

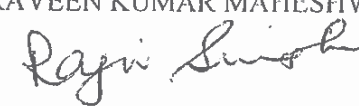



**FORM A**  
**Format of covering letter of the annual audit report to be filed with the**  
**Stock Exchanges**

1.	Name of the Company:	Hindalco Industries Limited
2.	Annual financial statements for the year ended	31st March , 2015
3.	Type of Audit observation *	Un-qualified / Matter of Emphasis
4.	Frequency of observation	The similar nature of Matter of Emphasis was also reported in the Financial Year 2008-09 and Financial Year 2013-14 .
5.	<ul style="list-style-type: none"> <li>• CEO/Managing Director :  D. BHATTACHARYA</li> <li>• CFO :  PRAVEEN KUMAR MAHESHWARI</li> <li>• Auditor of the company :  RAJIV SINGHI, PARTNER OF SINGHI &amp; COMPANY</li> <li>• Audit Committee Chairman :  M. M. BHAGAT</li> </ul>	

\* An extract from the Auditors' report with respect to Emphasis of Matter related to the stand alone financial statement of the Company for the financial year ending 31<sup>st</sup> March 2015 is reproduced below :-

### **Emphasis of Matters**

We draw attention to Note No. 44 to the financial statements explaining that in compliance to scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 approved by the Hon'ble Bombay High Court vide order dated 29<sup>th</sup> June 2009, the management of the Company during the year has identified and adjusted provision for diminution in the carrying value of Investment in one of its Subsidiaries and in a Jointly controlled entity, amounting to Rs. 35 crore and impairment loss of Rs. 62.29 crore (net of deferred tax of Rs. 32.97 crore) related to one of its cash generating units, against Business Reconstruction Reserve. This has resulted in the profit before tax and profit after tax for the year being higher by Rs.130.26 and Rs. 97.29 crore respectively. Our opinion is not qualified in respect of this matter.

The Note No. 44 referred in the above Auditors' report is reproduced below

The Company had formulated a scheme of financial restructuring under sections 391 to 394 of the Companies Act 1956 ("the Scheme") between the Company and its equity shareholders approved by the High Court of judicature of Bombay to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created during the year 2008-09 by transferring balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme. Accordingly, the Company had transferred Rs. 8,647.37 crore from Securities Premium Account to BRR and till 31st March, 2014, Rs. 153.04 crore have been adjusted against BRR. During the year, following expenses has been adjusted with BRR:

- (a) Impairment loss of Rs. 62.29 crore (Net of deferred tax Rs. 32.97 crore) arising on deteriorating operating performance in one of its cash generating unit of Aluminium Business.
- (b) Provision of Rs.35.00 crore towards diminution in value of investment of Mahan Coal Limited, joint venture of the Company, and Tubed Coal Mines Limited, subsidiary of the Company, made following deallocation of coal blocks by the Hon'ble Supreme Court.

Had the Scheme not prescribed aforesaid treatment, the impact on results and Earnings per Share (EPS) would have been as under:

Profit for the year lower by Rs. 97.29 crore  
Basic EPS lower by Rs. 0.47  
Diluted EPS lower by Rs. 0.47



HINDALCO INDUSTRIES LIMITED  
ANNUAL REPORT  
2014 - 2015

# BIG IN YOUR LIFE



ASIA'S LARGEST SINGLE  
LOCATION COPPER SMELTER



## Mr. Aditya Vikram Birla

Our legendary leader. His ideals guide us.  
Integrity, Commitment, Passion, Seamlessness and Speed.



## Dr. Sarala Birla

was an iconic humanitarian.

A highly progressive person, she was way ahead of the times.

An educationist, a philanthropist, a patron of the arts,  
Dr. Sarala Birla was an exemplar of all that is best in mankind.

Her legacy of values will be cherished forever.

Dear Shareholders,

### **The Global Scenario**

The year 2014-15 continued to be a challenging year. The global economy growth was 3.4%, unchanged over the previous year. The world's largest economy, the US saw better growth, while the countries in the Euro zone registered marginal growth. There was a marked slowdown in China, and Japan witnessed near stagnation.

The key factors that affected the global economy included a steep decline in oil and commodity prices, and monetary easing by central banks in the US, EU and Japan. The global financial markets experienced heightened volatility, largely due to expectations of a tightening of monetary policy by the US Federal Reserve. The impasse on resolving the debt crisis in Greece added to the uncertainty. Geopolitical risks compounded the situation.

The IMF has projected economic growth at 3.3% in 2015, marginally lower than the growth recorded in 2014.

### **The domestic scenario**

Among all the developing economies, India was a notable exception, with growth increasing to 7.3% in 2014. Agriculture recorded a growth of only 0.2%, given the subnormal monsoon. This was compensated by a more vigorous manufacturing sector, which grew at 7.1% in FY 2014-15, compared to 5.3% in FY 2013-14. Headline inflation fell sharply to 5%.

On the external front, India's vulnerability has reduced with the current account deficit contained at below 2% of GDP and a relatively stable currency. The monetary policy through the year was largely accommodative.



A slew of initiatives reinforced the positive macro factors. One must particularly mention the deregulation of diesel prices, reforms in the coal and mineral sectors, measures to boost FDI, and faster environmental clearances. The buoyant investor sentiment was manifest in capital inflows of \$73 billion. As infrastructure projects get off the ground, the prospects for a revival of the capital investment cycle seem very strong.

### Your Company's performance

These developments on the global and domestic front have impacted your Company's overall performance. Regardless, your Company attained a consolidated turnover of \$ 17 billion (₹ 1.04 lakh crore) and an PBITDA of \$ 1.6 billion (₹ 10,049 crore), a growth of 8% and an PBITDA margin of 9.6% which is commendable.

The business set new records in terms of metal volumes and turnover, as our expansion projects stabilized and ramped up. Utkal Alumina refinery has achieved near-full capacity utilization and is already amongst the lowest cost alumina refineries globally. Mahan and Aditya smelters have ramped up to nearly 85% and 50% of their capacity respectively; and will hit full capacity levels this fiscal. On the back of these ambitious, new-age projects, aluminium volumes in India jumped 37% to 0.8 million tons and alumina output increased 40% to 2.3 million tons. EBITDA from Aluminium Business in India, including Utkal, increased 62% in FY15 to ₹ 2,345 crore.

The deallocation of coal blocks by the Supreme Court last year was a disruptive change in the business environment for our Aluminium business. Our expansion strategy was closely hinged on to the coal blocks allocated by the government in the past. In the changed scenario, Hindalco participated in the fiercely competitive auctions of coal blocks and managed to bag four coal blocks, securitizing ~25% of its coal requirement.

Copper business's performance has been noteworthy, recording the highest ever volumes of 386,000 tons and EBITDA of 258 million dollars (₹ 1,601 crore), a growth of 45% over last year. Operational efficiencies, lower cost of production; coupled with the favourable trend in treatment and refining charges, have been their success drivers.

Novelis came closer to the fruitioning of its strategic goals of realigning the product portfolio towards premium products, including auto; and increasing the recycled content in its input material. Novelis' shipments grew in all regions, crossing the 3 million ton mark, driven by rolling expansions in Brazil and Korea. Adjusted EBITDA increased 2% to 902 million dollars, despite several market headwinds.

### Outlook

The commodity markets, and in particular the aluminium industry, are going through a challenging phase at present because of the sharp slide in realizations. This would impact your Company's performance in the near term. Nevertheless, on the back of the addition of world-class assets in the recent years, your

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***“Your Company  
attained a consolidated  
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*“I would like to acknowledge the contribution of our teams in India and across the world.”*

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Company is well poised to ride the structural growth trends such as increasing urbanization, light-weighting of vehicles and growth in emerging markets.

#### **To our teams**

I would like to acknowledge the contribution of our teams in India and across the world. I believe, it is our people, who underpin everything else. They are the ultimate reason why we meet with success, in the face of all odds, year after year. Their commitment and dedication is beyond words.

#### **The Aditya Birla Group: In perspective**

We have had a good year at the Group level. Our Group's consolidated revenue crossed the Rupees 2.5 trillion mark, setting a new milestone. We are up 9% over the last year. In dollar terms as well, regardless of the ups and downs in foreign currency, we reported revenues of \$ 41 billion, an 8% rise. Over 50% of our Group's revenues flow in from our global operations.

I believe, that the bottom line and the cash in the till is a greater parameter to gauge performance rather than simply revenues. On this score too, we have done well.

Our EBIDTA in Rupee terms is an impressive ₹ 322 billion, again over 9% vis-à-vis FY14. In dollar terms, we achieved an EBIDTA of \$5.25 billion, reflecting an 8% rise over that of the last year.

I deeply believe that building our future can only be possible by building more leaders and through people development processes. Towards this, our endeavours continue to deliver results. Two of our programmes deserve a special mention. “Cutting Edge” – our leadership programme targeted at developing P&L leaders and “Turning Point” – aimed at building cost centre leaders and unit heads, have proved very promising. Over 70 talented managers have graduated from these programmes and have taken on leadership roles at senior levels.

At the same time our senior leaders are being actively encouraged to take on cross business roles to gain multi-sectoral experience.

We have a bench strength of over 250 youngsters who joined us 5 years ago as Group Management Trainees, and Leadership Associate Programme (Lead) and Leadership Programme for Experienced (Leap) members, have demonstrated great potential and grown significantly. Some of them are already in key positions. I hope to see many of them occupy positions of critical importance in our businesses in the near future. As part of our globalisation agenda we have also been recruiting both interns and Lead and Leap participants from renowned International Business Schools.

Similarly, our **GMLP** – Global Manufacturing Leadership Programme, aimed at reinforcing our technical and manufacturing strength is paying a rich dividend. The Aditya Birla Group is being increasingly viewed as the most aspirational place for manufacturing professionals in India.

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*“Our Group's consolidated revenue crossed the Rupees 2.5 trillion mark, setting a new milestone.”*

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Our focus on gender diversity and creating enabling policies and programmes to ensure that we provide a conducive, encouraging and an equitable place for women to thrive and excel is gaining momentum. We have launched “**Spring Board**”, the accelerated women’s leadership development programme, designed for high calibre women managers. Currently, we have more than 150 women positioned at middle management and senior management levels.

**Gyanodaya**, our in-house world-class university, has aligned with the best-in-class global business schools, professors and consultants among others. Many of our best talent is also enlisted for short-term courses at these institutions. Such a cross pollination and stoking of the intellect enables us move with the times and are continuously learning.

#### **Ranked No. 1 in the Nielsen Corporate Image Monitor**

We are humbled that for the third year running, our Group has been ranked No. 1 in the Nielsen Corporate Image Monitor 2014-15. We have emerged as ‘Best in Class’ across most of the pillars. This is a remarkable vote of confidence by the stakeholder constituency in our leadership teams. It is a testament to our “Group brand, governance standards, transparency, customer primacy and CSR engagement. The six pillars of Corporate Image on which organisations are engaged comprise of Vision and Leadership, Product & Service quality, Workplace Management, Financial Performance, Operating style and Social responsibility”.

Nielsen’s Corporate Image Monitor measures the reputation of the 42 leading companies in India across sectors (based on the Bombay Stock Exchange list and the Economic Times Ranked Top 50 Companies) and “the findings serve as an important indicator of the strength of the corporate brand”.

#### **In sum**

We are gearing to ensure that we have the right talent at the right time and at the right place for each of our businesses. Additionally, enhancing customer centricity and excellence capability by developing customer value propositions that are unmatched, stepping up the focus on R&D to increase the share of value-added products across businesses, are our focus areas. The thrust on digitisation across our business processes and using analytics and big data continue. These are our steps towards accelerating top-line and bottom-line growth and enhancing stakeholder value.

Your sincerely



Kumar Mangalam Birla

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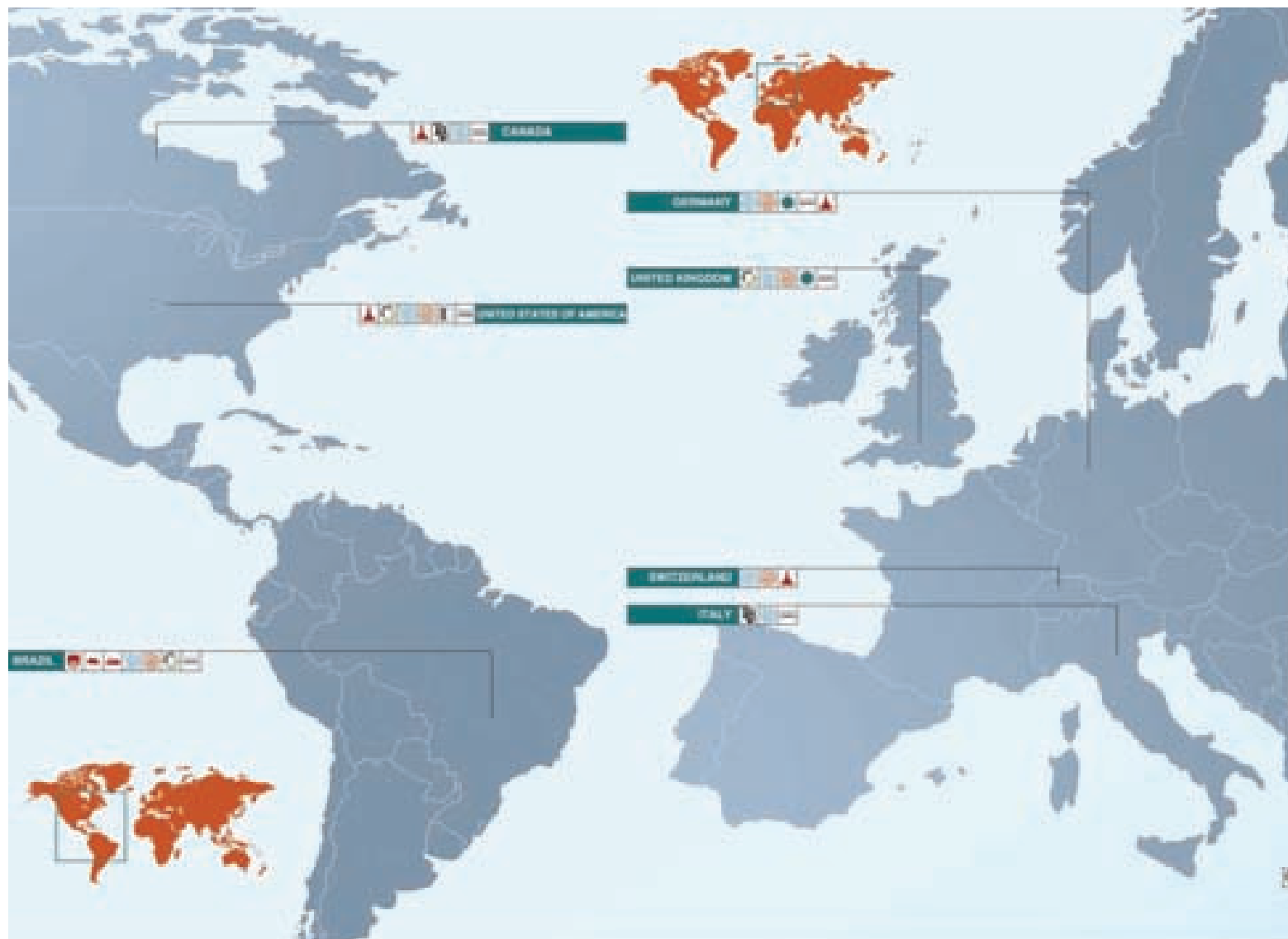
*“Our focus on gender diversity and creating enabling policies and programmes to ensure that we provide a conducive, encouraging and an equitable place for women to thrive and excel is gaining momentum.”*

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*“We are humbled that for the third year running, our Group has been ranked No. 1 in the Nielsen Corporate Image Monitor 2014-15. We have emerged as ‘Best in Class’ across most of the pillars.”*

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## ...DIVERSE WORLD

SUBSIDIARIES	UNIT LOCATED AT	
Novelis Inc.	North America	<ul style="list-style-type: none"> <li>• Rolled Product</li> <li>• Foil</li> <li>• Recycled Product</li> </ul>
	Europe	<ul style="list-style-type: none"> <li>• Rolled Product</li> <li>• Recycled Product</li> </ul>
	Asia	<ul style="list-style-type: none"> <li>• Rolled Product</li> <li>• Recycled Product</li> </ul>
	South America	<ul style="list-style-type: none"> <li>• Rolled Product</li> <li>• Alumina</li> <li>• Aluminium</li> <li>• Recycled Product</li> </ul>
Aditya Birla Minerals Limited	Nifty Mines Mt Gordon Mines Australia	<ul style="list-style-type: none"> <li>• Copper Cathode</li> <li>• Copper Concentrate</li> <li>• Copper Concentrate</li> </ul>





## Table of Contents

<b>1</b>	Board of Directors and Key Executives	<b>83</b>	Business Responsibility Report
<b>2</b>	Financial Highlights	<b>85</b>	Independent Auditors' Report
<b>4</b>	Management Discussion & Analysis	<b>90</b>	Balance Sheet
<b>15</b>	Corporate Governance Report	<b>91</b>	Statement of Profit and Loss
<b>26</b>	Shareholder Information	<b>92</b>	Cash Flow Statement
<b>35</b>	Sustainable Development – Synergizing Growth with Responsibility	<b>93</b>	Notes forming part of Financial Statements
<b>39</b>	Social Report – Towards Inclusive Growth	<b>147</b>	Consolidated Financial Statements
<b>44</b>	Directors' Report		

**BOARD OF DIRECTORS**

**Non-Executive Directors**

Mr. Kumar Mangalam Birla, *Chairman*

Mrs. Rajashree Birla

Mr. Madhukar Manilal Bhagat

Mr. Kailash Nath Bhandari

Mr. Askaran Agarwala

Mr. Narendra Jamnadas Jhaveri

Mr. Ram Charan

Mr. Jagdish Khattar

**Executive Directors**

Mr. Debnarayan Bhattacharya  
*Managing Director*

Mr. Satish Pai,  
*Deputy Managing Director*

**CHIEF FINANCIAL OFFICER**

Mr. Praveen Kumar Maheshwari

**COMPANY SECRETARY**

Mr. Anil Malik  
*President*

**CORPORATES**

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

Mr. Vineet Kaul,  
*Chief People Officer*

**BUSINESS/UNIT HEADS**

Mr. Jagdish Chandra Laddha  
*Group Executive President, Copper*

Mr. Sachin Satpute  
*Chief Marketing Officer, Aluminium*

Mr. Sanjay Sehgal  
*President (Chemicals)*

Mr. Satish Jajoo  
*Chief Operating Officer*  
*(Renukoot, Renusagar & Mahan Units)*

Mr. B. Arun Kumar  
*President (Operations)*

**Novelis Inc.**

Mr. Debnarayan Bhattacharya, *Vice-Chairman*  
Mr. Steve Fisher, *CEO & CFO*

**Utkal Alumina International Limited**

Mr. Vijay Sapra, *President*

**Aditya Birla Minerals Limited**

Mr. Debnarayan Bhattacharya, *Chairman*  
Mr. N. M. Patnaik, *CEO & MD*

**AUDITORS**

Singhi & Co., Kolkata

**COST AUDITORS**

R. Nanabhoy & Co., Mumbai

		(₹ Crore)									
	2014-15	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
PROFITABILITY											
	USD in Mn *										
Net Sales and Operating Revenues	5,648	34,525	27,851	26,057	26,597	23,859	19,522	18,220	19,201	18,313	11,396
Cost of Sales	5,089	31,108	25,359	23,853	23,492	20,705	16,572	15,184	15,800	14,298	8,791
Operating Profit	559	3,417	2,492	2,204	3,105	3,155	2,950	3,036	3,401	4,015	2,605
Depreciation and Impairment	137	837	823	704	690	687	667	645	588	638	521
Other Income	144	882	1,124	983	616	347	260	637	493	370	244
Interest and Finance Charges	268	1,637	712	436	294	220	278	337	281	242	225
Profit Before Tax and Exceptional Items	298	1,825	2,081	2,047	2,737	2,595	2,265	2,690	3,026	3,505	2,103
Exceptional Items (Net)	94	578	396	-	-	-	-	-	-	-	(3)
Profit Before Tax	204	1,247	1,685	2,047	2,737	2,595	2,265	2,690	3,026	3,505	2,106
Tax for current year	58	355	298	347	500	469	462	611	705	940	450
Tax adjustment for earlier years (Net)	(5)	(33)	(26)	-	-	(11)	(113)	(151)	(541)	-	-
Net Profit	151	925	1,413	1,699	2,237	2,137	1,916	2,230	2,861	2,564	1,656
FINANCIAL POSITION											
Gross Fixed Assets (excluding CWIP)	5,686	35,434	26,804	15,073	14,478	14,287	13,793	13,393	12,608	11,253	10,418
Capital Work-in-Progress (CWIP)	1,724	10,744	17,277	23,605	16,257	6,030	3,703	1,390	1,120	1,476	833
Depreciation and Impairment	1,504	9,374	8,749	7,975	7,328	6,703	6,059	5,506	4,799	4,246	3,635
Net Fixed Assets	5,906	36,804	35,332	30,703	23,407	13,615	11,438	9,277	8,929	8,483	7,616
Investments (including Current)	3,410	21,251	21,907	20,482	18,087	18,247	21,481	19,149	14,108	8,675	3,971
Other Long Term Assets/(Liabilities) - (Net)	89	556	1	440	1,017	3,384	-	-	-	-	-
Net Current Assets	1,508	9,400	7,686	8,046	5,318	4,780	2,716	5,068	4,051	3,741	4,150
Capital Employed	10,913	68,010	64,926	59,671	47,829	40,025	35,634	33,493	27,088	20,900	15,737
Loan Funds	4,654	29,007	27,020	24,508	14,572	9,038	6,357	8,324	8,329	7,359	4,903
Deferred Tax Liability (Net)	281	1,748	1,174	1,191	1,225	1,287	1,366	1,411	1,324	1,126	1,233
Net Worth	5,978	37,255	36,732	33,972	32,032	29,700	27,911	23,758	17,436	12,415	9,601
Net Worth represented by:											
Share Capital	33	207	206	191	191	191	191	170	123	104	99
Share Warrants/Suspense	-	-	-	541	541	-	-	-	140	-	-
Reserves and Surplus *	5,945	37,049	36,526	33,240	31,300	29,509	27,720	23,588	17,174	12,311	9,502
	5,978	37,255	36,732	33,972	32,032	29,700	27,911	23,758	17,436	12,415	9,601
Dividend											
	-	-	-	-	-	-	-	-	-	-	-
Preference Shares (including Tax)	-	-	-	-	-	-	-	0.03	0.03	-	-
Equity Shares (including Tax)	40.2	246	207	300	335	334	301	269	265	202	247
RATIOS AND STATISTICS											
	Unit	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Operating Margin	%	9.90	8.95	8.46	11.67	13.22	15.11	16.66	17.71	21.92	22.86
Net Margin	%	2.68	5.07	6.52	8.41	8.96	9.81	12.24	14.90	14.00	14.53
Gross Interest Cover	Times	1.75	1.50	1.61	3.62	5.74	5.23	5.48	6.08	10.50	11.19
Net Interest Cover	Times	2.63	5.08	7.31	12.67	15.92	11.55	10.90	13.88	18.09	12.65
ROCE	%	5.09	4.30	4.16	6.34	7.03	7.14	9.04	12.21	17.93	14.79
ROE	%	2.48	3.85	5.00	6.98	7.19	6.86	9.39	16.41	20.66	17.24
Basic EPS \$	₹	4.48	7.09	8.88	11.69	11.17	10.82	14.82	22.23	25.52	16.79
Diluted EPS \$	₹	4.48	7.09	8.87	11.68	11.16	10.81	14.82	22.11	25.52	16.79
Cash EPS \$	₹	8.53	11.22	12.55	15.29	14.76	14.58	19.10	26.80	31.87	22.07
Dividend Per Share	%	100	100	140	155	150	135	135	185	170	220
Capital Expenditure	₹ in Cr.	2,286	5,050	7,343	8,453	6,318	2,860	1,121	1,049	1,516	1,188
Foreign Exchange Earnings on Export	₹ in Cr.	13,334	8,292	7,572	7,857	7,096	5,268	5,148	6,434	6,973	3,643
Debt Equity Ratio	Times	0.78	0.74	0.72	0.45	0.30	0.23	0.35	0.48	0.59	0.51
Book Value Per Share \$	₹	180.41	177.92	177.44	167.31	155.14	145.87	139.73	142.09	118.97	97.40
Market Capitalisation	₹ in Cr.	26,638	29,266	17,538	24,774	40,040	34,682	8,850	20,260	13,963	19,196
Number of Equity Shareholders	Nos.	338,655	361,686	441,166	383,724	320,965	339,281	435,064	335,337	520,019	396,766
Number of Employees	Nos.	21,976	20,902	20,238	19,975	19,341	19,539	19,867	19,667	20,366	19,593
Average Cash LME (Aluminium)	USD	1,888	1,773	1,976	2,317	2,257	1,868	2,234	2,623	2,663	2,028
Average Cash LME (Copper)	USD	6,556	7,103	7,855	8,485	8,140	6,112	5,885	7,521	6,985	4,099

\* Balance Sheet items are translated at closing exchange rate, and Profit & Loss items are translated at average exchange rate.

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

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

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

# FINANCIAL HIGHLIGHTS - CONSOLIDATED

Annual Report 2014-15

		2014-15	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	(₹ Crore)
	USD in Mn *												
<b>PROFITABILITY</b>													
Net Sales and Operating Revenues	17,059	104,281	87,695	80,193	80,821	72,202	60,708	65,963	60,013	19,316	12,120		
Cost of Sales	15,596	95,337	79,409	72,356	72,637	64,274	50,962	62,993	53,378	14,886	9,275		
Operating Profit	1,463	8,944	8,286	7,837	8,184	7,929	9,746	2,970	6,635	4,431	2,845		
Depreciation and Impairment	587	3,591	3,553	2,861	2,864	2,759	2,784	3,038	2,488	865	796		
Other Income	181	1,105	1,017	1,012	783	513	323	691	656	409	281		
Interest and Finance Charges	684	4,178	2,702	2,079	1,758	1,839	1,104	1,228	1,849	313	301		
Profit Before Tax and Exceptional Items	373	2,280	3,049	3,909	4,345	3,843	6,181	(605)	2,954	3,662	2,028		
Exceptional Items (Net)	317	1,940	396	-	-	-	-	-	-	-	(2)		
Profit Before Tax	56	340	2,653	3,909	4,345	3,843	6,181	(605)	2,954	3,662	2,030		
Tax for current year	47	289	568	903	820	974	1,932	(805)	1,189	958	440		
Tax adjustment for earlier years (Net)	(5)	(33)	(43)	(17)	(34)	(10)	(103)	(149)	(548)	0	(0)		
Profit Before Minority Interest	14	84	2,128	3,023	3,559	2,879	4,352	349	2,313	2,703	1,590		
Minority Interest	(97)	(596)	20	(20)	211	366	424	(172)	219	16	11		
Share in (Profit)/Loss of Associates (Net)	(29)	(175)	(67)	16	(50)	57	3	37	(100)	1	-		
Net Profit	140	854	2,175	3,027	3,397	2,456	3,925	484	2,193	2,686	1,580		
<b>FINANCIAL POSITION</b>													
Gross Fixed Assets (excluding CWIP)	16,358	101,940	87,914	60,054	53,961	48,207	45,622	46,220	42,112	14,271	13,443		
Capital Work-in-Progress (CWIP)	2,264	14,111	23,059	33,834	22,798	9,253	5,801	2,949	2,457	1,917	1,040		
Depreciation and Impairment	4,811	29,981	26,750	22,126	18,661	15,802	16,622	14,404	7,405	5,035	4,600		
Net Fixed Assets	13,811	86,070	84,223	71,763	58,098	41,657	34,801	34,765	37,164	11,153	9,883		
Investments (including Current)	1,981	12,346	12,961	12,601	10,551	10,855	11,246	10,389	14,008	7,874	3,163		
Other Long Term Assets/(Liabilities) - (Net)	(751)	(4,680)	(3,749)	(3,105)	(2,154)	618	-	-	-	-	-		
Net Current Assets	2,659	16,571	16,881	16,250	11,588	11,236	5,172	3,011	4,254	4,257	3,967		
Capital Employed	17,700	110,307	110,316	97,508	78,084	64,366	51,219	48,165	55,426	23,285	17,014		
Loan Funds	10,986	68,468	64,756	56,951	40,859	29,366	23,999	28,310	32,352	8,443	6,279		
Minority Interest	153	956	1,781	1,759	1,709	2,217	1,737	1,287	1,615	857	130		
Deferred Tax Liability (Net)	411	2,555	3,175	3,468	3,605	3,760	3,938	2,811	4,172	1,172	1,228		
Net Worth	6,150	38,329	40,605	35,330	31,911	29,023	21,545	15,758	17,286	12,814	9,377		
<b>Net Worth represented by:</b>													
Share Capital	33	207	206	191	191	191	191	170	123	104	147		
Share Warrants/Suspense	-	-	6	541	541	-	-	-	140	-	-		
Reserves and Surplus #	6,117	38,122	40,393	34,597	31,179	28,832	21,353	15,588	17,023	12,709	9,230		
	6,150	38,329	40,605	35,330	31,911	29,023	21,545	15,758	17,286	12,814	9,377		
<b>Dividend</b>													
Preference Shares (including Tax)	-	-	-	-	-	-	-	0.03	0.03	-	-		
Equity Shares (including Tax)	42.5	260	244	303	359	334	303	271	268	204	249		
<b>RATIOS AND STATISTICS</b>													
	Unit	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06		
Operating Margin	%	8.58	9.45	9.77	10.13	10.98	16.05	4.50	11.06	22.94	23.47		
Net Margin	%	0.82	2.48	3.77	4.20	3.40	6.47	0.73	3.65	13.90	13.03		
Gross Interest Cover	Times	1.95	1.85	2.04	3.16	3.56	6.99	2.35	3.30	9.91	8.87		
Net Interest Cover	Times	2.41	3.44	4.26	5.10	4.59	9.12	2.98	3.94	15.44	10.37		
ROCE	%	5.86	5.21	6.14	7.82	8.83	14.22	1.29	8.67	17.07	13.69		
ROE	%	2.23	5.36	8.57	10.64	8.46	18.22	3.07	12.69	20.96	16.85		
Basic EPS \$	₹	4.14	10.91	15.81	17.74	12.84	22.17	3.21	17.04	26.73	16.02		
Diluted EPS \$	₹	4.13	10.91	15.81	17.74	12.83	22.16	3.21	16.95	26.73	16.02		
Cash EPS \$	₹	21.53	28.73	30.75	32.70	27.25	37.88	23.40	36.38	35.33	24.09		
Capital Expenditure	₹ in Cr.	6,202	11,306	14,090	13,802	8,408	5,983	2,452	2,989	2,349	1,758		
Debt Equity Ratio	Times	1.79	1.59	1.61	1.28	1.01	1.11	1.80	1.87	0.66	0.67		
Book Value Per Share \$	₹	185.61	196.67	184.53	166.68	151.61	112.59	92.68	140.86	122.79	95.14		

\* Balance Sheet items are translated at closing exchange rate, and Profit & Loss items are translated at average exchange rate.

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS



**D. Bhattacharya**  
*Managing Director*

### Business Overview

FY15 was a mixed year for the Global economy. The US economy continued to be resilient and grew at around 2%, while Chinese growth momentum continued its downward trajectory with the economy growing at 7.4% as compared with double digit growth during the last decade. The rest of the developed world grew at a moderate pace amidst various hiccups on the economic front, viz. Middle East crisis, oil crash, Euro zone uncertainty etc., to name a few. Growth found support in easy money policies adopted by several central banks such as ECB, US Fed, BOJ and Chinese central bank.

The emerging markets trudged along their recovery path struggling to gain momentum throughout FY15. India was no exception. The recovery has been slow but is expected to gain momentum as the reforms start showing their impact.

The commodity sector was also a mixed bag. Aluminium fundamentals improved in 2014, with large-scale smelting curtailments by global majors supporting aluminium price recovery, and the global primary aluminium industry swinging back to a deficit

position for the first time in seven years. The average aluminium LME price for the year was around 6% higher than FY14. On the other hand, copper LME price was around 8% lower than the previous year due to slowdown in Chinese demand growth and higher mining output. Aluminium realisations were strong on the back of supportive LME and high regional premium. The average premium at \$ 390(MJP) was almost 47% higher than FY14.

Strong demand, attractive financing deals on account of lower interest rates and strong contango and supply curtailments led to an unprecedented rise in aluminium premium.

While the crude prices witnessed a sharp decline during the year, in India, coal prices increased substantially with rising demand and shortage of coal; the acuteness of shortage was accentuated by regulatory developments and infrastructure bottlenecks.

FY15 was an extremely challenging year for your Company. Even as the three greenfield and three brownfield projects continued their ramp up, braving the teething troubles and coal sourcing challenges (Aditya and Mahan), the Supreme Court ruling that led to deallocation of the coal blocks posed a serious challenge from a long term perspective.

The deallocation of all the coal blocks was a major setback for your Company. This not only created uncertainty over the availability and cost dynamics of the new smelter projects, but also made the rationale behind the choice of smelter locations void. The existing smelter at Hirakud also lost its access to Talabira-I captive coal block from April 2015. While the economics of Aluminium smelters has been affected by deallocation of coal blocks, the bauxite value chain continued to play its part as per the plan; and Utkal alumina project is delivering world-class alumina at a very competitive cost.

Though deal location of coal blocks did not have a direct impact on coal cost during the year FY15, this development contributed to further affecting the sentiment in the already tight availability scenario of coal in the country, leading to sharp increase in coal prices in the domestic markets. Logistical bottlenecks further impacted coal availability and the landed cost of coal at the Company's power plants.

In spite of these odds, your Company performed remarkably well. The revenues and operating profits of

standalone Hindalco increased by over 24% and 37% respectively, even as projects were ramping up in a challenging environment. Your Company registered a turnover of US\$ 17.1 billion (₹ 104,281 crore) and an PBITDA of US \$ 1.6 billion (₹ 10,049 crore).

Subsequently, during the first round of coal block auctions, your Company won 4 coal blocks. The details of these are as below:

Coal Block	Reserves (Mnt)	Capacity (Mtpa)
Kathautia (Jharkhand)	26	0.8
Gare Palma IV/5 (Chhattisgarh)	41	1.0
Gare Palma IV/4 (Chhattisgarh)	11	1.0
Dumri (Jharkhand)	46	1.0

This was a significant development post deallocation. The objective in this round of bidding was to optimise the coal sourcing keeping in mind smooth ramp up of the projects and logistic challenges in getting imported coal to the plant.

Novelis, your Company's wholly owned subsidiary also faced several headwinds as it continued to ramp up its production from newly commissioned facilities. Rising premium, lower SHFE impacting competitiveness in the Asian markets, unfavourable foreign exchange movements and higher start-up costs were some of the challenges that it faced during the year. Despite these headwinds, Novelis has progressed remarkably on its strategic path and the strategic investments in auto and recycling are expected to deliver in the coming years.

## Business Highlights

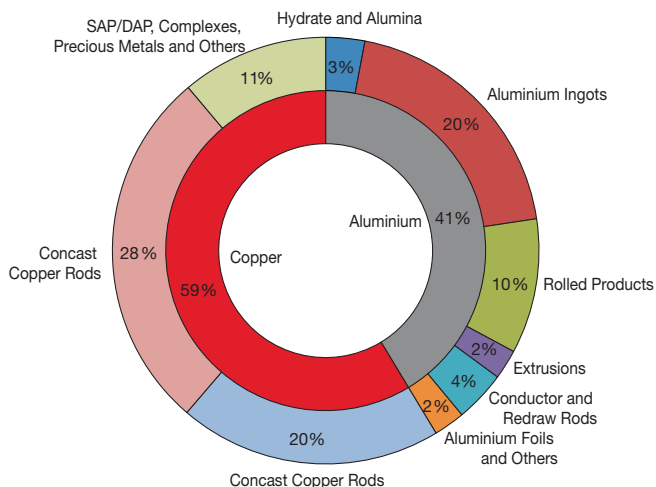
### Hindalco:

Your Company, over the last few years, has achieved significant scale and has developed a strong business portfolio that can weather the commodity cycles much better. Six projects that were commissioned during 2013 and 2014, are under ramp up. Utkal Alumina is already a world class asset with a cost structure that is amongst the best in the world.

A unique strategy to take Indian aluminium market to the next level is already in place and soon your Company shall be producing world class products such as can body stock and ultra thin gauge foils from our facilities in Hirakud and Mouda respectively. This would not only enhance your Company's product portfolio but would also re-define the Indian aluminium market.

### Some of the highlights of FY 15 are:-

- Strong revenue growth on the back of strong volumes and realisations:
  - Consolidated Revenues up 19% at ₹ 1,04,281 crore.
  - Standalone Revenues up 24% at ₹ 34,525 crore.
- Consolidated Profit before interest and depreciation up 8% at ₹ 10,049 crore.
- Standalone PBITDA up 19% at ₹ 4,299 crore.
- Aluminium EBIT up 44% to ₹ 1,349 crore on the back of record Aluminium production volumes as the plants ramped up.
- Record operating profits registered by Copper business as production volumes grew to record levels:
  - Copper production increased 17% and DAP production increased 30% over FY 14.
  - Copper EBIT at ₹ 1,516 crore, up 62%.



### Novelis:

- Registered record sales of \$11.1 billion on the back of record shipments of 3,050 kilotonnes.
- Adjusted PBITDA increased two percent to \$902 million.
- Delivered record automotive shipments following the launch of three new finishing lines.
- Achieved an average recycled content input rate of 49 percent during the year (53 percent in the fourth quarter).

At Novelis, the projects are getting readied to capture the growth in emerging markets and enhance product portfolios across the globe.

These projects will enable your Company to leverage the exponential growth in new product markets such as automobiles (BIW).

#### ABML:

Your Company's subsidiary in Australia, Aditya Birla Minerals Limited (ABML) had an extremely challenging year in a depressed copper pricing scenario.

- Copper production sharply declined on account of decline in head grade and stoppage in production at Nifty copper mines due to the unfortunate sinkhole incident in March 2014.
- As a result, ABML registered an operating loss of A\$35 Million in FY15.

#### Hindalco Earnings per share (EPS)

The standalone basic and diluted Earnings Per Share were at ₹ 4.48 per share in FY15 as compared with ₹ 7.09 in FY14. The consolidated EPS was ₹ 4.14 per share as compared with ₹ 10.91 per share in the previous year. The decline was primarily on account of higher finance charges and depreciation attributed to commissioning of greenfield projects. The EPS also got impacted due to lower net income on account of certain exceptional items.

#### Business Performance Review:

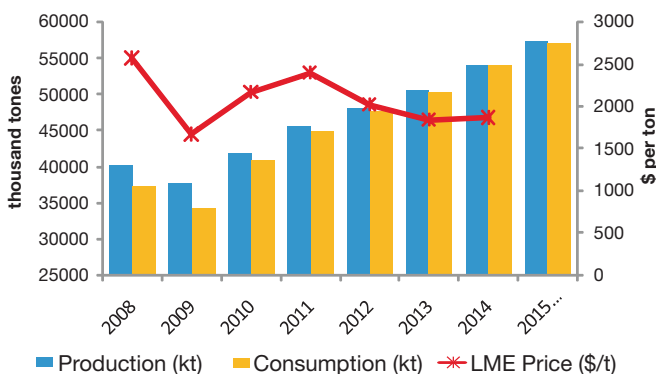
##### Aluminium Business

##### Industry Review:

Aluminium has widespread uses throughout the economy and is equally important to both the industrial and consumer sectors. On the industrial side, aluminium is heavily used in electrical power transmission, machinery and equipment, and construction. Housing, in particular, makes heavy use of the lightweight material as a substitute for steel and wood in doors, windows and siding. On the consumer side, aluminium is used in a variety of retail products, including cans, packaging, air conditioners, furniture and vehicles.

In addition, there is major transformation underway in the automotive industry, which is positive for aluminium consumption. The automotive sector is expected to use more aluminium in the production of passenger and commercial vehicles. The regulatory pressures for lighter and more fuel-efficient cars have driven auto makers and aluminium producers to invest in newer adhesive technology. As a result, over the past five years considerable progress has been made in aluminium-intensive vehicle production.

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



Global demand for aluminium has historically tended to outperform that for other metals. The weak price performance in some of the recent years has been more due to supply side developments than any issues with demand. In 2014, global aluminium consumption rose 5.5% YoY, the fastest pace in three years, despite the slowdown in Chinese consumption growth to around 8%.

China accounted for 44% of global primary aluminium consumption in 2014, up from 23% in 2005. As the country continues to develop towards a more consumer-focused economy, aluminium consumption is expected to become more consumer-driven.

Aluminium consumption in the USA has recovered well since the financial crisis, rising by over a third in the five years to 2014. However consumption still remains 20% below pre-crisis peak levels.

European demand has struggled to grow in recent years, as it has been affected by the ongoing economic malaise there. In 2014, Aluminium market was in a deficit of around 0.7 Mn tonnes, the first deficit in last 7 years.

Indian aluminium demand rose by 38% in the five years to 2014. India is currently the world's fifth-largest consumer of aluminium, behind China, the USA, Japan and Germany, and it is expected that the strong demand fundamentals have potential to elevate the country to the No. 3 position by 2016.

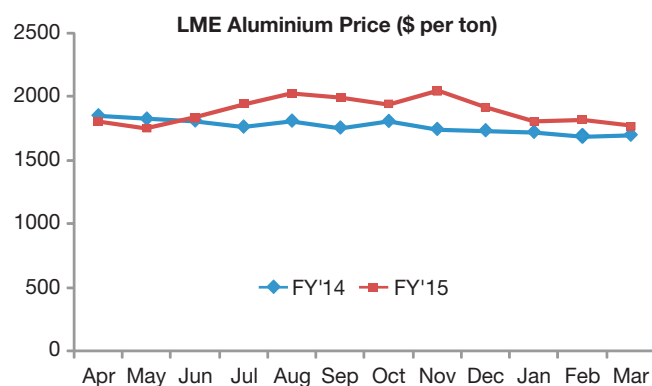
It is estimated that since the beginning of 2012 to date, nearly 2.8 million tons of capacity have been curtailed outside of China (about 11% of 2013 production ex-China), led by international players, including Rusal and Alcoa. The year 2014 witnessed over 750,000 tonnes of smelter closures outside of China, mostly in higher-cost producing areas such as Europe. In addition to these permanent shutdowns, Brazilian aluminium output last year declined by 350,000 tonnes as power shortages caused by droughts made smelting

less economical. Russian producer Rusal also cut back production at seven smelters last year. Brazil and Russia are the major countries with spare capacity that could return to the market, making producers there the key ones to watch as an indication of whether market deficit and higher returns can hold.

While smelting capacity additions in China have led to ever higher aluminium production, elsewhere capacity growth has not resulted in a surge in output in recent years. Over 4m tonnes of new smelters have been commissioned outside China since 2008. However, ex-China aluminium production in 2014 was still 3.2% below the 2008 level, as closures of higher-cost facilities almost entirely offset the new, lower-cost supply.

Strong contango and low financing cost coupled with strong demand and low load out rates from warehouses due to various reasons including logistic challenges ensured high regional premiums, which reached historic high, even as LME aluminium inventory declined by over 1.25m tonnes in 2014. The year 2014 also witnessed a deficit of around 0.7 Mn tonnes (difference between annual production and consumption), after almost 7 years.

As a result, both LME and Premium were broadly supportive with firm all inclusive aluminium prices during a large part of FY15.



However, during the last quarter of the year, heightened risk averseness led to dumping of commodities across the board. The resultant rise in USD, coupled with surging Chinese exports following slowing demand growth in China resulted in a sharp decline in LME, which dropped sharply by almost 10%. This was also accompanied with significant decline in regional premium, which have declined by over 70% over last few months, resulting in a large decline in all inclusive aluminium realisations putting pressure on margins.

### Operational Review

Against this backdrop, your Company's aluminium business operational performance was truly creditable, especially in the wake of specific challenges it faced

during the year. The projects continued to ramp up, even as coal availability remained constrained due to various reasons. There was a spike in coal prices as all the players scrambled for coal security amidst infrastructure challenges.

### Alumina

Your Company's Alumina production at 2.3 Million tonnes was 35% higher than in the previous year, primarily on account of increased production from Utkal. Utkal is ramping up fast to its full capacity and already is amongst the lowest cost alumina producers globally.

### Primary Metal

In FY15, Primary aluminium production increased by 36% to 834 KT (kilo tonnes or thousand tonnes). This increase was primarily on account of production from Mahan and Aditya smelters, which contributed 93 KT this year. The brownfield expansion of the smelter at Hirakud was fully ramped up by the third quarter of the year, which also contributed to higher metal production.

### Value Added Products (VAP)

- The value added downstream production grew by 10% over last year to 300 KT. This growth was in line with your Company's focussed strategy of value maximisation.

### New Facilities: An Update -

During the current financial year, the three greenfield projects are well on their way towards full capacity utilization. Mahan smelter has ramped up to over 90% of its envisaged capacity, even as the ramp up was impacted on account of constrained coal availability in the country. Aditya smelter is now operating at over half of its full capacity level. Both these smelters are expected to deliver strong efficiency gains as they reach optimum capacity utilization rates.

Utkal alumina refinery has excelled on operational front and is already counted as one of the low cost refineries in the world.

Your company's brownfield projects in India - Hirakud FRP and Mouda Foil mill - are expected to significantly contribute to your Company's strategic goal of higher VAP proportion.

Your Company won 4 coal blocks namely Kathautia, Dumri and Gare Palma IV/4 & Gare Palma IV/5 during the recently concluded rounds of coal auctions. With these blocks, the company has significant flexibility with regards to optimisation of coal sources. In the subsequent rounds, the company would continue to strive to improve its coal security further.

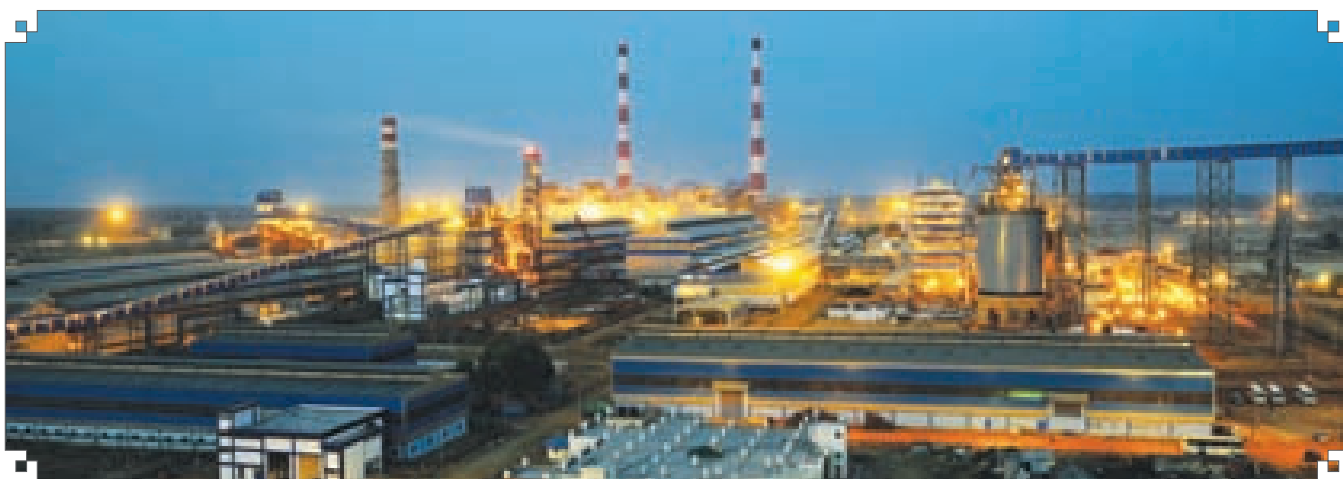
## Utkal Alumina



## Mahan Aluminium



## Aditya Aluminium



Novelis also progressed well on its strategic expansion plan that entailed an investment of USD 2 Bn and included rolling capacity expansions at Brazil and Korea that would take Novelis' rolling capability to around 3.6 Mn tonnes. The automotive finishing line expansions in the US, Europe and China are also over and are geared to produce auto body sheet (BIW) - the next big driver of aluminium rolling sheets. Novelis' thrust on sustainability and recycled aluminium is unchallenged. Your company has invested significantly in recycling initiatives and has developed high-tech recycling capabilities, expanded aluminium scrap buying footprint globally, widened scope of recycled scrap that can be used, and developed close loop recycling systems with end users to improve efficiencies. Novelis has also developed alloys for higher re-cycled content. All this has already shown results and the company processed 53% scrap (as a % of input) in the last quarter of FY15 as compared with 46% in FY14.

