia, by the Union of India. As part of the judgement of 2nd February, 2012, the Hon'ble Supreme Court had directed TRAI to make fresh recommendations for grant of license and allocation of spectrum in 2G band in 22 service areas by auction as was done for allocation of spectrum in 3G band. The Hon'ble Supreme Court has on 24th April, 2012, further directed the DoT to ensure that the auction is necessarily finalised on or before 31st August, 2012. IDEA is committed to take all necessary steps to safeguard its interests in this matter. As the impact, if any, on the operations in the said seven service areas and on the carrying values of these licenses as on 31st March, 2012, amounting to Group's share of ₹ 70.31 Crore is dependent upon the steps to be taken by the DoT and outcome of the auction, operations in these seven service areas continue and accordingly the financial results include the operational results of these service areas on a going concern basis.
- b) IDEA has challenged, along with other Telecom Operators, the order of DoT dated 23rd December, 2011, ordering Telecom Operators to stop provision of services under 3G Intra Circle Roaming Agreements where it has not won 3G Spectrum. The Hon'ble Telecom Dispute Settlement Appellate Tribunal (TDSAT) has passed a "no coercive action" order till the time the dispute is decided. The final hearing on the matter has concluded and final judgement is awaited.
- c) The erstwhile Spice Communications Limited (Spice) was amalgamated with IDEA effective 1st March, 2010, pursuant to sanction of the Scheme of Amalgamation by Hon'ble High Court of Gujarat and Hon'ble High Court of Delhi. However, upon an application made by the DoT on 30th March, 2011, for recall of the order dated 5th February, 2010, sanctioning the above scheme, the Hon'ble High Court of Delhi while pronouncing its judgement on 4th July, 2011, reaffirmed the amalgamation of Spice with IDEA. However, the said judgement transferred and vested unto the DoT, the six licenses granted to erstwhile Spice along with the spectrum (including the two operational licenses for Punjab & Karnataka service areas), till the time permission of DoT is granted for transfer thereof upon an application from IDEA to that effect.

IDEA then filed an appeal, before the Appellate Bench of the Hon'ble High court of Delhi, challenging the above judgement of 4th July, 2011. The final judgement in the said matter has been reserved. Meanwhile, the position under interim orders, passed on various dates by the Appellate Bench remains as follows:

- (i) DoT has been directed to accept the License Fee from IDEA without prejudice, as IDEA is continuing to operate the licenses for Punjab & Karnataka service areas granted to erstwhile Spice;
- (ii) DoT to maintain status quo in relation to the aforesaid two operating licenses and not to take any coercive steps in relation to any demand pertaining to the four non-operating licenses.

Pending the final disposal of the appeal, the consequential financial impact, if any, cannot be ascertained.

- (ii) a) The CFS of Aditya Birla Minacs Worldwide Inc. and the Financial Statements of Aditya Birla Minacs Philippines Inc. have been prepared and audited under Canadian Generally Accepted Accounting Principles (GAAP) and Philippines GAAP, respectively. These financial statements have been restated as per Indian GAAP for the purpose of Consolidation.
- b) For the purpose of consolidation, Aditya Vikram Global Trading House Limited is considered as integral operations and AV TransWorks Limited, Aditya Birla Minacs Worldwide Inc. (CFS) and Aditya Birla Minacs Philippines Inc., are considered as non-integral operations.

- (iii) Pursuant to a Share Purchase Agreement ('SPA') between the Company and Mr. Prataph C. Reddy and others, Erstwhile Promoters of Aditya Birla Money Limited (ABML), a subsidiary of the Company, dated August 28, 2008, the Company had agreed to acquire 31 million equity shares in ABML. The transaction was completed on March 6, 2009.

As per the SPA, the Erstwhile Promoters had agreed to indemnify and hold harmless the Company to the extent of any Losses, resulting from or consequent upon or relating to such breach of representations or warranties, covenants or agreement including but not limited to the recoveries of receivables and other assets in the books of the ABML, contingencies on tax and related matters, etc.

Subsequent to the completion of the above transaction, the Company noted several breaches of representations and warranties including but not limited to non-recovery of debtors, irrecoverable advances, missing fixed assets etc. Accordingly, the Company based on its internal assessment of the recoverability of receivables, fixed assets, other assets and matters relating to tax and other contingencies arrived at an amount of ₹ 16.72 Crore as Losses incurred on account of breach of representation warranties in the SPA. Further, the Company vide its letter dated March 5, 2011, made a separate claim of ₹ 0.52 Crore for amounts becoming due and payable on accounts of various cases initiated by the customers of the ABML. The Company invoked the arbitration mechanism and filed their Statement of Claim on February 26, 2011, with the Arbitration Tribunal.

Pending the final outcome of the arbitration proceedings, the ABML has identified all such receivables, assets, etc., which are have not been recovered and other items which are the subject matter of the claim to the extent they are in the books of accounts of the ABML as at March 31, 2012, aggregating ₹ 15.03 Crore (Previous Year: ₹ 15.53 Crore) and disclosed the same in "Others" under "Short Term Loans and Advances" in Note 12B of the Balance Sheet. Based on legal opinion received and internal assessment, the Company is confident of recovering the entire dues through the arbitration process, accordingly, the Company is of the view that these amounts are recoverable and, hence, not written off in the books of accounts of the Company.