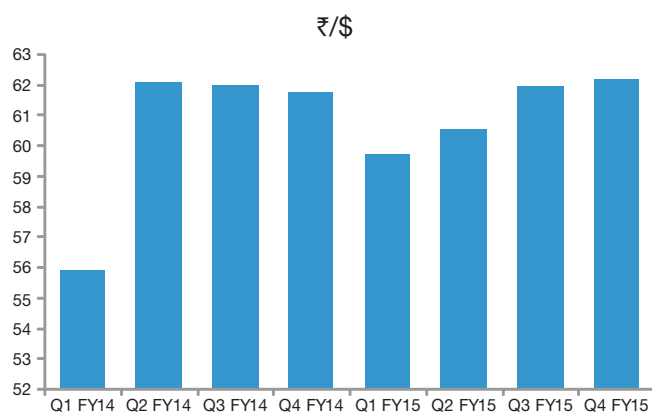
Novelis is well positioned to reap the benefits of these investments and all the facilities are ramping up on expected lines.

### Financial Performance

In FY15, the consolidated turnover of Aluminium business increased by 20% to ₹ 83,139 crore - a fallout of strong volume growth & higher realisations.

The turnover of the standalone aluminium business increased by 40 per cent to ₹ 14,105 crore vis-à-vis ₹ 10,050 crore in the previous year, primarily due to higher metal volumes, and better realisations.

The consolidated Earnings before interest and taxes (EBIT) stood at ₹ 4,226 crore which was 12% higher than the previous year.



The standalone Aluminium EBIT improved 44% to ₹ 1,349 crore even as increased input costs continued to put pressure on margins which were also impacted by ramp-up related teething troubles. Your company also witnessed cost push on account of rising coal

costs, declining bauxite quality and rise in freight, a consequence of diesel price deregulation.

The cost pressures were to some extent cushioned by adopting multiple initiatives, including:

- Continuous improvement in operational efficiencies,
- Higher sale of special hydrate/alumina,
- Optimization of logistics costs.

### Outlook:

After a slowdown, the Indian recovery is on the mend and the economy is expected to grow at over 7.5% in FY16 and FY17. This would result in aluminium demand growth on account of stronger consumption and investment. The government's thrust on power sector that went through a challenging phase bodes well for aluminium industry as power sector is a strong demand driver for aluminium consumption in India. Rapid urbanization, as the country continues to develop towards a more consumer-focused economy, should augment consumer-driven demand and will help to sustain growth in aluminium demand into the next decade.

Outside India, the fastest growth in aluminium consumption is likely to be seen in Asia due to the emergence of consumerism among the rising middle classes.

The US demand is expected to remain strong growing at a CAGR of 4-5% over next few years, as the housing recovery gains traction, car sales continue to improve and aluminium demand benefits from new applications, particularly in the automotive sector.

The light weighting of vehicles is driven by the Corporate Average Fuel Economy (CAFE) legislation in the United States, finalized in 2012. The CAFE legislation mandates that vehicle manufacturers achieve 54.5 miles per gallon (MPG) on their fleet of cars and light duty trucks by 2025 — almost double the MPG compared to the 2011 standards.

Western Europe is expected to grow moderately amidst economic uncertainty. The aluminium demand is expected to grow at around 2.5%.

Aluminium serves a variety of consumer-related end markets; and in China, aluminium penetration for consumer products is still low, with lots of upside potential as the general wealth level increases. However, the short term outlook is shrouded with uncertainty, especially against the backdrop of decelerating Chinese demand growth.

In 2015, Chinese aluminium demand is expected to grow at around 6-7%, a substantial slowdown from

the double-digit increase of the past decade. Demand growth will be strongest in consumer-related sectors. Transport and packaging should both see 8-9% growth, while the power sector is likely to report more than 7% growth. The other two industries - machinery and consumer durables - are expected to be the laggards as they have begun to slow last year. The construction sector is also likely to remain subdued. Recently, the Chinese National Energy Administration has released details of a new standard which will regulate the use of lower voltage aluminium cables. The directive will be effective from September 2015 and is expected to cause consumers to shift from copper to aluminium cables, as aluminium is cheaper. This should drive the use of aluminium in electrical sector.

Japanese demand too is expected to be muted due to weak growth in the transportation sector.

Supply of aluminium outside China is expected to be limited with not many new capacities expected outside China.

China's rapid economic growth has been accompanied by environmental degradation. Energy and environmental policies have been in place since the 1990s to encourage energy conservation, coal diversification and environment friendly development. Nevertheless, economic growth has assumed more importance and environmental pollution has continued to worsen. This is expected to change under NDRC's policies but the pace and timings are being debated among analysts.

Despite weaker than expected demand, Chinese primary producers in Xinjiang and Shandong are ramping up production at a rapid pace. Although around 667,500 tonnes of primary capacity has been closed in 2015 so far, China has added 2M tonnes of additional primary capacity in the first half of 2015. This supply increase along with weakening demand growth has led to surge in exports.

Overall the demand supply scenario for primary aluminium globally looks encouraging over long term as demand continues to be robust with expectations of around 6% growth.

However, over short term, Chinese supply is expected to continue to impact Rest of the World demand-supply dynamics adversely.

The fact that the energy prices globally are lower is also resulting in decline in aluminium production cost and this is also putting a downward pressure on aluminium prices.

Aluminium prices on LME have declined quite sharply over the last few months due to confluence of many

factors such as heightened risk averseness, European region uncertainty related to Greece, slowing demand growth from China and rising exports from it. The regional premium has also crashed from all time highs. The premiums across the regions have declined over 70%. This was primarily on account of large inventory de-stocking, which was the result of carry trade becoming less attractive, which in turn can be attributed to various factors such as change in LME warehousing rules, flattening of forward curve resulting into decline in contango, tightened regulatory environment that discouraged warehousing and impending spectre of Fed increasing interest rates resulting in higher financing costs.

As a result, all-in realisations have declined sharply in recent months. This scenario may continue for a while and hence over short term, realisations may remain under pressure.

On the positive side, the reduction in prices of crude-derivatives in the recent months is expected to help on the cost front. In the recent quarters, coal availability in India is showing signs of improvement. With the expected growth in output of public sector coal mining companies and the likely operationalisation of captive coal blocks, coal availability in the country may improve further, which will ease the cost-side pressures.

The outlook for aluminium business is cautiously optimistic. The investment phase of the company has been largely completed and all the new projects are inching towards their full capacity levels. The cancellation of earlier allocated coal blocks has affected the cost dynamics of the new facilities adversely. The operating costs are not yet optimal as projects are ramping up. This, coupled with the recent weakness in the prices, is expected to keep margins under pressure. However, your Company is trying to mitigate these adversities through a sharp focus on cost reduction in its day-to-day operations, optimization of logistics costs, and by identifying high-impact, capex-light interventions to improve its structural cost position.

## **Copper Business**

### **Industry Review**

Copper has the highest level of conductivity out of the base metals and is used extensively in power transmission, particularly in smart grids and other technology-intensive power transmission systems. Copper is also extensively used in infrastructure and housing in the form of pipe, electrical wire and building materials.

The global refined copper demand increased by around 4.5% in 2014 to 21.5 Mn tonnes. Production growth exceeded consumption growth rate, resulting into a surplus of around 350 KT. This mismatch was primarily on account of slowdown in Chinese copper consumption growth. In China, which accounts for over 44% of global copper consumption, the growth rate declined from around 10% in 2013 to 7% in 2014. Growth in other emerging markets too was lack lustre leading to the surplus. Many western countries registered a demand pick up as their economies continued with the recovery and grew moderately.

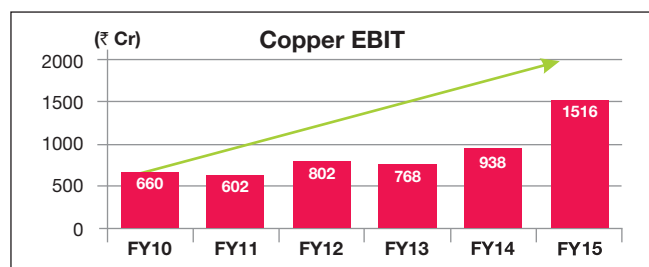
As a result, the utilization rates of smelters were under pressure. This resulted in strong treatment & refining charges, a major value driver for custom smelters such as your Company's copper business.

### Business Performance

Your Company's copper business delivered a record performance in FY15, registering highest ever cathode production. Strong operating gains on the back of enhanced efficiencies, aided by various strategic initiatives for value maximisation and waste to wealth initiatives, enabled the business to register best ever operating performance, with EBIT surpassing ₹ 1500 Crore mark for the first time in the history of the business.

The Revenues of the copper business increased by over 15%, primarily on account of higher volumes and increased proportion of value added products.

The business registered an EBIT of ₹ 1516 Cr - an improvement of 62% over ₹ 938 Crore it achieved in the previous year. Copper EBIT has grown almost 2.5 times over last 4 years and has validated your Company's portfolio business model.



### Copper Outlook:

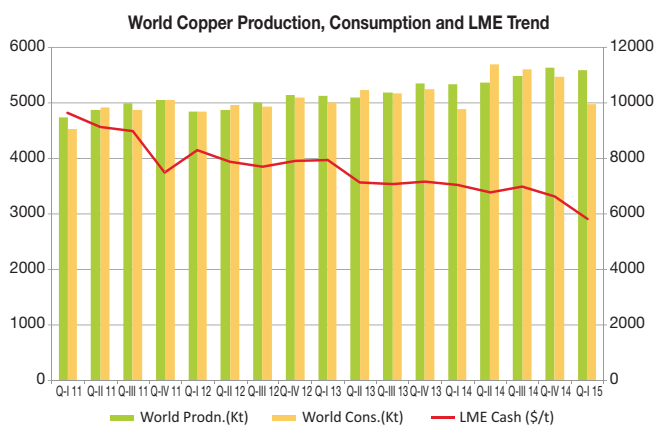
In the short-term, marginally higher pace of copper supply growth relative to demand is expected to keep the market in surplus till 2017. Industry experts forecast growth in refined copper consumption to be 3.5% in 2015, driven largely by China and North America, with the demand estimated at 22 Mn tonnes

in 2015. Chinese demand is expected to be around 10 Mn tonnes, while the demand in Europe and North Americas is expected to be 3.7 Mn tonnes and 2.2 Mn tonnes respectively.

Chinese demand is expected to grow at a relatively modest rate of around 3-3.5% after a strong growth in previous decade with the next growth driver expected to be renewable energy and investments surrounding the sector.

Indian copper demand is expected to be around 650 Kt in 2015, 8% higher than the demand in 2014. The demand growth is expected to pick up going forward with the government's thrust on manufacturing sector, smart cities and power sector. Indian per capita consumption of copper stands at around 0.5 Kg as compared with the global average of 2.4 Kg/person and this puts in perspective the potential demand.

Refined copper production is broadly expected to keep pace with the demand. Again China, continues to be at the forefront with around 7.5 Mn tonnes production in 2015. The production growth will largely come from Asian region, contributing over 50% of CY 2015 production, which is estimated to be around 22 Mn tonnes.

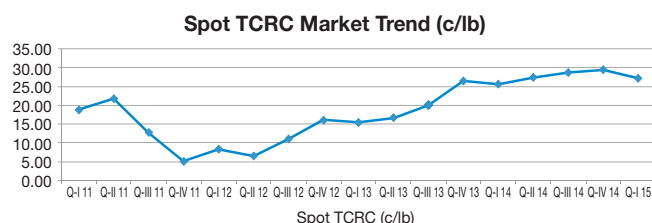


Overall, industry experts are expecting a small surplus market with production marginally higher than demand.

On account of surplus and risk averse macroeconomic environment the copper prices are expected to remain subdued over next 1-2 years. In the short term, suspected metal financing scam in China may continue to depress the prices as traders fear exodus of metal out of China, even as exchanges stocks declined.

Overall mine production capacity is forecast to rise from 18 Mt in 2013 to 21 Mt by 2015, an increase of 17%. Higher mining production and lower concentrate demand has resulted into higher TC/RC. The benchmark TC/RC for 2015 is higher than 2014 benchmarks.

The last few years have been relatively better for custom smelters due to improved concentrate availability and the trend is expected to continue reflecting in strong TC/RC. Higher TC/RC coupled with revival in demand especially from power and housing sector, augurs well for your Company.



With an improvement in Indian GDP, the co-product prices are also expected to be supportive and this should help the copper business. With increasing thrust on agriculture sector, the demand for DAP and sulphuric acid is expected to increase.

With an improvement in Indian GDP, the co-product prices are also expected to be supportive and this should help the copper business. With increasing thrust on agriculture sector, the demand for DAP and sulphuric acid is expected to increase.

### Financial Review and analysis

Hindalco's consolidated revenue stood at ₹ 104,281 crore as compared with ₹ 87,695 crore in FY14. Profit before depreciation, interest and taxes stood at ₹10,049 crore as compared with ₹9,303 crore in FY14. This increase was contributed by volumes growth across both businesses and the stellar performance by copper business even as aluminium faced several challenges on the cost front and weakness in demand in certain global geographies following macroeconomic headwinds. There were also certain one-offs that affected both Hindalco-standalone and Novelis.

Standalone revenue for the year increased 24% to ₹ 34,525 crore. Profit before interest and depreciation was ₹ 4,299 crore vs. ₹ 3,616 crore in FY14, a jump of 19%.

### Other Income

- Standalone other Income at ₹ 882 crore was lower as compared with ₹ 1124 Cr in FY14 on account of lower treasury corpus.

### Interest

- Consolidated Interest expenses increased from ₹ 2,702 crore to ₹ 4,178 crore. In standalone business, finance costs increased from ₹ 712 crore in FY14 to ₹ 1,637 crore in FY15 due to higher interest capitalisation post ramp up of greenfield facilities.

### Depreciation

- Consolidated depreciation increased marginally from 3,553 crore to ₹ 3,591 Crore.
- Depreciation stood at ₹ 837 crore compared to ₹ 823 crore in previous year, reflecting the change in manner of calculation of depreciation w.e.f. 1st April, 2014 by considering revised useful life of assets to bring it in line with the Schedule II of the Companies Act, 2013.

### Taxes

- The provision for tax was at ₹ 322 crore in standalone business and ₹ 256 crore in consolidated business.

### Profit

- Net profit at the consolidated level was lower at ₹ 854 crore, because of higher interest cost and exceptional items. Exceptional items in the Standalone results included additional levy on coal extracted from Talabira-I coal block imposed by the judgment of the Supreme Court, provision for diminution in the carrying value of investments in ABML, and liability provided towards Renewable Power Obligations (RPO) under the Electricity Act, 2003. The exceptional items in the Consolidated results, in addition to items included in standalone, mainly relate to the sinkhole incident and change in macro-economic conditions at ABML that has resulted in impairment of fixed assets, write down in value of inventories and expenses incurred towards restoration of operations.
- Net profit for the standalone stood at ₹ 925 crore compared to ₹ 1,413 crore in previous year. Profit before exceptional items at ₹ 1,825 crore was lower by 12% compared to FY14 mainly due to higher interest.

### Risk management

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

### Internal Controls

A strong internal control culture is pervasive throughout Aditya Birla Group. Regular internal audits at all locations are undertaken to ensure that the highest standards of internal control are maintained.

The effectiveness of a business internal control environment is a component of senior management performance appraisals. The principal aim of the system of internal control is the management of business risks, with a view to enhancing the shareholders' value and safeguarding the Group's assets. It provides a reasonable assurance on the internal control environment and assurance against material misstatement or loss.

### **Sustainability**

Both Aluminium and copper are widely used metals with bright consumption prospects. The recent emphasis on greenhouse emissions have brought in new game changing concepts such as light-weighting in the automobile industry further augmenting the consumption growth. Your Company's business model is geared to ride on these changing patterns and today boasts of a de-risked portfolio through a strong accent on conversion business.

Given its focus on value added products, your Company also has a strong commitment towards product development. It has developed several pioneering applications in the Indian context and Novelis is the global leader in FRP space.

Sustained access and availability of resources is critical to the businesses of your Company. Hindalco follows holistic approach to address the multi-dimensional facets of resource sustainability throughout the value chain. As it continues to serve the increased demands of the society for sustainable metals, your Company recognizes the limited availability of resources and impact of resource extraction. Its strategy is to have a good mix of captive sources as well as long-term sourcing arrangement based on long term cost and sustainability parameters. Its mining practices, regeneration activities and community engagement are aimed at minimising the environmental impact with a focus on improving socio economic life.

Safety continues to be a critical focus area for your Company. Even as the major safety parameters showed an improving trend during FY15; the policies and practices of the Company are continuously being finetuned towards achieving its goal of 'Zero Harm'. Line managers are responsible for setting expectations in terms of safety performance, for conducting safety training, for conducting effective accident investigation, and for ingraining safety, health and environmental aspects into the fabric of how work is carried out on a daily basis.

Improving operational efficiencies, adoption of technological advances are important for efficient use

of raw materials. Your Company believes in systems and work practices that contribute to conserving resources, energy and environment and ensuring health and safety.

Aluminium is a 100% recyclable metal and does not degrade in quality on recycling. Your Company's wholly owned subsidiary Novelis presently uses nearly half of its input in the form of recycled scrap - a sharp jump from 39% three years back. It has also announced the commercial debut of Evercan™ high recycled-content aluminum beverage can sheet. Novelis has invested in major recycling initiatives, including advanced equipment and technology to process diversified scrap. Your Company's Copper business in India also has a focused approach on recycled material and recycles a substantial proportion of the scrap generated in the process again.

Your Company continues to maintain its thrust on inclusive growth as it believes in triple bottom line accounting and trusteeship management concept. It has carried out several projects aimed at development of neighbouring communities and society with focus areas being health care, education, sustainable livelihood, infrastructure and social reform.

### **Human capital**

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

Your Company firmly believes that people are its most valuable asset and it is ensuring that all the HR systems, processes and practices are helping people both personally and professionally. Currently, your Company is managing a pool of around 22,000 people across 17 locations. For managing people, it has well laid down HR Policies in place including talent management, employee engagement, performance management, rewards and recognition alongwith all the necessary support systems for the robust implementation of the people practices.

FINANCIAL  
HIGHLIGHTS

MANAGEMENT DISCUSSION  
AND ANALYSIS

CORPORATE GOVERNANCE  
REPORT

SHAREHOLDER  
INFORMATION

SUSTAINABLE  
DEVELOPMENT

SOCIAL  
REPORT

DIRECTORS'  
REPORT

BUSINESS RESPONSIBILITY  
REPORT

STANDALONE FINANCIAL  
STATEMENTS

CONSOLIDATED  
FINANCIAL STATEMENTS

## Training and Development

The Learning and Development function is well integrated with the overall HR Function and the Business Objective. Across locations, your Company has full fledged learning infrastructure to support its learning objectives. Its Strategy aims at equipping all people across Units with business linked knowledge, technical and behavioural based learning events.

For Managers and the talent pool, your Company works closely with the 'Gyanodaya- Aditya Birla Group's Learning University' and as per need nominates people to other learning institutes / professional bodies for professional development.

## Summing Up

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

During FY15, Utkal Alumina has established itself as a world class asset ensuring alumina production at very competitive cost which in turn is fed mainly to the two new age smelters. The cancellation of the earlier allocated coal blocks, instrumental in determining

the choice of location of the smelters, has dented the earlier envisaged cost structure significantly. Your company is striving hard to dilute the impact of this setback and has been actively pursuing all possible strategic options to secure long term supply of coal at competitive cost to partially offset this loss.

The company expects to increase production significantly as the new state of the art facilities achieve their targeted capacities. However, during the ramp up, the plants will be operating at suboptimal efficiencies and this will have some bearing on costs. The deallocation of Talabira-I coal mine that used to supply coal to Hirakud smelter will also impact the cost of production.

FY16 onwards, following the full ramp up of the projects, the reported financial performance will be significantly impacted as interest and depreciation flow through the P&L statement. As a result, the short term outlook appears challenging for domestic aluminium business.

In the coming years, the focus will be on operational excellence and increasing the productivity of new assets. We believe that the strong business portfolio comprising de-risked copper business and technologically intensive portfolio of Novelis, with focused approach would go a long way in ensuring a robust future for your Company.

## Cautionary Statement

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

## GOVERNANCE PHILOSOPHY

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

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

### Compliance with Corporate Governance Guidelines

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

## BOARD OF DIRECTORS

### Composition of the Board

Your Company's Board comprises of 8 Non Executive Directors and 2 Executive Directors as on 31st March, 2015 with considerable experience in their respective fields. Of these, 5 Directors are Independent Directors. Clause 49, of the Listing Agreement, requires that the Board of Directors of the company shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors comprising non-executive directors. Further where the regular non-executive Chairman is a promoter of the company or is related to any promoter or person occupying management positions at the Board level or at one level below the Board, at least one-half of the Board of the company shall consist of independent directors and we are in compliance with the same.

None of the Directors on the Board is a Member of more than 10 Committees or a Chairman of more than 5 Committees (as specified in Clause 49), across all the Companies in which they hold Directorships. Further None of the Directors serve as Independent Directors in more than seven listed companies and none of the Whole-time Directors serve as Independent Directors in more than three listed companies. All the Directors have periodically intimated about their Directorship and Membership in the various Boards/ Committees of other companies. The same is within permissible limits as provided by the Companies Act, 2013 and Clause 49 of the Listing Agreement.

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

Director	Category	No. of Board Meetings attended	Attendance at Last AGM	No. of other Directorships Held <sup>4</sup>	Companies Committee Positions Held <sup>5</sup>	
				Public	Member	Chairman
Mr. Kumar Mangalam Birla	Non Executive	5	Yes	8	–	–
Mrs. Rajashree Birla	Non Executive	4	Yes	5	–	–
Mr. A.K. Agarwala <sup>2</sup>	Non Executive	8	Yes	6	0	0
Mr. C.M. Maniar <sup>3</sup>	Independent <sup>1</sup>	0	N.A	N.A	N.A	N.A
Mr. M.M. Bhagat	Independent <sup>1</sup>	8	Yes	7	5	1
Mr. K.N. Bhandari	Independent <sup>1</sup>	8	Yes	8	1	3
Mr. N.J. Jhaveri	Independent	8	Yes	6	1	3
Mr. Jagdish Khattar	Independent <sup>1</sup>	7	Yes	3	1	0
Mr. Ram Charan	Independent <sup>1</sup>	2	No	0	0	0
Mr. D. Bhattacharya	Managing Director	7	Yes	1	0	0
Mr. Satish Pai	Dy. Managing Director	7	Yes	1	0	0

1. Independent Director means a director defined as such under Clause 49 of the Listing Agreement.
2. Mr. A. K. Agarwala was an Executive Director till 10th September 2003. Thereafter, he has moved to other responsibilities in the Aditya Birla Group.
3. Ceased as a director w.e.f. 29th June, 2014 due to demise.
4. Excludes Directorship held in Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
5. Represents only membership/chairmanship of Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies.

### Board's functioning and Procedure

Hindalco's Board of Directors plays a primary role in ensuring good governance and functioning of the Company. All statutory and other significant and material information including information as mentioned in Annexure X to Clause 49 of the Listing Agreement is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Board also reviews on a regular basis conformity to all the applicable laws by the Company.

### Board Meetings

The Company Secretary drafts the agenda for each meeting along with the explanatory notes. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. Committees of the Board usually meet before the formal Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval.

The Companies Act 2013, read with the relevant rules made thereunder, now facilitates the participation of Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing.

The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion. The details of Board meetings held during FY 2014-2015 are as outlined below:

Date of Board Meeting	City	No. of Directors Present
7 <sup>th</sup> April, 2014	Mumbai	6 out of 11
29 <sup>th</sup> May, 2014	Mumbai	8 out of 11
18 <sup>th</sup> July, 2014	Mumbai	10 out of 10
14 <sup>th</sup> August, 2014	Mumbai	9 out of 10
24 <sup>th</sup> September, 2014	Mumbai	9 out of 10
13 <sup>th</sup> November, 2014	Mumbai	7 out of 10
8 <sup>th</sup> January, 2015	Mumbai	7 out of 10
12 <sup>th</sup> February, 2015	Mumbai	8 out of 10

### PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act 2013 and Clause 49 of the Listing Agreement the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee,

Nomination and Remuneration Committees, Stakeholder Relationship Committee and Corporate Social Responsibility Committee.

A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board culture, Execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual directors including Chairman of the Board, who were evaluated on various parameters such as level of engagement and contribution, independence of judgement, etc. The performance evaluation of Independent directors was carried out by the entire Board. The performance evaluation of the Chairman and Non Independent directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### INDEPENDENT DIRECTOR'S MEETING

During the year under review, the Independent Directors met on 12<sup>th</sup> February, 2015 without the presence of non independent directors and members of the management interalia to:

- Review of performance of Non Independent Directors and the Board of Directors as a whole
- Review of performance of the Chairman, taking into account the views of Executive and Non Executive Directors.
- Evaluate of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All new Independent Directors inducted on the Board are given an orientation. Presentations are made by Executive Directors and senior management giving an overview of the Company's operations, products, group structure and subsidiaries, Board constitution and guidelines, matters reserved for the Board, and the major risks and risk management strategy.

The details on the Company's Familiarisation Programme for Independent Directors can be accessed at: <http://hindalco.com/about-us/management-team/board-of-directors>.

### COMMITTEES OF THE BOARD OF DIRECTORS

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

**AUDIT COMMITTEE****Constitution of Audit Committee and its functions**

Your Company has an Audit Committee at the Board level which acts as a link between the management, the statutory and the internal auditors and the Board of Directors and oversees the financial reporting process. The Committee is governed by a Charter which is line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Committee presently comprises of three Non Executive Directors, all of whom are Independent Directors. During the year, the Audit Committee met 5 times to deliberate on various matters. The details of the attendance by the Committee members are as follows:

Name of Director	Attended
Mr. K.N. Bhandari	5 out of 5
Mr. M. M. Bhagat	5 out of 5
Mr. N. J. Jhaveri	5 out of 5

1. The Chairman of the Audit Committee, Mr. M.M. Bhagat was present at the last Annual General Meeting of your Company held on 24th September, 2014.
2. The Managing Director, Deputy Managing Director, CFO, the representative of the Statutory Auditor are permanent invitees of the Audit Committee. The representative of the Cost Auditors are invited to the Audit Committee Meetings whenever matters relating to cost audit are considered.
3. Mr. Anil Malik, Company Secretary, acted as Secretary to the Committee.

The Audit Committee is endowed with the following powers:

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

**Role of Audit Committee:**

The role of the Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

In addition to the above the Audit Committee mandatorily reviews the following:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

#### **STAKEHOLDER'S RELATIONSHIP COMMITTEE**

In compliance with the provisions of Section 178 (5) of Companies Act 2013 and Listing Agreement the Board has renamed Stakeholder's /Investor Grievance Committee as Stakeholder's Relationship Committee.

The Company has a "Stakeholder's Relationship Committee" at the Board level to deal with various

matters relating to redressal of shareholders and investor grievances, such as transfer and transmission of shares, issue of duplicate shares, non-receipt of dividend/notices/ Annual Reports, etc. In addition, the Committee looks into other issues including status of dematerialisation / rematerialisation of shares and debentures, systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

Due to the demise of Mr. C.M. Maniar the Committee was reconstituted with the following members:

Mr. K.N. Bhandari	- Chairman
Mr. N.J. Jhaveri	- Member
Mr. M.M Bhagat	- Member

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

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

<b>Name of the Director</b>	<b>Attended</b>
Mr. K.N Bhandari	6 out of 6
Mr. N.J. Jhaveri	6 out of 6
Mr. M.M Bhagat	5 out of 6

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

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

#### **NOMINATION AND REMUNERATION COMMITTEE**

In Compliance with Section 178(1) of Companies Act 2013 and provisions of Listing Agreement the Board has formed a Nomination and Remuneration Committee consisting of the following members:

Mr. M.M Bhagat	- Chairman
Mr. Kumar Mangalam Birla	- Member
Mr. N.J. Jhaveri	- Member

The Committee is governed by a Charter which is duly approved by the Board. The terms of reference of the Committee inter alia include the following:

- Identify persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board
- Carry out evaluation of every director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Devise a policy on Board diversity.

The scope and functions of the Committee is in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

During the year under review, the Committee met once to deliberate on various matters referred above. The details of attendance of the members is as below:

Name of the Director	Attended
Mr. M.M Bhagat	1 out of 1
Mr. N.J. Jhaveri	1 out of 1
Mr. Kumar Mangalam Birla	Nil

#### POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Remuneration Policy. The Board considers the Committee's recommendation, and takes appropriate decision.

The Nomination and Remuneration Committee has formulated the Remuneration Policy of the your Company which is annexed to the Annual Report.

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

In Compliance with Section 135 of Companies Act, 2013 the Board has constituted a Corporate Social Responsibility Committee consisting of the following members:

- |                      |            |
|----------------------|------------|
| Mrs. Rajashree Birla | - Chairman |
| Mr. A.K. Agarwala    | - Member   |
| Mr. N.J. Jhaveri     | - Member   |
| Mr. D. Bhattacharya  | - Member   |
- Dr. Pragnya Ram, Group Executive President- Corporate Communications and CSR is a permanent invitee to the Committee.

The terms of reference of Corporate Social Responsibility Committee (CSR) broadly comprises of following:

- Formulate and Recommendation of CSR Policy to the Board indicating the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred to in clause(a).
- Provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

During the year under review, the Committee met once to deliberate on various matters referred above. The details of attendance of the members is as below:

Name of the Director	Attended
Mrs. Rajashree Birla	1 out of 1
Mr. A.K. Agarwala	1 out of 1
Mr. N.J. Jhaveri	1 out of 1
Mr. D. Bhattacharya*	Nil

\*Inducted as a member w.e.f. 28th May, 2015.

#### RISK MANAGEMENT COMMITTEE

The Company has a robust risk management framework to identify, monitor and minimise risk as also identify business responsibilities.

Your Company has comprehensive risk management policy and it is periodically reviewed by the Risk Management Committee. The following are the Members of Risk Management Committee:

- Mr. A.K. Agarwala - Chairman
- Mr. Satish Pai - Member
- Mr. R.K. Kasliwal - Member
- Mr. Anil Mathew - Member
- Mr. D. Bhattacharya - Member

Mr. Anil Malik, Company Secretary acts as Secretary to the Committee.

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

Name of the Director	Attended
Mr. A.K. Agarwala	5 out of 5
Mr. D. Bhattacharya	3 out of 5
Mr. Satish Pai*	1 out of 5
Mr. R.K. Kasliwal	5 out of 5
Mr. Anil Mathew	5 out of 5

\*Inducted as a Member w.e.f. 13<sup>th</sup> November, 2014.

### Non Executive Director's Compensation and Disclosure

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

### Remuneration of Directors and Others

Your Company has two Executive Directors, The Board of Directors decides the remuneration of the Managing Director and Deputy Managing Director.

The Company has a system where all the directors or senior management of the Company are required

to disclose all pecuniary relationship or transactions with the Company. No significant material transactions have been made by the Non Executive Directors with the Company during the year.

Besides sitting fees @ ₹ 50,000/- per meeting of the Board, fee @ ₹ 25,000/- per meeting of the Audit Committee and ₹ 20,000/- per meeting for any other Committee thereof, the Company also pays Commission to the Non- Executive Directors.

For FY- 2014-15, the Board has approved payment of ₹ 4.0 crore (Previous Year ₹ 7.5 crores) as Commission to the Non- Executive Directors of the Company pursuant to the authority given by the shareholders at the Annual General Meeting held on 24<sup>th</sup> September, 2014 to pay Commission not exceeding 1% of the net profits of the Company to the Non Executive Directors of the Company. The Amount of Commission payable is determined after assigning weightage to attendance and the type of meeting and other responsibilities.

Executive Directors are paid remuneration within the limits envisaged under Schedule V of The Companies Act, 2013. The said remuneration is approved by the Board as well as Shareholders of the Company.

### The details of Remuneration package, fees paid etc. to Directors for the year ended 31<sup>st</sup> March, 2015

#### (a) Non- Executive Directors:

Name of Director	Sitting Fees Paid (In ₹)	Commission payable (₹ in Lakhs)	Total Payments Paid / Payable in 2014-15 (₹ in Lakhs)
Mr. Kumar Mangalam Birla	1,00,000	349.81	350.81
Mrs. Rajashree Birla	1,60,000	6.31	7.91
Mr. A. K. Agarwala	3,30,000	8.28	11.58
Mr. M. M. Bhagat	3,80,000	8.21	12.01
Mr. C. M. Maniar	10,000	0.07	0.17
Mr. K. N. Bhandari	3,50,000	9.60	13.1
Mr. N.J. Jhaveri	3,75,000	8.41	12.16
Mr. Ram Charan	40,000	4.00	4.4
Mr. Jagdish Khattar	2,00,000	5.31	7.31

Notes:

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

**(b) Paid to Executive Directors**

Executive Director	Relationship with other Directors	Remuneration paid during 2014-15			
		All elements of remuneration package i.e., salary, benefits, bonuses, pension etc.	Fixed component & performance linked incentives, along with performance criteria	Service contracts, notice period, severance fee	Stock option details, if any
Mr. D. Bhattacharya Managing Director	None	₹ 15,24,49,564	₹ 6,34,58,000 See note (a)	See note (b)	See note (c)
Mr. Satish Pai Dy. Managing Director	None	₹ 9,17,76,294	₹ 2,99,58,904 (a)	See note (b)	See note (d)

- (a) Mr. D. Bhattacharya was paid a sum of ₹ 6,34,58,000 towards performance bonus linked to achievement of targets and Mr. Satish Pai was paid a sum of ₹ 2,99,58,904 towards performance bonus linked to achievement of targets.
- (b) The appointment is subject to termination by three months notice in writing on either side. No severance fee is payable to the Managing Director or Deputy Managing Director.
- (c) 17,97,030 stock options were granted on 23rd August 2007 & 25th January 2008 & 9th October, 2013 to Mr. D. Bhattacharya. These Stock Options are vested 25% each year over a period of 4 years from date of grant. The Managing Director was granted 8,27,482 restrictive stock units (RSU) on 9th October, 2013 which will be vested after expiry of three years from date of grant. 1,35,050 Options vested in him were exercised by Mr. D. Bhattacharya.
- (d) 7,82,609 stock options were granted on 9th October, 2013 to Mr. Satish Pai. These Stock Options are vested 25% each year over a period of 4 years from the date of grant.

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

Details of Shareholding of Directors as on March 31, 2015 are as follows:

NAME OF THE DIRECTORS	SHARES (₹ 1 paid up)
Mr. Kumar Mangalam Birla	8,65,740
Mrs. Rajashree Birla	6,12,470
Mr. A. K. Agarwala	1,16,148
Mr. M. M. Bhagat	4,050
Mr. K. N. Bhandari	3,571
Mr. N. J. Jhaveri	5,000
Mr. Ram Charan	NIL
Mr. Jagdish Khattar	2,500
Mr. D. Bhattacharya	1,38,265
Mr. Satish Pai	Nil

**Code of Conduct**

The Hindalco Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors Senior Management/employees of the Company. The Code is available on the Company's website viz: <http://www.hindalco.com/investor-centre/code-of-conduct>.

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

Declaration as required under Clause 49 of the Listing Agreement.

We hereby confirm that:

All Directors and Senior Management have affirmed compliance with Code of Conduct for the financial year ended 31st March, 2015.

Place : Mumbai

D. Bhattacharya  
Managing Director

## CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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

## SUBSIDIARY COMPANIES

Your Company does not have any material Indian subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during previous financial year.

The company has adopted a policy for determining 'material' subsidiaries and the policy can be accessed at [http://www.hindalco.com/upload/pdf/policy\\_material\\_subsidary\\_companies.pdf](http://www.hindalco.com/upload/pdf/policy_material_subsidary_companies.pdf). The Audit Committee reviews the financial statements and investments made by unlisted subsidiary companies once in a year. The minutes of the Board meetings as well as statements of all significant transactions of the unlisted subsidiary companies are placed before the Board for their review.

## DISCLOSURES

### (A) Related Party Transaction

All the related party transactions are strictly done on arm's length basis. The Company places all the relevant details of a related party transaction, entered in the normal course of business, before the Audit Committee from time to time. There was no material related party transaction, which are not in the normal course of the business, entered into by the company during the year. Attention of the Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts forming part of the financial statements. The Board of Directors have approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company at <http://www.hindalco.com/upload/pdf/Hindalco-RPT-Policy-2015.pdf>

### (B) Non Compliances/Strictures/penalties Imposed

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

### (C) Disclosure of Accounting Treatment

Your Company has followed all relevant Accounting Standards while preparing the Financial Statements. The Company had formulated a scheme of financial restructuring under sections 391 to 394 of the Companies Act 1956 ("the Scheme") between the Company and its equity shareholders approved by the High Court of judicature of Bombay to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created during the year 2008-09 by transferring balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme. Accordingly, the Company had transferred ₹ 8,647.37 crore from Securities Premium Account to BRR and till 31st March, 2014, ₹ 153.04 crore have been adjusted against BRR. During the year, following expenses has been adjusted with BRR:

- Impairment loss of ₹ 62.29 crore (Net of deferred tax ₹ 32.97 crore) arising on deteriorating operating performance in one of its cash generating unit of Aluminium Business. (refer Note No. 32 (a)).
- Provision of ₹35.00 crore towards diminution in value of investment of Mahan Coal Limited, joint venture of the Company, and Tubed Coal Mines Limited, subsidiary of the Company, made following deallocation of coal blocks by the Hon'ble Supreme Court. (refer Note No. 24 (c)).

Had the Scheme not prescribed aforesaid treatment, the impact on results and Earnings per Share (EPS) would have been as under:

Profit for the year lower by ₹ 97.29 crore.

Basic EPS lower by ₹ 0.47.

Diluted EPS lower by ₹ 0.47.

### (D) Risk Management

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

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

During the year under review, the Company has not raised any proceeds from public issue, right issue or preferential issue.

**(F) Remuneration of Directors**

This is included separately in this Section.

**(G) Management**

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

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

**(H) Shareholders**

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

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

**Whistle Blower Policy**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal and unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which employees are free to report violations of applicable laws and regulations and Code of Conduct. The whistle blower can send the complaint to the independent reporting mechanism - Ethics Hotline or to the respective Values Standards Committee (VSC), depending on the level at which the violation is perceived to be happening, or the seniority of the individual/s involved which operates under the supervision of Audit Committee. Employees may also report to the Chairman of the Audit Committee.

**Prevention of Sexual Harassment**

Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability, etc. All women associates (permanent, temporary, contractual and

trainees) as well as any women visiting the Company's office premises or women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

During Fiscal 2015, the Company has received two complaints on sexual harassments, which have been substantiated and appropriate actions were taken. There were no complaints pending for more than 90 days during the year.

To show our gratitude to our women employees, we have organised International Women's Day across our Locations. Further, we have focussed group discussions of our women employees across units. We provide equal opportunities to our women employees.

**CEO/CFO Certification**

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

- A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. They have indicated to the auditors and the Audit committee:
  1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

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

## REPORT ON CORPORATE GOVERNANCE

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

## GENERAL BODY MEETINGS

Details of Annual General Meetings

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

Year	AGM	Location	Date	Time
2013-14	AGM	Ravindra Natya Mandir	24th September, 2014	2.30 pm
2012-13	AGM	Ravindra Natya Mandir	10th September, 2013	2.30 pm
2011-12	AGM	Ravindra Natya Mandir	11th September, 2012	2.30 pm

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

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

Person who conducted the postal : Not  
exercise : Applicable

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

## MEANS OF COMMUNICATION

- Quarterly Results:

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

- Any website, where displayed:  
[www.hindalco.com](http://www.hindalco.com)  
[www.adityabirla.com](http://www.adityabirla.com)
- Whether the Company Website displays
- All official news releases Yes
- Presentation made to Institutional Investors/Analysts Yes

The Annual Report, Quarterly Results, Shareholding Pattern, Press Releases, Intimation of Board Meetings and Issuance of shares and other relevant details of the Company are posted through Corporate Filing and Dissemination System (CFDS) and NSE Electronic Application Processing System (NEAPS) portals for the information of investors.

## General Shareholder Information

Provided in the 'Shareholders Information' section.

## Status of compliance of Non mandatory requirement

1. The Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance are available to enable him discharge his responsibilities effectively.
2. "Performance Update" consisting of financial and operational performance for the first six months of financial year has been sent to the shareholders since 2000-01. However this practice has been discontinued from 2008-09.
3. During the period under review, there is no audit qualification in the financial statement.
4. The post of the Non-Executive Chairman of the Board is separate from that of the Managing Director/CEO.
5. The Company has engaged External Auditors for Aluminium and Copper business separately and their report is placed before the Audit Committee Meeting.
6. Business Responsibility Reporting:  
As per Clause 55 of the Listing Agreement with the Stock Exchanges, a separate section of Business Responsibility Report forms part of this Annual Report.

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE****To the Members of Hindalco Industries Limited**

We have examined the compliance of the conditions of Corporate Governance by Hindalco Industries Limited for the year ended 31<sup>st</sup> March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Camp: Mumbai  
Dated: 28th May, 2015  
1-B Old Post Office Street  
Kolkata-700001

For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E  
  
(RAJIV SINGHI)  
Partner  
Membership No. 53518

## SHAREHOLDER INFORMATION

1. Annual General Meeting
  - Date and Time : 16th September, 2015 at 3.00 P.M.
  - Venue : Birla Matushri Sabhagar  
19, Sir Vithaldas Thackersey Marg,  
New Marine Lines, Mumbai - 400 020
2. Financial Year
  - Financial reporting for the quarter ending June 30, 2015 : On or before 14th August, 2015
  - Financial reporting for the half year ending September 30, 2015 : On or before 14th November, 2015
  - Financial reporting for the quarter ending December 31, 2015 : On or before 14th February, 2015
  - Financial reporting for the year ending March 31, 2016 (Audited) : On or before 30th May, 2016
  - Annual General Meeting for the year ended March 31, 2016 : On or before 30th September, 2016
3. Dates of Book Closure : 9th September, 2015 to  
16th September, 2015
4. Dividend Payment Date : On or After 21st September, 2015
5. Registered Office : Century Bhavan, 3rd Floor,  
Dr. Annie Besant Road,  
Worli, Mumbai - 400 030.  
Tel: (91-22) 6662 6666  
Fax: (91-22) 2422 7586/2436 2516  
E-Mail: anil.malik@adityabirla.com  
hilinvestors@adityabirla.com  
Website: www.adityabirla.com  
CIN No. L27020MH1958PLC011238

6. a. Listing Details:

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

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

- b. Overseas Depository for GDRs : J.P. Morgan Chase Bank  
60 Wall Street, New York, NY 10260  
Tel.: 1-302-552 0253 Fax: 1-302-552 0320
- c. Domestic Custodian of GDRs : Citibank N.A.  
Trent House Plot No C-60  
Bandra Kurla Complex, Bandra  
Mumbai – 400 051  
Tel.: 91-22- 40296118

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

8. Details of Debenture issued:

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

9. Stock Code:

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

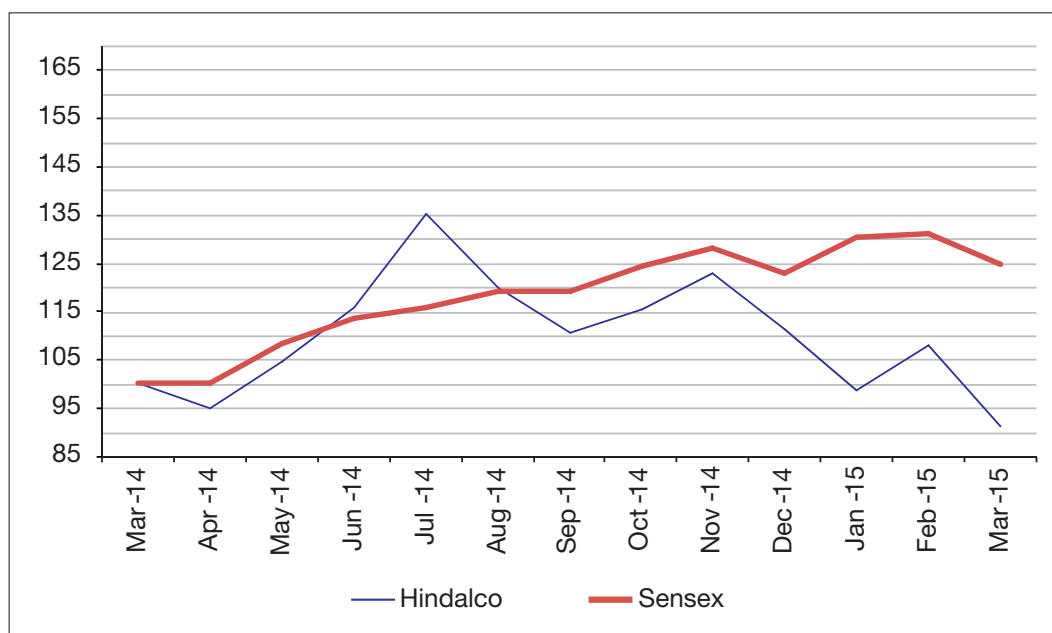
Stock Exchange	Reuters	Bloomberg
Bombay Stock Exchange	HALC.BO	HNDL IN
National Stock Exchange	HALC.NS	NHNDL IN
Luxembourg Stock Exchange (GDRs)	(GDRs)	HDCD LI

Name and Address of Debenture Trustee : IDBI Trusteeship Services Limited  
Asian Building, Ground Floor,  
17 R. Kamani Marg  
Ballard Estate, Mumbai : 400 001

## 10. Stock Price Data

	Bombay Stock Exchange				National Stock Exchange				Luxembourg Stock Exchange		
	High	Low	Close	Volume	High	Low	Close	Volume	High	Low	Close
	(In ₹)			(In Nos)	(In ₹)			(In Nos)	(In US\$)		
<b>March-15</b>	161.10	123.50	129.15	1,54,69,502	161.10	123.10	129.00	16,77,72,624	2.56	2.00	2.06
<b>February-15</b>	161.70	139.55	153.05	1,32,99,452	161.80	139.50	152.85	14,81,86,996	2.63	2.34	2.51
<b>January-15</b>	161.95	137.90	139.80	2,20,45,446	161.95	137.75	139.70	16,93,69,980	2.54	2.24	2.25
<b>December-14</b>	175.10	138.80	157.70	1,84,77,030	175.10	138.80	157.55	18,18,20,358	2.77	2.27	2.50
<b>November-14</b>	176.40	149.60	173.90	1,63,86,862	176.60	149.60	174.05	18,84,12,323	2.83	2.45	2.80
<b>October-14</b>	164.10	138.40	163.20	1,41,14,731	164.45	138.15	163.70	18,49,66,142	2.66	2.27	2.66
<b>September-14</b>	178.95	139.60	156.80	1,95,39,138	178.95	133.05	156.75	23,06,42,746	2.91	2.33	2.53
<b>August-14</b>	196.45	158.00	170.10	1,93,57,910	196.70	157.70	170.10	21,13,99,167	3.21	2.72	2.81
<b>July-14</b>	198.70	165.25	191.60	2,59,11,268	198.90	165.00	191.70	27,47,18,114	3.30	2.66	3.16
<b>June-14</b>	174.00	146.65	164.10	2,80,63,995	174.00	146.35	164.20	27,20,22,016	2.92	2.51	2.73
<b>May-14</b>	163.55	130.00	147.70	2,54,02,773	163.65	129.85	148.00	25,24,98,462	2.72	2.19	2.50
<b>April-14</b>	147.00	126.40	134.70	1,36,63,789	147.20	126.40	134.30	13,93,64,878	2.38	2.04	2.23

## 11. Stock Performance:



12. Stock Performance over the past few years:

Absolute Returns (in %)			
	1YR	3YR	5YR
Hindalco	-9.0	-0.3	-28.8
SENSEX	24.9	60.6	59.5
NIFTY	26.7	60.3	61.8

Annualised Returns (in %)			
	1YR	3YR	5YR
Hindalco	-9.0	-0.1	-6.6
SENSEX	24.9	17.1	9.8
NIFTY	26.7	17.0	10.1

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

**Investors Service Department**

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

14. Share Transfer System : Share transfer in physical form are registered and returned within a period of 15 days of receipt, provided the documents are clear in all respects. Officers of the Company have been authorized to approve transfers up to 10,000 Shares in physical form under one transfer deed and one Director of the Company has been authorized to approve the transfers exceeding 10,000 shares under one transfer deed. The total number of shares transferred in the physical form during the year was 3,58,359.

Transfer Period (In days)	2014-15		
	No. of Transfers	%	No. of Shares
1-10	491	98.59	3,55,605
11-15	7	1.41	2,754
15 and above	0	0	0
<b>Total</b>	<b>498</b>	<b>100</b>	<b>3,58,359</b>

15. Investor Services

- a. Complaints received during the year:

Nature of complaints	2014-15		2013-2014	
	Received	Cleared	Received	Cleared
Relating to Transfers, Transmissions Dividend, Interest, Redemption, Demat – Remat, Rights Issue and Change of Address etc.	19	17*	43	45

\*Note : In the last quarter two complaints were pending due to non receipt of demand draft from bank towards dividend payment which were resolved in April 2015.

- b. Shares pending for transfer : Nil

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

No of equity Share held	2015			
	No of Share Holders	% of share holders	No of Shares held	% share holding
1-1000	3,14,393	92.84	5,03,77,775	2.44
1001-2000	10,894	3.22	1,60,92,518	0.78
2001-5000	7,690	2.27	2,45,22,585	1.19
5001-10000	2,939	0.87	2,09,98,566	1.02
10001-50000	2,065	0.61	4,09,16,697	1.98
50001-100000	204	0.06	1,43,46,438	0.69
100001 and above	470	0.13	1,89,77,25,803	91.90
<b>Total</b>	<b>3,38,655</b>	<b>100.00</b>	<b>2,06,49,80,382</b>	<b>100.00</b>

17. Dematerialisation of Shares and Liquidity : Around 98% of outstanding shares have been dematerialized. Trading in Hindalco Shares is permitted only in the dematerialized form from 5th April, 1999 as per notification issued by The Securities and Exchange Board of India.
18. Details on use of public funds obtained in 3 yrs : Not Applicable
19. Outstanding GDR/Warrants/Convertible Bonds : 15,94,30,288 GDRs are outstanding as on 31st March, 2015. Each GDR represents one underlying equity share.

20. Plant Locations:

ALUMINIUM & POWER		COPPER
<b>Renukoot Plant*</b> P.O. Renukoot -231217 Dist: Sonebhadra, Uttar Pradesh Tel: (05446) 252077-9 Fax: (05446) 252107/426	<b>Kathautia Coal Mine</b> Kathautia Open Cast Coal Mine (Koccm) Village-Kathautia, P.O.-Naudihia PS,-Pandwa, Dist: Palamau Jharkhand-822123	<b>Birla Copper Division</b> P. O. Dahej Lakhigam Dist: Bharuch – 392 130, Gujarat Tel: (02641) 256004/06, 251009 Fax: (02641) 251002
<b>Renusagar Power Division</b> P. O. Renusagar Dist. Sonebhadra, Uttar Pradesh Tel: (05446)277161-3/278592-5 Fax: (05446) 277164	<b>Dumri Coal Mine</b> 103, Commerce Tower Near Mahavir Tower, Main Road Ranchi-834001 Tel: (0651) 2330944/48 Fax: (0651) 2330782	<b>SHEET, FOIL, WHEEL, PACKAGING &amp; EXTRUSIONS</b> <b>Belur Sheet</b> 39, Grand Trunk Road Belurmth 711 202 Dist: Howrah, West Bengal Tel: (033) 2654 7210/12 Fax: (033) 2654 9982/5740
<b>Hirakud Smelter</b> Hirakud 768 016 Dist: Sambalpur, Odisha Tel: (0663) 2481307/1452 Fax: (0663) 2481356	<b>CHEMICALS</b> <b>Muri Alumina</b> Post Chotamuri-835 101 Dist: Ranchi Jharkhand Phone: (06522) 244253/334 Fax: (06522) 244342	<b>Taloja Sheet</b> Plot 2, MIDC Industrial Area Taloja A.V. Dist: Raigad Navi Mumbai - 410 208 Maharashtra Tel: (022) 2741 2261, 66292929 Fax: (022) 2741 2430/31
<b>Hirakud Power</b> Post Box No.12 Hirakud 768 016 Dist: Sambalpur, Odisha Tel: (0663) 2481307 Fax: (0663) 2481342/365-2541642	<b>Belgaum Alumina</b> Village Yamanapur Belgaum 590 010 Karnataka Tel: (0831) 2472716 Fax: (0831) 2472728	<b>Alupuram Extrusions</b> Alupuram, P.B. No.30 Kalamassery-683 104 Dist: Ernakulam Kerala Tel: (0484) 2532441-48 Fax: (0484) 2532468
<b>Mahan Aluminium</b> Hindalco Industries Ltd. NH-75-E, Singrauli, Sidhi Road, P.O., Bargawan, Pin-486886, Dist: Singaruli, M.P. Telephone No. 07805281014	<b>MINES</b> <b>Chandgad Mines</b> At Post: Chandgad 416509 Dist: Kolhapur Maharashtra Tel/Fax: (02320) 213342	<b>Mouda Unit</b> Village Dahali Ramtek Road Mouda Nagpur-441 104 Tel: (07115) 660777/786
<b>Aditya Aluminium</b> Hindalco Industries Ltd. Lapanga, Dist Sambalpur - 768212 Odisha Phone: 0663-2114424 Fax: 0663-2590434	<b>Durgmanwadi Mines</b> At Post Radhanagri Dist: Kolhapur Maharashtra - 416 212 Tel: (02321) 2371008 Fax: (02321) 237478	<b>Hirakud FRP</b> Hindalco Industries Limited Hirakud-768016 Dist- Sambhalpur Odisha Tel: (0663) 6625000 Fax No.(0663) 2481344
<b>Gare Palma IV/4 Coal Mine</b> Gare Palma IV/4 Coal Mine Post-Milupara, Tehsil-Tammar, Dist.- Raigarh-496001 (CG) (Chhattisgarh)-496107	<b>Lohardaga Mines</b> Dist: Lohardaga 835 302 Jharkhand Tel/ Fax: (06526) 224112	
<b>Gare Palma IV/5 Coal Mine</b> Gare Palma IV/5 Underground Coal Mines Village & Post-Milupara Tehsil-Tamnar, Dist: Raigarh (Chhattisgarh)-496107	<b>Samari Mines</b> P.O: Kusumi 497222 Dist : Sarguja, Chattisgarh Tel/Fax: (07778)274325	

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

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

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

Category of Shareholders	2015				2014			
	No of Share Holders	% of share holders	No of Shares held	% share holding	No of Share Holders	% of share holders	No of Shares held	% share holding
Promoters	19	0.01	76,37,97,188	36.99	19	0.00	76,37,97,188	36.99
Mutual Funds & UTI	118	0.03	2,19,21,215	1.06	98	0.03	1,24,80,624	0.60
Banks/ Financial Institutions/Ins/Govt	109	0.03	25,92,06,345	12.55	123	0.03	28,53,76,799	13.83
FII's	467	0.14	57,42,32,113	27.81	430	0.12	55,54,95,399	26.91
Corporates	3,093	0.91	8,70,36,975	4.21	3,206	0.89	7,76,87,584	3.76
Individuals/Shares In Transit/Trust	3,27,569	96.73	15,61,68,089	7.56	3,50,279	96.85	16,46,34,378	7.97
NRI's/ OCB's/Foreign Nationals	7279	2.15	4,31,88,169	2.09	7,530	2.08	4,29,77,895	2.08
GDRs*	1	0.00	15,94,30,288	7.73	1	0.00	16,21,38,001	7.86
<b>Total</b>	<b>3,38,655</b>	<b>100.00</b>	<b>2,06,49,80,382</b>	<b>100.00</b>	<b>3,61,686</b>	<b>100.00</b>	<b>2,06,45,87,868</b>	<b>100.00</b>

23. Per share data:

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Net Earnings (₹ in Crore)	925	1,413	1,699	2,237	2,137
Cash Earnings (₹ in Crore)	1,762	2,236	2,403	2,927	2,824
EPS (₹)	4.48	7.09	8.88	11.69	11.17
CEPS (₹)	8.53	11.20	12.55	15.29	14.76
Dividend per share (₹)	1.00@	1.00	1.40	1.55	1.50
Dividend pay out (%)	26.59@	14.70	17.60	15.0	15.60
Book Value per share (₹)	180.41	177.92	177.44	167.31	155.14
Price to earning (x)*	28.83	20.0	10.30	11.10	18.70
Price to cash earning (x)*	15.14	12.70	7.30	8.50	14.20
Price to Book Value (x)*	0.72	0.80	0.50	0.80	1.30

\*Stock Prices as on 31st March.

@ proposed dividend

## 24. OTHER USEFUL INFORMATION FOR SHAREHOLDERS

Shareholders who have not yet encashed their dividend warrants for the years 2008-2009 to 2013-2014 may approach the Company for revalidation / issue of duplicate dividend warrant quoting reference of their Ledger Folio numbers / DP & Client ID.

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

The Unclaimed dividend for the financial year 2007-2008 for Equity and 6% Cumulative Redeemable Preference Shares is being transferred by the Company to the Investor Education & Protection Fund constituted by the Central Government under Section 205C of the Companies Act, 1956.

Shareholders are advised that dividends for the financial year ended 2008-2009 onwards which remains unpaid/unclaimed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under Section 205C of the Companies Act, 1956. Shareholders who have not claimed the dividend for this period are requested to lodge their claim with the Company, as under the amended provisions of Section 205B of the Act, no claim shall lay for the unclaimed dividends from IEPF by the Members.

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

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

Date of Declaration	Financial Year of Dividend	Due date of transfer to the Government
14th March, 2009 (Dividend and Redemption on Preference Shares)	2008-09	May, 2016
18th September, 2009	2008-09	October, 2016
3rd September, 2010	2009-10	October, 2017
23rd September, 2011	2010-11	October, 2018
11th September, 2012	2011-12	October, 2019
10th September, 2013	2012-13	October, 2020
24th September, 2014	2013-14	October, 2021

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

As per Section 136 of Companies Act, 2013 with regard to right of member to copies of audited financial statements listed companies have an option to send the Annual Report to the members:

- By electronic mode whose shares are held in demat format and whose e-mail addresses are registered with the Depository Participant.
- By electronic mode whose shares are held in physical format and who have given written positive consent for receiving documents in electronic mode.
- By dispatch of physical copies as per Section 20 of the Companies Act, 2013

Your Company shall therefore send the Annual Report and other documents to its shareholders in electronic form at the e-mail address provided by them and made available to us by the Depositories. For members who have not registered their e-mail addresses, physical copies are being sent by permitted mode. Such members holding shares in physical mode are requested to register their e-mail IDs with the Company and members holding shares in demat mode are requested to register their IDs with their respective Depository Participants (DPs).

### Unclaimed Shares in Physical Form

As per Clause 5A II of the Listing Agreement, the Company has sent three remainders to the shareholders whose share certificates are lying unclaimed. Disclosure pursuant to Clause 5A II of the Listing Agreement:

- Aggregate number of shareholders and outstanding shares lying in the Unclaimed Suspense Account as on 1st April, 2014 : 4,210 shareholder 13,27,690 equity shares of the Company.
- Number of shareholders who approached the issuer for transfer of shares from Unclaimed Suspense Account during the year : 36 shareholders holding 18,368 equity shares of the Company.
- Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year : 36 shareholders holding 18,368 equity shares of the Company.
- Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31st March, 2015 : 4174 shareholders holding 13,09,322 equity shares of the Company.

### INVESTOR SERVICES

- i. Equity Shares of the Company are under compulsory demat trading by all investors, with effect from 5th April, 1999. Considering the advantages of scrip less trading, shareholders are requested to consider dematerialization of their shareholding so as to avoid inconvenience in future.
- ii. Shareholders/Beneficial Owners are requested to quote their Folio No./DP & Client ID Nos., as the case may be, in all correspondence with the Company. All correspondences regarding shares & debentures of the Company should be addressed to the Investor Service Department of the Company at Ahura Centre, 1st Floor, 'B' Wing, Mahakali Caves Road, Andheri (East), Mumbai- 400 093 and not to any other office(s) of the Company.
- iii. Shareholders holding shares in physical form are requested to notify to the Company, change in their address/ Pin Code number and Bank Account details promptly by written request under the signatures of sole / first joint holder. Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc. directly to their DP.
- iv. To prevent fraudulent encashment of dividend warrants, members are requested to provide their Bank Account Details (if not provided earlier) to the Company (if shares are held in physical form) or to DP (if shares are held in demat form), as the case may be, for printing of the same on their dividend warrants.
- v. Non-resident members are requested to immediately notify:-
  - o change in their residential status on return to India for permanent settlement;
  - o Particulars of their NRE Bank Account with a bank in India, if not furnished earlier.
- vi. In case of loss/misplacement of share certificate, investors should immediately lodge a FIR/Complaint with the police and inform to Company along with original or certified copy of FIR/acknowledged copy of the complaint.
- vii. For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. wherever applicable registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.  
 Further please note that Securities and Exchange Board of India(SEBI),vide its Circular No MRD/DoP/ Cir-05/2009 dated 20th May 2009, has made it mandatory for the transferee(s) to furnish the copy of the PAN Card to the Company for registration of physical transfer of shares.  
 Investors therefore are requested to furnish the self attested copy of PAN card at the time of sending the physical transfer of shares.
- viii. Shareholders are requested to keep record of their specimen signature before lodgment of shares with the Company to obviate possibility of difference in signature at a later date.
- ix. Shareholders(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificates in the same name under different Ledger Folio(s) are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.
- x. Shareholders are requested to give us their valuable suggestions for improvement of our investor services.
- xi. Shareholders are requested to quote their E-mail Ids, Telephone/Fax numbers for prompt reply to their communication.

*“The major attributes of our operations at Hindalco and its ongoing journey of success revolve around people, environment, safety and inclusive growth. Few organisations can boast of the calibre of people as we have at Hindalco. Environmental practices far beyond compliance have been an integral part of our philosophy.*

*At Hindalco, various sustainability initiatives include energy optimization, water conservation, social forestry, recycling of waste material as well as safety. We have instituted a governance structure to monitor various sustainability aspects of our operations.*

*As a Group, we endeavour to become the leading Indian conglomerate for sustainable business practices across our global operations by 2017, given our synergizing growth with responsibility”.*

— Kumar Mangalam Birla,  
Chairman, Aditya Birla Group

### Growth and sustainability: Hindalco’s blueprint for sustainability

*Mr. D. Bhattacharya, Managing Director, Hindalco, outlines sustainability practices at the company.....*

*As a global metals business working across the aluminium and copper value chains with operations in 13 countries, sustainability is at the very core of Hindalco’s operations.*

*The span and width of Hindalco’s operations necessitate a holistic and well-rounded approach to sustainability that encompasses a variety of areas, like sustainable mining practices, energy conservation, recycling, environment-friendly disposal of industrial wastes, safety practices, socio-economic development of the communities around us and empowerment of our employees.*

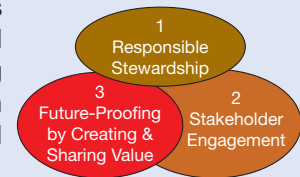
Environment Protection is extremely important for Hindalco and we strive towards minimization of our impact on environment, and we understand the intrinsic linkage between economic growth and environment protection.

Based on ABG Sustainability Model, we have developed policies, roadmap and implementation plans, for sustainable development of business and has projects in pipeline for minimizing environmental impact during manufacturing, as well as minimizing the environmental impact in applications of our products to ensure long term environmental sustainability of the business.

During 2014-15, steps have been taken to improve our practices in the areas of environmental compliance, water, emission and effluent management, improved waste management and to initiate development of technologies for creation of value from waste.

### Hindalco Sustainability Vision

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



### Hindalco Sustainability Vision and Policy

#### Hindalco Sustainability Policy

We, at Hindalco Industries Limited, operating across the process chain from mining to semi-fabricated products in non-ferrous metals, will strive for excellence in sustainable processes, products and practices to create long term value for all our stakeholders, while conserving resources, protecting environment, nurturing our people and enhancing societal wellbeing.

Policy Specifies:

- Continue to have a strong Governance Structure
- Comply with all applicable legislations, regulations and codes of practices
- Integrate Sustainability considerations into all our business decisions
- Seek to minimize the impact on Environment & Society by reduction of our Carbon Footprint and conservation of key resources, while operating our Business
- Promote principles of waste prevention, reduction, reuse, recycling and recovery to minimize

waste generation and strengthen practices for management of wastes

- Continue to improve health & safety of workforce and will establish “Zero Harm” culture within our business
- Involve our local communities and stakeholders and engage with them to ensure that any impacts are identified and managed effectively

### **Enablers**

#### **Environment Management System**

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

Most of your company’s manufacturing sites operate management systems certified as compliant to ISO-9001:2008 (QMS), ISO-14001:2004 (EMS) and OHSAS-18001:2007 (OHS). Plant level environment management personnel work in close coordination with our corporate environmental management team and our corporate legal monitoring department to ensure implementation of pollution prevention measures and compliance with all applicable regulatory requirements. In 2013-14, the design, development and implementation of an Integrated Management System covering environmental (and quality) performance has been completed HIRAKUD FRP Facility: and work is in progress at Mahan Aluminium Operations and Aditya Aluminium Operations.

We have commenced implementation of ABG initiated Enablon – Sustainability Information Management System in Hindalco. As a first step, we have rolled out “Incident management System Module”.

### **Responsible Stewardship**

#### **Resource Conservation – Water**

In all our Operating Plants, Water Conservation (Reduction of Fresh Water Consumption and achievement of ZLD) continues to be one of the focus areas. Various actions have been taken across Hindalco Plants towards reduction of water consumption and efficient recycling of treated water.

At **Belgaum Alumina Plant**, the process wastewater from the plant is channelized into the lined pond having a capacity of 6.6 Lakh m<sup>3</sup>. Also, the storm water is harvested into this pond. The pond acts as a natural water harvesting and settling tank. The water from this pond is then reused in the plant. Quantity of water reused in 2014-15 was 1329 KLD as compared to 687 KLD in 2013-14. Through In-house projects, fresh water consumption was reduced to the tune of 14000 m<sup>3</sup>/month.

**Birla Copper** is operating a reverse osmosis plant with capacity of 4400 M<sup>3</sup>/day to treat the process water from cooling tower and a portion of streams from effluent treatment plant.

**Hirakud FRP Plant** has well maintained ETP, STP and RO Plants. We have adapted recycling of treated water from the effluent treatment plant to Coils and sheets production process, and the treated outlet water from STP used for gardening and also toilet flushing.



In **Durgmanwadi Mines**, 4 Nos. Water harvesting ponds are developed in the mined out areas. As the mine plateau is on high elevation, the water accumulated in mined out area mostly percolates down to the nearby water sources and recharge the surrounding wells. In addition, the above ponds also serve as a water reservoir to cater the water requirement of dust suppression and for plantation.



In **Hirakud Complex**, we have upgraded STP in the main colony from 300 KLD to 400 KLD & have put up a new 300 KLD STP for the CPP colony.

All our Power Plants, Alumina Refinery and Smelter Units have initiated installation of Online Continuous Effluent Monitoring Systems

### Air Emission

During 2014-15, Belgaum Plant started using Natural Gas (in place of Furnace Oil) as Fuel in the Calciners. In addition to reduction of Sulphur Dioxide Emission to the tune of 30 %, improvement in product quality was also achieved.

In Renukoot, Updated fuel-efficient and particulate matter reduction technology (advanced ESP's) have been installed in Calciners and Boilers with Co-generation facilities. FTP and WSS system are installed at Baking Furnaces. Microprocessor based controls and Advance Dry Scrubbing System installed in all our pot lines ensure less emission and energy.

Hirakud Plant completed installation of the online stack emission monitoring in FTP-4 stack attached to the 235kA Pot line. Also, state-of-the art online laser based fugitive measurement system has also been commissioned in the 235kA line.

### Waste Management

Muri Plant adopted new pressure filter technology for Red Mud filtration which has helped in reducing soda content in red mud and improving the life of Red Mud Pond. Also, New Technology of Gabion wall around the Red Mud pond has been adopted to enhance the life of the existing Red Mud pond with safe and environment friendly manner. This has been duly approved by SPCB for implementation. The technology is recommended by CBRI Roorkee.

**Belgaum Plant, 2014-15**, dispatched ~1,66,000Tonn of Red mud for use in cement industries.

**Renukoot Plant** continued to supply approx.35000 MT per annum of Red Mud to Cement Industries.

Our Copper Plant continued to find alternate use for the wastes like phosphogypsum, copper slag and fly ash.

**Taloja, Renukoot, Hirakud FRP and Mouda Plants** continued to use In-house Vacuum Distillation facility for recycling of maximum amount of used Aluminium Rolling Oil.



### Green Belt Development

Green belt development and ensuring good survival rate continued to be one of important activity for ensuring quality of air in our various manufacturing sites, and in the colonies.

**Copper Plant** green belt is sprawling over 117.4 Ha and nurtured with 3,36,467 trees.

To further strengthen greenery at **Renukoot**, we have identified red mud filled site of approx 20500 m2 area for green belt development. Land has been developed by mixing of ash and natural soil & plantation job is in progress.

At **Hirakud**, we have developed our own nursery in around 2 acres of land. This nursery is named as “Nandan Vihar” and located near the main entrance gate of Riverside colony. This nursery is equipped for tending to 2 lakh saplings in a year. These saplings can be used for our forestation activities as well as for free distribution to the peripheral villages. In 2014-15, we have planted over 20,000 saplings to provide a green belt around the plant.



**Muri Plant** - Approx 3000 Samplings of Seesham, Neem, Ashok, Saagwan, Gulmohar and 2000 saplings of rose have been Planted outside and inside of plant. A dedicated water line of about 450 m length has been installed to use PSF backwash water for watering plants.

In the abandoned Residual waste disposal area (RWDA-2), we have developed a rose garden along with saplings of Tulsi.

The green belt developed in the abandoned area acts as a medium of filter of pollutants, improves the quality of air and the aesthetic beauty of the surrounding area.

### Stakeholder Engagement

For the Fourth Successive Year, your Company has released its Annual Sustainability Report covering the Hindalco India operations and Greenfield projects, along with the overseas subsidiaries, viz. Aditya Birla Minerals (Australia) and Novelis. The report for 2013-

14 titled 'Steering Sustainability' was awarded GRI 3.1 "A+" (Global Reporting Initiative) rating following an assurance audit by an external independent assurance agency. More details on your company's sustainability performance & plans are available in Hindalco's Sustainability Report for 2013-14 on the company's website.

In 2014-15, your company continued to declare Energy Consumption and Carbon-Footprint covering all its Indian operations for scope - 1 & 2. This internal report

is now in its fifth year. Actions are being implemented to reduce CO2 Footprint.

Your company has identified the Materiality Issues related to Indian operations and planned necessary actions.

We are in the process of initialling an interaction process with our various stakeholders on Sustainability aspects.

Your Board and Management teams across all the operations remain committed to a sustainable future.

## Our Vision:

*"Towards inclusive growth, we truly practice compassionate capitalism. Service to society, is at the very heart, of our value system. We do so with a sense of purpose. This is manifest in the various CSR projects that we run, providing the less fortunate strata of society with education, healthcare, sustainable livelihood and infrastructure support. We at the Aditya Birla Group collectively, work in 5,000 villages, reach out to 7.5 million people and our CSR spends at the Group level exceed the 2% norm".*

**— Mrs. Rajashree Birla,**

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

Hindalco's community engagement spans 629 villages and 35 urban slums. Our CSR work is in proximity to our 14 manufacturing units across 10 states in India. We reach out to a rural population of 10.97 lakhs at Belur in West Bengal, Hirakud and Lapanga in Odisha, Renukoot and Renusagar in Uttar Pradesh, Muri in Jharkhand, Singrauli in Madhya Pradesh, Dahej in Gujarat, Talaja and Mouda in Maharashtra, Belgaum in Karnataka, Alupuram in Kerala and our mines at Lohardaga in Jharkhand, Samri in Chhattisgarh and Durgamwadi in Maharashtra.

### Health Care

We organised 1,439 medical camps inclusive of family welfare camps, reaching out to 1,46,804 villagers. They were examined for ailments such as malaria, filaria, diarrhoea, diabetes, hepatitis, arthritis, skin diseases and gynaecological disorders. They were also checked for cardiac related issues.

At these camps 140 patients underwent surgeries. We treated 1,245 patients afflicted with chronic ailments, inclusive of pathological tests and x-rays at Renukoot and Renusagar.

At Eye camps, 9,424 persons with ophthalmic problems were treated. Of these 1,389 patients underwent cataract surgery at Lohardaga, Renukoot, Belgaum, Muri, Hirakud and Dahej.

At two medical camps organised at Renukoot, 437 differently abled persons received care and treatment and 50 were supported with tricycles. At dental check-up camps at Renukoot, Renusagar and Belgaum 2,006 persons received treatment.

In Renukoot and Lohardaga, over 1,513 patients were diagnosed with tuberculosis and registered under directly observed treatment (DOT). They were treated at the 10 designated microscopic centres (DMC). These include the Hindalco family welfare centre and

The Aditya Birla Rural Technology Park, Muirpur and 3 Arogyam Hospitals at Pakhar, Shrengdag and Gurdari designated microscopic centres (DMC) along with the Rajendra Hospital, Lohardaga.

At the 21 camps in Singrauli, Talaja, Belgaum, Lohardaga, Samri, Renusagar and Renukoot on STD/RTI and AIDS awareness, 3,951 persons underwent tests and many were given treatment in line with the diagnosis.

At Muri, we launched the 'Jeevan Mitra Sewa Yojana'. Under this project, we have allocated 14 ambulances for use in emergencies. So far 6,542 patients from the villages have availed of this service.

Our hospitals and dispensaries at plant locations in remote areas of the country tended to 1,95,814 villagers for various health related problems and surgeries as well, at Renukoot, Renusagar, Hirakud, Talaja, Lapanga, Belgaum, Dahej, Lohardaga, Samri and Durgamwadi.

### Mother and Child Health Care:



In collaboration with the District Health Department, over 2,28,074 children were administered polio drops. More than 8,484 children were immunised against

BCG, DPT and hepatitis B across your company's units. Additionally, 32,300 children were treated at the OPDs of our family welfare centres and rural hospitals at Renukoot, Renusagar, Lohardaga and Samri.

More than 4,225 women participated in 125 camps on anti-natal, post natal care, mass immunisation, nutrition and escort services for institutional delivery. These camps organised at Renukoot, Renusagar, Lohardaga, Samri, Lapanga, Taloja, Belur and Belgaum, form part of our reproductive and child health care programmes.

At Anaemia Detection and Treatment camps in Kanyashrams, Govt. Girls High Schools and Kasturba Gandhi Balika Vidyalayas, 1,503 girls participated.

As a result of our intensive motivational drive towards responsible family raising, 242 villagers opted for planned families at Renukoot, Lohardaga and Samri.

To support the cause of rural homemakers and to reduce the burden of pulmonary diseases, 50 low-smoke fuel efficient wood stoves were distributed at Renukoot.

#### Education:

We run 43 balwadis at Renukoot, Renusagar, Lohardaga, Samri, Durgamwadi, Belgaum and Singrauli. Through these, we have reached out to 1,213 students from underprivileged families. We extend support to 51 Anganwadis at Samri, Belur, Hirakud, Alupuram, Durgamwadi and Lohardaga where 1,408 children are enrolled.

We are working with 49 malnourished children from our Anganwadis and providing special nutritional support to them besides health check-ups.

At our 10 Aditya Birla public schools at Renukoot, Renusagar, Dahej and Muri, we have enrolled 5,922 rural students and 1,358 students in our 10 Aditya Birla Vidya Mandirs at Renukoot, Lohardaga and Samri.



At Renukoot Lohardaga and Singrauli, we have tied up with 128 primary schools under the Sarva Siksha Abhiyan (SSA) initiatives. Over 3,874 students in these schools have received technical support, study materials, school bags and uniform.

To support quality education, we have provided 95 teachers to 64 primary schools in the Sonbhadra district in U.P., Sambalpur in Odisha, Bharuch in Gujarat, Lohardaga, Gumla and Latehar districts of Jharkhand, and Singrauli district in MP.

Under the 'Shala Praveshotsav' programme, 14,212 students from grade 1st to 8th in 80 schools of Bharuch district in Gujarat and 25 Schools of Balrampur district in Chhattisgarh, were given notebooks, practice books, slates, school bags etc.

At Dahej, we have bolstered the 'Kanya Kelavni' Programme with 100 girl students given 'Vidya Laxmi Bonds' of Rs.1,000 each. At Singrauli, 100 girl students of class XI were given "Mahan Jyoti scholarship" of Rs. 1000 each.

We sponsored 69 students from Belgaum, Lohardaga and Dahej to the ITIs for semi-skilled job oriented training. Merit scholarships were given to 2,485 students of 87 schools at 11 of our units.

To address the issues of school dropouts, we organised 'meet the parent' events every month at Hirakud, Singrauli, Belgaum and Renukoot. Through this process we managed to bring 2,385 students back to school.

In Durgamwadi, Singrauli, Dahej, Lohardaga and Samri mines, where dropout rates among secondary level girl students is high, we provide bus services for them to continue their education.

At Dahej we have distributed bicycles to Grade VIII girls who commute from far flung areas to the school. So far we have distributed 300 bicycles.

At Renukoot, Renusagar, Belur, Muri, Singrauli, Durgamwadi and Taloja we organised 6-monthly computer literacy programmes. These benefitted 534 rural boys and helped to enhance their skills on various operating systems for self-development.

At Durgamwadi, Singrauli, Renukoot, Lohardaga, Dahej and Belur career counselling camps were organised, in which 10,142 aspiring students participated.

In our 43 adult literacy programmes at Muri, Belgaum, Renusagar, Singrauli, Lapanga and Belur 1,138 adults have enrolled.

"Kishore-Kishori" clubs are being run through 30 centers at 30 villages in Muri. Up until now, 1046 village

youths have received formal training on personality development, leadership, communication etc.

At Renukoot, Renusagar, Lohardaga and Samri, we organised value promotion camps/awareness drives on knowledge, attitude, and practices for the rural youth on vocational training opportunities and job prospects in the area. At these sessions of the 11,978 youths, 495 youngsters were facilitated to join vocational training courses.

#### **Sustainable Livelihood:**

On the agricultural front, we have helped farmers earn better through training programmes on advance cropping techniques and other processes to improve yield. 27140 farmers at Muri, Dahej, Singrauli, Lapanga, Renukoot, Renusagar and Lohardaga, participated in training programmes.



More than 10,406 farmers were given agricultural tools, seeds, fertilisers and insecticides during the agriculture support programmes organised at Renukoot, Renusagar, Singrauli and Lohardaga.

Agricultural farmland levelling, trench digging and construction of check dams at Renukoot and Renusagar benefitted 15,623 farmers. Additionally 250 farmers were supported with lift and drip irrigation facilities in villages at Renukoot, Singrauli and Lohardaga mines.

At Renukoot and Hirakud, we have developed 16 Vermi compost tanks, manure from which is given to the famers.

Additionally, through our farmer support initiatives, we immunised 54,553 animals at veterinary camps held at Renukoot, Renusagar, Lohardaga, Samri, Belgaum, Durgamwadi and Singrauli.

#### **Safe Drinking Water and Sanitation:**

This year we have installed 61 new hand pumps, repaired 323 hand pumps and dug 63 wells. Consequently, more than 1,10,225 villagers and

12,000 ward residents have access to safe drinking water at Muri, Dahej, Doraguda, Hirakud, Renukoot and Alupuram. We are running a drinking water project in collaboration with other Industries in Eloor Municipality, reaching out to 12,000 families.

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

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

#### **Vocational Training**

Vocational Skills Training was accorded to 2,681 youngsters at Renukoot, Renusagar, Lohardaga, Muri, Hirakud, Singrauli, Belgaum and Dahej. Alongside awareness about 533 potential income generation programmes was shared with 8,789 people at camps across our units.

At Muri a training programme on Lac cultivation, at the Indian Lac Research Institute, Namkum, Ranchi, 3,500 people from the nearby villages were trained. Today all of them are self-employed.

At Renukoot, Renusagar, Lohardaga and Samri, we have set up nurseries. From these 91,447 saplings were distributed among the villagers at Renukoot, Renusagar, Lohardaga, Hirakud, Singrauli, Lapanga, Taloja, Durgamwadi and Alupuram.

Towards rainwater harvesting, 39 camps were held at Renukoot, Renusagar, Lohardaga and Samri. Over 1,500 villagers were trained in groundwater recharge and retention through technology.

#### **Self Help Group (SHG):**

Over 21,190 women members from 7,269 Self Help Groups were imparted training in various income generation activities, maintenance of book of accounts and skill development. These SHG members are now engaged in activities like tailoring, weaving, knitting, basket making, vermin composting pit, rearing saplings, pickles and spices, papad making, beauty parlour, vegetable vending, grocery shops and other industrial consumables. This year, we formed 79 new SHGs.

The Yashaswini Women SHG, Kanbargi has become self-sustainable. They make cotton bags and undertake textile embroidery. The Veerrani Chennamma Women SHG, Kakati are progressing in the production home decor material. The Laxmi Mahila Mandal, Muttenthatti is getting repeated orders for their Rexene bags from the local market.

We organized a paper packet making training programme for SHG members of Shravani at Hirakud.

At Muri, we have trained 15 boys in cobblery. All of whom are now self-employed and cater to the footwear needs of Hindalco Muri and other nearby areas as well.

We have linked 49 SHGs with Banks. One of our 12 member SHGs named "Pawan Samuah" at Renukoot began making snacks such as Baddi and Papad on a large scale after we helped them secure a bank loan of Rs.50,000/-. The locals relish these snacks as we do too at our Renukoot unit.

Ganga Dugdha Utpadan Maryadit Sahakari Samiti, Orgari at Singrauli, a dairy cooperative has proved highly beneficial for its 228 members as the supply of milk has gone up to 350 litres.

#### Infrastructure Development:

Our activities here are varied. We have helped the local population by building check dams, bore wells, water harvesting structures, and approach roads, internal concrete roads in villages, drainage systems, river steps and maintaining bathing ghats. Alongside we have constructed additional classrooms, repaired school buildings, and erected boundary walls, maintained play grounds and health centres, as also built community halls. Through our interventions, we have reached out to 3,56,050 people across all our units.

We have constructed 16 biogas plants at Singrauli.

At Renukoot and Renusagar we have facilitated the electrification of 6 villages benefitting 4,500 inhabitants. In addition, we have provided 27 solar street lights in Renukoot, 5 solar lights at Samri, 7 lights at Taloja and 3 in Lohardaga. We have also distributed 1,143 solar lamps to individual beneficiaries at Muri, Renukoot and Lohardaga.

#### Espousing Social Causes:

To bring in social reform through attitudinal changes, we work with communities. These include advocacy against child labour, illiteracy, child marriages, the marginalisation and abuse of the girl child and women, drunken behaviour, maintaining poor hygiene and so on. We also promote rural sports, cultural programmes and celebration of national events/days in the area. This year our programmes reached out to 2,69,836 people.

#### Accolades/Awards received:

In recognition of the work done among communities across geographies, we received:

**The 4th Annual Greentech CSR Award - 2014** (Silver Category) was conferred upon three of our units –

- **Birla Copper** for "Education Upliftment" in the 85 Govt. Schools of Vagra tehsil in Bharuch District of Gujarat.
- **Mahan Aluminium** for "Sustainable Livelihood"- Jeevika in 11 Villages of Singrauli district of Madhya Pradesh.
- **Hindalco Hirakud** for "Sustainable Livelihood" in 17 villages of Sambalpur district of Odisha.

Hindalco Lohardaga – received recognition from the Indian Bureau of Mines during the 22<sup>nd</sup> Mines Environment and Mineral Conservation Week.

#### OUR INVESTMENT:

For the year 2014-15, our CSR spend was Rs.32.42 crores. In addition, we mobilised Rs.84 crores through the various schemes of the Government, acting as catalysts for the community.

#### IN SUM:

Our CSR work is aimed at lifting the burden of poverty. To an extent, we have helped lower the level of poverty in the villages and the urban slums in proximity to our plants. We touched the lives of 1,12,213 people through education, 8,55,456 people through health care interventions, 1,84,730 through sustainable livelihood, 3,56,050 through rural Infrastructure and 2,69,836 through social causes. Given the magnitude of the issue, much more needs to be done, avers Mrs. Rajashree Birla.

#### Beyond Business -

##### The Aditya Birla Group is:

- Working in 5,000 villages globally. Reaching out to 7.5 million people annually through the Aditya Birla Centre for Community Initiatives and Rural Development, spearheaded by Mrs. Rajashree Birla.
- Focusing on: Health Care, Education, the Girl Child, Sustainable Livelihood, Women Empowerment Projects, Infrastructure and espousing social causes.

#### Highlights:

##### Health-care

- Over a million patients treated at 4,500 Medical Camps and our 18 hospitals.
- At the Aditya Birla Memorial Hospital in Pune 10% of the beds are for the underprivileged communities.



- The Aditya Birla Hospital at Veraval in Gujarat, also caters to the marginalised.
- More than 1,200 children have learnt to smile again as they underwent cleft lip surgery.
- We have helped immunise 22 million children against polio over the last 5 years. We are now working with Rotary International and the Government's Health Department to ensure the non-resurgence of polio.
- In our endeavours towards open defecation-free villages, we have helped set up over 8,000 toilets, partly leveraging Government schemes for the social sector.

### Education

- At our 42 Schools across India we provide quality education to 45,000 children. Of these, 18,000 students belong to the underprivileged segment and are first generation learners. On the anvil are 4 more schools. Merit Scholarships are given to 24,000 children from the interiors. Over 28,000 children in the hinterland of India are being taught conversational English to build their confidence.
- Over 2.5 lakh school children (Grade V to XII) in 18 remote areas of Madhya Pradesh and Rajasthan are being provided with solar lamps.
- We have set up the midday meal kitchen in the Keonjhar district of Odisha, facilitating the provision of midday meals to 268 schools, along with the transport facilities. Going forward in 2015-16, we will be sponsoring midday meals of 50,201 children across 200 schools, spanning Lucknow, Jaipur and Ahmedabad.

### Sustainable Livelihood

- Our Vocational Training Centres and the Aditya Birla Rural Technology Park accord training in sustainable livelihood projects to 80,000 people.
- Our 4,500 Self-Help Groups have led to the empowerment of 45,000 women.
- Working closely with Habitat for Humanity, we have so far built more than 500 houses as part of our community outreach programme, besides supporting the building of an additional 3,800 houses across India.

### Model Villages

- We are also engaged in creating model villages in rural India. We have chosen 300 villages for this transformation - whereby in a five year time frame the villages would be self-reliant in every aspect, moving out of the "below the poverty line" status. So far more than 90 villages in India's hinterland have already reached the level of model villages.

### At the macro level

- To embed CSR as a way of life in organizations, we have set up the FICCI - Aditya Birla CSR Centre for Excellence, in Delhi.
- In line with our commitment to sustainable development, we have partnered the Columbia University in establishing the Columbia Global Centre's Earth Institute in Mumbai.
- Ongoing education, healthcare and sustainable livelihood projects in Philippines, Thailand, Indonesia, Egypt, Korea and Brazil, lift thousands of people out of poverty.

We transcend the conventional boundaries of business because we care.



## DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholder,

Your Directors have pleasure in presenting the 56th Annual Report and the audited standalone and consolidated financial statements of your company for the year ended 31st March, 2015.

### FINANCIAL HIGHLIGHTS:

₹ Crore

	Standalone		Consolidated	
	FY15	FY14	FY15	FY14
<b>Revenue from Operations</b>	<b>34,525</b>	<b>27,851</b>	<b>1,04,281</b>	<b>87,695</b>
Other Income	882	1,124	1,105	1,017
<b>PBITDA</b>	<b>4,299</b>	<b>3,616</b>	<b>10,049</b>	<b>9,303</b>
Depreciation	837	823	3,591	3,553
<b>PBIT</b>	<b>3,462</b>	<b>2,793</b>	<b>6,458</b>	<b>5,751</b>
Finance Cost	1,637	712	4,178	2,702
<b>Profit before Exceptional Items and Tax</b>	<b>1,825</b>	<b>2,081</b>	<b>2,280</b>	<b>3,049</b>
Exceptional Items	578	396	1,940	396
<b>Profit before tax</b>	<b>1,247</b>	<b>1,685</b>	<b>340</b>	<b>2,653</b>
Tax Expenses	322	272	256	525
<b>Profit before Minority Interest and Share in profit/(loss) of Associates</b>	<b>925</b>	<b>1,413</b>	<b>84</b>	<b>2,128</b>
Minority Interest in Profit/ (Loss)			(596)	20
Share in Profit/(loss) of Associates			175	67
<b>Net Profit</b>	<b>925</b>	<b>1,413</b>	<b>854</b>	<b>2,175</b>
EPS (Basic) – ₹	4.48	7.09	4.14	10.91

Note: Certain descriptions and /or figures of earlier periods have been changed/regrouped to conform to current practices

The amounts proposed to be carried to reserves

Standalone Accounts:

(₹ Crore)

	As at 31/03/2015	As at 31/03/2014
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	750.00	750.00
Add: Profit for the year	925.16	1,413.33
Less: Transferred to Debenture Redemption Reserve	(150.00)	(150.00)
Less: Dividend on Equity Shares	(206.52)	(206.46)
Less: Dividend Distribution Tax	(39.29)	(0.90)
Less: Transferred to General Reserve	-	(1,055.97)
Balance as at the end of the year	1,279.35	750.00

### Dividend:

For the year ended 31st March, 2015, the Board of Directors of your Company have recommended dividend of Re. 1 per share (Previous year ₹1 per share) to equity shareholders aggregating to ₹ 246.11 crore (Previous year ₹ 241.55 Crore) including Dividend Distribution Tax.

Equity shares that may be allotted upon exercise of Options granted under the Employee Stock Option Scheme before the Book Closure for payment of dividend will rank *pari passu* with the existing shares and shall also be entitled to receive the aforesaid dividend.

### OVERVIEW AND STATE OF THE COMPANY'S AFFAIRS:

#### Standalone results

For the year ended March 31, 2015, net sales are up by 24% with Profit before depreciation, interest and tax growth at 19%.

Depreciation stood at ₹ 837 crore compared to ₹ 823 crore in the previous year, reflecting a change in the

manner of calculation of depreciation w.e.f. 1st April, 2014 by considering revised useful life of assets to bring it in line with Schedule II of the Companies Act, 2013.

The increase in Finance cost from ₹ 712 crore in FY14 to ₹ 1,637 crore in FY15 reflects the lower capitalisation of finance charges in line with progressive commissioning of facilities.

Profit before exceptional items at ₹ 1,825 crore was lower by 12% compared to FY14 resulting from higher interest.

Exceptional Items (Net) of ₹ 578 crore include:

- ₹ 563 crore towards additional levy of ₹ 295/- per MT on extracted coal for the period up to 30th September, 2014.
- ₹ 258 crore towards provision for diminution in the carrying value of investments in Aditya Birla Minerals Limited, Australia, a subsidiary of the Company.
- Reversal of ₹ 29 crore out of the liability provided for in the previous year on account of the UP Tax on Entry of Goods into Local Areas Act, 2007 (UP Entry Tax), following completion of assessment.
- Foreign exchange gain of ₹ 361 crore in connection with ₹1,394 crore received from A V Minerals (Netherlands) N. V., a wholly owned subsidiary of the Company, towards return of capital by reducing nominal value of shares.
- ₹ 147 crore liability provided towards Renewable Power Obligations (RPO) under the Electricity Act, 2003.

Net profit stood at ₹ 925 crore compared to ₹ 1,413 crore in previous year.

### Consolidated results

The Consolidated Revenue and Profit before Depreciation, Interest and Taxes grew by 19% and 8% respectively, in comparison to the last year's corresponding figures.

Net profit was lower at ₹ 854 Crore, because of higher interest cost and exceptional items. The exceptional items (in addition to items included in standalone as mentioned above) mainly relate to a sinkhole incident at one of the subsidiary companies in Australia and change in macro-economic conditions. This has resulted in the impairment of fixed assets, write down in value of inventories and expenses incurred towards restoration of operations.

### Novelis Inc. (a wholly owned subsidiary)

Revenue of Fiscal 2015 increased 14% to \$11.1 billion compared to \$9.8 billion in fiscal 2014. Revenue

growth was driven by record shipments of rolled aluminium products of 3,050 kilotonnes in fiscal year 2015. Higher average metal prices in fiscal year 2015 also contributed to the increase in revenues.

Novelis reported net income of \$148 million for fiscal year 2015, a 42% increase from \$104 million reported in fiscal 2014. Excluding certain tax-effected items, net income increased four percent to \$161 million in fiscal 2015.

Adjusted EBITDA grew 2% to \$902 million in fiscal 2015 compared to the \$885 million reported in fiscal 2014. The increase was primarily driven by higher shipments, favourable product mix due to a strategic shift to grow automotive shipments and cost benefits from using a higher percentage of recycled metal inputs. Partially offsetting these gains were higher costs associated with the start-up and support of new capacity, lower pricing in some Asian markets, as well as unfavourable foreign exchange and metal price lag.

The company reported free cash flow of \$71 million for the year, an \$87 million increase over the prior year. Novelis generated positive free cash flow for fiscal year 2015 as a result of strong operating results, lower capital spending, and structural reductions to working capital, despite volatile metal prices and higher working capital requirements as it ramped up new assets.

At the end of the fiscal 2015, the company reported liquidity of \$1.1 billion.

### Utkal Alumina International Limited (UAIL) (a wholly-owned subsidiary)

The Alumina Refinery at UAIL produced 1 million ton of Alumina in FY15 compared to 0.2 million ton in FY14. Of this, 288 kilotonnes of Alumina was exported, the balance was supplied to smelters at Hindalco. The cost of production of Alumina at UAIL is comparable to world benchmark cost of production.

UAIL reported an EBITDA of ₹ 261 crore. Its Net loss stood at ₹ 496 crore after interest charge of ₹ 519 crore and Depreciation of ₹ 238 crore.

### Aditya Birla Minerals Limited (ABML) (a 51% subsidiary)

Aditya Birla Minerals Limited, Australia reported a net loss of AUD 219.7 million in FY15 compared to AUD 0.2 million in FY14. The sinkhole incident in March 2014 resulted in a cost of approximately \$22m during the suspension period. Its Copper production volume after recommencement of operations was lower and Impairment charges of ~\$219 million had an adverse impact on the Company's financials in FY15.

The suspension of operations for more than 4.5 months in FY15 resulted in significantly lower operating performance compared to the previous year FY14. The Nifty Copper Sulphide Concentrator produced 12,698 metric tonnes of copper in concentrate as compared to 44,071 metric tonnes of contained copper the previous year, a decrease of 71%. The management is now focussed on implementation of various cost optimisation initiatives and rationalisation of capex spending.

ABML has resolved to undertake a review of the Company's strategic options with a view to maximise value for all shareholders (Strategic Review). The Strategic Review will consider corporate and operational strategies, and include a review of ownership options available to the Company.

#### **Business Reconstruction Reserve:**

The Company had formulated a scheme of financial restructuring under Sections 391 to 394 of the Companies Act 1956 ("the Scheme") between the Company and its equity shareholders approved by the High Court of judicature of Bombay to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created during the year 2008-09 by transferring balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme. Accordingly, the Company had transferred ₹ 8,647.37 crore from Securities Premium Account to BRR and till 31st March, 2014, ₹ 153.04 crore and ₹ 2,068.50 crore have been adjusted against BRR in standalone and consolidated accounts respectively. During the year, following expenses has been adjusted with BRR in both accounts:

- (a) Impairment loss of ₹ 62.29 crore (Net of deferred tax ₹ 32.97 crore) arising on deteriorating operating performance in one of its cash generating unit of Aluminium Business.
- (b) Provision of ₹ 35.00 crore towards diminution in value of investment of Mahan Coal Limited, joint venture of the Company, and Tubed Coal Mines Limited, subsidiary of the Company, made following de-allocation of coal blocks by the Hon'ble Supreme Court.

#### **CORPORATE DEVELOPMENTS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company.

The Supreme Court of India by its judgment dated 25th August, 2014 read with its Order dated 24th September, 2014 cancelled 204 coal blocks which had been allocated earlier for the purposes of mining coal for captive consumption. These include three Coal blocks allotted to your Company jointly with others, viz. Tubed Coal Block, Mahan Coal Block, Talabira II/III coal block and one Coal block allotted to your Company i.e Talabira I Coal block in Orissa. No mining activity had commenced at Tubed, Mahan and Talabira II & III Coal Blocks.