- (iv) In terms of Sections 391 to 394 of the Companies Act, 1956, the Hon'ble Karnataka High Court, vide order dated September 29, 2011, approved the Composite Scheme of Amalgamation for merger of Aditya Birla Minacs IT Services Limited and Aditya Birla Minacs Technologies Limited, subsidiaries of the Company in to another subsidiary, namely, Aditya Birla Minacs Worldwide Limited (ABMWL). The merger is effective from the Appointed Date, i.e., April 1, 2010.
- (v) The Actuarial liabilities of Life Insurance Business are calculated in accordance with accepted actuarial practice, requirements of the Insurance Act, 1938, Regulations notified by the IRDA and Guidance Notes prescribed by the Institute of Actuaries of India.
- (vi) Figures of ₹ 50,000 or less have been denoted by '₹'.
- (vii) Previous Year's figures have been regrouped/rearranged wherever necessary.

As per our attached Report of even date

For KHIMJI KUNVERJI & CO.
Firm Registration No. 105146W
Chartered Accountants

For S.R. BATLIBOI & CO.
Firm Registration No. 301003E
Chartered Accountants

Per SHIVJI K. VIKAMSEY
Partner
Membership No. 2242
Mumbai, May 15, 2012

Per VIJAY MANIAR
Partner
Membership No. 36738

For and on behalf of Board of Directors

DR. RAKESH JAIN
Managing Director

SUSHIL AGARWAL
Whole-time Director & CFO

TARJANI VAKIL
P. MURARI
G.P. GUPTA
B.R. GUPTA
Directors

DEVENDRA BHANDARI
Company Secretary



ADITYA BIRLA NUVO, ITS SUBSIDIARIES & JOINT VENTURES*

ADITYA BIRLA NUVO LTD.

: Fashion & Lifestyle, Agri-business, Carbon Black, Rayon, Insulators, Textiles

I) ADITYA BIRLA FINANCIAL SERVICES

Subsidiaries

- Birla Sun Life Insurance Company Ltd. : Life Insurance
[JV with Sun Life Financial Inc of Canada]
- Aditya Birla Financial Services Pvt. Ltd. ("ABFSPL") : Investment
 - Aditya Birla Money Ltd. : Equity Broking
 - Aditya Birla Commodities Broking Ltd. : Commodities Broking
 - Aditya Birla Capital Advisors Pvt. Ltd. : Private Equity Investment, Advisory & Management Services
 - Aditya Birla Trustee Company Pvt. Ltd. : Trustee of Private Equity Fund
 - Aditya Birla Customer Services Pvt. Ltd. : General Services
 - Aditya Birla Financial Shared Services Ltd. : Financial & IT enabled services
 - Aditya Birla Insurance Brokers Limited : Non-life Insurance Advisory and Broking
 - Aditya Birla Finance Ltd. : NBFC / Fund Based Lending
 - Aditya Birla Securities Private Ltd. : Wealth Management & Distribution
 - Aditya Birla Money Mart Ltd. : Life Insurance Advisory
- ABNL Investment Ltd. : Investment
- LIL Investment Ltd. : Investment

Joint Ventures (through ABFSPL)

- Birla Sun Life Asset Management Company Ltd. : Asset Management
- Birla Sun Life Trustee Company Pvt. Ltd. : Trustee of Birla Sun Life Mutual Fund

II) IT-ITeS SUBSIDIARIES

- Aditya Birla Minacs Worldwide Ltd. & its subsidiaries : Information Technology enabled Services
 - Aditya Birla Minacs Philippines Inc., Philippines
 - AV Transworks Ltd., Canada
 - Aditya Birla Minacs Worldwide Inc., Canada & its subsidiaries
 - Minacs Group, (USA) Inc.
 - Bureau of Collection Recovery, LLC
 - Minacs Worldwide S.A. de C.V., Mexico
 - Minacs Ltd, UK
 - Minacs Worldwide GmbH, Germany
 - Minacs Kft., Hungary
 - Bureau of Collection Recovery (BCR) Inc.
 - Aditya Birla Minacs BPO Ltd. UK
 - Aditya Birla Minacs BPO Pvt. Ltd., India

III) GARMENTS & OTHER SUBSIDIARIES

- Madura Garments Lifestyle Retail Company Ltd. : Branded Apparels and Accessories
- Indigold Trade & Services Ltd. : Services/ Miscellaneous
 - Peter England Fashions and Retail Ltd. : Branded Apparels and Accessories
- Aditya Vikram Global Trading House Ltd. : International General Trading
- Shaktiman Mega Food Park Pvt. Ltd. : Food Park

IV) TELECOM (JOINT VENTURE)

- Idea Cellular Ltd. : Telecommunication Services

* As on 18th June, 2012

Aditya Birla Nuvo Ltd.

Corporate Finance Division

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