Subsequent to the Supreme Court judgment, the Central Government promulgated Ordinances dated 21st October, 2014 and 26th December, 2014 for allotment and auction of 204 coal blocks. The Ministry of Coal has also framed Rules u/s 29 of The Coal Mines (Special Provision) Ordinance, 2014 and notified on 11th December, 2014 the auction and allotment of all the above mentioned coal blocks.

Your Company participated in the e-auction conducted by the Central Government for allocation of the coal blocks and has been awarded the Gare Palma IV/4 and Gare Palma IV/5 coal mines situated in Chhattisgarh, which has about 11 Million Tonnes and about 41 Million Tonnes of coal reserve respectively, Kathautia Coal Mine in Jharkhand which has about 26 Million Tonnes of coal reserve and Dumri Coal Mine in Jharkhand which has about 46 Million Tonnes of coal reserve.

Commercial production from the mines is expected to commence in Q2 of FY16. The primary consideration for obtaining the mines is to ensure your Company's coal security.

#### **HUMAN RESOURCES:**

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

#### **RESEARCH AND DEVELOPMENT**

Your Company's Research & Development (R&D) activities are focused on providing innovative, cost-effective and sustainable solutions to support consistent growth of business.

The R&D activities of your Company include process, product and application development, to develop short term as well as long term solutions to the issues faced by nonferrous sector, such as raw material

quality, cost effective management of waste generated during processing, recovery of value from by product as well as any waste products, developing better understanding of the science of processes, reducing the specific energy consumption and carbon footprint etc. Specific programs have also been initiated to foster better understanding of the requirement of existing and prospective customers, and to provide a better service through application development, so as to increase your company's market share in the chosen market space. Technical competencies developed by your company will go a long way in terms of quick absorption of technologies, enabling pushing boundaries of our processes, so as to increase the economic performance and improve our new product/new application pipeline to address the impending market opportunities.

Your company already operates two Hindalco Innovation Centres (HIC), one HIC-Alumina at Belgaum working on R&D of bauxite, alumina and specialty alumina products, and one HIC-SemiFab located at Talaja, near Mumbai, working in the area of aluminium fabricated products. In addition, your company engages the Aditya Birla Group's corporate research and development centre, Aditya Birla Science and Technology Company Private Limited ("ABSTCPL"), for conducting R&D in select areas of work through chartered R&D projects. These are based on the domain expertise and R&D facilities available in ABSTCPL. The engagement has resulted into some patent applications, which have been and will be assigned to your company on the grant of the patent. ABSTCPL's forte of having multi-disciplinary teams of technical experts, scientists and engineers, enables your company to develop building competencies in select areas, as a long term value to business.

### AWARDS & RECOGNITIONS

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

1. Aditya Aluminium wins Kalinga Safety Award for Best Practices in Safety & CSR, presented at the Odisha State Safety Conclave.
2. Utkal Alumina International Limited wins the Think Media Best CSR Case Study Award 2014 on the theme of "Access to Quality Health Care Services".
3. Hirakud wins Greentech CSR Silver Award 2014 for its initiatives in Sustainable Livelihood in and around the unit location.

4. Hirakud Smelter wins CII Easter Region Quality Award 2014-15 (Certificate of Appreciation) in the large scale category.
5. Birla Copper Dahej wins Greentech CSR Silver Award 2014 for Education Upliftment in 85 surrounding Government schools.
6. Birla Copper Dahej wins Greentech Environment Gold Award 2014 for continual sustainable development approach.
7. Birla Copper Dahej wins Greentech CSR Silver Award 2014 for outstanding achievement in Safety Management System.
8. Birla Copper Dahej wins 2nd Runners Up Award & Advocacy Award at the All India Kaizen Competition organized by Baroda Productivity Council.
9. Talaja wins Greentech Safety Silver Award 2014 for excellence in Fire & Safety Management.
10. Talaja wins Greentech Environment Silver Award 2014 for continual sustainable development approach.
11. Talaja wins CII-EXIM Bank Award (Commendation Certificate) 2014, for Strong Commitment to Excel.
12. Mouda Works received First Prize for Best Safety Practice in a Competition organized by the National Safety Council, Vidharba Action Centre in collaboration with Directorate, Industrial Safety & Health - Government of Maharashtra.
13. Maliparbat Mines wins awards in Training, OHS, Welfare & Amenities, Safety Performance & Consciousness during the Odisha Metalliferrous Mines Safety Week programme.
14. Teams from Renukoot, Renusagar, Hirakud, Dahej win at the National level Quality Circle Conventions.
15. Belur participant wins First Prize under Trade Electrician at the National level Work Skills Competition.

### CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements have been prepared by your Company in accordance with the provisions of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, applicable Accounting Standards and the provisions of the listing agreement with the Stock Exchanges and forms part of the Annual Report.

## EMPLOYEE STOCK OPTION SCHEMES:

### ESOS – 2006

During the year ended 31st March, 2015, the Company has allotted 373,666 fully paid-up equity share of ₹ 1/- each of the Company (Previous year 4,800) on exercise of options under ESOS 2006 for which the Company has realised ₹ 3.83 crore (Previous year ₹ 0.05 crore) as exercise money. The weighted average share price at the exercise date was ₹ 168.73 per share (Previous year ₹ 115.20).

### ESOS – 2013:

During the year ended 31st March, 2015, the Company has allotted 18,848 fully paid-up equity share of ₹ 1/- each of the Company (Previous year Nil) on exercise of options under ESOS 2013 for which the Company has realised ₹ 0.22 crore (Previous year Nil) as exercise money. The weighted average share price at the exercise date was ₹ 154.54 per share (Previous year NIL).

The details of Stock Options and Restricted Stock Units granted under the above mentioned Schemes are available on your Company's website viz. [www.hindalco.com](http://www.hindalco.com).

A certificate from the statutory auditor on the implementation of your Company's Employees Stock Option Schemes will be placed at the ensuing Annual General Meeting for inspection by the members.

## CORPORATE GOVERNANCE

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

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

## DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134(3)(c) of the Companies Act, 2013 "the Act", your Directors subscribe to the "Directors' Responsibility Statement" and confirm that:

- in the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanations relating to material departures;
- the accounting policies selected have been applied consistently and judgments and estimates

have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2015 and of the profit of your company for that period;

- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;
- the annual accounts of your Company have been prepared on a going concern basis;
- your Company had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively;
- your Company has devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

The information on conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 is set out in **Annexure-I** to this Report.

## PARTICULARS OF EMPLOYEES:

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 "the Act" read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are to be set out in the Directors' Report, as an addendum thereto. However, in line with the provisions of Section 136(1) of the Act, the Report and Accounts as set out therein, are being sent to all Members of your Company excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at the Registered Office of your Company.

Disclosures pertaining to remuneration and other details as required under section 197(12) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure-II**.

## DIRECTORS:

### Board constitution and changes:

The Board of Directors of the Company had appointed existing Independent Directors viz. Mr. M.M. Bhagat,

Mr. N.J. Jhaveri, Mr. K.N. Bhandari, Mr. Jagdish Khattar and Mr. Ram Charan as Independent Directors under the Companies Act, 2013 for a term of five years which was also approved by the members in the Annual General Meeting held on 24th September, 2014.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

At the same Annual General Meeting Mr. A.K. Agarwala and Smt. Rajashree Birla were reappointed as the Directors of the Company.

In the Financial Year 2014-15, our Independent Director Mr. C.M. Maniar passed away, hence ceased to be a Director w.e.f 29th June, 2014.

Mr. Kumar Mangalam Birla and Mr. Satish Pai retire from office by rotation, and being eligible, offer themselves for reappointment. Brief resumes of the directors being reappointed form part of the notice of the ensuing Annual General Meeting.

#### **Policy on appointment and remuneration of Directors and Key Managerial Personnel:**

The Nomination and Remuneration Committee has formulated the remuneration policy of your company which is attached as **Annexure-III** to this Report.

#### **Meetings of the Board:**

The Board of Directors of your Company met 8 times during the year details of which are given in the Corporate Governance Report forming part of Annual Report.

#### **Annual Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Directors has carried annual performance evaluation of Board, Independent Directors, Non Executive Directors, Executive Directors, Committee and Chairman of the Board. The Nomination and Remuneration Committee approved the evaluation framework and during the year, the first evaluation cycle was completed by the Company.

The evaluation framework focused on various aspects of the Board and Committees such as review, timely information from management etc. Also, the performance of individual directors was divided into Executive, Non Executive and Independent Directors and based on the parameters such as contribution, attendance, decision making, action oriented, external knowledge etc.

Board members were requested to evaluate Independent Directors, Non executive Directors, Executive Directors, Committee and Chairman of the Board. The results of evaluation were shared with the Board of Directors.

#### **AUDIT COMMITTEE:**

The Audit Committee comprises of Mr. M.M. Bhagat, Mr. K.N. Bhandari, Mr. N.J. Jhaveri, Independent Directors of your Company. Mr. D. Bhattacharya: Managing Director, Mr. Satish Pai: Deputy Managing Director and Mr. Praveen Kumar Maheshwari: Chief Financial Officer are the permanent invitees. Further details relating to the Audit Committee are provided in the Corporate Governance Report forming part of this Annual Report.

#### **KEY MANAGERIAL PERSONNEL:**

In terms of provisions of Section 203 of the Companies Act, 2013, Mr. D. Bhattacharya: Managing Director, Mr. Satish Pai: Deputy Managing Director, Mr. Praveen Kumar Maheshwari : Chief Financial Officer and Mr. Anil Malik: Company Secretary are the Key Managerial Personnel of your Company.

#### **VIGIL MECHANISM:**

Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. Adequate safeguards are provided against victimisation to those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases is provided to them.

The vigil mechanism is available on your Company's website viz. [www.hindalco.com](http://www.hindalco.com).

#### **AUDITORS**

##### **Statutory Auditors**

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014,, M/s Singhi & Co, Chartered Accountants were appointed as Statutory Auditors of the Company from the conclusion of fifty fifth Annual General Meeting held on 24th September, 2014, until the conclusion of fifty-eighth Annual General meeting to be held in the calendar year 2017, subject to ratification of their appointment at every Annual General Meeting.

Resolution seeking your ratification is included in the Notice convening the Annual General Meeting. The observation made in the Auditor's Report are self explanatory and therefore, do not call for any further comments under Section 134(3)(f) of the Act.

### Cost Auditors

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company have on the recommendation of the Audit Committee, appointed M/s. Nanabhoy & Co., Cost Accountants, Mumbai as Cost Auditors, to conduct the cost audit of your Company for the financial year ending 31st March, 2016, at a remuneration as mentioned in the Notice convening the Annual General Meeting. As required under the Act, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to Cost Auditors forms part of the Notice of the ensuing Annual General Meeting.

### Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed BNP& Associates, Company Secretaries, Mumbai as Secretarial Auditor for conducting the Secretarial Audit of your Company for the financial year ended 31st March, 2015. The Report of the Secretarial Auditors is annexed herewith as **Annexure-IV**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### ENVIRONMENT PROTECTION AND POLLUTION CONTROL

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

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to Financial Statements.

### CORPORATE SOCIAL RESPONSIBILITY:

In terms of the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility ("CSR") Committee which is chaired by Mrs. Rajashree Birla.

The other Members of the Committee are Mr. N.J. Jhaveri, Independent Director, Mr. A.K. Agarwala, Non Executive Director and Mr. D. Bhattacharya, Managing Director. Dr. Pragnya Ram, Group Executive President, Corporate Communication & CSR is a permanent invitee to the Committee. Your Company also has in place a CSR Policy and the same is available on your Company's website viz. [www.hindalco.com](http://www.hindalco.com). The Committee recommends to the Board activities to be undertaken during the year.

Your Company is a caring corporate citizen and lays significant emphasis on development of the communities around which it operates. Your Company has identified several projects relating to Social Empowerment & Welfare, Infrastructure Development, Sustainable Livelihood, Health Care and Education during the year and initiated various activities in neighbouring villages around plant locations.

The Annual Report on CSR activities is attached as **Annexure-V** forming part of this report.

### RISK MANAGEMENT

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted Risk Management Committee, which is mandated to review the risk management plan/process of your company.

Risk evaluation and management is an ongoing process within the Organization. Your Company has comprehensive risk management policy which is periodically reviewed by the Risk Management Committee.

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

During the financial year, your Company entered into related party transactions which were on arm's length basis and in the ordinary course of business. There are no material transactions with any related party as defined under Section 188 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014. All related party transactions have been approved by the Audit Committee of your Company.

The policy on Related Party Transactions as approved by the Audit Committee and the Board is available on your Company's website viz. [www.hindalco.com](http://www.hindalco.com).

### EXTRACT OF ANNUAL RETURN:

In terms of the provisions of Section 92 (3) of the Companies Act, 2013 ("the Act") read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of your Company for the financial year ended 31st March, 2015 is given in **Annexure-VI** to this report.

## **BUSINESS RESPONSIBILITY REPORT:**

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

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined by the Audit Committee.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal auditors, the process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

## **INTERNAL FINANCIAL CONTROL**

Your directors confirm having laid down internal financial controls and that such internal financial controls are adequate and were operating effectively

## **SUBSIDIARY, JOINT VENTURES OR ASSOCIATE COMPANIES:**

The financial statements of your Company's subsidiaries and related information have been placed on the website of your Company viz. [www.hindalco.com](http://www.hindalco.com) and also available for inspection during business hours at the registered office of your Company. Any Member, who is interested in obtaining a copy of financial statements of your Company's subsidiaries, may write to the Company Secretary at the Registered Office of your Company.

In accordance with the provisions of the section 129 (3) of the Act, read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries, associates and Joint Venture is attached as **Annexure-VII** to this Report.

The names of Companies which have become or ceased to be subsidiaries, Joint Ventures and associates are also provided in the aforesaid statement.

## **OTHER DISCLOSURES:**

- There were no material changes and commitments affecting the financial position of your Company between end of financial year and the date of report.

- Your Company has not issued any shares with differential voting.
  - There was no revision in the financial statements.
  - Your Company has not issued any sweat equity shares.
  - Mr. D. Bhattacharya and Mr. Satish Pai are directors on the Board of Novelis Inc, wholly owned subsidiary. They are in receipt of annual fee of US\$ 1,55,000 and US\$ 1,50,000 respectively in the calendar year 2014.
  - There was no change in the nature of business.
  - During the year under review, your Company has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2015, there were no deposits which were unpaid or unclaimed and due for repayment.
- Further, as the Company had not accepted any deposit under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975, in the previous year(s) and as there were no deposits which were unclaimed and due for repayment, as on March 31, 2014, there has been no default in repayment of deposits or payment of interest thereon during the year under review.

## **APPRECIATION**

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

Your Company's employees are instrumental in your Company scaling new heights, year after year. Their commitment and contribution is deeply acknowledged. Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board



Mumbai  
Dated : 28th May, 2015

Kumar Mangalam Birla  
Chairman  
(DIN: 00012813)

## Annexure-I

**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PRESCRIBED UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.**

**A. CONSERVATION OF ENERGY**

For your company, conservation of energy and improving energy efficiency has been a continuous journey. For a highly energy intensive industry, this holds a key to keep pace with changing environment and cut throat competition.

Your company is totally setting benchmark standards in utilization of energy, use of renewable & alternate forms of energy. It has a structured Energy policy along with robust Energy Management Organization structure, gives guideline to make efforts towards improving energy efficiency as an ongoing process. Each Unit follows a Top Down & Bottom Up approach to mobilize & implement energy saving measures. Walk-Through & detailed Energy Audits, Quality Circles, WCM Committees, Energy Conservation Month, Suggestion Scheme are some among many efforts at Plant level towards energy efficiency. Through Suggestion Scheme employees are encouraged, recognized & suitably rewarded to come up with energy savings ideas. All these measures ensure increased participation across the hierarchy.

Each Unit of your Company has dedicated Energy Cells with Energy Manager / Energy Auditor Certified by **"Bureau of Energy Efficiency"**. This workforce is responsible for planning energy conservation initiatives, track latest technological developments in the field of energy conservation and explore Renewable & Eco-friendly Green sources of energy. They review and recommend suggestions for implementing such initiatives with the objective of increasing Energy productivity and reducing the impact on environment.

The Bureau of Energy Efficiency (BEE) under the aegis of Ministry of Power, Government of India has also introduced **PAT** (Perform Achieve & Trade) to draw more focus towards Energy Conservation. Through this scheme reduction targets on SEC (Specific Energy Consumption) have been notified across 8 manufacturing sectors including 5 DCs of Hindalco. Under this scheme companies achieving SEC lower than the target set for FY-15 would be eligible for tradable e-Certificates where as those unable to achieve would have to buy Certificates or incur penalties. To get e-Certificates and thereby move closer to our goal of attaining high Energy efficiency standards, the Company has put dedicated teams to monitor and implement measures to pay dividend in future.

As per notification from **'Ministry of Power'** dated 27 May'2014, all your units have to perform Mandatory Energy Audit within 18 months from the date of notification and you will be glad to know that majority of your units have completed this much before stipulated time guidelines.

**(a) STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY**

**General Measures**

- i. Replacement of Metallic Fan blade of Cooling Towers with FRP blades.
- ii. Application of Corrosion resistant coating in pumps and blowers.
- iii. Use of magna drives couplings.
- iv. Installation of solar pipe/light pipes to use solar light.
- v. Rationalization of motor HP, pump impeller size & stages
- vi. Installation of capacitor banks to improve power factor.
- vii. Regular walkthrough audit of Steam and compressed air lines to arrest the losses.
- viii. Energy audit from external agencies.
- ix. Regular monitoring and benchmarking of Energy Intensive equipments.
- x. Modification in lighting circuit, installation of occupancy sensor in toilets, department canteens for ON/OFF control of lights.
- xi. Installation of transparent sheet in roof to utilize the natural light.
- xii. Interlocking of Cooling Tower fan motor through temperature switch.

- xiii. Installation of small PLC logo to optimize AC temp & running time.
  - xiv. Replacement of conventional light/ballast by CFL, LED/electronic ballast.
  - xv. Interlocking of auxiliary equipments with main equipment.
  - xvi. Optimization of transformer load.
  - xvii. Replacement of old ceiling fans with energy efficient ceiling fan.
  - xviii. Replacement of conventional old Asian street light with LED Light.
  - xix. Replacement of old window air conditioners with FCU in Administrative Building.
  - xx. Controlling the lights of control room, substation etc by providing the door switches.
  - xxi. Using of **Astronomical timer** for fine controlling of colony street lighting.
  - xxii. Use of solar water heater.
- 1. ALUMINA PLANT:**
- i. Piping modification to take out 1.1 bar excess steam from Digestion unit IV for use in other heat sink.
  - ii. Installation of VFD & correct the pump size of Drum filtrate & Washer#1 Over-flow tank.
  - iii. Replacement of Drum-area Cloth-wash pump with multistage pump and relocate Additive-area Lime pump to 10% lime tank area in order to avoid intermittent pumping.
  - iv. Replacement of POP (pump off slurry pump) in precipitation area with Washer#1 O/F pump.
  - v. Phasing out inefficient fluid coupling system with VFDs in phased manner (9 Nos Fluid coupling replaced with VFDs. Washer # 1 , 2 , 3 U/F Pumps, HID Spent Liq Pumps)
  - vi. Replacement of S/F Fine Seed Transfer Pump # (S) with energy efficient motor.
  - vii. Replacement of Old Hydrate Filter Vacuum Pump # (E) with energy efficient motor.
  - viii. Provided level controller at Caustic Recovery Pumps.
  - ix. Optimization of compressor CT water for Cont. PPT MCC A.C.
  - x. Optimized the motor rating of Slurry Disposal Tank # S Agitator.
  - xi. Installation of VFD and interlocking arrangement made with tank level of IWR Pump # (S).
  - xii. Replacement of 10% lime slurry pump with energy efficient pump.
  - xiii. Replacement of Transformer type Welding machines with Inverter Grade Welding Machines (5 Nos.).
  - xiv. Installation of separate pipe line to fulfil the required air pressure at Di-star filter press.
  - xv. Motor rating Optimization at Stage # 2 high pressure purge water pumps.
  - xvi. Energy Saving by optimization of motor rating with energy efficient motor in PD O/F recirculation Pump.
  - xvii. Energy Saving by modification in lighting circuit of Primary Fill Pump Area.
  - xviii. Provided energy efficient motor at secondary fill tank area sump pump # (N) and at Evap.#3 Cold Well Pump # 2.
  - xix. Energy Saving by atomization of New ISC CT fan (N), New Compressor CT Fan (E), Old Compressor CT Fan (E), PLD Pump, Circulation Pump, sprinkle Pump & Evap.# 3 Hot Well Pump.
  - xx. Energy Saving by providing temperature sensor for automatic ON/OFF of Pr. Fill pump area sump pumps with respect to caustic level in the pit.
  - xxi. Process Optimization of IBSH (Intermediate bauxite slurry heater)
  - xxii. Provided Auto controlling system in Blow Down Pump of CGPP to optimize operation.
  - xxiii. Optimization of compressed air by segregating the low & high pressure requirement.
- 2. SMELTER:**
- i. Installation of state-of-the-art new baking Furnace to reduce furnace oil consumption.

- ii. Installation of Air washer for centrifugal compressor to reduce specific power.
- iii. Re-Designing of bag house of line-1 & 6 DSS to reduce pressure drop.
- iv. Replacement of two running ID fan of DSS line-4 with one bigger size fan.
- v. Use of larger collector bar to reduce lining drop in new pots.
- vi. Reduction in Furnace Oil consumption in new ICM by changing in SOP as well as real time monitoring for oil firing.
- vii. Optimization of equipment operating hours of New ICM with its aux. equipment.
- viii. Capacity enhancement of Alumina Belt Conveyor to optimize the operating hrs.
- ix. Use of larger collector bar to reduce lining drop in new pots.
- x. ECO Contact provided on joints of DC Isolators of 11 Nos Rectifier units of PL#2 & 3 to minimize mill volt drop.
- xi. VED installed in Drag chain conveyor 1, 2, 3, 4.
- xii. Replacement of rectifier of unit # 2/3 & 3/3 for reduction in conversion loss.
- xiii. Change in design of Anode from plain to slotted in 70 pots.

### **3. FABRICATION PLANT:**

- i. Package AC's 90 Ton AC compressor fitted in Thyristor room of Davy Cold Mill, replaced by 60 ton compressor.
- ii. Interlocking provided in Wash & Brush Unit Pump motors of Bronx Cut to length to avoid ideal running of pump motors.
- iii. Interlocking provided to avoid the ideal running of Crimp Press motor as press motor would be off when there is no activity from operator more than 30 minutes.
- iv. Synchronization of Log Saw motor of Extrusion Press (GIA) with extrusion process to avoid idle running of log saw motor.
- v. Synchronization of pump motor with extrusion process (GIA press) to avoid idle running of pump motor.
- vi. Temp. Interlocking provided in Aging Furnace # 6 to avoid idle running of blower.
- vii. Saving of energy by increasing Bronx CTL Control room set temp from 18°C to 25°C.
- viii. Installation of fan-less Cooling Tower.
- ix. Conversion of about 500 MT/Month of AA3105 with Partial Annealing route at low temp. by changing in SOP of AA 3105 alloy from inter-annealing route to partial-annealing route in Export product to reduce power consumption.
- x. Charging of 10 MT DENSO coils against 7 MT by modification in rack.
- xi. Pass elimination in Gerad coils (FG - 8011\*1270 width\* 0.40 thick) to enhance productivity from 4.08 to 5.7 MT /hrs.
- xii. Increasing load of stress relieving material (STUCCO) from 16 T/ Load to 20 T/ Load.
- xiii. Processing of soft slitting hard alloys at Mecesa slitter.
- xiv. Developed PA cycle for 8011 H14 GEQ – material i.e. Air 250o C, Metal 250o C with Soaking cycle of 4 hrs.
- xv. Optimization of ICW pump & pet pump with change in duty cycle.
- xvi. Optimization the use of LT compressor (GA-160).
- xvii. Interconnect the Existing HT Compressor and N2 Air Compressors to avoid unloading power consumption of the compressors and installation of energy saver.
- xviii. Optimization of chillers of ECR-3 PAC, ECR-1, FIMI CTL PAC, TLL ECR as well as increased the temp setting of AHU.
- xix. Installation of VFD in hot mill emulsion feed pumps.

- xx. Revamping of Soaking pit # 3 (HKD).
- xxi. Replacement of energy inefficient Homofurnace-2 in Casting plant.
- xxii. Minimization of Idle running of Ingot milling motors at Scalper.
- xxiii. Re insulation of Annealing Furnace # 5 & 7 (Belur)
- xxiv. Reduction in Bliss mill aux. power by stopping the Ideal Running of blower motors.
- xxv. Optimization in power consumption of Hot Mill Fume Exhaust Motor.
- xxvi. Reducing in Energy Consumption of SMS/Bliss Cooling Tower by Introducing Temperature Controller in the Circuit.

**4. POWER PLANTS/CO-GENERATION UNITS:**

- i. R&M of TG #2 including governing as well as excitation system for heat rate improvement and additional generation of about 4.5 MW & heat rate improvement by 180 k-cal/Kwh.
- ii. Modification of Super-heater in Boiler # 4 for enhancing Boiler efficiency.
- iii. Installation of Waste Heat Recovery System for recovering CBD water waste energy.
- iv. Modification in Cooling Tower #3 for reducing water temperature by 1°C by changing Splash Fill bars with Film Fills.
- v. Installation of brush seal in Air Pre-heater of Boiler # 5, 6, 8 & Spare for improving efficiency.
- vi. Installation of VFD for Ash Plant #3 compressor.
- vii. Installation of smaller size impeller in FD Fan and make-up Water Pump #A (Blr.#3).
- viii. Optimization of CW pumps by operating two units of CW pumps in place of three Units during winter season for power saving.
- ix. Installation of smaller size impeller in CW Pumps of seven Units (unit #1, 2, 3, 7, 8, 9 & 10)
- x. Voltage optimization in Unit # 6, 9 & 10.
- xi. Installation of energy efficient impellers in Make-up pumps # A & B.
- xii. Installation of Capacitor Bank at various locations.
- xiii. Replacement of inefficient CT Fan Motors (04 Nos.) with new energy efficient Motor.
- xiv. Coro-coating of CW Pump # 2B for improving efficiency.
- xv. Conversion of delta connection with star connection of BCW pump # 3A2.
- xvi. Removal of reject conveyor # SC3A by diverting storage location from hopper to yard.
- xvii. Use of self developed Fuel additives in all Boilers for improving Boiler efficiency by 1.25 % .
- xviii. Installation of additional Super heater coil in Boiler # 4 to increase main steam temperature by 10°C for improving unit heat rate.
- xix. Replacement of Splash fill bar with trickle fill bar in Cooling Tower #3 for reducing cooling water temperature.
- xx. Modification in economizer coil of Boiler No.8 for increasing heating surface area (Additional Economizer coil).
- xxi. Implementation of Coordinated control system to improve power to steam ratio.
- xxii. Replacement of B#4 PA fan with high efficient fan to reduce Aux. Power consumption
- xxiii. Replacement of CT fan blade with FRP type blade and composite shaft. (04 nos)
- xxiv. Surge Tank transfer pumps & Hot well pump replacement with new energy efficient pump with modified specification.
- xxv. Dearator feed pump (B#4) is to be replaced with energy efficient pump.
- xxvi. VFD installed in PA fan of boiler # 3,4,7 (HKD).
- xxvii. Interlocking of CPP cooling tower fan with water temperature.
- xxviii. Optimization of Boiler Feed pumps operation through de-staging.
- xxix. Optimization of DM transfer Pump for Efficient operation.

**5. FOILS DIVISION:**

- i. Installation of new shape rolls in M1.
- ii. Replacement of conventional light with LED light.

**6. COPPER DIVISION:**

- i. Installation of VFD in Smelter 1&3, PAP Plant.
- ii. Installation of Capacitor Bank in Jetty.
- iii. Connection changed from Delta to Star in Oxygen, Smelter & CPP area motors.
- iv. Refinery 1 & 3 Circuit. 1&2 voltage drop reduced by 1.1 Volts by tightening of bus bar cleaning of bus bar & Insulator changing.
- v. Auxiliary Consumption reduction by 0.02%, from 10.13% to 10.11% by optimization of operational parameter.
- vi. SCF Power Consumption reduced by 15KW by reducing revert charging in SCF from 80T to 50T.
- vii. By Greasily modification at TRF crane, stoppage of Motor, Replacement of motor and CFL.

**(b) STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY.**

Your company has always focused to save precious fossil fuels and all units are adopting different ways to promote Renewable & Eco-friendly Green sources / form of energy. Glimpses of these projects are as below.

1. Installation of Solar Power Plant.
2. Installation of Solar / sun light pipe.
3. Installation of Solar water & Solar emulsion heater.
4. Use of biomass in our boilers.
5. Power generation from micro hydro turbines.
6. Use of turbine ventilators in place of conventional exhaust system.
7. Use of Solar Street Light in place of conventional lights.

**(c) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS AND PROJECTS.**

**1. ALUMINA PLANT:**

- i. Installation of lighting transformers & accessories
- ii. Energy Efficient motors of different rating against scrapped and critical spare.
- iii. Installation of new header from PGL unit to Agglo meter to save energy.
- iv. By increasing the flashing stages in Digestion unit-II from 3 to 4 numbers for better heat recovery.
- v. Conversion of Ball Mill No# 2 & 3 from discharge-type to overflow-type to reduce specific power consumption.
- vi. To take Ball mill#2 & 3 discharge slurry on the DSM screen on SH tank#4 to reduce pumping of Reject pump.
- vii. Erection of additional 24" header from Filtration area to Evaporation III FF tank to create vacuum in Filtration area from FF tank, thereby reducing the running hours of 3 numbers of Vacuum pumps (422 HP).
- viii. Installation of VFD for P-5A-5A/5B (Filtrate pumps).
- ix. Replacement of Mix Liquor Pump's seal with mechanical seal.
- x. Replacement of 5 no Hazleton make pumps with energy efficient pumps.
- xi. Replacement of Slurry Pump's gland packing with Mechanical Seal.
- xii. Modification of Kiln # 2 for Oxygen Enrichment for reducing Specific Fuel Consumption.
- xiii. Installation of VFD for Batch Filling Pumps, HAT underflow Pumps, Tray Feed Pumps, Spent Liquor Pumps, Filter feed and GWP 28A pump motors.

- xiv. Replacement 6 Nos. of Obsolete Hazleton Makes 5 E CTL Slurry Service Pumps with new energy efficient pumps.

**2. SMELTER:**

- i. Re-Designing of bag house of line-2, 3 DSS to reduce pressure drop.
- ii. Arrangement of natural light in Point Feeder and maintenance shed plant-1.
- iii. R & M (End modification) of Centrifugal Air Compressor#22.
- iv. To stop the existing bag house during 1 Mt bag unloading by installation of smaller capacity bag house at TT-6 of Alumina conveying system.
- v. To reduce pot voltage from 4.503 V to 4.470 V at 94.7% Current Efficiency.
- vi. Procurement of Oxy-fuel CNC cutting machine for collector bar sharpening.
- vii. Replacements of sodium vapour street lights with LED street light fittings.
- viii. Application of Eco-Contact for Pot Line#8 DC bus bar / isolator to reduce mV drop.
- ix. Replacement of rectifier (unit 2/1, 2/2, 3/1 & 3/2) for reducing conversion loss.
- x. Adoption of Slotted anode in 635 pots for 85 kA Pot lines.

**3. FABRICATION PLANT:**

- i. Heat Exchanger piping modification of Nitrogen Plant, Compressor House & Hydraulic power pack unit in Billet Casting to enhance heat transfer.
- ii. Installation of panel AC in Automax panel of Bronx CTL Control room to raise the set temp. from 20 deg C to 25 deg C.
- iii. Removal of 7.5 ton control room AC of Annealing Furnace#1 & 2 by Panel AC in its PLC panel.
- iv. Replacement of 500 W halogen lamps in Caster, Tension leveller & Slitting line by 18 W LED lights.
- v. Replacement of conventional Street Lights inside plant with by 48 W LED lights.
- vi. Installation of Sky light at Mecesa & Circle Packing Area.
- vii. Replacement of Scalper Bottom Milling head Motor with new High Energy Efficient Motor.
- viii. Procurement of energy efficient New Die Preheat Oven for Extrusion Press # 2.
- ix. Replacement of Extrusion press#1, 45 HP (3X15HP) quenching pumps with 40 HP (2X20HP) VT pumps and running controlled with water level switch.
- x. Auto controlling of Extrusion press# 2 & 5, 40 HP(2X20HP) VT quenching pump with level switch and Conform machine 10 HP quenching pump to be stopped.
- xi. Replacement of Extrusion press#3, 80 HP (4X20HP) quenching pumps with 40 HP (2X20HP) VT pumps and running controlled with water level switch.
- xii. Extrusion press#3, Billet heater's 5 HP hydraulic power pack removal by connecting this with main pump.
- xiii. Install PID based VFD in both HT and N2 Air compressor and avoid unloading power consumption.
- xiv. Installation of Solar heating system for hot mill emulsion.
- xv. Revamping of solar heater to improve efficiency.
- xvi. Implementation of K-Type Compressor in FTP-1.
- xvii. Installation of Pet-coke firing system in Furnace-A of Cast House-3.
- xviii. Revamping of Soaking pit # 4 (HKD).
- xix. Installation of 20 KW solar power plant.
- xx. Re-lining of wall insulation at new Remelt Furnace.
- xxi. Optimisation of relating of Electrical Motors in selected area.
- xxii. Improve Temperature Control Automation in Ventilation Circuit for SMS Main Motors
- xxiii. Replacement of Homofurnace-2 with energy efficient furnace in Casting plant.
- xxiv. Installation of 1 MW solar power plant (Alupuram).

#### 4. POWER PLANTS / CO-GENERATION UNITS:

- i. Installation of Magna Drives in various pumps for energy conservation.
- ii. Modification in Boiler Feed Pump of unit #6.
- iii. Up gradation of Plant & Colony conventional Lights with energy efficient LED Technology Light Fittings.
- iv. Replacement of existing CT Fan blades with efficient ones (#2, 3, 4, 6, 9 & 10)
- v. Replacement of inefficient Window/Split Air Conditioners.
- vi. Installation of VFDs in FD Fans of unit #3, 4 & spare
- vii. Installation of on-line condenser tube cleaning system in 2 units.
- viii. Replacement of LP Heater #1 of Unit #3 & 4.
- ix. Modification of APH Baskets & Sealing System of Boiler #7.
- x. Installation of additional Super heater coil in Boiler # 3 to increase main steam temperature by 10°C for improving the unit heat rate.
- xi. Optimisation of steam blowing frequency from 03 to 01.
- xii. Revamping of TG#5 for heat rate improvement.
- xiii. Construction of coal shed in CHP #4.
- xiv. Capacitor Bank for Power Factor improvement (For 4 transformer of cogen).
- xv. Dearator feed pump (Co-gen Boiler# 3) is to be replaced with energy efficient pump.
- xvi. Replacement of high energy efficient fans with modified higher efficiency along with one LT motor and its VFD in Co-gen Boiler # 1.
- xvii. Installation of VFD in Co-gen Boiler # 4 ID Fans.
- xviii. Installation of VFD in PA fan in Boiler # 5, 6, unit # 5 & CT fan of unit # 5.
- xix. Installation of 100 KW solar power grid connected PV plant.
- xx. Power generation from micro hydro turbines.
- xxi. Installation of VFD for Cold well pump's motor (2X160 kW) of RS # 1 CT.
- xxii. Installation of (2 X 40 kW) VFD for Screw compressor & Cooling Tower.
- xxiii. Installation of renewable source boiler (Briquette Fired Boiler: Cap-25 TPH) on BOT basis.
- xxiv. Replacement of Cast Iron Gilled tube modules for Economiser of Boiler No. 4.
- xxv. Monitoring and controlling of flue gas outlet temp at APH outlet by 150°C.
- xxvi. Overhauling of HP heater to increase the feed water temperature as per design Improvement in the vacuum of Turbine by overhauling of turbine and condenser.
- xxvii. Installation of lower size impeller in 2 no. Cooling water pumps & new Energy efficient pumps for DM feed pump.

#### 5. FOILS DIVISION:

- i. Installation of VFD in blowers & air compressors, fume exhaust and feed pump motor.
- ii. Replacement of package AC with Split AC in control room and administration building.
- iii. On line temperature controlling of Annealing Furnaces.
- iv. Replacement of conventional lights by energy efficient LED lights.
- v. Addition of PHE (Plate Heat exchanger) in caster rolls cooling circuit and elimination of chillier.

#### 6. COPPER DIVISION:

- i. Installation of VFD for Raw and Soft Water Pump and PRJS Pump (with HV to LV ) LV VFD & LT Motor).

- ii. Installation of Capacitors to reduce the power loss in Transformers.
- iii. Installation of Soft starter/VFD for Conveyors.
- iv. Installation of water pump in Jacket Cooling and Process area of CCR.
- v. Replacement of Conventional Lights with LED lights.

### **IMPACT OF ABOVE MEASURES**

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

### **B. TECHNOLOGY ABSORPTION**

Efforts made towards Technology Absorptions and benefits derived like product improvement, cost reduction product development or import substitution.

### **A. ALUMINIUM BUSINESS**

#### **1. Specific Areas in which R&D has been carried out**

- a. To reduce specific energy consumption in Aluminium production.
- b. Recovery of bath from Pot Skimmed material.
- c. Energy saving and waste to wealth initiatives taken for utilisation of waste viz use of processed dross mixed with alumina for metal production.
- d. Initiatives taken to improve surface quality & profile of products.
- e. New product development for versatile applications viz. composite panel, LPG, cryogenic & pharma cylinder, colour coating, ceramic and other applications.
- f. Process improvement to achieve higher productivities.
- g. Development of new analytical methods.
- h. Research for efficient use of raw material.
- i. Research for beneficiation of low grade ores.
- j. Efficiency improvement projects.
- k. Improvement in customer grievance redressal system.

#### **2. Benefits derived as a result of above improvements**

- a. Improved product quality.
- b. Increased market share and profitability.
- c. Improved plant operation.
- d. Increase in export volume and revenue.
- e. Cost reduction through various energy and cost saving measures taken.
- f. Reduction in GHG emission.
- g. Enhancement in customer satisfaction.

#### **3. Future Plan of action**

- a. Development of value-added products for hi-tech applications viz. defence , auto, engineering and construction sectors.
- b. Identify and implement new energy reduction projects.
- c. Identify and implement process improvement projects.
- d. Implement cost reduction and quality improvement projects.
- e. Identify and implement waste-to-wealth projects.
- f. Research work on efficient use of low grade of raw materials.

**B. Copper Division****1. Specific area in which R&D carried out**

- a) Modification in Peirce-Smith Copper converter tuyeres design.
- b) Installation of Skip hoist in scrap melting furnace and modification of charging hopper.
- c) Improvement in Cu-1 and Cu-3 furnace operation practices.
- d) Installations of new high pressure pump in CCR plant.

**2. Benefits derived as a result of above improvement**

- a) Improved Converter availability and reliability of operations.
- b) Consistent and reliable operation of scrap melting furnace.
- c) Reduction in Copper losses as well as improved operational reliability.
- d) Reduction in dust generation and meeting the customers need.

**3. Future plan of Action:**

- a) Slow cooling Converter Slag Floatation project.
- b) Processing of E-waste at Dahej plant.
- c) Recovery of Copper from ETP waste.
- d) CCR-1 up gradation for higher through put and better product quality.
- e) CCR-3 plant for meeting the increased Copper rod demand.
- f) Cu-I up gradation project.

**EXPENDITURE INCURRED ON RESEARCH & DEVELOPMENT**

(₹ Crore)

	<b>2014-15</b>	<b>2013-14</b>
a) Capital	3.13	4.95
b) Recurring	23.46	23.74
c) Total (a+b)	26.59	28.69
d) Total R & D Expenditure as % of Total Turnover	0.08%	0.11%

**A. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION****(i) Efforts in brief**

The company continues its effort to absorb and adapt imported technologies to new product development along with focus on improving process efficiencies. The Company makes effort all time to search new avenues to remain cost and quality wise compliant to all new and emerging requirement. Efforts have also been made towards improving energy efficiency and cost reduction by adopting conventional knowledge and new research application.

**(ii) Benefit derived**

- Advancement of basic skill and knowledge in production of high end products.
- Conservation of natural resources - water, energy and basic raw material.
- Continue to maintain cost of production to remain economically viable.

**DETAILS OF TECHNOLOGY IMPORTED IN THE PAST 5 YEARS**

Technology Imported for	Year of Import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reason thereof and future plan of action
<b>ALUMINIUM</b>			
Anode Baking Furnace from M/s. Riedhammer for Renukoot Plant	2011-12	Yes	NA
<b>COPPER</b>			
3D TRASAR Technology for Reverse Osmosis plant from M/s NALCO, USA	2010-11	Yes	N.A.
Membrane Bio-reactor Technology for waste water treatment	2013-14	Yes	N.A.
Prayon MK 4 Dihydrate Process	2014-15	Yes	N.A.

**FOREIGN EXCHANGE EARNINGS & OUTGO**

**a) Activities related to Exports**

Exports during the year were ₹ 13,334.45 Crore.

**b) Total Foreign Exchange used and earned**

Foreign exchange used ₹ 18,456.49 Crore.

Foreign exchange earned ₹ 13,337.31 Crore.

## Annexure-II

**Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration* of Director/KMP for financial year 2014-15 (₹ in Lakhs)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Kumar Mangalam Birla, Chairman and Non-Executive Director	349.81	(48.14)	84.00	Not Applicable
2	Rajashree Birla, Non-Executive Director	6.31	(44.79)	1.50	Not Applicable
3	A.K. Agarwala, Non-Executive Director	8.28	17.28	2.00	Not Applicable
4	M.M. Bhagat, Independent Director	8.21	(16.90)	2.00	Not Applicable
5	N.J. Jhaveri, Independent Director	8.41	(18.43)	2.00	Not Applicable
6	K.N. Bhandari, Independent Director	9.60	(16.67)	2.30	Not Applicable
7	**C.M. Maniar, Independent Director	0.07	**	**	Not Applicable
8	Jagdish Khattar, Independent Director	5.31	(8.13)	1.30	Not Applicable
9	Ram Charan Independent Director	4.00	(26.34)	1.00	Not Applicable
10	D. Bhattacharya Managing Director	2159.08	2.52	518.30	Profit before Interest Depreciation and Tax has increased by 18.89% in FY 2014-15
11	Satish Pai, Whole Time Director	1217.35	#	292.20	
12	Praveen Kumar Maheshwari, Chief Financial Officer	297.00	7.51	Not Applicable	
13	Anil Malik, Company Secretary	81	7.68	Not Applicable	

\* Remuneration includes commission payable to Directors for the year ended 31st March, 2015 which is subject to the approval of the members of the Company. Sitting fees paid to Directors is excluded.

\*\* Was Director for part of the financial year 2014-15.

# Mr. Satish Pai was appointed as Whole Time Director w.e.f. 13th August, 2013. The salary for the FY 2013-14 is for a part of the year, hence not comparable with FY 2014-15.

- ii. The median remuneration of employees of the Company during the financial year was ₹ 4.16 Lacs.
- iii. In the financial year, there was an increase of 5.2% in the median remuneration of employees.
- iv. There were 21,976 permanent employees on the rolls of Company as on 31st March, 2015.
- v. Relationship between average increase in remuneration and company performance:- The Profit before Interest, Depreciation and Tax for the financial year ended 31st March, 2015 increased by 18.89% whereas the increase in median remuneration was 5.2%. The average increase in median remuneration was in line with industry benchmark and performance of the Company.

- vi Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The details of the same is provided in point no(i) above.
- vii a. Variations in the market capitalisation of the Company : The market capitalisation as on 31st March, 2015 was ₹ 26,638 crores (₹ 29,266 Crores as on 31st March, 2014).
- b. Price Earnings ratio of the Company was 4.48 as at 31st March, 2015 (7.09 as at 31st March, 2014).
- c. Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year- The Company has made Rights Offer in 2008 @ ₹ 96.00 per share. As on 31st March, 2015, the Company's shares was quoted at ₹ 129 per share. As on 31st March, 2015, there was 34.38% increase from Rights Offer price.
- viii Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 7.5% whereas the increase in the managerial remuneration for the same financial year was 2.52%. (Managerial Remuneration of Mr. Satish Pai is not considered as he was appointed as the Whole Time Director of the Company w.e.f. 13th August, 2013 and was paid only for part of FY 2013-14, hence not comparable).
- ix The key parameters for the variable component of remuneration availed by the directors: As per the Remuneration Philosophy/Policy of the Company and approval of Shareholders.
- x The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – None of the employees has remuneration more than the highest paid directors.
- xi It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy/Policy of the Company.

## Annexure-III

Hindalco Industries Limited ("the Company") an Aditya Birla Group Company adopts/shall adopt this Executive Remuneration Philosophy/Policy as applicable across Group Companies. This philosophy/ policy is detailed below.

### Aditya Birla Group: Executive Remuneration Philosophy/Policy

At the Aditya Birla Group, we expect our executive team to foster a culture of growth and entrepreneurial risk-taking. Our Executive Remuneration Philosophy/Policy supports the design of programs that align executive rewards – including incentive programs, retirement benefit programs, promotion and advancement opportunities – with the long-term success of our stakeholders.

### Our business and organizational model

Our Group is a conglomerate and organized in a manner such that there is sharing of resources and infrastructure. This results in uniformity of business processes and systems thereby promoting synergies and exemplary customer experiences.

#### I. Objectives of the Executive Remuneration Program

Our executive remuneration program is designed to attract, retain, and reward talented executives who will contribute to our long-term success and thereby build value for our shareholders.

Our executive remuneration program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis
2. Emphasize "Pay for Performance" by aligning incentives with business strategies to reward executives who achieve or exceed Group, business and individual goals.

#### II. Covered Executives

Our Executive Remuneration Philosophy/Policy applies to the following:

1. Directors of the Company,
2. Key Managerial Personnel: Chief Executive Officer and equivalent (eg: Deputy Managing Director), Chief Financial Officer and Company Secretary,
3. Senior Management.

#### III. Business and Talent Competitors

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size. In addition, we look at secondary reference (internal and external) benchmarks in order to ensure that pay policies and levels across the Group are broadly equitable and support the Group's global mobility objectives for executive talent. Secondary reference points bring to the table, the executive pay practices and pay levels in other markets and industries, to appreciate the differences in levels and medium of pay and build in as appropriate for decision making.

#### IV. Executive Pay Positioning

We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long term incentive pay-outs at target performance) and target total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. We recognize the size and scope of the role and the market standing, skills and experience of incumbents while positioning our executives.

We use secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.

#### V. Executive Pay-Mix

Our executive pay-mix aims to strike the appropriate balance between key components: (i) Fixed Cash compensation (Basic Salary + Allowances) (ii) Annual Incentive Plan (iii) Long-Term Incentives (iv) Perks and Benefits.

*Annual Incentive Plan:*

We tie annual incentive plan pay-outs of our executives to relevant financial and operational metrics achievement and their individual performance. We annually align the financial and operational metrics with priorities/ focus areas for the business.

*Long-Term Incentive:*

Our Long-term incentive plans incentivize stretch performance, link executive remuneration to sustained long term growth and act as a retention and reward tool.

We use stock options as the primary long-term incentive vehicles for our executives as we believe that they best align executive incentives with stockholder interests.

We grant restricted stock units as a secondary long term incentive vehicles, to motivate and retain our executives.

## **VI. Performance Goal Setting**

We aim to ensure that for both annual incentive plans and long term incentive plans, the target performance goals shall be achievable and realistic.

Threshold performance (the point at which incentive plans are paid out at their minimum, but non-zero, level) shall reflect a base-line level of performance, reflecting an estimated 90% probability of achievement.

Target performance is the expected level of performance at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance.

Maximum performance (the point at which the maximum plan payout is made) shall be based on an exceptional level of achievement, reflecting no more than an estimated 10% probability of achievement.

## **VII. Executive Benefits and Perquisites**

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefit plans. In addition to these broad-based plans, they are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Group.

### **Other Remuneration Elements**

Each of our executives is subject to an employment agreement. Each such agreement generally provides for a total remuneration package for our executives including continuity of service across the Group Companies.

We limit other remuneration elements, for e.g. Change in Control (CIC) agreements, severance agreements, to instances of compelling business need or competitive rationale and generally do not provide for any tax gross-ups for our executives.

### **Risk and Compliance**

We aim to ensure that the Group's remuneration programs do not encourage excessive risk taking. We review our remuneration programs for factors such as, remuneration mix overly weighted towards annual incentives, uncapped pay-outs, unreasonable goals or thresholds, steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds.

### **Claw back Clause:**

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act 2013 and the rules made thereunder, we shall recover from our executives, the remuneration received in excess, of what would be payable to him/her as per restatement of financial statements, pertaining to the relevant performance year.

### **Implementation**

The Group and Business Centre of Expertise teams will assist the Nomination & Remuneration Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/Policy. These services will be established through "arm's length", agreements entered into as needs arise in the normal course of business.

## SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

HINDALCO INDUSTRIES LIMITED  
3RD FLOOR, CENTURY BHAVAN,  
DR. A.B ROAD,  
WORLI.  
MUMBAI- 400030

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by HINDALCO INDUSTRIES LIMITED (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March, 2015. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; we hereby report that in our opinion, the Company has, during the audit period generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

During the period under review, provisions of the following regulations were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (iii) Secretarial Standards issued by The Institute of Company Secretaries of India (since not approved by the Central Government).

**We further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

**We further report that-**

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines referred to above.

**We further report that** during the audit period there was no specific event/action having a major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, etc referred to above.

For BNP & Associates  
Company Secretaries

**Keyoor Bakshi**  
Partner

Place : Mumbai  
Date : 28th May, 2015

FCS 1844 / CP No.2720

## Annexure-V

## ANNUAL REPORT ON CSR ACTIVITIES

- 1 A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs : To actively contribute to the social and economic development of the communities and built a better sustainable way of life for weaker sections of society. The projects which are identified includes Education, Health Care, Sustainable Livelihood, Infrastructure Development and Social Change. The Company's CSR policy is available on the Company's website viz. [www.hindalco.com](http://www.hindalco.com).
- 2 Composition of the CSR Committee : Mrs. Rajashree Birla, Chairperson  
Mr. Askaran Agarwala, Member  
Mr. N. J. Jhaveri, Member  
Mr. D. Bhattacharya, Member  
Dr. Pragnya Ram, Group Executive President, Corporate Communication & CSR, Permanent Invitee
- 3 Average net profit of the company for last three financial years : ₹ 1,741.94 crores
- 4 Prescribed CSR Expenditure (two percent of the amount as in Item 3 above) : ₹ 34.84 crores
- 5 Details of CSR spent during the financial year:  
Total amount spent for the financial year 2014-15 : ₹ 32.42 crores  
Amount unspent(as against amount mentioned at point 4 above) : ₹ 2.42 crores  
Manner in which the amount spent in 2014-15 : Details given below

(1) Sr. No.	(2) CSR Projects/Activities Identified	(3) Sector in which the project is covered	(4) Projects/Programmes; Local Area/ Others. The States/District where the project undertaken	(5) Amount Outlay (Budget) Project/ Programme wise (₹ in Lakhs)	(6) Amount Spent on the Project/ Programmes (₹ in Lakhs)	(7) Cumulative Expenditure up to reporting period (₹ in Lakhs)	(8) Amount Spent: Direct or through implementing agency
1.	<b>Preschool education</b> Balwadies/play schools/crèches; Strengthening Anganwadis	Education	Sonbhadra(UP); Singrauli(MP); Howrah(WB); Lohardaga, Gumla & Latehar (Jharkhand); Balrampur (Chhattisgarh); Belgaum(Karnataka)	7.00	8.45	8.45	Direct
2.	<b>School Education Program</b> Enrolment awareness programmes/events; Formal schools; Education Material(Study materials, Uniform, Books etc.); Scholarship (Merit and Need based assistance) School competitions/Best teacher award; Cultural events Quality of Education (support teachers, Improve education methods); Specialised Coaching; Exposure visits/awareness Formal schools inside campus(Company Schools) Support to Midday Meal Project	Education	Ranchi, Lohardaga, Gumla & Latehar (Jharkhand); Sonbhadra(UP); Singrauli(MP); Howrah(WB); Balrampur (Chhattisgarh); Sambalpur (Odisha); Belgaum (Karnataka); Ernakulam (Kerala); Bharuch(Gujarat)	1400.00	1249.58	1249.58	Direct
3.	<b>Education support programs:</b> Knowledge Centre/Library; Adult/Non Formal Education; Celebration of National days; Computer education; Reducing drop out and Continuing Education; Kastuba Gandhi Balika Vidyalaya; Career counselling	Education	Kolhapur (Maharashtra); Ranchi, Lohardaga, Gumla & Latehar (Jharkhand); (Sonbhadra(UP); Singrauli(MP); Howrah(WB); Balrampur (Chhattisgarh); Sambalpur(Odisha); Belgaum (Karnataka);	50.00	52.85	52.85	Direct
4.	<b>Vocational and Technical Education:</b> Strengthening ITI's; Skill Based Individual training Programmes	Education	Ranchi, Lohardaga, Gumla & Latehar (Jharkhand); Sonbhadra(UP); Singrauli(MP); Belgaum(Karnataka); Bharuch(Gujarat)	9.00	9.56	9.56	Direct
5.	<b>School Infrastructure:</b> New School Building Construction; Renovation and Maintenance of School buildings; School Sanitation & drinking Water; School Furniture & Fixtures.	Education	Belgaum(Karnataka); Sambalpur(Odisha); Balarampur (Chhattisgarh); Howrah(WB); Sonbhadra(UP) and Singrauli(MP)	100.00	80.92	80.92	Direct
6.	<b>Preventive Health Care :</b> Immunization; Pulse Polio Programme; Health Check up camps; Mobile Dispensary; Malaria/Diarrhoea Control Programme; School Health Check ups; Yoga and fitness classes	Health Care	Ranchi, Lohardaga, Gumla & Latehar (Jharkhand); Sonbhadra(UP); Singrauli(MP); Howrah(WB); Balrampur (Chhattisgarh); Sambalpur (Odisha); Belgaum (Karnataka); Ernakulam (Kerala); Bharuch(Gujarat); Kolhapur and Raigad(Maharashtra)	90.00	91.52	91.52	Direct

# DIRECTORS' REPORT TO THE SHAREHOLDERS

Annual Report 2014-15

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Projects/Activities Identified	Sector in which the project is covered	Projects/Programmes; Local Area/ Others. The States/District where the project undertaken	Amount Outlay (Budget) Project/ Programme wise (₹ in Lakhs)	Amount Spent on the Project/ Programmes (₹ in Lakhs)	Cumulative Expenditure up to reporting period (₹ in Lakhs)	Amount Spent: Direct or through implementing agency
7.	<b>Curative Health Care program:</b> Hospitals/ Dispensaries/ Clinics; General Health Check up camps; Specialised Health Camps; Eye Camps; Surgical Camps; Tuberculosis;	Health Care	Ranchi, Lohardaga, Gumla & Latehar (Jharkhand) ; Sonbhadra(UP); Singrauli(MP); Howrah(WB);Balampur (Chhattisgarh) ; Sambalpur(Odisha); Belgaum (Karnataka); Ernakulum (Kerala); Bharuch(Gujarat); Kolhapur and Raigad(Maharashtra)	280.00	270.15	270.15	Direct
8.	<b>Reproductive and Child Health:</b> Mother and Child Care; Adolescent Health Care; Infant and Child Health; Support to Family Planning programmes; Nutritional Programmes for mother and Child	Health Care	Sonbhadra(UP); Howrah(WB); Ranchi & Lohardaga(Jharkhand);Balampur (Chhattisgarh);Sambalpur(Odisha); Belgaum(Karnataka); Bharuch (Gujarat).	55.00	55.66	55.66	Direct
9.	<b>Quality/Support Program:</b> Referral services; Treatment of BPL, Old age and Needy patients; HIV-AIDS Awareness;RTI/STD Awareness; Support to differently abled; Ambulance Services; Blood Donations/Grouping	Health Care	Balampur(Chhattisgarh); Sambalpur,(Odisha); Belgaum(Karnataka); Kolhapur (Maharashtra); Bharuch(Gujarat); Sonbhadra(UP);Singrauli(MP); Howrah(WB)	47.00	34.80	34.80	Direct
10.	<b>Health Infrastructure:</b> Renovation of Health centres; Village/ Community Sanitations; Individual Toilets; Repair and installation of new drinking water sources; Water purifications.	Health Care	Singrauli(MP);Sonbhadra(UP); Balampur (Chhattisgarh); Sambalpur(Odisha); Lohardaga (Jharkhand); Kolhapur (Maharashtra); Belgaum (Karnataka); Ernakulum(Kerala); Bharuch(Gujarat).	447.00	379.28	379.28	Direct
11.	<b>Agriculture and Farm Based:</b> Agriculture and Horticulture trainings; Transfer of technology; Support to Demonstration Plots; Agricultural implements and inputs; Exposure Visits; Integrated Agriculture / Horticulture programmes; Soil Health and Organic farming.	Environment and Sustainable Livelihood	Bharuch(Gujarat);Sambalpur(Odisha); Ranchi, Lohardaga (Jharkhand); Balampur (Chhattisgarh); Sonbhadra(UP); Singrauli(MP)	50.00	55.92	55.92	Direct
12.	<b>Animal Husbandry:</b> Animal Vaccination and Treatment; Breed improvement; Milk productivity improvement programmes and Trainings	Environment and Sustainable Livelihood	Kolhapur(Maharashtra);Belgaum(Karnataka);Sonbhadra(UP); Singrauli (MP); Lohardaga (Jharkhand); Sambalpur(Odisha); Balampur (Chhattisgarh)	16.00	15.43	15.43	Direct
13.	<b>Non farm &amp; Skills Based Income generation Program:</b> Capacity Building Programmes; Rural enterprise Development and Income Generation programme(IGP) support; Support to SHGs for IGP	Environment and Sustainable Livelihood	Ranchi, Lohardaga, Gumla & Latehar (Jharkhand) ; Sonbhadra(UP); Singrauli(MP); Howrah(WB);Balampur (Chhattisgarh) ; Sambalpur(Odisha); Belgaum (Karnataka); Ernakulum (Kerala); Bharuch(Gujarat); Kolhapur(Maharashtra)	60.00	57.11	57.11	Direct
14.	<b>Natural Resource conservation programs &amp; Non-conventional Energy:</b> Bio gas support Programme; Solar Energy Support; Other energy efficient supports; Plantations; Soil Conservation; Land development; Water Conservation and harvesting structures; Development of Common pasture land;	Environment and Sustainable Livelihood	Ranchi, Lohardaga( Jharkhand) ; Sonbhadra(UP); Singrauli(MP);Balampur (Chhattisgarh) ; Sambalpur(Odisha); Ernakulum (Kerala); Kolhapur and Raigad (Maharashtra)	150.00	162.99	162.99	Direct
15.	<b>Livelihood Infrastructure:</b> Construction of Check Dams; Lift Irrigation	Environment & Sustainable Livelihood	Howrah(WB);Lohardaga, Ranchi (Jharkhand);Sonbhadra(UP) and Singrauli(MP)	30.00	25.00	25.00	Direct
16.	<b>Rural Infrastructure development:</b> Construction and Repair of Community Infrastructures:	Rural Development projects	Balampur(Chhattisgarh);Howrah(WB); Lohardaga, Ranchi (Jharkhand); Sambalpur, (Odisha); Sonbhadra(UP) and Singrauli(MP); Ernakulum(Kerala); Kolhapur(Maharashtra); Belgaum(Karnataka)	350.00	364.34	364.34	Direct
17.	<b>Institutional building &amp; strengthening:</b> Strengthening and Formation of Community Based Organisations/ SHGs	Social Empowerment	Balampur(Chhattisgarh); Howrah(WB); Lohardaga (Jharkhand); Sambalpur(Odisha); Sonbhadra(UP) and Singrauli(MP);	10.00	10.72	10.72	Direct

FINANCIAL HIGHLIGHTS  
MANAGEMENT DISCUSSION AND ANALYSIS  
CORPORATE GOVERNANCE REPORT  
SHAREHOLDER INFORMATION  
SUSTAINABLE DEVELOPMENT  
SOCIAL REPORT  
DIRECTORS' REPORT  
BUSINESS RESPONSIBILITY REPORT  
STANDALONE FINANCIAL STATEMENTS  
CONSOLIDATED FINANCIAL STATEMENTS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Projects/Activities Identified	Sector in which the project is covered	Projects/Programmes; Local Area/ Others. The States/District where the project undertaken	Amount Outlay (Budget) Project/ Programme wise (₹ in Lakhs)	Amount Spent on the Project/ Programmes (₹ in Lakhs)	Cumulative Expenditure up to reporting period (₹ in Lakhs)	Amount Spent: Direct or through implementing agency
18.	<b>Support to development organizations:</b> Support to Old age Homes; Orphanages etc.	Social Empowerment	Bharuch(Gujarat); raigad (Maharashtra); Ernakulum(Kerala);Howrah(WB); Lohardaga (Jharkhand); Sambalpur(Odisha); Sonbhadra(UP)	35.00	31.83	31.83	Direct
19.	<b>Social Security:</b> Support to Old age, Widow, physically Challenged Persons/ poor.	Social Empowerment	Ranchi and Lohardaga(Jharkhand); Sonbhadra(UP); Singrauli(MP)	7.00	7.77	7.77	Direct
20.	<b>Awareness programmes:</b> Community Awareness programmes/ Campaign against social abuse, early marriages, HIV prevention etc.	Social Empowerment	Belgaum(Karnataka); Bharuch(Gujarat)	9.00	8.21	8.21	Direct
21.	<b>Social Events to minimise causes of poverty:</b> Support to mass marriages, widow remarriages; National days celebrations; Support with basic amenities;	Social Empowerment	Bharuch(Gujarat);Kolhapur(Maharashtra); Ernakulum(Kerala); Sambalpur (Odisha); Balarampur(Chhattisgarh); Ranchi, Lohardaga (Jharkhand) and Singrauli(MP).	30.00	26.50	26.50	Direct
22.	<b>Promotion of heritage/culture/ Sports:</b> Support to rural cultural programmes, Festivals & Melas.	Promotion of heritage/Art and culture	Ernakulum(Kerala); Belgaum (Karnataka); Kolhapur (Maharashtra) and Bharuch(Gujarat)	90.00	99.12	99.12	Direct
23.	<b>Disaster Relief Programmes:</b>	Social Empowerment	Bharuch(Gujarat);Sonbhadra(UP); Singrauli(MP); Howrah(WB); Sambalpur(Odisha); Ernakulum(Kerala)	50.00	59.75	59.75	Direct
24.	<b>Overheads</b>			100.00	84.74	84.74	Direct
25.	<b>Total (₹ in Lakhs)</b>			<b>3472.00</b>	<b>3242.20</b>	<b>3242.20</b>	

6 Reason for not spending two percent of the average net profit of the last three financial years on CSR:

During the Financial Year 2014-15, the company invested ₹ 32.42 Crores, in its community and rural development activities in the CSR domain. This amounts to 1.87% of the average net profit of the last 3 financial years. New projects in the sphere of low cost housing, rural sanitation (Swachha Bharat Abhiyan) and drinking water in Gujarat, Odisha and Jharkhand have been meticulously planned. Since these could not be executed during the year because of the modalities involved, they will be carried forward in the coming fiscal.

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is as indicated:

“The implementation and monitoring of CSR Policy is in compliance with the CSR objectives and the policy of the company.”

Mr. D. Bhattacharya  
Managing Director  
(DIN: 00033553)

Mrs. Rajashree Birla  
Chairperson, CSR Committee  
(DIN: 00022995)

Date : 28th May, 2015

# DIRECTORS' REPORT TO THE SHAREHOLDERS

Annual Report 2014-15

## Annexure-VI

### Form No. MGT – 9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

Corporate Identification Number	L27020MH1958PLC011238
Registration Date	15th December, 1958
Name of the Company	Hindalco Industries Limited
Category / Sub-Category of the Company	Company Limited by shares (Public Limited Company)
Address of the Registered office and contact details	Century Bhavan, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai 400 030. Tel.: 022-66626666, Fax: 2422 7586/2436 2516
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	In House Share Transfer Agent Ahura Centre, 1st Floor B Wing , Mahakali Caves Road Mumbai, 400 093 Contact No: 022 6691 7001

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Aluminium and Aluminium Products	24202	37%
2	Copper and Copper Products	24201	48%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Hindalco Guinea SARL	NA	Subsidiary	100%	2(87)(ii)
2	Minerals & Minerals Limited	U26990JH1970PLC000875	Subsidiary	100%	2(87)(ii)
3	Aditya Birla Chemicals (India) Limited	L24100JH1976PLC001255	Subsidiary	54.65%	2(87)(ii)
4	Aditya Birla Chemicals (Belgium) BVBA <sup>5</sup>	NA	Subsidiary	----	2(87)(ii)
5	Utkal Alumina International Limited	U13203OR1993PLC003416	Subsidiary	100%	2(87)(ii)
6*	Utkal Alumina Technical and General Services Limited	U93090OR2013PLC017341	Subsidiary	100%	2(87)(ii)
7	Suvas Holdings Limited	U40300MH2000PLC128785	Subsidiary	100%	2(87)(ii)
8	Renukeshwar Investments & Finance Limited	U65910UP1994PLC017080	Subsidiary	100%	2(87)(ii)
9	Renuka Investments & Finance Limited	U65910UP1994PLC017081	Subsidiary	100%	2(87)(ii)
10	Dahej Harbour and Infrastructure Limited	U45201GJ1998PLC035047	Subsidiary	100%	2(87)(ii)
11	Lucknow Finance Company Limited	U65992UP1989PLC010802	Subsidiary	100%	2(87)(ii)
12	Hindalco-Almex Aerospace Limited	U27203MH2007PLC166651	Subsidiary	100%	2(87)(ii)
13**	Hindalco do Brasil Industria e Comercio de Alumina Ltda	NA	Subsidiary	100%	2(87)(ii)
14	Tubed Coal Mines Limited	U10100MH2007PLC174466	Subsidiary	60%	2(87)(ii)
15	East Coast Bauxite Mining Company Private Limited	U13203OR2007PTC009597	Subsidiary	74%	2(87)(ii)
16	Mauda Energy Limited	U40103MH2009PLC196230	Subsidiary	100%	2(87)(ii)
17	Birla Resources Pty Limited	NA	Subsidiary	100%	2(87)(ii)
18	Aditya Birla Minerals Limited	NA	Subsidiary	51%	2(87)(ii)
19 <sup>#</sup>	Birla Maroochydore Pty Limited	NA	Subsidiary	51%	2(87)(ii)
20 <sup>#</sup>	Birla Nifty Pty Limited	NA	Subsidiary	51%	2(87)(ii)
21 <sup>#</sup>	Birla Mt. Gordon Pty Limited	NA	Subsidiary	51%	2(87)(ii)
22	A V Minerals (Netherlands) N.V.	NA	Subsidiary	100%	2(87)(ii)
23 <sup>~</sup>	A V Metals Inc.	NA	Subsidiary	100%	2(87)(ii)
24 <sup>#</sup>	Novelis Inc.	NA	Subsidiary	100%	2(87)(ii)
25 <sup>**</sup>	Novelis (India) Infotech Ltd.	U72502MH2008FLC178655	Subsidiary	99.88%	2(87)(ii)
26 <sup>**</sup>	4260848 Canada Inc.	NA	Subsidiary	100%	2(87)(ii)
27 <sup>**</sup>	4260856 Canada Inc.	NA	Subsidiary	100%	2(87)(ii)
28 <sup>**</sup>	8018227 Canada Inc.	NA	Subsidiary	100%	2(87)(ii)
29 <sup>**</sup>	8018243 Canada Limited	NA	Subsidiary	100%	2(87)(ii)
30 <sup>**</sup>	Novelis Cast House Technology Ltd. (amalgamated with Novelis Inc. w.e.f. 31st March, 2015)	NA	Subsidiary	100%	2(87)(ii)
31 <sup>**</sup>	Novelis Corporation (Texas)	NA	Subsidiary	100%	2(87)(ii)
32 <sup>**</sup>	Aluminium Upstream Holdings LLC (Delaware)	NA	Subsidiary	100%	2(87)(ii)
33 <sup>**</sup>	Eurofoil Inc. (USA) (New York)	NA	Subsidiary	100%	2(87)(ii)
34 <sup>**</sup>	Logan Aluminium Inc. (Delaware)	NA	Subsidiary	100%	2(87)(ii)
35 <sup>**</sup>	Novelis Acquisitions LLC	NA	Subsidiary	100%	2(87)(ii)
36 <sup>**</sup>	Novelis Brand LLC (amalgamated with Novelis Inc. w.e.f. 31st March, 2015)	NA	Subsidiary	100%	2(87)(ii)

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
37 <sup>##</sup>	Novelis PAE Corporation (Delaware)	NA	Subsidiary	100%	2(87)(ii)
38 <sup>##</sup>	Novelis Holdings Inc (Formerly known as Novelis North America Holding LLC)	NA	Subsidiary	100%	2(87)(ii)
39 <sup>##</sup>	Novelis South America Holdings LLC	NA	Subsidiary	100%	2(87)(ii)
40 <sup>##</sup>	Novelis Delaware LLC	NA	Subsidiary	100%	2(87)(ii)
41 <sup>##</sup>	Albrasilis – Aluminio do Brasil Industria e Comercio Ltda	NA	Subsidiary	100%	2(87)(ii)
42 <sup>##</sup>	Novelis do Brasil Ltda	NA	Subsidiary	100%	2(87)(ii)
43 <sup>##</sup>	Novelis Lamine France SAS	NA	Subsidiary	100%	2(87)(ii)
44 <sup>##</sup>	Novelis PAE SAS	NA	Subsidiary	100%	2(87)(ii)
45 <sup>##</sup>	Novelis Aluminium Beteiligungs GmbH	NA	Subsidiary	100%	2(87)(ii)
46 <sup>##</sup>	Novelis Deutschland GmbH	NA	Subsidiary	100%	2(87)(ii)
47 <sup>##</sup>	Novelis Sheet Ingot GmbH (Germany)	NA	Subsidiary	100%	2(87)(ii)
48 <sup>##</sup>	Novelis Aluminium Holding Company	NA	Subsidiary	100%	2(87)(ii)
49 <sup>##</sup>	Novelis Italia SpA	NA	Subsidiary	100%	2(87)(ii)
50 <sup>##</sup>	Al Dotcom Sdn Berhad	NA	Subsidiary	100%	2(87)(ii)
51 <sup>##</sup>	Alcom Nikkei Speciality Coatings Sdn Berhad	NA	Subsidiary	100%	2(87)(ii)
52 <sup>##</sup>	Aluminium Company of Malaysia Berhad	NA	Subsidiary	100%	2(87)(ii)
53 <sup>##</sup>	Novelis de Mexico SA de CV	NA	Subsidiary	100%	2(87)(ii)
54 <sup>##</sup>	Novelis Korea Limited	NA	Subsidiary	100%	2(87)(ii)
55 <sup>##</sup>	Novelis AG (Switzerland)	NA	Subsidiary	100%	2(87)(ii)
56 <sup>##</sup>	Novelis Switzerland SA	NA	Subsidiary	100%	2(87)(ii)
57 <sup>##</sup>	Novelis UK Ltd.	NA	Subsidiary	100%	2(87)(ii)
58 <sup>##</sup>	Novelis Europe Holdings Limited	NA	Subsidiary	100%	2(87)(ii)
59 <sup>##</sup>	Novelis Services Limited	NA	Subsidiary	100%	2(87)(ii)
60 <sup>##</sup>	Novelis (Shanghai) Aluminium Trading Company	NA	Subsidiary	100%	2(87)(ii)
61 <sup>##</sup>	Novelis (China) Aluminium Products Co. Ltd.	NA	Subsidiary	100%	2(87)(ii)
62 <sup>##</sup>	Novelis MEA Ltd (Dubai)	NA	Subsidiary	100%	2(87)(ii)
63 <sup>##</sup>	Novelis Vietnam Company Limited (Vietnam)	NA	Subsidiary	100%	2(87)(ii)
64 <sup>##</sup>	Novelis Asia Holdings (Singapore) Pte. Ltd.	NA	Subsidiary	100%	2(87)(ii)
65 <sup>##</sup>	Brecha Energetica Ltda (w.e.f. 25th April, 2014)	NA	Subsidiary	100%	2(87)(ii)
66 <sup>##</sup>	Brito Energetica Ltda (w.e.f 25th April, 2014)	NA	Subsidiary	100%	2(87)(ii)
67 <sup>##</sup>	Novelis Services (North America) Inc. (w.e.f. 3rd December, 2014)	NA	Subsidiary	100%	2(87)(ii)
68 <sup>##</sup>	Novelis No. 1 Limited Partnership	NA	Subsidiary	100%	2(87)(ii)
69 <sup>##</sup>	Novelis Madeira Unipessoal Lda	NA	Subsidiary	100%	2(87)(ii)
70	Aluminium Norf GMBH	NA	Associate	50%	2(6)
71	Deutsche Aluminium Verpackung Recycling GMBH	NA	Associate	30%	2(6)
72	France Aluminium Recyclage SA	NA	Associate	20%	2(6)
73	Aditya Birla Science and Technology Company Private Limited	U74200MH2006PTC158951	Associate	49%	2(6)
74	Idea Cellular Limited	L32100GJ1996PLC030976C	Associate	6.35%	2(6)
75	Sanjana Cryogenic Storages Limited	U40106MH1999PLC121459	Associate	34.67%	2(6)

\* Utkal Alumina Technical and General Services Limited, 100% Subsidiary of Utkal Alumina International Limited.

\*\* 100% subsidiary of A V Minerals (Netherlands) N.V.

\* 100% subsidiary of A V Metals Inc.

# Subsidiaries of Aditya Birla Minerals Limited with 51% of holding.

\*\* 100% Subsidiaries of Novelis Inc.

\* Subsidiary of Aditya Birla Chemicals (India) Limited

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

##### i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A.</b>	<b>PROMOTERS</b>									
(1)	Indian									
(a)	Individual/HUF	2398696	0	2398696	0.12	2398696	0	2398696	0.12	0.00
(b)	Central Govt/ State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corp	745082362	0	745082362	36.09	745082362	0	745082362	36.08	0.01
(d)	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other	16316130	0	16316130	0.79	16316130	0	16316130	0.79	0.00
	<b>Sub-total (a)(1):-</b>	<b>763797188</b>	<b>0</b>	<b>763797188</b>	<b>37.00</b>	<b>763797188</b>	<b>0</b>	<b>763797188</b>	<b>36.99</b>	<b>0.01</b>
(2)	Foreign									
(a)	NRIs – Individuals	0	0	0	0	0	0	0	0.00	0.00
(b)	Other – Individuals	0	0	0	0	0	0	0	0.00	0.00
(c)	Bodies Corp.	0	0	0	0	0	0	0	0.00	0.00

# DIRECTORS' REPORT TO THE SHAREHOLDERS

Annual Report 2014-15

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
(d)	Banks/FI	0	0		0	0	0	0	0.00	0.00
(e)	Any Other	0	0	0	0	0	0	0	0.00	0.00
	<b>Sub-total (a)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total shareholding of promoter (a) = (a)(1)+(a)(2)</b>	<b>763797188</b>	<b>0</b>	<b>763797188</b>	<b>37.00</b>	<b>763797188</b>	<b>0</b>	<b>763797188</b>	<b>36.99</b>	<b>0.01</b>
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									
(1)	Institutions									
(a)	Mutual Funds	12457764	22860	12480624	0.61	21898565	22650	21921215	1.06	-0.45
(b)	Banks/FI	81792162	60460	81852622	3.97	43474184	62660	43536844	2.11	1.86
(c)	Central Govt/ State Govt(s)	58040	287480	345520	0.02	58040	287480	345520	0.02	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	203172577	6080	203178657	9.84	215317901	6080	215323981	10.43	-0.59
(f)	FIs	555471659	23740	555495399	26.91	574208373	23740	574232113	27.81	-0.9
(g)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Foreign Company	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-total (b)(1):-</b>	<b>852952202</b>	<b>400620</b>	<b>853352822</b>	<b>41.33</b>	<b>854957063</b>	<b>402610</b>	<b>855359673</b>	<b>41.42</b>	<b>-0.09</b>
(2)	Non – Institutions									
(a)	Bodies Corp.	77387353	300231	77687584	3.76	86741720	295255	87036975	4.21	-0.45
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	131907625	14059493	145967118	7.07	124802625	13075644	137878269	6.68	0.39
(ii)	Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	8311562	770021	9081583	0.44	9979311	770021	10749332	0.52	-0.08
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Non – Residents Indians	8275370	2147605	10422975	0.51	8619070	2014179	10633249	0.51	0.00
(i)	Foreign Bodies Corporate	0	32554920	32554920	1.58	0	32554920	32554920	1.58	0.00
(e)	Any Other (specify)									
(i)	shares in Transit	6356737	0	6356737	0.31	3665936	0	3665936	0.18	0.13
(ii)	Educational Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(iii)	Trust	3228940	0	3228940	0.16	3874552	0	3874552	0.19	-0.03
	<b>Sub-total (b) (2):-</b>	<b>235467587</b>	<b>49832270</b>	<b>285299857</b>	<b>13.82</b>	<b>237683214</b>	<b>48710019</b>	<b>286393233</b>	<b>13.87</b>	<b>-0.05</b>
	<b>Total Public Shareholding (b) = (b)(1)+(b)(2)</b>	<b>1088419789</b>	<b>50232890</b>	<b>1138652679</b>	<b>55.15</b>	<b>1092640277</b>	<b>49112629</b>	<b>1141752906</b>	<b>55.29</b>	<b>-0.14</b>
<b>C.</b>	<b>Shares held by custodian for GDRS</b>	<b>162110171</b>	<b>27830</b>	<b>162138001</b>	<b>7.85</b>	<b>159402458</b>	<b>27830</b>	<b>159430288</b>	<b>7.72</b>	<b>0.13</b>
	<b>Grand total (a)+(b)+(c)</b>	<b>2014327148</b>	<b>50260720</b>	<b>2064587868</b>	<b>100.00</b>	<b>2015839923</b>	<b>49140459</b>	<b>2064980382</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	IGH Holdings Private Limited	34,99,63,487	16.95	-	34,99,63,487	16.95	-	0.00
2	Turquoise Investments and Finance Private Limited	12,40,12,468	6.01	-	12,40,12,468	6.01	-	-0.00
3	Trapiti Trading & Investments Pvt Ltd	9,30,63,124	4.51	-	9,30,63,124	4.51	-	0.00
4	Grasim Industries Ltd	5,45,42,475	2.64	-	5,45,42,475	2.64	-	0.00
5	Aditya Birla Nuvo Limited	3,35,06,337	1.62	-	3,35,06,337	1.62	-	0.00
6	Pilani Investment & Ind. Corp. Ltd.	2,91,85,398	1.41	-	2,91,85,398	1.41	-	0.00
7	Umang Commercial Company Limited	2,73,30,360	1.32	-	2,73,30,360	1.32	-	0.00
8	Birla Institute of Technology and Science	2,15,83,090	1.04	-	2,15,83,090	1.04	-	0.00
9	Trustee Holding Shares Under the Scheme of Merger of HIL/IGCL/IGFL on Behalf of Hindalco	1,63,16,130	0.79	-	1,63,16,130	0.79	-	0.00
10	Birla Group Holdings Private Limited	67,31,467	0.33	-	67,31,467	0.33	-	0.00
11	Kumar Mangalam Birla	8,65,740	0.04	-	8,65,740	0.04	-	0.00
12	Manav Investment & Trading Co. Ltd.	6,72,571	0.03	-	6,72,571	0.03	-	0.00
13	Aditya Vikram Kumar Mangalam Birla Huf	6,48,632	0.03	-	6,48,632	0.03	-	0.00
14	Rajashree Birla	6,12,470	0.03	-	6,12,470	0.03	-	0.00
15	TGS Investment And Trade Private Limited	44,85,249	0.22	-	44,85,249	0.22	-	0.00
16	Vasavadatta Bajaj	1,21,319	0.01	-	1,21,319	0.01	-	0.00
17	Neerja Birla	1,14,640	0.01	-	1,14,640	0.01	-	0.00
18	Kumar Mangalam Birla F & N G of Ananyashree Birla	35,895	0.00	-	35,895	0.00	-	0.00
19	Global Holdings Private Limited	6,336	0.00	-	6,336	0.00	-	0.00
	<b>Total</b>	<b>76,37,97,188</b>	<b>36.99</b>	<b>-</b>	<b>76,37,97,188</b>	<b>36.99</b>	<b>-</b>	<b>0.00</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change) – No Change

Sr. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	NIL	NIL	NIL	NIL

**Note:** There is no change in total shareholding of promoters between 01-04-14 to 31-03-15. The decrease in % of total shares of the company is due to allotment of shares under ESOP scheme.

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name	Shareholding		Cumulative shareholding during the year (01.04.14 to 31.03.15)				
		No. of shares at the beginning (01/04/14)/ end of the year (31/03/15)	% of the total shares of the Company	Date	Increase/ Decrease In shareholding	Reason	No. of shares	% of total shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	168762273	8.17	4-Apr-2014		Transfer	168762273	8.17
				14-Aug-2014	-294154	Transfer	168468119	8.16
				22-Aug-2014	-4992331	Transfer	163475788	7.92
				28-Aug-2014	-3027652	Transfer	160448136	7.77
				5-Sep-2014	-2349556	Transfer	158098580	7.66
				12-Sep-2014	-2142070	Transfer	155956510	7.55
				31-Oct-2014	448821	Transfer	156405331	7.57
				19-Dec-2014	4897838	Transfer	161303169	7.81
				31-Dec-2014	6279489	Transfer	167582658	8.12
				2-Jan-2015	646891	Transfer	168229549	8.15
				9-Jan-2015	5585790	Transfer	173815339	8.42
				16-Jan-2015	2123889	Transfer	175939228	8.52
				23-Jan-2015	3622946	Transfer	179562174	8.70
				30-Jan-2015	3423017	Transfer	182985191	8.86
		186803611	9.05	6-Feb-2015	3818420	Transfer	186803611	9.05
		162105871	7.85	4-Apr-2014			162105871	7.85
				25-Apr-2014	-34603	Transfer	162071268	7.85
				2-May-2014	29900	Transfer	162101168	7.85
				23-May-2014	-651775	Transfer	161449393	7.82
2	MORGAN GUARANTY TRUST COMPANY OF NEW YORK, AS DEPOSITORY			6-Jun-2014	-5194162	Transfer	156255231	7.57
				30-Jun-2014	1054388	Transfer	157309619	7.62
				4-Jul-2014	628170	Transfer	157937789	7.65
				11-Jul-2014	100000	Transfer	158037789	7.65
				18-Jul-2014	511000	Transfer	158548789	7.68
				25-Jul-2014	-59800	Transfer	158488989	7.68
				8-Aug-2014	-174787	Transfer	158314202	7.67
				14-Aug-2014	-256178	Transfer	158058024	7.65
				28-Aug-2014	1253300	Transfer	159311324	7.71
				20-Sep-2014	2560399	Transfer	161871723	7.84
				30-Sep-2014	1581	Transfer	161873304	7.84
				21-Nov-2014	-120270	Transfer	161753034	7.83
				30-Jan-2015	11500	Transfer	161764534	7.83
				6-Feb-2015	-85695	Transfer	161678839	7.83
				13-Feb-2015	19400	Transfer	161698239	7.83
				27-Feb-2015	12500	Transfer	161710739	7.83
				6-Mar-2015	18700	Transfer	161729439	7.83
				13-Mar-2015	-1184673	Transfer	160544766	7.77
		159402458	7.72	31-Mar-2015	-1142308	Transfer	159402458	7.72
3	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A S V	2710529	0.13	4-Apr-2014			2710529	0.13
				11-Apr-2014	-34691	Transfer	2675838	0.13
				18-Apr-2014	-46307	Transfer	2629531	0.13
				25-Apr-2014	-673075	Transfer	1956456	0.09
				2-May-2014	-420577	Transfer	1535879	0.07
				9-May-2014	954875	Transfer	2490754	0.12
				16-May-2014	7653458	Transfer	10144212	0.49
				23-May-2014	2164164	Transfer	12308376	0.60
				30-May-2014	391795	Transfer	12700171	0.62
				6-Jun-2014	-182181	Transfer	12517990	0.61
				20-Jun-2014	-133781	Transfer	12384209	0.60
				30-Jun-2014	-20783	Transfer	12363426	0.60
				4-Jul-2014	956316	Transfer	13319742	0.65
				11-Jul-2014	1152025	Transfer	14471767	0.70
				18-Jul-2014	-54002	Transfer	14417765	0.70
				25-Jul-2014	314045	Transfer	14731810	0.71
				1-Aug-2014	-919763	Transfer	13812047	0.67
				8-Aug-2014	-103420	Transfer	13708627	0.66

# DIRECTORS' REPORT TO THE SHAREHOLDERS

Annual Report 2014-15

S. No.	Name	Shareholding		Cumulative shareholding during the year (01.04.14 to 31.03.15)				
		No. of shares at the beginning (01/04/14)/ end of the year (31/03/15)	% of the total shares of the Company	Date	Increase/ Decrease In shareholding	Reason	No. of shares	% of total shares of the Company
				22-Aug-2014	242481	Transfer	13951108	0.68
				28-Aug-2014	736262	Transfer	14687370	0.71
				5-Sep-2014	340612	Transfer	15027982	0.73
				12-Sep-2014	1325731	Transfer	16353713	0.79
				20-Sep-2014	-1015945	Transfer	15337768	0.74
				30-Sep-2014	3552634	Transfer	18890402	0.91
				3-Oct-2014	-690835	Transfer	18199567	0.88
				10-Oct-2014	-304217	Transfer	17895350	0.87
				17-Oct-2014	-137553	Transfer	17757797	0.86
				24-Oct-2014	827469	Transfer	18585266	0.90
				31-Oct-2014	-817426	Transfer	17767840	0.86
				7-Nov-2014	134928	Transfer	17902768	0.87
				14-Nov-2014	1629263	Transfer	19532031	0.95
				21-Nov-2014	-1565018	Transfer	17967013	0.87
				28-Nov-2014	812135	Transfer	18779148	0.91
				5-Dec-2014	-769295	Transfer	18009853	0.87
				12-Dec-2014	3972528	Transfer	21982381	1.06
				19-Dec-2014	1410674	Transfer	23393055	1.13
				31-Dec-2014	-494966	Transfer	22898089	1.11
				9-Jan-2015	-1384379	Transfer	21513710	1.04
				16-Jan-2015	-600287	Transfer	20913423	1.01
				23-Jan-2015	-385560	Transfer	20527863	0.99
				30-Jan-2015	-224039	Transfer	20303824	0.98
				6-Feb-2015	-828832	Transfer	19474992	0.94
				13-Feb-2015	8932990	Transfer	28407982	1.38
				20-Feb-2015	818545	Transfer	29226527	1.42
				27-Feb-2015	3896763	Transfer	33123290	1.60
				6-Mar-2015	4715671	Transfer	37838961	1.83
				13-Mar-2015	3305456	Transfer	41144417	1.99
		40579617	1.97	31-Mar-2015	-564800	Transfer	40579617	1.97
4	SKAGEN KON-TIKI VERDIPAPIRFOND	0	0.00	4-Apr-2014			0	0.00
				12-Sep-2014			459352	0.02
				20-Sep-2014	5922000	Transfer	6381352	0.31
				30-Sep-2014	8998892	Transfer	15380244	0.74
				3-Oct-2014	1601108	Transfer	16981352	0.82
				10-Oct-2014	6000000	Transfer	22981352	1.11
				17-Oct-2014	1000000	Transfer	23981352	1.16
				14-Nov-2014	3075478	Transfer	27056830	1.31
				12-Dec-2014	675000	Transfer	27731830	1.34
		30031830	1.45	16-Jan-2015	2300000	Transfer	30031830	1.45
5	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD	36851110	1.78	4-Apr-2014			36851110	1.78
				11-Apr-2014	-1800000	Transfer	35051110	1.70
				25-Apr-2014	114423	Transfer	35165533	1.70
				2-May-2014	-286500	Transfer	34879033	1.69
				9-May-2014	-243906	Transfer	34635127	1.68
				16-May-2014	-300000	Transfer	34335127	1.66
				23-May-2014	245355	Transfer	34580482	1.67
				30-May-2014	-79594	Transfer	34500888	1.67
				6-Jun-2014	-500000	Transfer	34000888	1.65
				13-Jun-2014	-387126	Transfer	33613762	1.63
				20-Jun-2014	-378235	Transfer	33235527	1.61
				30-Jun-2014	-182346	Transfer	33053181	1.60
				4-Jul-2014	-115566	Transfer	32937615	1.60
				11-Jul-2014	-838737	Transfer	32098878	1.55
				18-Jul-2014	-75102	Transfer	32023776	1.55
				25-Jul-2014	-1043160	Transfer	30980616	1.50
				1-Aug-2014	-49974	Transfer	30930642	1.50
				8-Aug-2014	-58404	Transfer	30872238	1.50
				14-Aug-2014	-29266	Transfer	30842972	1.49
				22-Aug-2014	-42510	Transfer	30800462	1.49
				28-Aug-2014	495649	Transfer	31296111	1.52
				5-Sep-2014	433140	Transfer	31729251	1.54
				9-Sep-2014	110211	Transfer	31839462	1.54
				12-Sep-2014	-26650	Transfer	31812812	1.54
				20-Sep-2014	-33648	Transfer	31779164	1.54
				30-Sep-2014	-404380	Transfer	31374784	1.52

FINANCIAL HIGHLIGHTS  
MANAGEMENT DISCUSSION AND ANALYSIS  
CORPORATE GOVERNANCE REPORT  
SHAREHOLDER INFORMATION  
SUSTAINABLE DEVELOPMENT  
SOCIAL REPORT  
DIRECTORS' REPORT  
BUSINESS RESPONSIBILITY REPORT  
STANDALONE FINANCIAL STATEMENTS  
CONSOLIDATED FINANCIAL STATEMENTS

S. No.	Name	Shareholding		Cumulative shareholding during the year (01.04.14 to 31.03.15)				
		No. of shares at the beginning (01/04/14)/ end of the year (31/03/15)	% of the total shares of the Company	Date	Increase/ Decrease In shareholding	Reason	No. of shares	% of total shares of the Company
				10-Oct-2014	317732	Transfer	31692516	1.53
				17-Oct-2014	-13832	Transfer	31678684	1.53
				24-Oct-2014	-14023	Transfer	31664661	1.53
				31-Oct-2014	-66998	Transfer	31597663	1.53
				7-Nov-2014	186918	Transfer	31784581	1.54
				14-Nov-2014	147554	Transfer	31932135	1.55
				21-Nov-2014	386848	Transfer	32318983	1.57
				31-Dec-2014	-37340	Transfer	32281643	1.56
				2-Jan-2015	-337194	Transfer	31944449	1.55
				9-Jan-2015	-1518580	Transfer	30425869	1.47
				30-Jan-2015	-300000	Transfer	30125869	1.46
				6-Feb-2015	238404	Transfer	30364273	1.47
				13-Feb-2015	115	Transfer	30364388	1.47
				20-Feb-2015	-500000	Transfer	29864388	1.45
				27-Feb-2015	-602731	Transfer	29261657	1.42
				6-Mar-2015	-550000	Transfer	28711657	1.39
		27836657	1.35	20-Mar-2015	-875000	Transfer	27836657	1.35
6	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	24721139	1.20	4-Apr-2014			24721139	1.20
				20-Jun-2014	-711220	Transfer	24009919	1.16
				1-Aug-2014	-3522713	Transfer	20487206	0.99
				8-Aug-2014	-1451160	Transfer	19036046	0.92
				14-Aug-2014	-500000	Transfer	18536046	0.90
				22-Aug-2014	-1026091	Transfer	17509955	0.85
				31-Dec-2014	1762367	Transfer	19272322	0.93
				2-Jan-2015	4157	Transfer	19276479	0.93
				9-Jan-2015	1882761	Transfer	21159240	1.02
				16-Jan-2015	1350715	Transfer	22509955	1.09
				23-Jan-2015	1479284	Transfer	23989239	1.16
				30-Jan-2015	400000	Transfer	24389239	1.18
		26471995	1.28	6-Feb-2015	2082756	Transfer	26471995	1.28
7	ORBIS SICAV - ASIA EX-JAPAN EQUITY FUND	0.00	0.00	4-Apr-2014			0	0.00
				30-Sep-2014			1098549	0.05
				3-Oct-2014	355477	Transfer	1454026	0.07
				10-Oct-2014	3113242	Transfer	4567268	0.22
				17-Oct-2014	6468500	Transfer	11035768	0.53
				24-Oct-2014	929892	Transfer	11965660	0.58
				19-Dec-2014	749381	Transfer	12715041	0.62
				31-Dec-2014	3954190	Transfer	16669231	0.81
				13-Feb-2015	2424292	Transfer	19093523	0.92
				6-Mar-2015	276513	Transfer	19370036	0.94
				13-Mar-2015	3241533	Transfer	22611569	1.09
		24430468	1.18	20-Mar-2015	1818899	Transfer	24430468	1.18
8	DIMENSIONAL EMERGING MARKETS VALUE FUND	22212623	1.08	4-Apr-2014			22212623	1.08
				12-Sep-2014	-235103	Transfer	21977520	1.06
				20-Sep-2014	-206899	Transfer	21770621	1.05
				30-Sep-2014	-298282	Transfer	21472339	1.04
				24-Oct-2014	-317860	Transfer	21154479	1.02
				31-Oct-2014	-319500	Transfer	20834979	1.01
				14-Nov-2014	-87398	Transfer	20747581	1.00
				28-Nov-2014	-132115	Transfer	20615466	1.00
				5-Dec-2014	-580533	Transfer	20034933	0.97
				12-Dec-2014	-433145	Transfer	19601788	0.95
				19-Dec-2014	-195193	Transfer	19406595	0.94
				31-Dec-2014	-427186	Transfer	18979409	0.92
				2-Jan-2015	-29425	Transfer	18949984	0.92
				20-Mar-2015	286207	Transfer	19236191	0.93
		19688159	0.95	31-Mar-2015	451968	Transfer	19688159	0.95
9	SPRUCEGROVE INVESTMENT MANAGEMENT LTD A/C SPRUCEGROVE INTERNATIONAL POOLED FUND	22616023	1.10	4-Apr-2014			22616023	1.10
				8-Aug-2014	-664200	Transfer	21951823	1.06
				14-Aug-2014	-2068100	Transfer	19883723	0.96
				28-Aug-2014	-589460	Transfer	19294263	0.93
		17884643	0.87	20-Sep-2014	-1409620	Transfer	17884643	0.87

# DIRECTORS' REPORT TO THE SHAREHOLDERS

Annual Report 2014-15

S. No.	Name	Shareholding	Cumulative shareholding during the year (01.04.14 to 31.03.15)					
		No. of shares at the beginning (01/04/14)/ end of the year (31/03/15)	% of the total shares of the Company	Date	Increase/ Decrease In shareholding	Reason	No. of shares	% of total shares of the Company
10	ABU DHABI INVESTMENT AUTHORITY - GULAB	16423141	0.80	4-Apr-2014			16423141	0.80
				6-Jun-2014	365076	Transfer	16788217	0.81
				30-Jun-2014	11175	Transfer	16799392	0.81
				4-Jul-2014	37475	Transfer	16836867	0.82
				11-Jul-2014	192121	Transfer	17028988	0.82
				18-Jul-2014	77857	Transfer	17106845	0.83
				5-Sep-2014	121044	Transfer	17227889	0.83
				28-Nov-2014	291473	Transfer	17519362	0.85
				12-Dec-2014	126006	Transfer	17645368	0.85
		17251983	0.84	6-Mar-2015	-393385	Transfer	17251983	0.84

## (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
DIRECTORS					
1	Mr. Kumar Mangalam Birla	8,65,740	0.04	8,65,740	0.04
2	Mrs. Rajashree Birla	6,12,470	0.03	6,12,470	0.03
3	Mr. A.K. Agarwala	1,16,148	0.00	1,16,148	0.00
4	Mr. M.M. Bhagat	4,050	0.00	4,050	0.00
5	Mr. K.N. Bhandari	3,571	0.00	3,571	0.00
6	Mr. N.J Jhaveri	5,000	0.00	5,000	0.00
7	Mr. Ram Charan	NIL	0.00	NIL	0.00
8	Mr. Jagdish Khattar	2,500	0.00	2,500	0.00
9	Mr. D. Bhattacharya	95,540	0.00	1,38,265*	0.00
10	Mr. Satish Pai	Nil	0.00	Nil	0.00
KEY MANAGERIAL PERSONNEL					
1	Mr. Praveen Maheshwari	Nil	0.00	Nil	0.00
2	Mr. Anil Malik	Nil	0.00	Nil	0.00

\*Due to allotment of 4,800 Shares on 5th April, 2014 and 37,925 Shares on 17th September, 2014 under ESOP Scheme.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

₹ in Crore				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	22,770.55	4,247.15	-	27,017.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	472.24	84.29	-	556.53
<b>Total (i+ii+iii)</b>	<b>23,242.79</b>	<b>4,331.44</b>	<b>-</b>	<b>27,574.23</b>
Change in Indebtedness during the financial year				
Addition	8,003.50	61,027.54	-	69,031.04
Reduction	7,402.12	59,641.38	-	67,043.50
<b>Net Change*</b>	<b>601.38</b>	<b>1,386.16</b>	<b>-</b>	<b>1,987.54</b>
Indebtedness at the end of the financial year				
i) Principal Amount	23,371.93	5,633.31	-	29,005.24
ii) Interest due but not paid	0.02	-	-	0.02
iii) Interest accrued but not due	472.24	90.39	-	562.63
<b>Total (i+ii+iii)</b>	<b>23,844.19</b>	<b>5,723.70</b>	<b>-</b>	<b>29,567.89</b>

\* Including Exchange Rate Difference on Foreign Exchange Borrowing

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amt ₹ In Crore
		Mr. D. Bhattacharya	Mr. Satish Pai	
1	Gross salary	17.81	10.52	28.33
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.46	1.65	5.11
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Option	0.32	--	0.32
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- as % of profit	--	--	--
	- Others, specify...	--	--	--
5	Others, please specify	--	--	--
	<b>Total (A)</b>	<b>21.59</b>	<b>12.17</b>	<b>33.76</b>
	Ceiling as per the Companies Act, 2013 (being 10% of the net profit as worked out as per Section 198 of Companies Act 2013)	--	--	85.88

**B. Remuneration to other directors:**

(₹ In Crores)

Sr. No.	Name	Commission	Sitting Fees	Total Compensation
I	Non Executive Directors			
1	Mr. Kumar Mangalam Birla	3.498	0.10	3.59
2	Mrs. Rajashree Birla	0.063	0.01	0.07
3	Mr. A.K Agarwala	0.082	0.03	0.11
	<b>Total (I)</b>	<b>3.643</b>	<b>0.14</b>	<b>3.77</b>
II	Independent Directors			
1	Mr. M.M Bhagat	0.082	0.04	0.12
2	Mr. C.M. Maniar	0.007	0.00	0.00
3	Mr. K.N.Bhandari	0.096	0.04	0.14
4	Mr. N.J Jhaveri	0.084	0.04	0.12
5	Mr. Ram Charan	0.040	0.00	0.04
6	Mr. Jagdish Khattar	0.053	0.02	0.07
	<b>Total (II)</b>	<b>0.362</b>	<b>0.14</b>	<b>4.49</b>
	<b>Grand Total (I+II)</b>	<b>4.000</b>	<b>0.28</b>	<b>4.26</b>
	Overall Ceiling as per the Companies Act, 2013 (being 11% of the net Profit as worked out as per Section 198 of the Companies Act 2013)			94.46

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT/D**

(₹ In Crores)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personal		Total
		Mr. Praveen Maheshwari, CFO	Mr. Anil Malik, Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.70	0.76	3.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.27	0.05	0.32
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - Others, specify...	--	--	--
5	Others, please specify	--	--	--
	<b>Total (A)</b>	<b>2.97</b>	<b>0.81</b>	<b>3.78</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:****A. COMPANY - Nil**

Penalty	There were no penalties /punishment /compounding of offences for year ended 31 <sup>st</sup> March 2015
Punishment	
Compounding	

**B. DIRECTORS - Nil**

Penalty	There were no penalties /punishment /compounding of offences for year ended 31 <sup>st</sup> March 2015
Punishment	
Compounding	

**C. OTHER OFFICERS IN DEFAULT - Nil**

Penalty	There were no penalties /punishment /compounding of offences for year ended 31 <sup>st</sup> March 2015
Punishment	
Compounding	

**Annexure-VII**

Form AOC-1													
Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014													
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures													
Part "A" - Subsidiaries													
Sr.	Name of the Subsidiary Company	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debiture, Bonds & Others	Turnover/ Revenues	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend	% of Share Holding
₹ Crore & Foreign Currency in Million													
1	Minerals & Minerals Limited	INR	0.05	1.08	5.32	4.19	0.00	18.03	0.16	0.59	-0.43	0.00	100.00
2	Renuka Investments & Finance Limited	INR	9.25	53.62	63.69	0.82	56.71	4.65	4.36	0.57	3.79	0.00	100.00
3	Renukeshwar Investments & Finance Limited	INR	4.80	35.31	40.10	-0.01	40.03	1.59	1.59	0.00	1.57	0.00	100.00
4	Sivas Holdings Limited	INR	7.08	-0.06	11.24	4.22	0.00	0.06	-0.06	-0.02	-0.08	0.00	51.00
5	Utkal Alumina International Limited	INR	3911.76	-922.28	8578.21	5618.73	0.00	1671.99	-496.08	0.00	-496.06	0.00	100.00
6	Aditya Birla Chemicals (India) Limited	INR	23.39	452.62	1844.54	1398.53	5.05	1133.61	81.51	44.22	37.29	11.69	54.65
7	Hindalco-Almax Aerospace Limited	INR	88.56	-9.93	81.51	2.88	6.73	43.88	-1.75	0.00	-1.75	0.00	97.18
8	Lucknow Finance Company Limited	INR	9.90	4.63	29.85	15.32	6.12	4.07	3.63	0.68	2.95	0.00	100.00
9	Dahej Harbour and Infrastructure Limited	INR	50.00	78.25	146.41	18.16	82.90	76.08	51.38	9.76	41.62	0.00	100.00
10	East Coast Bauxite Mining Company Private Limited	INR	0.01	-0.02	0.01	0.02	0.00	0.00	0.00	0.00	0.00	0.00	74.00
11	Tubed Coal Mines Limited	INR	44.59	-21.83	23.56	0.80	0.00	0.07	-21.13	-0.02	-21.15	0.00	60.00
12	Mauda Energy Limited	INR	0.18	-0.03	0.15	0.00	0.00	0.00	-0.01	0.00	-0.01	0.00	100.00
13	Aditya Birla Minerals Limited	INR	2137.83	-860.32	1416.54	139.03	1005.46	14.65	-1032.95	-62.45	-1095.40	0.00	51.00
14	Birla Nifty Pty Limited ^	AUD	450.66	-181.36	298.61	29.31	211.96	2.74	-193.28	-11.69	-204.96	0.00	
		INR	414.67	624.94	1360.73	321.12	321.10	279.79	-1082.21	262.11	-820.10	0.00	51.00
15	Birla Maroochydore Pty Limited ^	AUD	87.41	131.74	286.85	67.69	67.69	58.98	-228.13	55.25	-172.88	0.00	
		INR	47.44	-99.29	62.86	114.71	114.71	0.00	-6.27	1.88	-4.39	0.00	51.00
16	Birla Mt Gordon Pty Limited ^	AUD	10.00	-20.93	13.25	24.18	24.18	0.00	-1.32	0.40	-0.93	0.00	
		INR	113.85	-1030.67	341.76	1258.57	1258.57	0.11	-145.03	43.53	-101.50	0.00	51.00
17	Birla Resources Pty Limited ^	AUD	24.00	-217.27	72.04	265.31	265.31	0.02	-30.57	9.18	-21.40	0.00	
		INR	3.08	-0.03	3.19	0.14	0.00	0.21	-0.01	0.00	-0.01	0.00	100.00
18	A V Minerals (Netherlands) N.V. *	AUD	0.65	-0.01	0.67	0.03	0.00	0.00	0.00	0.00	0.00	0.00	
		INR	10205.67	-218.20	9987.47	0.00	0.00	0.00	-70.36	0.00	-70.36	0.00	100.00
19	A V Metals Inc #	USD	1637.75	-35.01	1602.73	0.00	0.00	0.06	-11.51	0.00	-11.51	0.00	
		INR	9767.90	-23.92	9744.01	0.03	0.00	0.00	0.00	0.00	0.00	0.00	100.00
20	Novellis Inc. #	USD	1567.50	-3.84	1563.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
		INR	9845.82	-7465.37	33687.65	31307.21	0.00	4065.44	-287.33	-18.34	-305.67	0.00	100.00
21	4260848 Canada Inc.	USD	1580.00	-1198.00	5406.00	5024.00	0.00	665.00	-47.00	-3.00	-50.00	0.00	
		INR	764.25	-2.14	773.26	11.15	0.00	0.00	0.00	-0.34	-1.77	-2.10	0.00
22	4260856 Canada Inc.	USD	122.64	-0.34	124.09	1.79	0.00	0.00	-0.06	-0.29	-0.34	0.00	
		INR	1146.42	-2.69	1146.42	2.69	0.00	0.00	0.00	0.00	2.63	-2.63	0.00
23	Novellis South America Holdings LLC	USD	183.97	-0.43	183.97	0.43	0.00	0.00	0.00	0.43	-0.43	0.00	
		INR	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
24	Aluminum Upstream Holdings LLC (Delaware)	USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
		INR	0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
25	Novellis (India) Infotech Ltd.	Rupee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
		INR	1.00	1.22	2.49	0.27	0.00	0.00	0.00	0.11	0.02	0.09	0.00
26	Novellis Corporation (Texas)	INR	10475.20	-6212.84	16445.01	12182.64	0.00	23879.14	458.51	165.06	293.45	0.00	100.00
		USD	1681.00	-997.00	2639.00	1955.00	0.00	3906.00	75.00	27.00	48.00	0.00	
27	Novellis de Mexico SA de CV	INR	0.04	-0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99.99
		USD	0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Novellis do Brasil Ltda.	INR	782.46	2584.98	9651.42	6283.98	0.00	11410.66	1131.72	452.65	679.07	0.00	99.99
		Reals	402.15	1328.55	4960.36	3229.66	0.00	4579.63	454.21	181.67	272.54	0.00	
29	Novellis Korea Limited	INR	657.01	2741.07	8564.45	5166.37	0.00	11306.54	189.00	32.91	156.09	0.00	100.00
		Won	116905.00	487735.00	1523923.00	919283.00	0.00	1962941.00	32813.00	5714.00	27099.00	0.00	
30	Alcom Nikkel Specialty Coatings Sdn Berhad	INR	20.61	36.58	89.08	31.89	0.00	227.86	-1.21	0.44	-0.77	0.00	59.15
		Ringgit	12.25	21.74	52.94	18.95	0.00	124.68	-0.66	0.24	-0.42	0.00	
31	Aluminum Company of Malaysia Berhad	INR	226.02	48.19	364.90	90.69	0.00	511.00	1.44	1.38	0.07	0.00	59.15
		Ringgit	134.33	28.64	216.87	53.90	0.00	279.60	0.79	0.75	0.04	0.00	
32	Al Dotcom Sdn. Berhad	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.15

CONSOLIDATED FINANCIAL STATEMENTS	STANDALONE FINANCIAL STATEMENTS	BUSINESS RESPONSIBILITY REPORT	DIRECTORS' REPORT	SOCIAL REPORT	SUSTAINABLE DEVELOPMENT	SHAREHOLDER INFORMATION	CORPORATE GOVERNANCE REPORT	MANAGEMENT DISCUSSION AND ANALYSIS	FINANCIAL HIGHLIGHTS
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## Form AOC-1

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures  
Part 'A' - Subsidiaries

Sr.	Name of the Subsidiary Company	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debiture, Bonds & Others	Turnover/ Revenues	Profit/ (Loss) before Tax	Provision for Tax	₹ Crore & Foreign Currency in Million		
											Profit/ (Loss) after Tax	Proposed Dividend	% of Share Holding
33	Novellis UK Ltd.	INR	1351.88	574.74	2648.63	722.01	0.00	3552.67	276.62	64.68	211.94	0.00	100.00
		Pounds	146.09	62.11	286.22	78.02	0.00	360.60	28.08	6.57	21.51	0.00	
34	Novellis Services Limited	INR	1252.60	483.27	1791.21	55.34	0.00	621.44	348.84	69.13	279.71	0.00	100.00
		USD	201.01	77.55	287.44	8.88	0.00	101.65	57.06	11.31	45.75	0.00	
35	Novellis Deutschland GmbH	INR	746.34	92.15	6134.52	5296.03	497.08	23192.98	-968.38	0.29	-968.66	0.00	100.00
		Euro	111.50	13.77	916.48	791.21	74.26	2994.97	-125.05	0.04	-125.09	0.00	
36	Novellis Aluminium Beteiligungs GmbH	INR	0.17	0.15	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		Euro	0.03	0.02	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
37	Novellis Switzerland SA	INR	32.05	1482.93	2415.26	900.29	0.00	4382.35	535.99	60.74	475.25	0.00	100.00
		Francs	5.00	231.36	376.81	140.46	0.00	666.25	81.49	9.23	72.25	0.00	
38	Novellis Laminés France SAS	INR	20.75	19.77	43.09	2.57	0.00	3.07	0.51	0.30	0.21	0.00	100.00
		Euro	3.10	2.95	6.44	0.38	0.00	0.40	0.07	0.04	0.03	0.00	
39	Novellis Italia SPA	INR	642.59	-200.62	851.07	409.11	0.00	1453.08	-32.82	5.22	-38.04	0.00	100.00
		Euro	96.00	-29.97	127.15	61.12	0.00	187.64	-4.24	0.67	-4.91	0.00	
40	Novellis Aluminium Holding Company	INR	20.08	1377.79	6189.71	4791.84	0.00	957.50	1260.37	133.11	1127.25	0.00	100.00
		Euro	3.00	205.84	924.72	715.88	0.00	123.64	162.75	17.19	145.57	0.00	
41	Eurofoil Inc. (USA) (New York)	USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		INR	2.03	-0.16	1.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
42	Novellis PAE Corporation (Delaware)	USD	0.33	-0.03	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		INR	27.04	80.10	301.36	194.22	0.00	184.21	18.81	4.92	13.89	0.00	100.00
44	Novellis Europe Holdings Limited	Euro	4.04	11.97	45.02	29.02	0.00	23.79	2.43	0.64	1.79	0.00	100.00
		INR	1927.87	281.95	3615.99	1406.18	0.00	-14.79	-140.20	0.00	-140.20	0.00	100.00
45	Novellis AG (Switzerland)	USD	309.37	45.25	580.27	225.66	0.00	-2.42	-22.93	0.00	-22.93	0.00	100.00
		INR	6.41	1364.64	5980.27	4609.22	0.00	313.34	9.24	-41.95	51.19	0.00	100.00
		Francs	1.00	212.90	933.00	719.10	0.00	47.64	1.41	-6.38	7.78	0.00	
46	Logan Aluminium Inc. (Delaware)	INR	0.00	-179.08	1147.52	1326.60	0.00	2392.79	3.06	0.49	2.56	0.00	40.00
		USD	0.00	-28.74	184.15	212.88	0.00	391.40	0.50	0.08	0.42	0.00	
47	ALBRASILIS - Alumínio do Brasil Industria e Comércio Ltda	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99.99
		Reals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
48	Novellis North American Holdings	INR	0.00	1451.68	1451.69	0.01	0.00	0.00	-0.01	327.72	327.71	0.00	100.00
		USD	0.00	232.96	232.96	0.00	0.00	0.00	0.00	53.61	53.61	0.00	
49	8018227 Canada Inc.	INR	0.00	-128.84	2191.95	2320.80	0.00	0.00	-90.03	-2.07	-92.10	0.00	100.00
		USD	0.00	-20.68	351.75	372.43	0.00	0.00	-14.73	-0.34	-15.07	0.00	
50	8018243 Canada Limited	INR	4419.10	0.40	4419.50	0.00	0.00	0.00	324.30	0.00	324.30	0.00	100.00
		USD	709.15	0.06	709.22	0.00	0.00	0.00	53.05	0.00	53.05	0.00	
51	Novellis Delaware LLC	INR	4419.50	-861.05	3558.45	0.00	0.00	0.00	323.68	0.00	323.68	0.00	100.00
		USD	709.22	-138.18	571.04	0.00	0.00	0.00	52.95	0.00	52.95	0.00	
52	Novellis Acquisitions LLC	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		USD											
53	Novellis Sheet Ingot GmbH (Germany)	INR	133.87	0.00	1662.11	1528.24	0.00	189.70	-347.53	0.00	-347.53	0.00	100.00
		Euro	20.00	0.00	248.31	228.31	0.00	24.50	-44.88	0.00	-44.88	0.00	
54	Novellis MEA Ltd (Dubai)	INR	5.68	45.44	1053.42	1002.29	0.00	2363.80	37.64	0.00	37.64	0.00	100.00
		USD	0.91	7.29	169.05	160.84	0.00	386.66	6.16	0.00	6.16	0.00	
55	Novellis (Shanghai) Aluminium Trading Company	INR	22.26	51.15	171.07	97.66	0.00	331.33	45.88	11.47	34.41	0.00	100.00
		CNY	22.14	50.89	170.19	97.16	0.00	335.70	46.49	11.62	34.87	0.00	
56	Novellis (China) Aluminium Products Co. Ltd.	INR	356.94	-36.19	789.47	468.72	0.00	0.00	-29.84	-7.46	-22.38	0.00	100.00
		CNY	355.11	-36.01	785.41	466.31	0.00	0.00	-30.23	-7.56	-22.67	0.00	
57	Novellis Vietnam Company Limited (Vietnam)	INR	6.04	8.42	108.02	93.56	0.00	229.09	18.11	5.00	13.10	0.00	100.00
		Dong	20820.00	29029.54	372484.28	322634.74	0.00	789975.04	62439.32	17252.02	45187.30	0.00	100.00
58	Novellis Asia Holdings (Singapore)	SGD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
59	Novellis Services (North America) Inc.	USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00

Form AOC-1													
Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies) (Accounts) Rules, 2014													
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures													
Part "A" - Subsidiaries													
Sr.	Name of the Subsidiary Company	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debiture, Bonds & Others	Turnover/ Revenues	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend	% of Share Holding
₹ Crore & Foreign Currency in Million													
60	Brecha Energetica Ltda	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99.99
		Reals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
61	Brito Energetica Ltda	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99.99
		Reals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
62	Hindalco Guinea SARL	INR	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
63	Hindalco Do Brazil Ind Com Alumina LTDA	INR	206.37	-181.24	161.46	136.32	0.00	133.55	124.07	14.01	-138.08	0.00	100.00
		Reals	78.09	-65.18	82.98	70.06	0.00	48.63	-49.79	-5.23	-55.02	0.00	
64	Utkal Alumina Technical & General Services Ltd.@	INR	0.05	-0.01	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
65	Novelis No.1 Limited Partnership \$	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
66	Novelis Brand LLC (Delware) \$	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
67	Novelis Madeira, Unipessoal, Lda \$	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
68	Novelis Cast House Technology Ltd \$	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
69	Aditya Birla Chemicals ( Belgium ) BVBA	INR	0.04	0.00	0.07	0.03	0.00	0.00	0.00	0.00	0.00	0.00	99.97
		Euro	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Note Balance sheet items are translated at closing Exchange rate and Profit/(Loss) items are translated at average exchange rate.

\$ subsidiaries which have been liquidated or sold off during the year

^ Subsidiary of Aditya Birla Minerals Limited

# Subsidiary of AV Minerals (Netherlands) N.V.

@ Subsidiary of AV Metals Inc.

© Subsidiary of Utkal Alumina International Limited

Foreign Currency	AVG for the year	Year End closing
Reals	BRL	BRL
Francs	CHF	CHF
CNY	CNY	CNY
Euro	EUR	EUR
Pounds	GBP	GBP
Won	KRW	KRW
Ringgit	MYR	MYR
USD	USD	USD
Dong	VND	VND
SGD	SGD	SGD
AUD	AUD	AUD

Name of subsidiaries which have been liquidated or sold off during the year	
1	Novelis No.1 Limited Partnership \$
2	Novelis Brand LLC (Delware) \$
3	Novelis Madeira, Unipessoal, Lda \$
4	Novelis Benlux NV
5	Novelis Cast House Technology Ltd \$
6	Novelis Belgique SA
7	Novelis Technology AG
8	Novelis Luxembourg SA
9	Novelis Foil France SAS
10	Evermore Recycling LLC (J-V)
Name of subsidiaries which are yet to commence operations	
1	Mauda Energy Limited
2	Tubed Coal Mines Limited
3	East Coast Bauxite Company Private Limited
5	Suvas Holdings Limited
6	Utkal Alumina Technical and General Services Ltd
7	Birra Marochydore Pty Ltd
8	Birra Resources Pty Ltd
9	Al Dotcom Sdn. Berhad
10	Novelis South America Holdings LLC
11	Aluminum Upstream Holdings LLC (Delaware)
12	Novelis Aluminium Beteteiligungs GmbH
13	Novelis PAE Corporation (Delaware)
14	ALBRASILIS - Aluminio do Brasil Industria e Comércio Ltda
15	Novelis Asia Holdings (Singapore)
16	Hindalco Guinea SARL

CONSOLIDATED FINANCIAL STATEMENTS	STANDALONE FINANCIAL STATEMENTS	BUSINESS RESPONSIBILITY REPORT	DIRECTORS' REPORT	SOCIAL REPORT	SUSTAINABLE DEVELOPMENT	SHAREHOLDER INFORMATION	CORPORATE GOVERNANCE REPORT	MANAGEMENT DISCUSSION AND ANALYSIS	FINANCIAL HIGHLIGHTS
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## Part-"B" Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates / Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end				Profit/Loss for the year			
			No.	Amount of investment (Carrying Value) in Associates/ Joint Venture (₹ in crore)	Extent of Holding % attributable	Network to Shareholding as per latest audited balance sheet (₹ in Crore)	Considered in consolidation (₹ in Crore)	Not considered in consolidation	Description of how there is significant influence	Base on why the associate / joint venture is not considered
Associates										
1	Adivya Birla Science and Technology Company Private Limited	31-Mar-15	9,800,000	9.80	49.00	12.19	0.68		Note A	
2	Idea Cellular Limited	31-Mar-15	228,340,226	228.34	6.35	1,475.16	202.64		Note A	
3	Sanjana Cryogenic Storages Limited	31-Mar-14	780,000	3.12	34.67	-	-	Note B	Note B	Note B
4	Associates of Novelis Inc. @	31-Mar-15	-	-	-	3,785.07	(28.62)		Note A	
Joint Ventures										
1	Mahan Coal Limited	31-Mar-15	195,250,000	173.25	50.00	173.04	(20.82)		Note A	
2	Hydromine Global Minerals (GMBH) Limited	31-Mar-15	64,650	31.58	45.00	30.20	(6.48)		Note A	
3	MNH Shakti Limited	31-Mar-15	12,765,000	12.77	15.00	12.77	-		Note A	

@ - Associates of Novelis Inc., includes following companies for which separate information is not available

Aluminium Norf GmbH

Consortio Candonga - (Ceased to be Associate w.e.f. 31st Dec.2014)

Deutsche Aluminium VerpackungRecycling GMBH

France Aluminium Recyclage SA

Note A : There is significant influence due to percentage holding of share capital

Note B : Non-availability of Financial Statements

As per Clause 55 of the Listing Agreement read with press release and FAQs dated 10th May, 2013 issued by Securities and Exchange Board of India, those listed entities which have been submitting sustainability reports to overseas regulatory agencies/stakeholders based on internationally accepted reporting frameworks need not prepare a separate report for the purpose of these guidelines but only furnish the same to their stakeholders along with the details of the framework under which their BR Report has been prepared and a mapping of the principles contained in these guidelines to the disclosures made in their sustainability reports.

Hindalco has been publishing Sustainability Report since FY11 on Global Reporting Initiative (GRI) Framework. The report for 2013-14 titled 'Steering Sustainability' has been assured as A+ rating based on Global Reporting Initiatives (GRI G 3.1) standards by an external independent assessing agency.

The Company will also publish Sustainability Report for FY 2014-15 and it will be hosted on its website [www.hindalco.com](http://www.hindalco.com). Any shareholder interested in obtaining a physical copy of the same may write to the Company Secretary at the Registered Office of your Company.

#### Section A : General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L27020MH1958PLC011238			
2.	Name of the Company	Hindalco Industries Limited			
3.	Registered address	3rd Floor, Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai: 400030			
4.	Website	www.hindalco.com			
5.	E-mail id	anil.malik@adityabirla.com			
6.	Financial Year reported	1st April, 2014 to 31st March, 2015			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	ITC Code 7601 7606 7605 740311 740710	Product Description Aluminium Ingots Aluminium Rolled Products Aluminium Redraw Rods Copper Cathodes Continuous Cast Copper Rods		
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	(i) Aluminium Ingots / Rolled Products (ii) Copper Cathodes (iii) Concast Copper Rods			
9.	Total number of locations where business activity is undertaken by the Company	i. 5 major International Locations • USA • Australia • Europe • Brazil • South Korea			
		ii. Number of National Locations: • 4 Aluminium; • 1 Copper Unit • 4 Chemical Units (including one unit of Utkal Alumina International Limited, wholly owned subsidiary of the Company) • 4 Power Units • 5 Rolled FRP • 2 Extrusions • 1 Foil • Registered Office and Zonal Marketing Offices • Bauxite and Coal Mines in the state of Jharkhand, Chhattisgarh, Maharashtra and Odisha.			
10.	Markets served by the Company	Local ✓	State ✓	National ✓	International ✓

## Section B: Financial Details of the Company (Standalone)

1.	Paid-up Capital (INR)	₹ 206.52 Crores
2.	Total Turnover (INR)	₹ 34,525.03 Crores
3.	Total Profits after taxes (INR)	₹ 925.16 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR was ₹ 32.42 crores which is 1.87% of the average net profit for the previous three financial years.
5.	List of activities in which expenditure in 4 above has been incurred	a. Education b. Health Care c. Women empowerment d. Sustainable Livelihood e. Infrastructure Development

## Section C: Other Details

- Does the Company have any Subsidiary Company/ Companies?  
Yes, the Company has 69(sixty nine) subsidiaries - 14 (Fourteen) domestic and 55 (fifty five) foreign.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):  
Hindalco Sustainability Report covers Hindalco India Operations including Greenfield Projects, along with overseas subsidiaries Aditya Birla Minerals Ltd. – Australia and Novelis Inc. Further, Novelis Inc., also publishes Sustainability Report based of Global Reporting Initiative (GRI) framework.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?  
At present, suppliers and distributors with whom the Company does business, do not participate in the Business Responsibility initiatives of the Company directly.

## Section D: BR Information

- Details of Director/Directors responsible for BR
  - Details of the Director/Director responsible for implementation of the BR policy/policies

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

## b) Details of the BR head

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

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

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

The mapping of the aforesaid principles to the disclosures shall be made in the Sustainability Report 2014-15 will be available on our website [www.hindalco.com](http://www.hindalco.com).

## TO THE MEMBERS OF HINDALCO INDUSTRIES LIMITED

We have audited the accompanying standalone financial statements of **HINDALCO INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act"), with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Accounting Standard (AS)-30 to the extent it relates to Derivative Accounting, as prescribed by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

## Emphasis of Matters

We draw attention to Note No. 44 to the Financial Statements explaining that in compliance to the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956, approved by the Hon'ble Bombay High Court, vide order dated 29<sup>th</sup> June, 2009, the Management of the Company, during the year, has identified and adjusted provision for diminution in the carrying value of Investment in one of its Subsidiaries and in a Jointly controlled entity, amounting to ₹ 35 crore and impairment loss of ₹ 62.29 crore (net of deferred tax of ₹ 32.97 crore) related to one of its cash generating units, against Business Reconstruction Reserve. This has resulted in the profit before tax and profit after tax for the year being higher by ₹ 130.26 crore and ₹ 97.29 crore respectively. Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
  - b) 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.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements – Refer Note Nos. 50A(a), c(iii), c(iv) and c(v) to the financial statements.
    - ii. The Company has long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2015, for which there were no material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, except a sum of ₹ 0.09 crore which are held in abeyance due to pending legal cases.

**For SINGHI & CO.**

Chartered Accountants  
Firm Registration No.302049E

Place: Mumbai  
Date: 28th May, 2015

**(RAJIV SINGHI)**

Partner  
Membership No. 53518

**Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date**

Re: Hindalco Industries Limited (the Company)

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased program designed to cover all items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of fixed assets has been physically verified by the Management during the year and no material discrepancies between books record and physical inventory has been noticed.
- II. (a) Physical verification of inventory (except stocks in transit and stocks lying with third parties, confirmation for which has been obtained) has been conducted at reasonable intervals during the year, by the Management/outside agencies.
- (b) In our opinion, the procedure of physical verification of inventories followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. The discrepancies between the physical stock and book stocks, which are not significant, have been properly dealt with in the books of accounts.
- III. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- IV. On the basis of checks carried out during the course of audit and as per the explanations given to us, we are of the opinion that there is adequate internal control system, commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the records of the Company and according to the information and explanations given to us, we have not observed any continuing failure to correct major weakness in such internal control system.
- V. The Company has not accepted any deposit from the public.
- VI. We have broadly reviewed the books of account maintained by the Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under Section 148(1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed records have been maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- VII. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed material statutory dues accrued in the accounts, including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, no undisputed statutory dues as above were outstanding as at 31<sup>st</sup> March, 2015, for a period of more than six months from the date they became payable.

FINANCIAL  
HIGHLIGHTS

MANAGEMENT DISCUSSION  
AND ANALYSIS

CORPORATE GOVERNANCE  
REPORT

SHAREHOLDER  
INFORMATION

SUSTAINABLE  
DEVELOPMENT

SOCIAL  
REPORT

DIRECTORS'  
REPORT

BUSINESS RESPONSIBILITY  
REPORT

STANDALONE FINANCIAL  
STATEMENTS

CONSOLIDATED  
FINANCIAL STATEMENTS

- (b) According to the information and explanations given to us, the dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Service Tax, Value Added Tax and Cess which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2015 are as under :

Name of the Statute	Nature of Dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where the disputes are pending
Central Sales Tax Act and Local Sales Tax Act	Sales Tax	0.40	2003-2004	The Supreme Court
		3.71	1992-1993, 2001-2002, 2005-2006, 2006-2007	The High Court
		6.13	1999-2000, 2002-2003, 2003-2004, 2005-2006	Tribunal
		60.65	1996-1997, 1999-2000 to 2002-2003, 2005-2006 to 2012-2013	Asst. Commissioner/ Commissioner/Revisionary Authorities Level
The Central Excise Act, 1944	Excise Duty	155.31	2000-2001, 2001-2002	The Supreme Court
		4.00	2000-2001 to 2002-2003, 2005-2006, 2006-2007, 2009-2010, 2011-2012	The High Court
		27.45	1988-1990, 1991-1992, 1993- 1994, 1999-2000 to 2010- 2011	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		185.96	1987-1988, 1997-1998 to 2009-2010, 2011-2012 to 2013-2014	Asst. Commissioner/ Commissioner/Revisionary Authorities Level
The Service Tax under the Finance Act, 1994	Service Tax	0.46	2002-2003 to 2007-2008, 2009-2010	The High Court
		67.78	2002- 2003 to 2012-2013	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		24.73	2001-2002, 2004-2005 to 2006-2007, 2008-2009 to 2011-2012	Asst. Commissioner/ Commissioner/Revisionary Authorities Level
The Customs Act, 1962	Customs Act	22.78	2009-10 and 2010-11	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		5.29	2006-2007	Tribunal
The Income-tax Act, 1961	Income Tax	536.75	2009-2010	Commissioner of Income Tax (Appeals)
Adhosanrachna Vikas Evam Parayavaran Upkar Adhiniyam, 2005	Chhattisgarh Development and Environment Cess	0.24	2005-2006 to 2011-2012	The Supreme Court
Shakti Nagar Special Area Development Authority	Cess on Coal	3.98	1997-1998 to 2011-2012	The Supreme Court
The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act & Rules ("BOCW Act")	Cess	100.00	2011-2012	The Supreme Court

- (c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956), and rules thereunder have been transferred to such fund within time, except a sum of ₹ 0.09 crore which are held in abeyance due to pending legal cases.
- VIII. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- IX. The Company has not defaulted in repayment of dues to Financial Institutions or Banks or Debentureholders.
- X. In our opinion, the terms and conditions on which the Company has given guarantees for loan taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- XI. According to the information and explanations given to us, the Company has applied term loans for the purpose for which they were obtained during the year.
- XII. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practice in India, and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

**(RAJIV SINGHI)**

Partner

Membership No. 53518

Place: Mumbai

Date: 28th May, 2015

**Balance Sheet as at 31<sup>st</sup> March, 2015**

		As at 31/03/2015	(₹ Crore) As at 31/03/2014
	Note No.		
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	'2'	206.52	206.48
Reserves and Surplus	'3'	37,048.74	36,525.97
		<b>37,255.26</b>	<b>36,732.45</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	'4'	22,973.85	22,108.58
Deferred Tax Liabilities (Net)	'5'	1,748.28	1,174.31
Other Long-Term Liabilities	'6'	474.63	830.86
Long-Term Provisions	'7'	455.90	341.96
		<b>25,652.66</b>	<b>24,455.71</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	'8'	5,675.53	4,258.37
Trade Payables	'9'	3,651.65	4,383.75
Other Current Liabilities	'10'	2,678.13	2,901.91
Short-Term Provisions	'11'	1,087.41	1,037.76
		<b>13,092.72</b>	<b>12,581.79</b>
		<b>76,000.64</b>	<b>73,769.95</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets:			
Tangible Assets	'12'	26,035.87	18,024.98
Intangible Assets	'13'	24.02	29.73
Capital Work-in-Progress		10,743.61	17,277.13
Intangible Assets under Development		0.02	0.10
		36,803.52	35,331.94
Non-Current Investments	'14'	14,781.75	15,312.45
Long-Term Loans and Advances	'15'	1,454.73	1,161.15
Other Non-Current Assets	'16'	31.44	12.52
		<b>53,071.44</b>	<b>51,818.06</b>
<b>Current Assets</b>			
Current Investments	'17'	6,468.93	6,595.01
Inventories	'18'	8,821.23	8,914.58
Trade Receivables	'19'	1,832.18	1,283.65
Cash and Bank Balances	'20'	984.18	1,163.17
Short-Term Loans and Advances	'21'	3,879.67	3,226.40
Other Current Assets	'22'	943.01	769.08
		<b>22,929.20</b>	<b>21,951.89</b>
		<b>76,000.64</b>	<b>73,769.95</b>
<b>Significant Accounting Policies</b>			
	'1'		
The accompanying Notes are an integral part of the Financial Statements.			

As per our report annexed.

**For SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

**RAJIV SINGHI**

Partner

Membership No. 53518

Praveen Kumar Maheshwari  
CFOAnil Malik  
Company SecretaryCamp : Mumbai  
Dated : 28th May, 2015For and on behalf of the Board of  
Hindalco Industries LimitedKumar Mangalam Birla – Chairman  
DIN-00012813  
D. Bhattacharya – Managing Director  
DIN-00033553  
M.M. Bhagat – Director  
DIN-00006245

Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2015

			(₹ Crore)	
	Note No.	Year Ended 31/03/2015	Year Ended 31/03/2014	
<b>INCOME</b>				
Revenue from Operations:	'23'			
Gross Revenue from Operations		36,869.21	30,101.34	
Less: Excise Duty		2,344.18	2,250.41	
<b>Net Revenue from Operations</b>		<b>34,525.03</b>	<b>27,850.93</b>	
Other Income	'24'	882.21	1,124.42	
<b>Total Income</b>		<b>35,407.24</b>	<b>28,975.35</b>	
<b>EXPENSES</b>				
Purchases of Stock-in-Trade	'25'	37.04	0.03	
Cost of Materials Consumed	'26'	21,056.29	18,804.28	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	'27'	67.81	(676.21)	
Employee Benefits Expenses	'28'	1,589.48	1,345.47	
Power and Fuel	'29'	5,200.77	3,557.61	
Finance Costs	'30'	1,637.09	711.65	
Depreciation and Amortization	'31'	837.03	823.29	
Impairment Loss/(Reversal) (Net)	'32'	-	-	
Other Expenses	'33'	3,157.12	2,327.87	
<b>Total Expenses</b>		<b>33,582.63</b>	<b>26,893.99</b>	
Profit Before Exceptional Items and Tax		1,824.61	2,081.36	
Exceptional Items (Net)	'34'	577.70	395.98	
<b>Profit Before Tax</b>		<b>1,246.91</b>	<b>1,685.38</b>	
<b>Tax Expenses:</b>	'35'			
Current Tax		321.52	314.72	
MAT Credit Entitlement (refer Note No. 35 (a))		(602.97)	-	
Deferred Tax		636.48	(16.83)	
Tax Adjustments for earlier years (Net)		(33.28)	(25.84)	
<b>Profit for the year</b>		<b>925.16</b>	<b>1,413.33</b>	
<b>Earnings Per Equity Share (EPS):</b>	'36'			
Basic EPS (₹)		4.48	7.09	
Diluted EPS (₹)		4.48	7.09	
<b>Significant Accounting Policies</b>	'1'			
The accompanying Notes are an integral part of the Financial Statements.				

As per our report annexed.

**For SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

**RAJIV SINGHI**

Partner

Membership No. 53518

Camp : Mumbai

Dated : 28th May, 2015

Praveen Kumar Maheshwari  
CFOAnil Malik  
Company SecretaryFor and on behalf of the Board of  
Hindalco Industries LimitedKumar Mangalam Birla – Chairman  
DIN-00012813  
D. Bhattacharya – Managing Director  
DIN-00033553  
M.M. Bhagat – Director  
DIN-00006245

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2015

	Year Ended 31/03/2015	Year Ended 31/03/2014
		(₹ Crore)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	1,246.91	1,685.38
Adjustments for:		
Finance Costs	1,637.09	711.65
Depreciation and Amortization	837.03	823.29
Impairment Loss/(Reversal) (Net)	-	-
Employee Share-Based Payments	7.22	3.71
Provisions/Provision Written-back (Net)	53.35	(0.09)
Unrealised Foreign Exchange (Gain)/Loss (Net)	49.19	22.70
Loss/(Gain) on Derivative transactions (Net)	118.10	(141.45)
Loss/(Gain) on Assets held for Sale (Net)	8.36	-
Other Non-operating (Income)/Expenses (Net)	(361.11)	-
Investing Activities (Net)	(553.75)	(1,048.55)
Operating Profit Before Working Capital Changes	3,042.39	2,056.64
Changes in Working Capital:		
Inventories	376.91	(1,254.54)
Trade and Other Receivables	(1,290.84)	(568.99)
Trade and Other Payables	(849.38)	2,035.35
Cash Generation from Operation	1,279.08	2,268.46
Payment of Direct Taxes	(249.81)	(237.09)
<b>Net Cash Generated/(Used)-Operating Activities</b>	<b>1,029.27</b>	<b>2,031.37</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(2,073.35)	(3,457.58)
Sale of Fixed Assets	31.95	10.24
(Purchase)/Sale of Investments in Subsidiaries (Net)	(724.13)	(1,242.49)
Return of Capital from Subsidiary	1,393.96	-
(Purchase)/Sale of other Investments (Net)	594.53	28.64
Loans and Deposits Given/(Received back) (Net)	47.31	577.95
Interest Received	361.70	443.15
Dividend Received	49.90	237.04
<b>Net Cash Generated/(Used)-Investing Activities</b>	<b>(318.13)</b>	<b>(3,403.05)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares (Net of Expenses)	4.05	1,623.99
Capital Subsidy Received	-	0.50
Proceeds from Long-Term Borrowings	7,972.50	16,786.72
Prepayment of Long-Term Borrowings	(6,922.50)	(14,513.72)
Repayment of Long-Term Borrowings	(498.89)	(369.63)
Proceeds/(Repayment) of Short-Term Borrowings (Net)	1,268.54	655.85
Finance Costs Paid	(2,424.89)	(2,303.12)
Dividend Paid (including Dividend Distribution Tax)	(241.27)	(279.40)
<b>Net Cash Generated/(Used)-Financing Activities</b>	<b>(842.46)</b>	<b>1,601.19</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(131.32)</b>	<b>229.51</b>
Add : Opening Cash and Cash Equivalents	434.89	205.38
Closing Cash and Cash Equivalents	<b>303.57</b>	<b>434.89</b>

**Notes:**

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

As per our report annexed.

**For SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

**RAJIV SINGHI**

Partner

Membership No. 53518

Praveen Kumar Maheshwari

CFO

Camp : Mumbai

Dated : 28th May, 2015

Anil Malik

Company Secretary

For and on behalf of the Board of  
Hindalco Industries Limited

Kumar Mangalam Birla – Chairman

DIN-00012813

D. Bhattacharya – Managing Director

DIN-00033553

M.M. Bhagat – Director

DIN-00006245

## Notes forming part of the Financial Statements

### 1. Significant Accounting Policies:

#### A. Accounting Convention

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on an accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). All the assets and liabilities are classified as current or non-current as per the criteria set out in Schedule III to the Companies Act, 2013.

#### B. Use of Estimates

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

#### C. Fixed Assets

- (a) Tangible Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.
- (b) Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Cost includes any directly attributable expenditure on making the asset ready for its intended use.
- (c) Machinery spares which can be used only in connection with an item of Tangible Asset and whose use is not of regular nature are written off over the estimated useful life of the relevant asset.
- (d) Certain directly attributable pre-operative expenses during construction period are included under Capital Work-in-Progress. These expenses are allocated to the cost of Fixed Assets when the same are ready for intended use.

#### D. Depreciation and Amortization

- (a) Depreciation on Tangible Assets, except leasehold land, has been provided using Straight Line Method over the estimated useful life of the assets in a manner prescribed in Part C of Schedule II of the Companies Act, 2013. Leasehold lands are amortized over the period of lease on straight line basis.
- (b) Intangible Assets, except Mining Rights, are amortized over their estimated useful lives on straight line basis. Mining Rights are amortized over the period of lease on straight line basis or on the basis of production, proportional to mineral resources expected to be ultimately economically recoverable, whichever is higher.

#### E. Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of

FINANCIAL  
HIGHLIGHTSMANAGEMENT DISCUSSION  
AND ANALYSISCORPORATE GOVERNANCE  
REPORTSHAREHOLDER  
INFORMATIONSUSTAINABLE  
DEVELOPMENTSOCIAL  
REPORTDIRECTORS'  
REPORTBUSINESS RESPONSIBILITY  
REPORTSTANDALONE FINANCIAL  
STATEMENTSCONSOLIDATED  
FINANCIAL STATEMENTS

Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

#### **F. Leases**

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

#### **G. Investments**

- (a) Long term investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.
- (b) Current investments are stated at lower of cost and fair value.

#### **H. Inventories**

- (a) Inventories of stores and spare parts are valued at or below cost after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Inventory of other items are valued 'at Cost or Net Realizable Value, whichever is lower'. Cost is generally determined on weighted average cost basis and wherever required, appropriate overheads are taken into account. Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.
- (b) Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and enters into the determination of earnings when the inventory is sold.

#### **I. Foreign Currency Transactions**

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

#### **J. Employee benefits**

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

#### **K. Employee Share Based Payments**

Equity settled stock options granted to employees pursuant to the Company's stock option schemes are accounted for as per the intrinsic value method prescribed by Employee Stock Option Scheme and permitted

by the SEBI guidelines, 1999 and the Guidance Note on Share Based Payment issued by the Institute of Chartered Accountants of India (ICAI). The intrinsic value of the option being excess of market value of the underlying share at the date of grant of option, over its exercise price is recognised as deferred employee compensation with a credit to Employees Stock Options Outstanding Account. The deferred employee compensation is amortized to Statement of Profit and Loss on straight line basis over the vesting period of the option. In case of forfeiture of option which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the employees Stock Options Outstanding Account are transferred to the General Reserve.

#### L. Revenue Recognition

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

#### M. Borrowing Costs

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

#### N. Taxation

- (a) Provision for current income tax is made in accordance with the Income tax Act, 1961. Deferred tax assets and deferred tax liabilities are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- (b) Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of credit to Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

#### O. Derivative Financial Instruments

- (a) The Company uses derivative financial instruments such as Forwards, Swaps, Options, futures etc. to hedge its risks associated with foreign exchange fluctuations. Risks associated with fluctuations in the price of the products (e.g. Copper, Alumina, Aluminium, Coal and precious metals) are minimized by undertaking hedging using appropriate derivative instruments. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics

are not closely related to their host contracts. In some cases, the embedded derivatives may be designated in a hedge relationship. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date. All such derivative financial instruments are used as risk management tools only and not for speculative purposes.

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

#### **P. Research and Development**

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

#### **Q. Government Grants**

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

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

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

**2. Share Capital:**

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
<b>Authorized:</b>		
2,500,000,000 (Previous year 2,100,000,000) Equity Shares of ₹ 1/- each - (a)	250.00	210.00
25,000,000 (Previous year 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each	5.00	5.00
	<b>255.00</b>	<b>215.00</b>

**Issued:**

2,065,534,028 (Previous year 2,065,141,514) Equity Shares of ₹ 1/- each - (b)	206.55	206.51
	<b>206.55</b>	<b>206.51</b>

**Subscribed and Paid-up:**

2,065,526,631 (Previous year 2,065,134,117) Equity Shares of ₹ 1/- each fully paid-up	206.55	206.51
Less: Face Value of 546,249 (Previous year 546,249) Equity Shares forfeited	0.05	0.05
	206.50	206.46
Add: Forfeited Shares (Amount originally Paid-up)	0.02	0.02
	<b>206.52</b>	<b>206.48</b>

(a) Shareholders of the Company have approved increase in authorised equity share capital from 2,100,000,000 equity shares of ₹ 1/- each to 2,500,000,000 equity shares of ₹ 1/- each in Extra Ordinary General Meeting held on 14th August, 2014.

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

**(c) Reconciliation of Shares Outstanding at the beginning and at the end of the reporting period:**

	2014-15		2013-14	
	Numbers	₹ Crore	Numbers	₹ Crore
Equity Shares Outstanding at the beginning of the period	2,064,587,868	206.46	1,914,583,068	191.46
Equity Shares Allotted pursuant to exercise of ESOP	392,514	0.04	4,800	
Equity Shares Allotted pursuant to exercise of Share Warrants	-	-	150,000,000	15.00
Equity Shares Outstanding at the end of the period	<b>2,064,980,382</b>	<b>206.50</b>	<b>2,064,587,868</b>	<b>206.46</b>

**(d) Rights, Preferences and Restrictions attached to Equity Shares:**

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

**(e) Details of Shareholders holding more than 5% Equity Shares in the Company on Reporting Date:**

	31/03/2015		31/03/2014	
	Number of Shares Held	Percentage of Holding	Number of Shares Held	Percentage of Holding
IGH Holdings Private Limited	349,963,487	16.95	349,963,487	16.95
Turquoise Investment and Finance Limited	124,012,468	6.01	124,012,468	6.01
Morgan Guaranty Trust Company of New York (represents GDRs)	159,430,288	7.72	162,138,001	7.85
Life Insurance Corporation of India and its Associates	228,087,441	11.05	239,089,223	11.58

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

The Company has reserved equity shares for issue under the Employee Stock Option Schemes. Please refer Note No. 39 on "Employee Share-Based Payment" for details of Employee Stock Option Schemes.

(g) **The Company during the preceding 5 years:**

- i. Has not allotted shares pursuant to contracts without payment received in cash.
- ii. Has not issued shares by way of bonus shares.
- iii. Has not bought back any shares.

**3. Reserves and Surplus:**

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
<b>Capital Reserve</b>		
Balance as at the beginning of the year	144.54	144.04
Add: Capital Subsidy received during the year - (a)	-	0.50
Balance as at the end of the year	<b>144.54</b>	<b>144.54</b>
<b>Capital Redemption Reserve</b>		
Balance as at the beginning of the year	101.57	101.57
<b>Business Reconstruction Reserve (refer Note No. 44)</b>		
Balance as at the beginning of the year	8,494.33	8,580.39
Less: Adjusted during the year	(97.29)	(86.06)
Balance as at the beginning of the year	<b>8,397.04</b>	<b>8,494.33</b>
<b>Securities Premium Account</b>		
Balance as at the beginning of the year	4,885.24	2,734.92
Add: Premium on issue of shares under Employee's Stock Option Scheme	5.65	0.07
Add: Premium on issue of shares against Share Warrants	-	2,150.25
Balance as at the end of the year	<b>4,890.89</b>	<b>4,885.24</b>
<b>Debenture Redemption Reserve</b>		
Balance as at the beginning of the year	300.00	150.00
Add: Created during the year	150.00	150.00
Balance as at the end of the year	<b>450.00</b>	<b>300.00</b>
<b>Employee's Stock Options Outstanding</b>		
Balance as at the beginning of the year	8.43	4.96
Add: Compensation for the year - (b)	7.28	3.85
Less: Transferred to Securities Premium Account on exercise of Options	(1.63)	(0.02)
Less: Transferred to General Reserve on unexercised Options lapsed/ Cancelled	-	(0.36)
Balance as at the end of the year	<b>14.08</b>	<b>8.43</b>
<b>Hedging Reserve (refer Note No. 49 (g))</b>		
Balance as at the beginning of the year	433.52	421.71
Gain/(Loss) recognized during the year	195.96	72.91
(Gain)/Loss recycled during the year	(209.51)	(61.10)
Balance as at the end of the year	<b>419.97</b>	<b>433.52</b>
<b>General Reserve</b>		
Balance as at the beginning of the year	21,408.34	20,352.01
Add: Transferred from Employee's Stock Options Outstanding	-	0.36
Less: Transitional Depreciation on adoption of Schedule II (refer Note No. 31 (a))	(57.04)	-
Add: Transferred from Surplus in the Statement of Profit and Loss	-	1,055.97
Balance as at the end of the year	<b>21,351.30</b>	<b>21,408.34</b>

	(₹ Crore)		FINANCIAL HIGHLIGHTS
	As at		
	31/03/2015	31/03/2014	
<b>Surplus in the Statement of Profit and Loss</b>			
Balance as at the beginning of the year	750.00	750.00	MANAGEMENT DISCUSSION AND ANALYSIS
Add: Profit for the year	925.16	1,413.33	
Less: Transferred to Debenture Redemption Reserve	(150.00)	(150.00)	
Less: Dividend on Equity Shares - (c)	(206.52)	(206.46)	
Less: Dividend Distribution Tax - (c) & (d)	(39.29)	(0.90)	
Less: Transferred to General Reserve	-	(1,055.97)	GOVERNANCE PART
Balance as at the end of the year	<b>1,279.35</b>	<b>750.00</b>	
	<b>37,048.74</b>	<b>36,525.97</b>	

- (a) Represents amount received from State government towards capital investment subsidy at Muri, Jharkhand.
- (b) Includes ₹ 0.06 crore (Previous year ₹ 0.14) relating to options granted to employees of a subsidiary of the Company which has been realised from that company.
- (c) Dividend on Equity Shares and Tax on Dividend include ₹ 0.02 crore (Previous year ₹ Nil) pertaining to previous year for Equity Shares issued before the record date of dividend.
- (d) Tax on Dividend is net of ₹ 0.30 crore (Previous year ₹ 34.19 crore) being dividend distribution tax paid by subsidiaries.

#### 4. Long-Term Borrowings:

	(₹ Crore)						SUSTAINABILITY DEVELOPMENT SOCIAL REPORT DIRECTORS' REPORT BUSINESS RESPONSIBILITY REPORT
	Non-Current Portion		Current Maturities *		Total		
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	
<b>Secured</b>							
Debentures - (a)	6,000.00	6,000.00	-	-	6,000.00	6,000.00	
Term Loans:							
From Banks - (b), (c) & (d)	16,523.60	15,618.75	298.90	596.25	16,822.50	16,215.00	
From Other Parties - (e)	449.25	488.50	57.96	55.83	507.21	544.33	
<b>Unsecured</b>							
Deferred Payment Liabilities - (f)	1.00	1.33	0.33	0.56	1.33	1.89	
	<b>22,973.85</b>	<b>22,108.58</b>	<b>357.19</b>	<b>652.64</b>	<b>23,331.04</b>	<b>22,761.22</b>	

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

- (a) Debentures comprise of the the following:

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

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

- (b) During the year, the Company refinanced Rupee Term Loans from Banks of ₹ 6,922.50 crore for Mahan Aluminium Project and extended the tenor of the loan.

- (c) Term Loans from Banks of ₹ 6,922.50 crore is secured by a first ranking charge/mortgage/security interest in respect of all the movable assets of Mahan Aluminium Project (except Current Assets) and all the immovable properties of Mahan Aluminium Project, both present and future.

Out of this loan, ₹ 4,153.50 crore carry interest at the AXIS Bank's Base Rate plus 0.35% and balance loan ₹ 2,769.00 crore carries interest at the State Bank of India's base rate plus 0.50% and are repayable in 60 quarterly instalments commencing from 30th June, 2015, and ending on 31st March, 2030. The repayment in each financial year in percentage is 1, 1, 1, 3, 4, 6, 8, 8, 8, 10, 10, 10, 10, 10 and 10 of the loan amount.

- (d) Term Loans from Banks of ₹ 9,900.00 crore is secured by a first ranking charge/mortgage/security interest in favour of the State Bank of India, in respect of all the movable and immovable properties of Aditya Aluminium Project, both present and future. However, security on entire immovable property including land is pending due to non-availability of approval from the appropriate authority.

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

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

- (e) Term Loans from Other Parties include Foreign Currency Term Loans from Export Development Canada (EDC) of USD 81.40 million are secured by a first charge on all moveable assets of the Mahan Aluminium Project and a second charge on the current assets of the Company, both present and future.

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

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

## 5. Deferred Tax Liabilities (Net):

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

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
<b>Deferred Tax Liabilities</b>		
Depreciation and Amortization Expenses	3,544.57	1,495.59
	<b>3,544.57</b>	<b>1,495.59</b>
<b>Less: Deferred Tax Assets</b>		
Unabsorbed Depreciation	1,457.26	81.73
Employee's Separation and Retirement Expenses	111.04	87.12
Expenses/Provisions Allowable	227.99	152.43
	<b>1,796.29</b>	<b>321.28</b>
	<b>1,748.28</b>	<b>1,174.31</b>

	As at		(₹ Crore)	
	31/03/2015	31/03/2014		
<b>6. Other Long-Term Liabilities:</b>				FINANCIAL HIGHLIGHTS MANAGEMENT DISCUSSION AND ANALYSIS
Trade Payables	5.22	4.93		
Derivative Liabilities (refer Note No. 49 (c))	0.05	1.96		
Liability for Capital Expenditure	74.77	424.30		
Security and other Deposits	2.47	2.44		
Other Payables	392.12	397.23		
	<b>474.63</b>	<b>830.86</b>		CORPORATE GOVERNANCE REPORT
<b>7. Long-Term Provisions:</b>				
Provisions for Employee Benefits	455.90	341.96		
	<b>455.90</b>	<b>341.96</b>		SHAREHOLDER INFORMATION
<b>8. Short-Term Borrowings:</b>				
<b>Secured</b>				
From Banks:				SUSTAINABLE DEVELOPMENT
Cash Credit, Export Credit, etc. - (a)	42.22	11.22		
	<b>42.22</b>	<b>11.22</b>		
<b>Unsecured</b>				SOCIAL REPORT
From Banks:				
Buyer's Credit	1,359.39	1,927.75		
Packing Credit	4,258.94	2,319.40		DIRECTORS' REPORT
Cash Credit	14.98	-		
	<b>5,633.31</b>	<b>4,247.15</b>		
	<b>5,675.53</b>	<b>4,258.37</b>		BUSINESS RESPONSIBILITY REPORT
(a) Working Capital Loan for Aluminium Business, granted under the Consortium Lending Arrangement, are secured by a first <i>pari passu</i> charge on entire stocks of raw materials, work-in-process, finished goods, consumable stores and spares and also book debts pertaining to the Company's Aluminium business. Working Capital Loan of State Bank of India for the Copper business is secured by a first <i>pari passu</i> charge by way of hypothecation of stocks of raw materials, work-in-process, finished goods and consumable stores and spares and also book debts and other movable assets of Copper business, both present and future.				
<b>9. Trade Payables:</b>				STANDALONE FINANCIAL STATEMENTS
				CONSOLIDATED FINANCIAL STATEMENTS
				FINANCIAL HIGHLIGHTS
				MANAGEMENT DISCUSSION AND ANALYSIS
				CORPORATE GOVERNANCE REPORT
				SHAREHOLDER INFORMATION
				SUSTAINABLE DEVELOPMENT
				SOCIAL REPORT
				DIRECTORS' REPORT
				BUSINESS RESPONSIBILITY REPORT
				STANDALONE FINANCIAL STATEMENTS
				CONSOLIDATED FINANCIAL STATEMENTS
				FINANCIAL HIGHLIGHTS

(₹ Crore)

As at

	31/03/2015	31/03/2014
<b>10. Other Current Liabilities:</b>		
Current Maturities of Long-Term Debts	357.19	652.64
Interest Accrued but not due on Borrowings/Deposits	562.63	556.53
Interest Accrued and due on Borrowings	0.02	-
Unclaimed Dividends-(a)	5.77	6.12
Application/Call Money Received Due for Refund	0.31	0.31
Advance from Customers	157.20	137.75
Derivative Liabilities (refer Note No. 49 (c))	80.60	69.22
Liability for Capital Expenditure	1,097.46	1,153.77
Security and other Deposits	22.57	21.60
Statutory Dues Payable	232.84	191.23
Other Payables	161.54	112.74
	<b>2,678.13</b>	<b>2,901.91</b>

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

#### 11. Short-Term Provisions:

Provisions for Employee Benefits	22.72	20.66
Proposed Dividends	206.50	206.46
Provisions for Dividend Distribution Tax	39.59	35.09
Provisions for Current Tax (Net of Advance Tax)	786.96	748.53
Other Provisions (refer Note No. 46)	31.64	27.02
	<b>1,087.41</b>	<b>1,037.76</b>

**12. Tangible Assets:**

	ORIGINAL COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE	
	As at 31st March, 2014	Additions	Disposals/ Adjustments	As at 31st March, 2014	Additions	Disposals/ Adjustments	As at 31st March, 2014	Recognised/ Reversal	Deductions/ Adjustments	As at 31st March, 2015	As at 31st March, 2014
Leasehold Land	484.11	66.17	-	19.26	7.41	-	26.67	-	-	523.61	464.85
Freehold Land	511.23	0.43	6.30	0.15	0.13	-	0.28	-	0.70	505.08	510.38
Buildings	3,405.91	1,815.07	63.93	440.81	180.85	27.93	593.73	15.19	11.81	4,551.75	2,949.91
Plant and Equipment	21,547.28	6,999.93	370.36	7,632.09	670.87	203.65	8,099.31	205.46	116.37	19,904.04	13,709.73
Furniture and Fixtures	116.37	7.17	18.69	80.61	12.62	14.77	78.46	-	-	26.39	35.76
Vehicles and Aircraft	368.32	8.98	6.93	119.16	18.96	3.56	134.56	-	-	235.81	249.16
Office Equipment	143.09	22.36	23.90	104.53	19.92	15.62	108.83	-	-	32.72	38.56
Railway Sidings	105.70	204.00	0.02	39.07	11.49	0.01	50.55	2.66	-	256.47	66.63
Previous Year	26,682.01	9,124.11	490.13	8,435.68	922.25	265.54	9,092.39	221.35	128.88	18,773	18,024.98
	14,958.72	11,811.46	88.17	7,665.85	830.92	61.09	8,435.68	221.87	0.52	221.35	7,071.00

(a) Leasehold Land includes land amounting ₹ 46.01 crore (Previous year ₹ 46.01 crore) for which registration is pending. (Net Book Value ₹ 43.22 crore; Previous year ₹ 43.72 crore)

(b) Freehold Land includes ₹ 3.20 crore (Previous year ₹ 3.20 crore) towards acquiring right to use the forest land, ownership of which vests with the state government authorities. (Net Book Value ₹ 3.07 crore; Previous year ₹ 3.11 crore)

(c) Buildings include:

- ₹ 5.26 crore (Previous year ₹ 5.26 crore) being contribution for construction of road, the ownership of which vests with the state government authorities. (Net Book Value ₹ 0.26 crore; Previous year ₹ 1.84 crore)
- ₹ 16.36 crore (Previous year ₹ 16.36 crore) towards right to occupy and use of certain premises for which the Company has invested ₹ 13.18 crore (Previous year ₹ 13.18 crore) in Shares & Debentures of a company. (Net Book Value ₹ 11.83 crore; Previous year ₹ 12.08 crore)
- ₹ 0.35 crore (Previous year ₹ 0.35 crore) being cost of a flat for which registration is pending. (Net Book Value ₹ 0.21 crore; Previous year ₹ 0.22 crore)

(d) Plant and Equipment include ₹ 18.76 crore (Previous year ₹ 47.17 crore) being the amount spent for laying power line and water pipe line, the ownership of which vests with the state government authorities. (Net Book Value ₹ 3.66 crore; Previous year ₹ 32.23 crore)

(e) Railway Sidings include ₹ 9.13 crore (Previous year ₹ 9.13 crore) being railway siding not owned by the Company. (Net Book Value ₹ 4.50 crore; Previous year ₹ 5.07 crore)

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

Leasehold Land	-	₹ 51.92 crore (Previous year ₹ 51.92 crore). (Net Book Value ₹ 51.92 crore; Previous year ₹ 51.92 crore)
Freehold Land	-	₹ 0.52 crore (Previous year ₹ 0.52 crore). (Net Book Value ₹ 0.43 crore; Previous year ₹ 0.43 crore)
Buildings	-	₹ 51.83 crore (Previous year ₹ 51.83 crore). (Net Book Value ₹ 40.60 crore; Previous year ₹ 41.42 crore)
Plant and Equipment	-	₹ 110.40 crore (Previous year ₹ 73.91 crore). (Net Book Value ₹ 74.73 crore; Previous year ₹ 42.90 crore)
Furniture and Fixtures	-	₹ 10.58 crore (Previous year ₹ 10.47 crore). (Net Book Value ₹ 1.66 crore; Previous year ₹ 4.82 crore)
Vehicles and Aircraft	-	₹ 24.95 crore (Previous year ₹ 24.95 crore). (Net Book Value ₹ 12.26 crore; Previous year ₹ 13.29 crore)
Office Equipment	-	₹ 10.82 crore (Previous year ₹ 10.69 crore). (Net Book Value ₹ 1.37 crore; Previous year ₹ 1.72 crore)

**13. Intangible Assets:**

	ORIGINAL COST			AMORTIZATION			IMPAIRMENT			NET BOOK VALUE	
	As at 31st March, 2014	Additions	Disposals/ Adjustments	As at 31st March, 2014	Additions	Disposals/ Adjustments	As at 31st March, 2014	Recognised/ Reversal	Deductions/ Adjustments	As at 31st March, 2015	As at 31st March, 2014
Mining Rights	42.66	5.69	17.10	23.14	2.20	4.41	20.93	-	-	10.32	19.52
Computer Software	40.97	7.75	0.80	37.63	2.86	0.93	39.56	-	-	8.36	3.34
Technology	38.55	-	-	31.68	1.53	-	33.21	-	-	5.34	6.87
Previous Year	122.18	13.44	17.90	92.45	6.59	5.34	93.70	-	-	24.02	29.73
	114.51	7.73	0.06	87.86	4.64	0.05	92.45	-	-	29.73	26.65

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

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

**14. Non-Current Investments:**

(₹ Crore)					
	Face Value Per Unit	Numbers – As at		As at	
		31/03/2015	31/03/2014	31/03/2015	31/03/2014
<b>LONG-TERM TRADE INVESTMENTS</b>					
<b>Investments in Equity Instruments</b>					
<b>Investments in Subsidiaries:</b>					
Utkal Alumina International Limited	₹ 10	3,911,764,068	3,127,264,068	4,022.03	3,237.53
Dahej Harbour & Infrastructure Limited	₹ 10	50,000,000	50,000,000	50.00	50.00
Birla Resources Pty Limited	-	650,000	650,000	1.79	1.79
Minerals & Minerals Limited	₹ 10	50,000	50,000	0.17	0.17
Hindalco-Almex Aerospace Limited	₹ 10	172,115,744	172,115,744	83.24	83.24
A V Minerals (Netherlands) N.V. - (refer Note No. 43)	EUR 567.83	2,216,689	2,216,689	9,485.21	10,518.06
Tubed Coal Mines Limited - (b)	₹ 10	26,754,000	17,970,000	13.75	17.97
East Coast Bauxite Mining Company Pvt. Limited	₹ 10	7,400	7,400	0.01	0.01
Mauda Energy Limited	₹ 10	175,000	165,000	0.18	0.16
Aditya Birla Chemicals (India) Limited - (c)	₹ 10	12,004,987	12,004,987	12.45	12.45
Aditya Birla Minerals Limited - (d)	-	159,820,001	159,820,001	222.35	480.76
Hindalco Guinea SARL	GNF 100000	100	100	0.01	0.01
<b>Investments in Joint Ventures:</b>					
Mahan Coal Limited - (b)	₹ 10	195,250,000	192,750,000	173.25	192.75
MNH Shakti Limited	₹ 10	12,765,000	12,765,000	12.77	12.77
Hydromine Global Minerals GMBH Limited	USD 100	64,650	45	31.58	0.02
<b>Investments in Associate:</b>					
Aditya Birla Science & Technology Company Private Limited - (e)	₹ 10	9,800,000	9,800,000	9.80	9.80
Sanjana Cryogenic Storages Limited	₹ 10	780,000	780,000	3.12	3.12
<b>Investments in Other Entities:</b>					
Aditya Birla Ports Limited	₹ 10	100,000	100,000	0.10	0.10
				<b>14,121.81</b>	<b>14,620.71</b>
<b>OTHER LONG-TERM INVESTMENTS</b>					
<b>Investments in Equity Instruments</b>					
<b>Investments in Subsidiaries:</b>					
Renuka Investments & Finance Limited	₹ 10	9,250,000	9,250,000	9.25	9.25
Renukeshwar Investments & Finance Limited	₹ 10	4,795,000	4,795,000	4.80	4.80
Suvas Holdings Limited	₹ 10	3,612,600	3,204,600	3.61	3.20
Lucknow Finance Company Limited - (f)	₹ 10	9,902,500	12,002,500	9.90	12.00
<b>Investments in Associate:</b>					
IDEA Cellular Limited	₹ 10	228,340,226	228,340,226	228.34	228.34
<b>Investments in Other Entities:</b>					
National Aluminium Company Limited	₹ 5	28,667,404	28,667,404	75.20	75.20
Aditya Birla Nuvo Limited	₹ 10	8,650,412	8,650,412	127.11	127.11
Grasim Industries Limited	₹ 10	2,299,059	2,299,059	72.54	72.54
Ultra Tech Cement Limited	₹ 10	1,313,748	1,313,748	12.50	12.50
Birla International Limited	CHF 100	2,500	2,500	0.53	0.53
Bharuch-Dahej Railway Company Limited	₹ 10	13,530,000	13,530,000	13.53	13.53

		(₹ Crore)				FINANCIAL HIGHLIGHTS
	Face Value Per Unit	Numbers – As at		As at		
		31/03/2015	31/03/2014	31/03/2015	31/03/2014	
<b>Investments in Preference Shares</b>						
<b>Investments in Subsidiaries:</b>						
Renuka Investments & Finance Limited - 15% Redeemable Cumulative (redeemed during the year)	₹ 100	-	150	-	-	MANAGEMENT DISCUSSION AND ANALYSIS
Renukeshwar Investments & Finance Limited - 15% Redeemable Cumulative (redeemed during the year)	₹ 100	-	150	-	-	
<b>Investments in Other Entities:</b>						
Aditya Birla Health Services Limited - 3.50% Redeemable Cumulative	₹ 100	2,500,000	2,500,000	25.00	25.00	CORPORATE GOVERNANCE REPORT
<b>Investments in Debentures or Bonds</b>						
7.90% Corporation Bank Bonds	₹ 1,000,000	-	300	-	30.00	SHAREHOLDER INFORMATION
9.20 % HDFC Limited Bonds	₹ 1000,000	349	349	35.05	35.15	
8.30% Bond of National Highways Authority of India	₹ 1,000	24,724	24,724	2.47	2.47	SUSTAINABLE DEVELOPMENT
8.46% Tax Free NCD of REC Limited	₹ 1,000,000	200	200	20.01	20.01	
<b>Investments in Government Securities</b>						
6.83% Government of India Bond, 2039				20.10	20.11	SOCIAL REPORT
				<b>659.94</b>	<b>691.74</b>	
				<b>14,781.75</b>	<b>15,312.45</b>	DIRECTORS' REPORT
(a) Although the book/market value of certain investments (amount not ascertained) is lower than cost, considering the strategic and long-term nature of the investments and asset base of the investee companies, no provision for diminution in value necessary except where, in the opinion of the management, such decline is other than temporary in nature.						
(b) Provision of ₹ 13.00 crore and ₹ 22.00 crore towards diminution in value of investment of the Company in Tubed Coal Mines Limited and Mahan Coal Limited following deallocation of coal blocks by the Hon'ble Supreme Court (refer Note No. 40 (a)).						
(c) Aditya Birla Chemicals (India) Limited, a subsidiary of the Company, has proposed amalgamation with Grasim Industries Limited, w.e.f. 1st, April, 2015, subject to receipt of requisite statutory approvals.						
(d) ₹ 258.41 crore towards Provision for diminution in carrying value of investment in Aditya Birla Minerals Limited, Australia, a subsidiary of the Company, arising on significant decline in value of the Company's investment therein as reflected in decline in its quoted, share price over a considerable period of time.						
(e) Aditya Birla Science and Technology Company Limited has been converted from "Public Limited" to "Private Limited" w.e.f. 30th March, 2015. The name of the said company is changed to Aditya Birla Science and Technology Company Private Limited.						
(f) During the year, Lucknow Finance Company Limited has bought back 2,100,000 Equity Shares of ₹ 10/- each at price of ₹ 10/- per share.						
(g) Aggregate amount of Quoted and Unquoted Investments, market value of Quoted Investments and aggregate provision for diminution in value of Investments are given below:						
(₹ Crore)						
				As at		STANDALONE FINANCIAL STATEMENTS
				31/03/2015	31/03/2014	
Aggregate Amount of Unquoted Investments				13,953.63	14,195.81	CONSOLIDATED FINANCIAL STATEMENTS
Aggregate Amount of Quoted Investments				828.12	1,116.64	
Aggregate Market Value of Quoted Investments				7,463.87	5,719.16	
Aggregate Provision for Diminution in Value of Investments				380.32	86.80	

**15. Long-Term Loans and Advances:**

(Unsecured, Considered Good, unless otherwise stated)

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
Capital Advances	151.07	294.19
Loans, Advances and Deposits to Related Parties - (a)	72.78	181.01
Security Deposits	115.50	89.96
Advances Recoverable in Cash or in Kind:		
Unsecured, Considered Good	491.35	374.22
Unsecured, Considered Doubtful	12.94	1.52
Less: Provision for Doubtful Amount	12.94	1.52
	491.35	374.22
Other Advances and Balances:		
MAT Credit Entitlement - (refer Note No. 35 (a))	602.97	-
Prepaid Expenses	2.08	2.08
Others - (b)	18.98	219.69
	<b>1,454.73</b>	<b>1,161.15</b>

(a) Loans, Advances and Deposits to Related Parties include ₹ 34.46 crore (Previous year ₹ 34.45 crore) towards balance with Trident Trust which represents 16,316,130 Equity Shares of ₹ 1/- each fully paid-up of the Company issued, pursuant to a Scheme of Arrangement approved by the Hon'ble High Courts at Mumbai and Allahabad, vide their Orders dated 31st October, 2002 and 18th November, 2002, respectively, to the Trident Trust, created wholly for the benefit of the Company and is being managed by trustees appointed by it. The tenure of the Trust is up to 23rd January, 2017.

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

**16. Other Non-Current Assets:**

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
Long-Term Trade Receivables:		
Unsecured, Considered Doubtful	19.35	19.10
Less: Provision for Doubtful Amount	19.35	19.10
	-	-
Deposits with Bank exceeding 12 months maturity	0.35	0.32
Interest Accrued on Investments and Deposits	0.95	-
Derivative Assets (refer Note No. 49 (c))	30.14	12.20
	<b>31.44</b>	<b>12.52</b>

## 17. Current Investments:

		(₹ Crore)				
	Face Value	Numbers – As at		As at		
	Per Unit	31/03/2015	31/03/2014	31/03/2015	31/03/2014	
<b>Investments in Preference Shares</b>						
8.75% L & T Finance Holdings Ltd	₹ 100	1,217,507	1,217,507	12.18	12.18	
<b>Investments in Debentures and Bonds</b>						
Investment in Associate:						
9.45% NCD of IDEA Cellular Limited	₹ 100	1,000,000	1,000,000	10.04	9.75	
Investment in Other Entities:						
8.40% EXIM Bank Ltd. Bonds	₹ 1,000,000	-	250	-	24.76	
8.65% EXIM Bank Ltd. Bonds	₹ 1,000,000	-	1,000	-	99.46	
7.90% Corporation Bank Bonds - (a)	₹ 1,000,000	300	-	30.00	-	
7.18% NCD of IRFC	₹ 1,000	1,192	1,192	0.11	0.11	
8.00% NCD of IRFC	₹ 1,000	56,282	6,282	5.22	0.69	
8.10% NCD of IRFC	₹ 1,000	30,453	29,785	3.92	3.16	
7.19% NCD NHB	₹ 1,000,000	50	-	5.00	-	
8.25% NCD NHB	₹ 1,000,000	-	750	-	74.36	
9.44% NCD IDFC	₹ 1,000,000	-	250	-	24.99	
8.64% NCD of BIHAR SDL	₹ 100	1,183,500	1,183,500	11.84	11.27	
8.60% NCD of LIC Housing Finance Limited	₹ 1,000,000	500	-	49.89	-	
8.76% NCD of LIC Housing Finance Limited	₹ 1,000,000	50	-	4.99	-	
9.02% NCD of LIC Housing Finance Limited	₹ 1,000,000	500	-	49.92	-	
9.44% NCD of LIC Housing Finance Limited	₹ 1,000,000	250	-	25.70	-	
9.64% NCD of LIC Housing Finance Limited	₹ 1,000,000	-	100	-	9.99	
9.74% NCD of LIC Housing Finance Limited	₹ 1,000,000	220	-	22.12	-	
9.80% NCD of LIC Housing Finance Limited	₹ 1,000,000	-	800	-	79.96	
9.84% NCD of LIC Housing Finance Limited	₹ 1,000,000	250	-	25.14	-	
9.90% NCD of LIC Housing Finance Limited	₹ 1,000,000	-	400	-	39.92	
9.96% NCD of LIC Housing Finance Limited	₹ 1,000,000	-	150	-	14.99	
10.18% NCD of LIC Housing Finance Limited	₹ 1,000,000	250	-	25.36	-	
10.20% NCD of LIC Housing Finance Limited	₹ 1,000,000	-	100	-	10.00	
10.60% NCD of LIC Housing Finance Limited	₹ 1,000,000	500	-	51.01	-	
8.70% NCD of Bajaj Auto Finance Limited	₹ 10,000,000	10	-	9.96	-	
8.12% NCD of REC Limited	₹ 1,000	43,523	40,708	4.62	4.33	
7.93% NCD of REC Limited	₹ 1,000	56,615	6,072	5.91	0.65	
7.22% NCD of REC Limited	₹ 1,000	5,130	5,020	0.51	0.50	
7.38% NCD of REC Limited	₹ 1,000	10,321	5,721	1.05	0.58	
8.71% NCD of REC Limited	₹ 1,000	3,352	-	0.38	-	
8.23% NCD of REC Limited	₹ 1,000,000	250	-	25.04	-	
8.27% NCD of REC Limited	₹ 1,000,000	250	-	24.93	-	
8.84% NCD of REC Limited	₹ 1,000,000	-	250	-	24.82	
9.04% NCD of REC Limited	₹ 1,000,000	100	-	10.26	-	
9.38% NCD of REC Limited	₹ 1,000,000	-	150	-	14.81	
9.63% NCD of REC Limited	₹ 1,000,000	250	-	25.41	-	
8.84% NCD - PFC	₹ 100	1,000,000	1,000,000	10.04	9.56	
7.19% NCD - PFC	₹ 1,000	9,565	-	0.97	-	
7.36% NCD - PFC	₹ 1,000	25,187	19,462	2.59	2.01	

(₹ Crore)

	Face Value Per Unit	Numbers – As at		As at	
		31/03/2015	31/03/2014	31/03/2015	31/03/2014
8.20% NCD - PFC	₹ 1,000	36,862	36,862	4.03	4.03
8.30% NCD - PFC	₹ 1,000	10,163	10,163	1.01	1.01
8.35% NCD - PFC	₹ 1,000,000	-	100	-	9.72
8.40% NCD - PFC	₹ 1,000,000	500	-	50.00	-
8.96% NCD - PFC	₹ 1,000,000	250	-	25.33	-
9.61% NCD - PFC	₹ 1,000,000	-	150	-	14.92
9.69% NCD - PFC	₹ 1,000,000	250	-	25.86	-
8.15% Power Grid Corporation	₹ 1,000,000	300	-	30.00	-
8.20% Power Grid Corporation	₹ 1,000,000	250	-	25.00	-
9.30% Power Grid Corporation	₹ 1,000,000	500	-	50.28	-
9.55% NCD of HDB Financial Services Ltd.	₹ 1,000,000	200	200	20.00	20.00
9.63% NCD of HDB Financial Services Ltd.	₹ 1,000,000	-	250	-	25.00
10.17% NCD of HDB Financial Services Ltd.	₹ 1,000,000	100	-	10.08	-
0% M & M Financial Services	₹ 1,000,000	-	250	-	24.38
9.55% NCD of M & M Financial Services	₹ 1,000,000	-	250	-	25.00
9.89% NCD of M & M Financial Services	₹ 1,000,000	-	150	-	15.03
10.05% NCD Tata Sons Limited	₹ 1,000,000	-	200	-	20.00
10.20% NCD Tata Sons Limited	₹ 1,000,000	-	250	-	25.00
10.25% NCD Tata Sons Limited	₹ 1,000,000	-	500	-	50.05
9.78% NCD Tata Sons Limited	₹ 1,000,000	650	100	65.17	10.07
9.84% NCD Tata Sons Limited	₹ 1,000,000	-	250	-	24.99
9.98% NCD Tata Sons Limited	₹ 1,000,000	100	100	10.10	10.10
9.50% Tata Capital Financial Services Limited	₹ 1,000,000	250	-	24.98	-
10.27% Tata Capital Financial Services Limited	₹ 1,000,000	400	-	40.07	-
7.34% HUDCO Bonds	₹ 1,000	100,000	100,000	10.00	10.00
7.51% HUDCO Bonds	₹ 1,000	50,000	50,000	5.00	5.00
0% HDFC Ltd Series K-032 DDB	₹ 1,000,000	-	250	-	26.46
8.70% NCD HDFC Limited	₹ 1,000,000	-	250	-	24.79
8.35% NCD HDFC Limited	₹ 1,000,000	100	-	9.96	-
8.87% NCD HDFC Limited	₹ 1,000,000	-	50	-	4.97
8.95% NCD HDFC Limited	₹ 1,000,000	-	200	-	19.85
9.20% NCD HDFC Limited	₹ 1,000,000	-	250	-	24.88
9.34% NCD HDFC Limited	₹ 1,000,000	-	100	-	9.97
9.40% NCD HDFC Limited	₹ 1,000,000	-	500	-	49.66
9.55% NCD HDFC Limited	₹ 1,000,000	100	500	10.00	49.86
9.58% NCD HDFC Limited	₹ 1,000,000	100	-	10.02	-
9.60% NCD HDFC Limited	₹ 1,000,000	100	300	10.00	30.08
9.65% NCD HDFC Limited	₹ 1,000,000	-	200	-	21.02
9.70% NCD HDFC Limited	₹ 1,000,000	250	-	25.14	-
9.80% NCD HDFC Limited	₹ 1,000,000	-	250	-	25.01
9.27% L&T Finance Limited	₹ 2,500,000	100	-	25.03	-
10.29% NCD Kotak Mahindra Prime Ltd.	₹ 1,000,000	-	50	-	4.99
10.35% NCD Kotak Mahindra Prime Ltd.	₹ 1,000,000	-	170	-	16.96
8.01% NCD UltraTech Cement Ltd.	₹ 1,000,000	-	1150	-	113.70
9.50% NABARD Bonds	₹ 1,000,000	-	300	-	29.90
				<b>928.99</b>	<b>1,207.07</b>

		(₹ Crore)				FINANCIAL HIGHLIGHTS	
	Face Value Per Unit	Numbers – As at		As at			MANAGEMENT DISCUSSION AND ANALYSIS
		31/03/2015	31/03/2014	31/03/2015	31/03/2014		
<b>Investments in Government Securities</b>							
7.95% GOI FCI Special Bonds, 2026	₹ 100	513,000	513,000	5.04	4.65	CORPORATE GOVERNANCE REPORT	
6.65% GOI FCI Special Bonds, 2023	₹ 100	2,096,600	2,096,600	18.92	17.70		
7.00% GOI FCI Special Bonds, 2022	₹ 100	3,039,500	3,039,500	28.16	26.14		
6.20% GOI FCI Special Bonds, 2022	₹ 100	1432,100	1432,100	12.50	11.63		
8.12% GOI GS CG	₹ 100	9,000,000	7,500,000	87.05	71.48		
8.33% GOI GS CG	₹ 100	-	7,500,000	-	70.54		
1.44% GOI Inflation Indexed Bond	₹ 100	260,700	260,700	2.21	2.21		
9.23% GOI GS CG	₹ 100	1,000,000	-	10.45	-		
8.30% GOI GS CG	₹ 100	1,000,000	-	9.70	-		
8.28% GOI GS CG	₹ 100	7'500'000	-	72.73	-		
				<b>246.76</b>	<b>204.35</b>		
<b>Investments in Commercial Papers</b>							
Kotak Mahindra Investments Limited	₹ 500,000	2,000	-	95.89	-	SHAREHOLDER INFORMATION	
Kotak Mahindra Prime Limited	₹ 500,000	1,500	-	72.05	-		
Volkswagon Finance Pvt. Limited	₹ 500,000	500	-	23.22	-	SUSTAINABLE DEVELOPMENT REPORT	
Daimler Financial Services India Pvt. Limited	₹ 500,000	1,000	-	47.79	-		
SIDBI	₹ 500,000	4,000	-	196.13	-	SOCIAL REPORT	
PFC	₹ 500,000	-	800	-	37.42		
REC Limited	₹ 500,000	-	1,500	-	70.16	DIRECTORS' REPORT	
Exim Bank	₹ 500,000	-	1,500	-	69.05		
Housing Development Finance Corporation Limited	₹ 500,000	3,000	3,000	142.29	139.55		
				<b>577.37</b>	<b>316.18</b>		
<b>Investments in Certificate of Deposits</b>							
Bank of India	₹ 100,000	10,000	-	97.08	-	BUSINESS RESPONSIBILITY REPORT	
ICICI Bank	₹ 100,000	2,500	-	24.00	-		
Axis Bank	₹ 100,000	5,000	-	47.86	-	STANDALONE FINANCIAL STATEMENTS	
United Commercial Bank	₹ 100,000	-	2,500	-	24.52		
Corporation Bank	₹ 100,000	10,000	5,000	96.37	47.03	CONSOLIDATED FINANCIAL STATEMENTS	
Kotak Mahindra Bank	₹ 100,000	-	5,000	-	49.91		
Oriental Bank of Commerce	₹ 100,000	-	2,500	-	23.58		
Punjab & Sind Bank	₹ 100,000	15,000	2,500	147.27	23.52		
United Bank of India	₹ 100,000	-	2,500	-	23.60		
Canara Bank	₹ 100,000	5,000	5,000	46.41	46.60		
<b>Investments in Mutual Funds</b>				<b>458.99</b>	<b>238.76</b>		
Investments in Debt Schemes of Mutual Funds - (b)				<b>4,244.64</b>	<b>4,616.47</b>		
				<b>6,468.93</b>	<b>6,595.01</b>		
(a) Non-Current Investment maturing with in 12 months.							
(b) Investments in Debt Schemes of Mutual Funds include units of ₹ 17.00 crore (Previous year ₹ 17.00 crore) being deposit as margin for derivative transactions.							

(a) Non-Current Investment maturing with in 12 months.

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

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

(₹ Crore)

	As at	
	31/03/2015	31/03/2014
Aggregate Amount of Unquoted Investments	6,192.17	6,384.16
Aggregate Amount of Quoted Investments	276.76	210.85
Aggregate Market Value of Quoted Investments	287.75	211.09
Aggregate Provision for Diminution in Value of Investments	7.19	23.24

**18. Inventories:**

(₹ Crore)

	As at 31/03/2015			As at 31/03/2014		
	In Hand	In Transit	Total	In Hand	In Transit	Total
Raw Materials	1,010.95	2,170.43	3,181.38	724.19	3,090.51	3,814.70
Finished Goods	556.13	0.81	556.94	520.33	5.35	525.68
Work-in-Progress	3,842.98	-	3,842.98	3,924.04	-	3,924.04
Stores and Spares	372.19	10.54	382.73	337.44	18.01	355.45
Coal and Fuel	490.14	367.06	857.20	263.54	31.17	294.71
	<b>6,272.39</b>	<b>2,548.84</b>	<b>8,821.23</b>	<b>5,769.54</b>	<b>3,145.04</b>	<b>8,914.58</b>

**19. Trade Receivables:**

(₹ Crore)

	As at	
	31/03/2015	31/03/2014
Outstanding for a period exceeding six months:		
Secured, Considered Good	-	0.04
Unsecured, Considered Good	60.17	58.87
Unsecured, Considered Doubtful	34.84	28.41
Less: Provision for Doubtful Amount	34.84	28.41
	60.17	58.91
Outstanding for a period less than six months:		
Secured, Considered Good	3.29	3.36
Unsecured, Considered Good	1,768.72	1,221.38
	<b>1,772.01</b>	<b>1,224.74</b>
	<b>1,832.18</b>	<b>1,283.65</b>

**20. Cash and Bank Balances:**

	As at		FINANCIAL HIGHLIGHTS
	31/03/2015	31/03/2014	
			MANAGEMENT DISCUSSION AND ANALYSIS
<b>Cash and Cash Equivalents</b>			
Balance with Banks:			
Deposits with less than three months initial maturity	200.00	50.35	
Current Accounts	88.37	283.75	
Cheques and Drafts on Hand - (a)	14.81	100.43	
Cash on Hand	0.39	0.36	
	<b>303.57</b>	<b>434.89</b>	
<b>Other Balances</b>			
Balance with Banks:			
Earmarked Balances	6.85	7.21	
Deposits with more than three months initial maturity	673.76	721.07	
	<b>680.61</b>	<b>728.28</b>	
	<b>984.18</b>	<b>1,163.17</b>	

(a) Includes ₹ 7.73 crore (Previous year ₹ 89.88 crore) remittances in transit.

**21. Short-Term Loans and Advances:**

(Unsecured, Considered Good, unless otherwise stated)

Loans, Advances and Deposits to Related Parties	20.28	10.87		
Security Deposits:				
Unsecured, Considered Good	24.93	44.58		
Unsecured, Considered Doubtful	0.25	0.25		
Less: Provision for Doubtful Amount	0.25	0.25		
	24.93	44.58		
Advances Recoverable in Cash or in Kind:				
Unsecured, Considered Good	2,097.61	1,798.73		
Unsecured, Considered Doubtful	42.04	12.52		
Less: Provision for Doubtful Amount	42.04	12.52		
	2,097.61	1,798.73		
Other Advances and Balances:				
Balance with Government Authorities	75.62	89.70		
Prepaid Expenses	22.33	26.69		
Others - (a)	1,638.90	1,255.83		
	<b>3,879.67</b>	<b>3,226.40</b>		

(a) Others under head "Other Advances and Balances" mainly include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc.

**22. Other Current Assets:**

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
Accrued Interest	96.86	132.73
Accrued Export and Other Incentives	234.23	109.02
Derivative Assets (refer Note No. 49 (c))	511.12	497.35
Assets Held for Sale	79.68	2.76
Other Receivables	21.12	27.22
	943.01	769.08
Unsecured, Considered Doubtful	1.11	-
Less: Provision for Doubtful Amount	1.11	-
	<b>943.01</b>	<b>769.08</b>

**23. Revenue from Operations:**

	(₹ Crore)	
	Year Ended	
	31/03/2015	31/03/2014
Sale of Products - (a)	36,438.59	29,823.47
Other Operating Revenues	430.62	277.87
Gross Revenue from Operations	36,869.21	30,101.34
Less: Excise Duty	2,344.18	2,250.41
Net Revenue from Operations	<b>34,525.03</b>	<b>27,850.93</b>
(a) Details of Sale of Products are given below:		
Sale of Finished Goods:		
Aluminium Business:		
Alumina	1,033.39	1,007.03
Aluminium and Aluminium Products	13,600.87	9,893.95
Others	265.39	274.83
Copper Business:		
Copper and Copper Products - (i)	17,421.80	15,183.71
Precious Metals - (i)	2,710.05	2,740.57
Others - (ii)	1,370.05	1,026.29
	<b>36,401.55</b>	<b>30,126.38</b>
Sale of Traded Goods:		
Other Materials	37.04	0.04
	37.04	0.04
	36,438.59	30,126.42
Less: Sale of trial run production transfer to Capital Work-in-Progress	-	302.95
	<b>36,438.59</b>	<b>29,823.47</b>

- (i) Sales of Copper Products and Precious Metals are accounted for provisionally, pending finalization of price and quantity. Variations are accounted for in the year of settlement. Final price receivable on sale of above products, for which quotational price was not finalized in the previous year, was realigned at year end forward LME/LMBA rate and reversal of ₹ 7.83 crore (Previous year ₹ 1.84 crore) was accounted for. During the year, final price was settled at ₹ 7.05 crore (Previous year ₹ 6.50 crore) and further addition of sales of ₹ 0.78 crore (Previous year reversal of ₹ 4.65 crore) were taken into account. As on 31st March, 2015, sales of Copper Products/Precious Metals, pending for price finalization, were realigned at year-end forward LME/ LMBA and an addition of sales of ₹ 12.14 crore (Previous year reversal of ₹ 7.83 crore) was accounted for. Actual cash flow is expected on finalization of quotational price and quantity in the subsequent financial year.
- (ii) Include sales of DAP including nutrient-based subsidy of P&K ₹ 372.35 crore (Previous year ₹ 273.34 crore).

**24. Other Income:**

	(₹ Crore)		FINANCIAL HIGHLIGHTS
	Year Ended		
	31/03/2015	31/03/2014	MANAGEMENT DISCUSSION AND ANALYSIS
Interest Income:			
On Long-term Investments	8.84	8.70	
On Current Investments	148.34	143.50	
On Others - (a)	169.60	319.68	
Dividend Income:			
On Long-term Investments - (b)	41.46	229.13	
On Current Investments	20.44	7.91	
Gain/(Loss) on Sale of Investments (Net):			
On Long-term Investments	-	10.65	
On Current Investments	425.16	371.53	
Adjustments to the carrying amount of Investments (Net):			
On Long-term Investments - (c)	(0.11)	(0.11)	
On Current Investments	16.05	(16.06)	
Profit/(Loss) on Fixed Assets Sold/Discarded (Net)	(15.25)	(13.79)	
Rent Income	4.63	4.31	
Liabilities no longer required written back	64.36	69.29	
Other Non-Operating Income (Net)	1.06	2.27	
	884.58	1,137.01	
Less: Transfer to Finance Costs - (d)	2.37	12.59	
	882.21	1,124.42	
(a) Interest Income on others includes ₹ 4.62 crore (Previous year ₹ 165.98 crore) of interest received from Income Tax Department.			
(b) Dividend Income on long-term investments includes ₹ 13.81 crore (Previous year ₹ 201.20 crore) of dividend received from subsidiary companies.			
(c) During the year, provision for diminution in value of investments of ₹ 258.41 crore accounted for as Exceptional Item and provision of ₹ 35.00 crore adjusted with BRR. (refer Note No. 44 (b))			
(d) Income derived from temporary deployment of surplus fund, out of specific borrowing for various projects, deducted from borrowing costs.			
Purchases of Stock-in-Trade:			
Other Materials	37.04	0.03	
	37.04	0.03	
			STANDALONE FINANCIAL STATEMENTS

**26. Cost of Materials Consumed:**

	(₹ Crore)	
	<b>Year Ended</b>	
	<b>31/03/2015</b>	<b>31/03/2014</b>
Copper Concentrate - (a)	16,155.19	15,271.64
Alumina	1,255.78	388.64
Bauxite	234.30	218.84
Caustic Soda	515.85	581.13
Calcined Petroleum Coke	784.81	447.68
Rock Phosphate	417.39	337.95
Anode	380.57	355.44
Others	1,347.49	1,367.20
	<b>21,091.38</b>	<b>18,968.52</b>
Less: Transfer to Capital Work-in-Progress	35.09	164.24
	<b>21,056.29</b>	<b>18,804.28</b>

(a) Purchase of Copper Concentrate is accounted for provisionally pending finalization of contents in the concentrate and price. Variations are accounted for in the year of settlement. Final price payable on purchase of copper concentrate for which quotational price and quantity were not finalized in the previous year, were realigned based on forward LME and LMBA rate at the year end of copper and precious metals, respectively, and accordingly receivable of ₹ 155.88 crore (Previous year ₹ 122.82 crore) was accounted for. During the year, final price was settled at ₹ 138.26 crore (Previous year receivable of ₹ 248.90 crore) and accordingly balance payable of ₹ 17.62 crore (Previous year receivable ₹ 126.08 crore) has been accounted for. As on 31st March, 2015, receivable of ₹ 26.29 crore (Previous year ₹ 155.88 crore) was accounted for on realignment of unpriced copper concentrate. Actual cash flow is expected on finalization of quotational price and quantity in the subsequent financial year.

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

	(₹ Crore)	
	<b>Year Ended</b>	
	<b>31/03/2015</b>	<b>31/03/2014</b>
<b>Opening Inventories</b>		
Finished Goods	525.68	326.95
Work-in-Progress	3,924.04	3,442.06
	<b>4,449.72</b>	<b>3,769.01</b>
<b>Less: Closing Inventories</b>		
Finished Goods	556.94	525.68
Work-in-Progress	3,842.98	3,924.04
	<b>4,399.92</b>	<b>4,449.72</b>
	49.80	(680.71)
Add: (Increase)/Decrease of Excise Duty on Inventories	18.01	4.50
	<b>67.81</b>	<b>(676.21)</b>

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

	Finished Goods			Work-in-Progress		
	31/03/2015	31/03/2014	31/03/2013	31/03/2015	31/03/2014	31/03/2013
Aluminium Business:						
Alumina	37.30	50.68	55.51	250.69	270.20	266.20
Aluminium and Aluminium Products	317.67	195.94	101.45	580.66	433.79	299.25
Others	101.07	6.28	8.98	700.05	410.38	372.59
Copper Business:						
Copper and Copper Products	63.35	228.02	70.03	1,289.32	1,602.41	1,428.15
Precious Metals	1.76	2.20	67.94	1,014.18	1,201.26	1,057.75
Others	35.79	42.56	23.04	8.08	6.00	18.12
	<b>556.94</b>	<b>525.68</b>	<b>326.95</b>	<b>3,842.98</b>	<b>3,924.04</b>	<b>3,442.06</b>

## 28. Employee Benefits Expenses:

	Year Ended	
	31/03/2015	31/03/2014
Salaries and Wages	1,251.64	1,141.44
Contribution to Provident and Other Funds	227.99	150.20
Employee Share-Based Payments	7.22	3.71
Employee Welfare	135.71	117.69
	1,622.56	1,413.04
Less: Transfer to Capital Work-in-Progress	33.08	67.57
	<b>1,589.48</b>	<b>1,345.47</b>

## 29. Power and Fuel:

Power and Fuel	5,270.09	3,996.28
Less: Transfer to Capital Work-in-Progress	69.32	438.67
	<b>5,200.77</b>	<b>3,557.61</b>

## 30. Finance Costs:

Interest Expenses - (a)	2,415.65	2,350.07
Other Borrowing Costs	13.69	27.81
Loss on Foreign Currency Transactions and Translation (Net)	20.39	36.84
	2,449.73	2,414.72
Less: Income on Specific Borrowings - (b)	2.37	12.59
	2,447.36	2,402.13
Less: Transfer to Capital Work-in-Progress	810.27	1,690.48
	<b>1,637.09</b>	<b>711.65</b>

(a) Interest Expenses include ₹ 0.02 crore (Previous year ₹ 14.56 crore) of interest paid to Income Tax Department.

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

**31. Depreciation and Amortization:**

	(₹ Crore)	
	<b>Year Ended</b>	
	<b>31/03/2015</b>	<b>31/03/2014</b>
Depreciation and Amortization - (a)	842.27	835.56
Less: Transfer to Capital Work-in-Progress	5.24	12.27
	<b>837.03</b>	<b>823.29</b>

(a) In compliance with Schedule II of the Companies Act, 2013, requiring companies to change the manner of calculation of depreciation, w.e.f. 1st April, 2014, the Company has recomputed useful life of its assets to bring it in line with the Schedule. As a result, Depreciation and Amortisation for the year ended 31st March, 2015, is lower by ₹ 670.76 crore. Additionally, ₹ 57.04 crore (net of deferred tax of ₹ 29.54 crore) has been recognised in the opening balance of retained earnings in respect of assets whose life has got exhausted as on 1st April, 2014, as per the revised useful life.

**32. Impairment Loss/(Reversal) (Net):**

Impairment Loss - (a)	95.26	-
Adjusted with Business Reconstruction Reserve ₹ 62.29 crore and Deferred Tax of ₹ 32.97 crore.	95.26	-
	<b>-</b>	<b>-</b>

(a) The Company has recognised impairment loss of ₹ 95.26 crore arising on deteriorating operating performance of Muri Alumina Unit, one of its cash generating units of Aluminium Business, using value in use-basis for recoverable amount.

**33. Other Expenses:**

Consumption of Stores and Spares	599.58	494.35
Repairs to Buildings	47.47	39.90
Repairs to Machinery	479.85	402.64
Rates and Taxes	23.27	25.31
Rent	38.46	35.46
Insurance	106.76	80.52
Payments to Auditors - (a)	4.46	3.48
Research and Development	23.46	23.74
Freight and Forwarding Expenses (Net) - (b)	607.12	464.76
Provision for Doubtful Loans, Advances and Receivables (Net)	48.73	5.39
Bad Loans, Advances and Receivables written off/ (written back) (Net)	2.80	0.39
Prior Period Items (Net)	(0.62)	0.21
Donation - (c)	18.36	2.07
Directors' Fees and Commission	4.19	7.58
Loss on assets held for sale	8.36	-
(Gain)/ Loss on Change in Fair Value of Derivatives (Net)	(29.29)	(319.17)
Cost of own Manufactured Products Capitalized/ Used	(21.23)	(54.92)
Miscellaneous Expenses - (d)	1,224.67	1,197.72
	<b>3,186.40</b>	<b>2,409.43</b>
Less: Transfer to Capital Work-in-Progress	29.28	81.56
	<b>3,157.12</b>	<b>2,327.87</b>

		(₹ Crore)		FINANCIAL HIGHLIGHTS
		Year Ended		
		31/03/2015	31/03/2014	
(a)	Details of Payments to Auditors are as follows:			MANAGEMENT DISCUSSION AND ANALYSIS
	Statutory Auditors:			
	Statutory Audit Fees	2.30	2.00	
	Tax Audit Fees	0.32	0.29	
	Certification, etc.	1.53	0.93	
	Out-of-Pocket Expenses	0.12	0.16	
	Cost Audit Fees and Expenses	0.19	0.10	CORPORATE GOVERNANCE REPORT
		4.46	3.48	
(b)	Freight and Forwarding Expenses is net of freight subsidy of ₹ 26.19 crore (Previous year 18.31 crore) on sale of DAP.			
(c)	Donation includes ₹17.62 crore (Previous year Nil) paid to General Electoral Trust as political donation.			
(d)	Miscellaneous Expenses include ₹ 0.04 crore (Previous year 0.02 crore) paid to a firm of solicitors in which Director is a partner.			

**34. Exceptional Items (Net):**

	(₹ Crore)		SUSTAINABLE DEVELOPMENT REPORT
	Year Ended		
	31/03/2015	31/03/2014	
Exceptional Expenses	967.74	395.98	
Exceptional Income	(390.04)	-	
	577.70	395.98	

Exceptional Items (Net) include:

- ₹ 562.85 crore towards additional levy of ₹ 295/- per MT on extracted coal for the period up to 30th September, 2014, in view of the Hon'ble Supreme Court order. (refer Note No. 40 (b))
- ₹ 258.41 crore towards provision for diminution in carrying value of investment in Aditya Birla Minerals Limited, Australia, a subsidiary of the Company. (refer Note No. 24 (c))
- ₹ 146.48 crore liability provided towards Renewable Power Obligations (RPO) in view of the Hon'ble Supreme Court judgment dated 13th May, 2015, upheld validity of RPO under the Electricity Act, 2003.
- Foreign exchange gain of ₹ 361.11 crore in connection return of capital from A V Minerals (Netherlands) N. V., a wholly owned subsidiary of the Company. (refer Note No. 43)
- Reversal of ₹ 28.93 crore out of the liability provided for in the previous year on account of UP Tax on Entry of Goods into Local Areas Act, 2007 (UP Entry Tax), following completion of assessment.

**35. Tax Expenses:**

	(₹ Crore)		STANDALONE FINANCIAL STATEMENTS
	Year Ended		
	31/03/2015	31/03/2014	
Current Tax	321.52	314.72	CONSOLIDATED FINANCIAL STATEMENTS
MAT Credit Entitlement - (a)	(602.97)	-	
Deferred Tax - (b) & (c)	636.48	(16.83)	
Tax Adjustments for earlier years (Net)	(33.28)	(25.84)	
	321.75	272.05	

- (a) In view of the revised profitability projections considering additional contribution from green field plants and as availability of coal from newly acquired coal mines, the Company is reasonably certain that there would be sufficient taxable income in future periods to utilize MAT credit entitlements. Consequently, the Company has recognized, during the period, MAT credit entitlement of ₹ 602.97 crore (including ₹ 281.44 crore paid in earlier years).
- (b) During the year, pursuant to the enactment of the Company Act, 2013 ("Act"), the Company has, effective from 1st April 2014, reviewed and revised the estimated useful life of tangible fixed assets in accordance with the provisions to the Schedule II to the Act and recalculated the deferred tax relating to tax holiday units in accordance with the Accounting Standard Interpretation (ASI)-3, consequently, additional deferred tax, liability of ₹ 335.01 crore has been recognised during the year.
- (c) Includes ₹ 31.92 crore of additional charge of deferred tax for the year ended 31st March, 2015, due to increase in surcharge on income tax.

### 36. Earnings Per Share (EPS):

	(₹ Crore)	
	Year Ended	
	31/03/2015	31/03/2014
Profit for the period (₹ Crore)	925.16	1,413.33
Weighted-average number of shares used in the calculation of EPS:		
Weighted-average number of equity shares for computing basic EPS	2,064,821,218	1,993,898,373
Dilutive impact of Employee Stock Options Scheme	1,834,285	331,541
Weighted-average number of equity shares for computing diluted EPS	2,066,655,503	1,994,229,914
Face Value of Per Share (₹)	1.00	1.00
Basic EPS (₹)	4.48	7.09
Diluted EPS (₹)	4.48	7.09

37. For the year ended 31st March, 2015, the Board of Directors of the Company has recommended dividend of ₹ 1.00 per share (Previous year ₹ 1.00 per share) to equity shareholders aggregating to ₹ 246.09 crore (Previous year ₹ 241.55 crore) including Dividend Distribution Tax.

**38. Segment Reporting:****A. Primary Segment Reporting (by Business Segment):**

- (a) The Company has two reportable segments, viz., Aluminium and Copper, which have been identified in line with the Accounting Standard-17 on Segment Reporting, taking into account the organizational structure as well as differential risk and return of these segments. Details of products included in each segment are as under:
- (i) Aluminium: Hydrate & Alumina, Aluminium and Aluminium Products
  - (ii) Copper: Continuous Cast Copper Rods, Copper Cathode, Sulphuric Acid, DAP & Complexes, Gold and Silver
- (b) Inter-segment transfers are based on market rates.
- (c) The details of the revenue, results, assets, liabilities and other information from operations by reportable business segments are as under:

(₹ Crore)

	Year Ended 31/03/2015			Year Ended 31/03/2014		
	Aluminium	Copper	Total	Aluminium	Copper	Total
<b>REVENUE</b>						
External	14,097.10	20,427.93	34,525.03	10,045.72	17,805.21	27,850.93
Inter-Segment	7.59	23.03	30.62	3.97	43.01	46.98
<b>Total</b>	<b>14,104.69</b>	<b>20,450.96</b>	<b>34,555.65</b>	<b>10,049.69</b>	<b>17,848.22</b>	<b>27,897.91</b>
<b>RESULTS</b>						
Segment Results	1,349.10	1,516.04	2,865.14	934.27	938.42	1,872.69
Unallocated Corporate Income			830.26			1,069.77
Unallocated Corporate Expenses			(233.70)			(149.45)
Finance Costs			(1,637.09)			(711.65)
Profit Before Exceptional items and Tax			1,824.61			2,081.36
Exceptional Items (Net)			(577.70)			(395.98)
Tax Expenses			(321.75)			(272.05)
<b>Profit for the Period</b>			<b>925.16</b>			<b>1,413.33</b>
<b>OTHER INFORMATION</b>						
<b>Assets:</b>						
Segment Assets	43,014.31	8,067.58	51,081.89	39,978.34	9,061.50	49,039.84
Unallocated Corporate Assets			24,918.75			24,730.11
<b>Total Assets</b>			<b>76,000.64</b>			<b>73,769.95</b>
<b>Liabilities:</b>						
Segment Liabilities	3,601.04	2,559.54	6,160.58	3,759.40	3,496.00	7,255.40
Unallocated Corporate Liabilities			32,584.80			29,782.10
<b>Total Liabilities</b>			<b>38,745.38</b>			<b>37,037.50</b>
Capital Expenditure	2,236.14	49.60		4,935.62	114.80	
Depreciation and Amortization	734.83	84.43		634.35	168.00	
Impairment Loss/(Reversal) (Net)	-	-		-	-	
Other Non-Cash Expenses	47.47	4.06		6.21	-	

**B. Secondary Segment Reporting (by Geographical Demarcation):**

- (a) The secondary segment is based on geographical demarcation, i.e. India and Rest of the World.
- (b) The Company's revenue from external customers and information about its assets and others by geographical location are as under:

(₹ Crore)

	Year Ended 31/03/2015			Year Ended 31/03/2014		
	India	Rest of World	Total	India	Rest of World	Total
Revenue	20,936.29	13,619.36	34,555.65	19,492.75	8,405.16	27,897.91
Assets	50,354.12	727.77	51,081.89	48,387.17	652.67	49,039.84
Capital Expenditure	2,285.74	-	2,285.74	5,050.42	-	5,050.42

**39. Employee Share Based Payment:****Employee Stock Option Scheme-2006 ("ESOS 2006")**

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

According to ESOS-2006, so far the Company has granted 4,328,159 options (Previous year 4,328,159 options) to its eligible employees, out of which 1,386,213 options (Previous year 1,169,574 options) have been cancelled/lapsed and are available for grant as per the term of the Scheme. A summary of the activity in the stock options granted under ESOS 2006 for the year ended 31st March, 2015, is as follows:

Particulars	Stock Options (Numbers)	Range of Exercise Price (₹)	Weighted-Average Exercise Price (₹)	Weighted-Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	2,472,833	98.30-150.10	121.81	3.76
Granted during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	(373,666)	98.30-118.35	102.43	-
Lapsed during the year	(216,639)	150.10	150.10	-
Outstanding at the end of the year	1,882,528	98.30-150.10	122.40	3.54
Exercisable at the end of the year	1,295,572	98.30-150.10	124.07	2.18

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

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

During the year ended 31st March, 2015, the Company has allotted 373,666 fully paid-up equity shares of ₹ 1/- each of the Company (Previous year 4,800) on exercise of options under ESOE-2006, for which the Company has realised ₹ 3.83 crore (Previous year ₹ 0.05 crore) as exercise money. The weighted-average share price at the exercise date was ₹ 168.73 per share (Previous year ₹ 115.20).

### Employee Stock Option Scheme 2013 (“ESOS 2013”)

During FY 2013-14, the Company has instituted Employee Stock Option Scheme 2013 (“ESOS 2013”), under which the Company may grant 5,462,000 stock options and restricted stock units (RSU) to the permanent employees in the management cadre and Managing/Whole-time Directors of the Company and its subsidiary companies in India and abroad, in one or more tranches. The ESOS 2013 is administered by the Compensation Committee of the Board of Directors of the Company (“the Committee”). The option exercise price would be determined by the Committee whereas the RSU exercise price shall be the face value of the equity shares of the Company as on the date of grant of RSUs. Each option and each RSU entitles the holders to apply for and be allotted one fully paid-up equity share of ₹ 1/- each of the Company upon payment of exercise price during exercise period. The options will vest in 4 equal annual instalments after one year of the date of grant whereas RSU will vest at the end of three years from the date of grant. The maximum period of exercise is 5 years from the date of vesting and these option/RSU do not carry rights to dividends or voting rights till the date of exercise. Further, cancelled/lapsed options and RSU are also available for grant.

In terms of ESOS 2013, so far, the Company has granted 2,062,564 stock options and 2,063,938 RSUs (Previous year 1,930,004 stock options and 1,931,289 RSUs) to the eligible employees of the Company and some of its subsidiary companies. Further, 100,421 stock options and 111,960 RSUs (Previous year NIL stock options/RSUs) has been cancelled/lapsed and are available for grant as per term of the Scheme. A summary of the activity in the stock options and RSUs granted under ESOS 2013 for the year ended 31st March, 2015, is as follows:

Particulars	Stock Options				RSUs			
	Stock Options (Numbers)	Range of Exercise Price (₹)	Weighted-Average Exercise Price (₹)	Weighted-Average Remaining Contractual Life (Years)	RSUs (Numbers)	Range of Exercise Price (₹)	Weighted-Average Exercise Price (₹)	Weighted-Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	1,930,004	119.45	119.45	7.03	1,931,289	1.00	1.00	7.53
Granted during the year	132,560	151.30	151.30	7.12	132,649	1.00	1.00	7.62
Cancelled during the year	(100,421)	119.45	119.45	-	(111,960)	1.00	1.00	-
Exercised during the year	(18,848)	119.45	119.45	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-	-
Outstanding at the year end	1,943,295	119.45-151.30	121.62	6.10	1,951,978	1.00	1.00	6.60
Exercisable at the year end	448,275	119.45	119.45	4.52	-	-	-	-

A summary of the activity in the stock options granted under ESOS 2013 for the year ended 31st March, 2014, is as follows:

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

During the year ended 31st March, 2015, the Company has allotted 18,848 fully paid-up equity shares of ₹ 1/- each of the Company (Previous year Nil) on exercise of options under ESOS-2013, for which the Company has realised ₹ 0.22 crore (Previous year ₹ Nil) as exercise money. The weighted-average share price at the exercise date was ₹ 154.54 per share (Previous year ₹ NIL).

### Fair Valuation

The fair value of the options used to compute net profit and earnings per share have been done by an independent valuer using Black and Scholes-Model. The details of options granted, the key assumptions and the Fair Value on the date of grant are as under:

	FY 2014-15		FY 2013-14		
	ESOS 2013		ESOS 2006	ESOS 2013	
Particulars	Stock Options	RSU	Stock Option	Stock Option	RSU
Number of Options/RSUs Granted	132,560	132,649	782,609	1,930,004	1,931,289
Options/RSUs Grant Date	13.11.2014	13.11.2014	09.10.2013	09.10.2013	09.10.2013
Exercise Price (₹)	151.30	1.00	118.73	119.45	1.00
Risk-Free Interest Rate	9%	9%	9%	9%	9%
Life of Options Granted	7.5 years	8 years	7.5 years	7.5 years	8 years
Expected Volatility	0.4830	0.4749	0.4867	0.4867	0.4783
Expected Dividend	100%	100%	140%	140%	140%
Weighted-Average Fair Value per Option (₹)	88.52	137.69	64.05	63.90	100.83

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

For the year ended 31st March, 2015, the Company determined ₹ 7.28 crore (Previous year ₹ 3.85 crore) as amortized compensation cost for stock options granted including ₹ 0.06 crore (Previous year ₹ 0.14 crore) expenses relating to options granted to employees of a subsidiary of the Company, which has been realised from that company. The Company measures compensation cost for the stock options granted using intrinsic value method. Had the compensation cost been determined in a manner consistent with fair value approach, the Company's net profit and earnings per share as reported would have been as under:

	Year Ended	
	31/03/2015	31/03/2014
Reported Net Profit for the period	925.16	1,413.33
Add: Compensation Cost under ESOS as per Intrinsic Value	7.22	3.71
Less: Compensation Cost under ESOS as per Fair Value	(13.03)	(7.56)
Proforma Net Profit for the period	<b>919.35</b>	<b>1,409.48</b>
Basic Earnings Per Share (₹)		
As Reported	4.48	7.09
Proforma	4.45	7.07
Diluted Earnings Per Share (₹)		
As Reported	4.48	7.09
Proforma	4.45	7.07

40. The Hon'ble Supreme Court of India, in its judgment dated 25th August, 2014, and order dated 24th September, 2014, has declared all allocations of the coal blocks made through Screening Committee route since 1993 as illegal and has quashed the allocation of coal blocks, which include:

(a) Mahan, Tubed and Talabira II & III Coal Blocks allocated to joint venture companies Mahan Coal Limited (Mahan Coal), Tubed Coal Mines Limited (Tubed Coal) and MNH Shakti Limited (MNH Shakti), respectively. The Company holds equity of 50%, 60% and 15%, respectively, in these joint venture companies. In view of, said judgement, Mahan Coal and Tubed Coal have reported that the going concern concept has been vitiated and, accordingly, these companies have made necessary provisions in their financial statements to bring down the assets and liabilities to their realisable value. Considering these facts, the Company has made appropriate provisions for diminution in the value of investments in these companies.

(b) Talabira I Coal Block held and operated by the Company stands cancelled with effect from 1st April, 2015, following deallocation of coal blocks by the Hon'ble Supreme Court. However, an additional levy of ₹ 295/- per MT of coal extracted since beginning till 31st March, 2015, has been paid, as per direction of the Hon'ble Supreme Court.

41. The Company has been awarded four coal blocks in the auction conducted by the Nominated Authority of the Ministry of Coal.

42. Labour Commissioner of Administration of Dadra and Nagar Haveli has approved closure of Silvassa Foil & Packaging plant on 27th January, 2015. All 186 permanent workers at the plant have opted for voluntary retirement during the current year. Total amount incurred on this account is ₹ 14.37 crore which is included in Employee Benefits Expenses.

43. During this year, the Company has received an amount of ₹ 1,393.96 crore from its wholly owned subsidiary A V Minerals (Netherlands) N. V. towards return of capital by reducing nominal value of shares from EURO 643.76 to EURO 567.83 per share. The amount of ₹ 1,032.85 crore has been adjusted in carrying cost of investments, and the foreign exchange gain of ₹ 361.11 crore on this transaction have been accounted for as "Exceptional Income".

44. The Company had formulated a scheme of financial restructuring under Sections 391 to 394 of the Companies Act, 1956 ("the Scheme"), between the Company and its equity shareholders approved by the High Court of judicature of Bombay to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created during the year 2008-09 by transferring the balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme. Accordingly, the Company had transferred ₹ 8,647.37 crore from Securities Premium Account to BRR and till 31st March, 2014, ₹ 153.04 crore have been adjusted against BRR. During the year, following expenses has been adjusted with BRR:

(a) Impairment loss of ₹ 62.29 crore (Net of deferred tax ₹ 32.97 crore) arising on deteriorating operating performance in one of its cash generating units of Aluminium Business. (refer Note No. 32 (a))

(b) Provision of ₹ 35.00 crore towards diminution in the value of investments of Mahan Coal Limited, joint venture of the Company, and Tubed Coal Mines Limited, subsidiary of the Company, made following deallocation of coal blocks by the Hon'ble Supreme Court. (refer Note No. 24 (c))

Had the Scheme not prescribed aforesaid treatment, the impact on results and Earnings Per Share (EPS) would have been as under:

Profit for the year lower by ₹ 97.29 crore

Basic EPS lower by ₹ 0.47

Diluted EPS lower by ₹ 0.47

FINANCIAL  
HIGHLIGHTSMANAGEMENT DISCUSSION  
AND ANALYSISCORPORATE GOVERNANCE  
REPORTSHAREHOLDER  
INFORMATIONSUSTAINABLE  
DEVELOPMENTSOCIAL  
REPORTDIRECTORS'  
REPORTBUSINESS RESPONSIBILITY  
REPORTSTANDALONE FINANCIAL  
STATEMENTSCONSOLIDATED  
FINANCIAL STATEMENTS

**45 Disclosure as required by Accounting Standard (AS) 15 (Revised) on “Employee Benefits”:****A. In respect of Gratuity, a defined Benefit Scheme (based on actuarial valuation):**

(₹ Crore)

		Year Ended	
		31/03/2015	31/03/2014
(a)	<b>Change in Obligations over the year ended 31 March, 2015</b>		
	Present Value of Defined Benefit Obligations at the beginning of the year	595.05	512.85
	Current Service Cost	38.40	35.37
	Past Service Cost	-	-
	Interest Cost	52.52	40.35
	Curtailment Cost/(Credit)	-	-
	Settlement Cost/(Credit)	-	-
	Plan Amendments	-	-
	Actuarial (Gain) or Loss	84.84	23.38
	Benefits Paid	(22.96)	(16.90)
	Present Value of Defined Benefit Obligations at the end of the year	<b>747.85</b>	<b>595.05</b>
(b)	<b>Change in Plan Assets(Reconciliation of Opening and Closing Balances)</b>		
	Fair Value of Plan Assets at the beginning of the year	388.54	331.60
	Expected return on Plan Assets	39.52	26.73
	Actuarial Gain or (Loss)	-	-
	Contributions	57.41	47.11
	Benefits Paid	(22.96)	(16.90)
	Fair Value of Plan Assets at the end of the year	<b>462.51</b>	<b>388.54</b>
(c)	<b>Reconciliation of Fair value of Assets and Obligations</b>		
	Fair value of Plan Assets at the end of the year	462.51	388.54
	Present Value of Defined Benefit Obligations at the end of the year	(747.85)	(595.05)
	Amount Recognised in the Balance Sheet	<b>(285.34)</b>	<b>(206.51)</b>
(d)	<b>Expense recognised during the year</b>		
	Current Service Cost	38.40	35.37
	Past Service Cost	-	-
	Interest Cost	52.52	40.35
	Curtailment Cost/(Credit)	-	-
	Settlement Cost/(Credit)	-	-
	Actuarial (Gain) or Loss	77.78	24.38
	Expected Return on Plan Assets	(32.46)	(27.74)
		<b>136.24</b>	<b>72.36</b>

			(₹ Crore)	FINANCIAL HIGHLIGHTS	
			Year Ended		MANAGEMENT DISCUSSION AND ANALYSIS
			31/03/2015		
(e) <b>Investments Details of Plan Assets:</b>					
Insurer Managed Funds			96.38%	95.89%	
Government Securities			0.00%	0.00%	
Corporate Bonds			0.00%	0.00%	
Others			3.62%	4.11%	
(f) <b>Principal Actuarial Assumptions:</b>					CORPORATE GOVERNANCE REPORT
Discount Rate (based on the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities)			7.50%	9.00%	
Expected Rate of Return on Assets			8.00%	8.00%	
Salary Increases taking into account inflation, seniority, promotion and other relevant factors.			7.50%	7.00%	
The Company has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specified number of days (ranging from 15 days to 1 month) of last drawn salary, depending upon the tenure of service for each year of completed service subject to minimum service of five years payable at the time of separation upon superannuation or on exit otherwise.					SHAREHOLDER INFORMATION
<b>In respect of defined Contribution Schemes:</b>					SUSTAINABLE DEVELOPMENT
(a) As required under Guidance Note on Implementation of Accounting Standard-15 (Revised) issued by the ICAI in respect of exempted Provident Fund, the Company has carried out actuarial valuation to ascertain shortfall in interest, if any, payable to the members of Provident Fund and has made appropriate provision in the books. The Company contributes 12% of salary for all eligible employees towards Provident Fund managed either by approved trusts or by the Central Government and debited to the Statement of Profit and Loss. In view of typical nature of such the Provident Fund scheme involving defined benefit underpin in respect of interest payable to members as declared by the Employees, Provident Fund Organisation, the defined benefit obligation relating to interest shortfall is considered to be Other Long Term Employee Benefits. The amount debited to the Statement of Profit and Loss during the year was ₹ 87.29 crore (Previous year ₹ 70.90 crore).					SOCIAL REPORT
(b) The Company contributes a certain percentage of salary for all eligible employees in managerial cadre towards Superannuation Funds managed by approved trusts or by Life Insurance Corporation of India. The amount debited to the Statement of Profit and Loss during the year was ₹ 13.27 crore (previous year ₹ 13.05 crore).					DIRECTORS' REPORT
					BUSINESS RESPONSIBILITY REPORT
					STANDALONE FINANCIAL STATEMENTS
					CONSOLIDATED FINANCIAL STATEMENTS

**46. Provisions:**

The details of other provisions and its movement included in Note 11 are as under:

	As at 3/31/2014	Additions	Utilised	Unused Reversed	(₹ Crore) As at 3/31/2015
(a) Provision for Claims against the Company	23.77	4.62	-	-	28.39
(b) Others	3.25	-	-	-	3.25
	<b>27.02</b>	<b>4.62</b>	<b>-</b>	<b>-</b>	<b>31.64</b>
Previous Year	32.49	-	-	5.47	27.02

	Year Ended	
	31/03/2015	31/03/2014
Non-Current Portion	-	-
Current Portion	31.64	27.02

Provision for claims against the Company represents provision for claims of suppliers, contractors, customers, revenue authorities and others, where the Company anticipates probable outflow. The amount of provision is estimated by the Company considering the facts and circumstances of each case for which cash flow will be determined on settlement of these matters.

- 47.** Gain or (loss) on foreign currency transaction and translation has been accounted for under respective head of accounts depending upon the nature of transaction. The details of net gain or (loss) included in various head of accounts are as under:

	Year Ended	
	31/03/2015	31/03/2014
Revenue from Operations	131.39	(115.40)
Cost of Materials Consumed	(78.60)	9.28
Power and Fuel	2.03	(2.78)
Other Expenses	(11.72)	(93.14)
	<b>43.10</b>	<b>(202.04)</b>

**48 Operating Lease:**

The total of future minimum lease payment commitments under non-cancellable operating lease agreement for a period of twenty years expiring in 2022 to use railway tracks along with locomotives for transportation of materials are as under:

	As at	
	31/03/2015	31/03/2014
Not later than one year	0.40	0.40
Later than one year and not later than five years	1.60	1.60
Later than five years	0.87	1.27

**49 Derivative Financial Instruments:**

- (a) The Company has adopted Accounting Standard-30, "Financial Instruments: Recognition and Measurement", issued by the Institute of Chartered Accountants of India so far as it relates to derivative accounting.

- (b) In the ordinary course of business, the Company is exposed to risks resulting from changes in prices of commodity, exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through derivative financial instruments. It uses derivative instruments such as forwards, futures, swaps and options to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

The Company's risk management activities are subject to the management, direction and control of Risk Management Board (RMB). The RMB is composed of three directors including Managing Director, Deputy Managing Director and at least two officers, one being the Chief Financial Officer. The RMB reports to the Board of Directors on the scope of its activities.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is always linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Company is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The credit levels are reviewed to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

### Commodity Price Risk

#### Copper and Precious Metals

This business is conducted under a conversion model. The prices of input and output are derived from the same benchmark and/or are linked to each other through a defined formula. The objective of risk management is to attempt to use derivatives to match the price fluctuations arising out of the timing mismatch in pricing the input and output to make the margins immune to the fluctuations in prices of the input and output.

#### Aluminium

This business is vertically integrated. The main raw material viz. bauxite (mostly mined from own mines) and other purchased raw materials do not have any linkage with the output price which is Aluminium LME prices. When the prices of input(s) and output(s) do not follow the above condition, then the risk management attempts to use derivatives so as to protect the margins from adverse movements in prices on either side, i.e. from a rise in input cost or from a fall in output price.

#### Coal

Both green field and brown field expansion has increased the power requirement mainly for smelting and other associated operations. Power is mostly supplied to these smelters through captive power generation units which are coal based. In order to meet the gap between requirement of coal and availability in the domestic market as also from own sources, at times coal is also imported. The domestic price are not linked to any internationally traded price whereas the imported coal is linked to internationally traded prices. Hence, the imported coal price fluctuates in line with the international prices. To mitigate this risk, coal commodity derivatives are taken.

### Foreign Currency Exchange Risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on our operating results. In addition to the foreign exchange flow from exports, the commodity prices in the domestic market are derived based on the landed cost of imports in India where LME prices and USD/INR exchange rate are the main factors. In the case of conversion business, the objective is to match the exchange rate of outflows and related inflows through derivative financial instruments. With respect to Aluminium business where costs are predominantly in INR, the strengthening of INR against USD adversely affects the profitability of the business and benefits when INR depreciates against USD. The Company enters into various foreign exchange contracts to protect profitability. The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign currency exchange rate movement in foreign currency contracts executed with foreign suppliers to procure capital items for its project activities. Also, certain foreign exchange future derivatives are taken for arbitrage between exchange and OTC.

### Embedded derivatives

Copper concentrate is purchased on future pricing model based on month's average LME (in case of copper)/LBMA (in case of gold and silver). Since the value of the concentrate changes with response to change in commodity pricing indices, embedded derivatives (ED) is identified and segregated in the contract. The ED so segregated, is treated like commodity derivative and qualify for hedge accounting. These derivatives are put into a Fair Value hedge relationship with inventory.

The objective of hedge designation of the embedded commodity derivative is to offset the volatility in the Statement of Profit and Loss due to change in value of un-priced inventory with response to LME/LBMA.

(c) The Asset and Liability position of various outstanding derivative financial instruments is given below:

(₹ Crore)

Particulars	Nature of Risk being Hedged	31st March, 2015			31st March, 2014		
		Liability	Asset	Net Fair Value	Liability	Asset	Net Fair Value
<b>Current</b>							
<b>Cash Flow Hedges</b>							
- Commodity Contracts	All cash flow risks other than foreign currency	(13.37)	290.35	276.98	(14.18)	268.71	254.53
- Foreign Currency Contracts	Exchange rate movement risk	(0.84)	151.45	150.61	(13.20)	119.07	105.87
<b>Fair Value Hedge</b>							
- Embedded Derivatives*	Risk of change in Fair Value of unpriced inventory	(123.89)	72.57	(51.32)	(20.73)	247.44	226.71
<b>Non-Designated Hedges</b>							
- Commodity Contracts		(35.05)	62.08	27.03	(19.03)	107.97	88.94
- Foreign Currency Contracts		(31.34)	7.24	(24.10)	(22.81)	1.60	(21.21)
<b>Total</b>		<b>(204.49)</b>	<b>583.69</b>	<b>379.20</b>	<b>(89.95)</b>	<b>744.79</b>	<b>654.84</b>
<b>Non-Current</b>							
<b>Cash Flow Hedges</b>							
- Commodity Contracts	All cash flow risks other than foreign currency	-	27.45	27.45	(1.81)	12.20	10.39
- Foreign Currency Contracts	Exchange rate movement risk	-	-	-	-	-	-
<b>Non-Designated Hedges</b>							
- Commodity Contracts		(0.05)	-	(0.05)	-	-	-
- Foreign Currency Contracts		-	2.69	2.69	(0.15)	-	(0.15)
<b>Total</b>		<b>(0.05)</b>	<b>30.14</b>	<b>30.09</b>	<b>(1.96)</b>	<b>12.20</b>	<b>10.24</b>
<b>Grand Total</b>		<b>(204.54)</b>	<b>613.83</b>	<b>409.29</b>	<b>(91.91)</b>	<b>756.99</b>	<b>665.08</b>

\*Fair Value of ₹ (51.32) crore (Previous year ₹ 226.71 crore) is part of Trade Payables.

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

	Currency Pair	31st March, 2015			31st March, 2014		
		Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ Crore)	Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/(Loss) (₹ Crore)
<b>Foreign Currency Forwards</b>							
<b>Cash Flow Hedges</b>							
Buy	EUR_INR	69.85	0.42	(0.10)	86.34	3.05	(0.94)
Buy	USD_INR	65.57	4.46	(0.74)	62.09	2.68	(0.48)
Sell	USD_INR	66.38	750.79	151.45	64.45	703	107.29
<b>Total</b>				<b>150.61</b>			<b>105.87</b>
<b>Non-Designated Hedges</b>							
Buy	AUD_INR	49.20	0.40	(0.04)	56.18	1.11	0.00
Buy	CAD_INR	50.69	0.06	(0.01)	54.96	0.25	0.00
Buy	CHF_INR	66.66	0.13	(0.02)	72.10	0.19	(0.03)
Buy	CNY_USD	0.16	20.00	0.50	-	-	-
Buy	EUR_INR	72.52	5.50	(2.94)	86.75	11.22	(2.55)
Buy	GBP_INR	94.67	0.21	(0.03)	103.18	0.30	(0.06)
Buy	NOK_INR	8.18	1.05	(0.03)	10.40	2.37	(0.04)
Buy	SEK_INR	7.63	0.05	(0.00)	-	-	-
Buy	USD_INR	62.92	462.43	(29.01)	60.08	164.44	(20.10)
Sell	USD_INR	66.23	165.13	10.17	61.28	28.43	1.42
<b>Total</b>				<b>(21.41)</b>			<b>(21.36)</b>

(e) The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2015:

		Average Price (USD/Unit)	Quantity	Unit	Notional Value (USD in Million)	Fair Value Gain/(Loss) (₹ Crore)
<b>Commodity Futures/Forwards Swaps</b>						
<b>Cash Flow Hedges</b>						
Aluminium	Sell	1,977.70	274,000	MT	541.89	290.36
Copper	Sell	5,972.91	16,325	MT	97.51	(7.01)
Gold	Sell	1,194.61	103,147	TOZ	123.22	7.04
Silver	Sell	17.53	2,593,963	TOZ	45.46	14.04
<b>Total</b>						<b>304.43</b>
<b>Non-Designated Hedges</b>						
Aluminium	Buy	1,787.33	42,125	MT	75.29	(0.47)
Aluminium	Sell	1,945.85	30,500	MT	59.35	30.14
Copper	Buy	6,070.80	15,800	MT	95.92	(0.62)
Copper	Sell	6,005.62	17,325	MT	104.05	(6.15)
Gold	Buy	1,257.24	33,889	TOZ	42.61	(15.66)
Gold	Sell	1,277.42	37,000	TOZ	47.26	21.53
Silver	Buy	16.53	1,203	TOZ	0.02	0.00
Coal	Buy	57.24	156,250	MT	8.94	(0.57)
Coal	Sell	59.55	6,250	MT	0.37	0.05
Gold	Buy	-	*	TOZ	-	(9.09)
Silver	Buy	-	*	TOZ	-	7.82
<b>Total</b>						<b>26.98</b>
<b>Embedded Derivatives</b>						
<b>Fair Value Hedges</b>						
Copper	Sell	5,956.76	93,297	MT	555.75	(55.65)
Gold	Sell	1,205.59	32,351	TOZ	39.00	4.51
Silver	Sell	16.52	285,545	TOZ	4.72	(0.18)
<b>Total</b>						<b>(51.32)</b>

\* Represent derivatives matured within 31st March, 2015, for which cash flow to happen on settlement date during April 2015.

The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2014:

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

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

- (f) The following table presents the details of amount held in Hedging Reserve and the period during which these are going to be released and affecting Statement of Profit & Loss:

(₹ Crore)

Hedge Instrument Type	Products/ Currency Pair	31st March, 2015			31st March, 2014		
		Closing Value in Hedging Reserve as at 31st March, 2015	Release		Closing Value in Hedging Reserve as at 31st March, 2014	Release	
			In less than 12 Months	After 12 Months		In less than 12 Months	After 12 Months
		Gain/(Loss)	Gain(Loss)	Gain(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
Commodity Forwards	Aluminium	286.23	265.07	21.16	155.20	153.40	1.80
	Copper	(6.36)	(8.55)	2.19	15.66	15.66	-
	Gold	7.11	7.11	-	4.73	4.73	-
	Silver	14.00	14.00	-	8.70	8.70	-
	<b>Total</b>	<b>300.98</b>	<b>277.63</b>	<b>23.35</b>	<b>184.29</b>	<b>182.49</b>	<b>1.80</b>
Debt		(18.70)	(18.70)	-	89.80	89.80	-
Liability for Copper Concentrate		(9.32)	(9.32)	-	52.82	52.82	-
Foreign Currency Forwards	EUR_INR	(0.94)	(0.94)	-	(0.96)	(0.96)	-
	USD_INR	147.95	147.95	-	107.57	107.57	-
	<b>Total</b>	<b>147.01</b>	<b>147.01</b>	<b>-</b>	<b>106.61</b>	<b>106.61</b>	<b>-</b>
	<b>Grand Total</b>	<b>419.97</b>	<b>396.62</b>	<b>23.35</b>	<b>433.52</b>	<b>431.72</b>	<b>1.80</b>

- (g) The following table presents the amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2014-15:

(₹ Crore)

Item	Opening Balance	Net Amount Recognised	Recycled			Closing Balance
			Net Amount to P & L	Net Amount Added to Non- Financial Assets	Total Amount Recycled	
Commodity	184.29	247.55	130.86	-	130.86	300.98
Forex	249.23	(51.59)	80.81	(2.16)	78.65	118.99
<b>Total</b>	<b>433.52</b>	<b>195.96</b>	<b>211.67</b>	<b>(2.16)</b>	<b>209.51</b>	<b>419.97</b>

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

(₹ Crore)

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

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

(₹ Crore)

Note No.	Schedule Line Item	2014-15	2013-14
23	Aluminium and Aluminium Products	115.43	356.11
23	Copper and Copper Products	28.41	(454.36)
23	Precious Metals	77.43	149.19
33	Other Expenses	(9.60)	-

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

(₹ Crore)

	2014-15	2013-14
Copper	54.37	(218.75)
Gold	(4.49)	(11.23)
Silver	0.19	(3.51)
<b>Total</b>	<b>50.07</b>	<b>(233.49)</b>

#### Sensitivities:

The following table presents the estimated potential changes in the fair values of the foreign currency derivative financial instruments given a 10% changes in their respective indexes.

(₹ Crore)

Currency Pair	Change in Rate/Price	31st March, 2015			31st March, 2014		
		Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve	Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve
<b>Forwards</b>							
USD_INR	10%	295.12	(169.11)	464.23	348.93	(74.15)	423.08
EUR_INR	10%	3.96	3.69	0.27	11.85	9.33	2.52
GBP_INR	10%	0.19	0.19	-	0.30	0.30	-
NOK_INR	10%	0.07	0.07	-	0.22	0.22	-
CHF_INR	10%	0.08	0.08	-	0.11	0.11	-
AUD_INR	10%	0.19	0.19	-	0.62	0.62	-
CAD_INR	10%	0.03	0.03	-	0.12	0.12	-
SEK_INR	10%	0.00	0.00	-	-	-	-
CNY_USD	10%	1.84	1.84	-	-	-	-
Debt	10%	687.10	193.96	493.14	377.49	86.80	290.69

The following table presents the estimated potential change in the fair values of the commodity derivative financial instruments, given a 10% change in their respective indexes (LME in case of Aluminium and Copper, LBMA in case of Gold and Silver and Argus McCloskey API 4 in case of Coal):

(₹ Crore)

Types of Derivative	Change in Rate/Price	31st March, 2015			31st March, 2014		
		Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve	Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve
Forwards	10%	467.24	(3.01)	470.25	438.81	(32.55)	471.36
Swaps	10%	5.28	5.28	-	-	-	-
Embedded Derivatives	10%	378.50	378.50	-	489.45	489.45	-

## 50. Contingent Liabilities and Commitments:

(₹ Crore)

		As at	
		31/03/2015	31/03/2014
<b>A. Contingent Liabilities</b>			
(a) Claims against the Company not acknowledged as debt:			
Following demands are disputed by the Company and are not provided for:			
(i)	Demand of interest on past dues of the Aluminium Regulation account up to 31st December, 1987. * The demand is in dispute with Controller of Aluminium Regulation Account.	6.33	6.33
(ii)	Retrospective Revision of Water Rates by UP Jal Vidyut Nigam Limited (April 1989 to June 1993 & January 2000 to January 2001). * Writ petition pending with Lucknow Bench of Allahabad High Court. The demand for arrears stayed vide order dated 11/05/2001.	4.08	4.08
(iii)	Transit fees levied by Divisional Forest Officer, Renukoot, on Coal and Bauxite. * Appeal pending with the Hon'ble High Court of Allahabad and payment of transit fee has been stayed. According to the legal opinion received by the Company, the Forest Department has no authority to levy such fees. The Company has filed a transfer application before the Hon'ble Supreme Court. The Hon'ble Supreme Court of India, while issuing notice on our Transfer Petition, stayed the further proceedings of the Company's Writ Petition pending before the Hon'ble Allahabad High Court.	117.63	106.65
(iv)	M.P. Transit Fee on Coal demanded by Northern Coal Fields Limited. * Company had challenged the demand towards M. P. transit Fee on Coal and filed Writ Petition before the Hon'ble Jabalpur High Court. The Hon'ble High Court has struck down the levy and also ordered for refund of the amount paid under protest. The State government has filed an Appeal before the Hon'ble Supreme Court of India against the said order and the Hon'ble Supreme Court has been stayed the order of Hon'ble High Court. The Counter affidavit in the matter has been filed. The rejoinder has also been filed by the state. To be listed along with the similar matter before the Supreme Court of India.	24.51	23.77

		(₹ Crore)	
		As at	
		31/03/2015	31/03/2014
(v)	Imposition of Cess on Coal by Shaktinagar Special Area Development Authority. *Writ pending before the Allahabad High Court, Allahabad. Demand and levy stayed. However, the company has moved a transfer petition before the Hon'ble Supreme Court of India for tagging the matter with CA No. 1883 of 06 (ORISED Matter). The matter is tagged with ORISED and to be heard by the Nine Judges Bench of the Hon'ble Supreme Court.	3.98	11.17
(vi)	Demand of Royalty on Vanadium by District Mining Officer, Lohardaga. * Appeal is pending with the Hon'ble High Court of Allahabad. The demand has been stayed on certain conditions.	7.96	7.96
(vii)	The demand of Excise Duty on gold. * Part of the demand was confirmed against which our ROM request is pending at CESTAT. Department's appeal is pending before the Hon'ble Supreme Court for the part of the demand and penalty that was dropped.	155.31	155.31
(viii)	Demand raised on assessment under CST Act and UP Sales Tax Act. * Demand has been quashed at first appeal and second appeal stage. Department has gone in the revision before the Hon'ble High Court, Allahabad which has rejected the Department appeal.	-	6.39
(ix)	Revision of surface rent on land by Government of Jharkhand w.e.f. 16th June, 2005. * Matter is in dispute at Hon'ble High Court of Jharkhand.	29.97	26.18
(x)	Demand made by Nayab Tehsildar Kusmi/Collector under Chhattisgarh as per Adhosanrachna Vikas evam Parayavaran Upkar Adhiniyam, 2005 @ 5% as environment tax on royalty plus 5% as development tax. * The Writ petition filed by the Company before Hon'ble High Court of Chhattisgarh at Bilaspur has been transferred to the Hon'ble Supreme Court and tagged with other Civil Appeals.	7.37	6.60
(xi)	Service tax paid on Goods Transport Agency and Business Auxiliary Services. * Commissioner has confirmed the demand. Appeal is being filed at CESTAT New Delhi.	11.27	11.27
(xii)	M.P. Transit Fee on Bauxite. * Company has filed Writ Petition before the Hon'ble Jabalpur High Court. The Hon'ble High Court has struck down the levy and also ordered for refund of the amount paid under protest. The State government has filed an appeal against the order of the Hon'ble High Court.	1.30	1.30
(xiii)	Demand for Entry Tax relating to valuation dispute of 2004-05 to 2005-06, for which appeals have been filed. * Appeal has been filed with Additional CCT, Sambalpur.	1.18	1.18
(xiv)	CST demand on reopening of assessments for 1999-00 to 2003-04. * Appeals have been filed.	5.01	8.81

		As at		FINANCIAL HIGHLIGHTS
		31/03/2015	31/03/2014	
		(₹ Crore)		
(xv)	Demand of penalty on excess CENVAT Credit taken. * Appeal pending with CESTAT, Mumbai.	0.10	1.09	MANAGEMENT DISCUSSION AND ANALYSIS
(xvi)	Demand for Sales Tax u/s 15B for A.Y. 2001-02 & 2002-03. * Appeal is pending with J. C. Appellate Authority, Baroda.	7.96	7.96	
(xvii)	Service Tax on insurance policy attributable to Renusagar. * Commissioner has confirmed the demand. Appeal is pending before the CESTAT, New Delhi.	3.97	3.97	
(xviii)	Disallowance of CENVAT credit. * The matter is pending with CESTAT, Ahmedabad.	5.29	5.29	
(xix)	Demand raised on assessment under CST Act and APGST Act for various years. * Appeals have been filed with appropriate authorities.	5.89	5.77	CORPORATE GOVERNANCE REPORT
(xx)	Demand for Service Tax on Consulting Engineer Services and Scientific & Tech Service. * Appeal pending with Commissioner (Appeals), Ahmedabad.	3.84	3.84	
(xxi)	Excise Duty on Dross. * Favourable order of Hon'ble Bombay High Court received during the year, quashing circulars issued by CBEC regarding Excise Duty on Dross.	-	19.78	SHAREHOLDER INFORMATION
(xxii)	Alleged Cenvat taken without receipt of Alumina Hydrate inside the factory. * Appeal filed with CESTAT.	3.46	3.46	
(xxiii)	Alleged CENVAT availed on the Input services at captive Mines. * Appeal pending with CESTAT	36.05	36.05	SUSTAINABLE DEVELOPMENT
(xxiv)	CENVAT of Service Tax Credit availed on Supplementary Invoices. * Pending with appropriate Authority	11.05	3.12	
(xxv)	Clearance of Silver at Nil Rate of Duty under Notification No.5/2006. * CESTAT has given favorable judgement.	-	8.96	SOCIAL REPORT
(xxvi)	Excess rebate has been sanctioned to the extent duty paid by supplementary invoices * Appeal pending with Commissioner of Customs (Appeals), Mumbai	5.08	5.08	
(xxvii)	Disallowance of CENVAT on input services. * Pending with appropriate Authority.	7.74	6.79	DIRECTORS' REPORT
(xxviii)	Parallel operation charges on capacity of Captive Power Plant by Madhya Pradesh Electricity Regulatory Commission. * Matter is pending before Hon'ble High court of Madhya Pradesh at Jabalpur. The Hon'ble High Court passed an order on 20.9.2013 and stayed the operation of order passed by MPERC subject to deposit of 50% of the amount since provided.	-	7.05	
(xxix)	Water Tariff revision demand for previous years. * Matter is pending in Hon'ble High Court of Karnataka.	10.86	-	BUSINESS RESPONSIBILITY REPORT
(xxx)	Demand for Sales Tax under KVAT Act 2003 for Tax period 2011-2012 & 2012-13. * Appeal pending with Commissioner, Appellate Authority, Bengaluru.	16.46	-	
(xxxi)	Demand for Sales Tax under MPVAT Act, 2002, for Tax period 2010-11. * Appeal pending with Commissioner, Appellate Authority, Indore	7.64	-	STANDALONE FINANCIAL STATEMENTS
				CONSOLIDATED FINANCIAL STATEMENTS

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
(xxxii) Demand for Sales Tax under CST Act, 1969, for Tax Period 2009-10	1.21	-
* Appeal pending with Commissioner, Appellate Authority, Bengaluru.		
(xxxiii) Other Contingent Liabilities in respect of Excise, Customs, Sales Tax, etc., each being for less than ₹ 1 Crore.	17.72	15.51
* The demands are in dispute at various legal forums.		
	<b>520.22</b>	<b>510.72</b>
(b) Corporate Guarantees Outstandings	5,270.76	5,287.03
(₹ 5,229.70 crore* (previous year ₹ 5246.47 crore) given on behalf of subsidiary companies)		
* Includes ₹ 5,181.28 crore (Previous year ₹ 5,198.05 crore) given to lenders against loan provided to various subsidiaries, amount of loan outstanding as on 31st March 2015 is ₹ 4,887.43 crore (Previous Year ₹ 4,950.00 crore).		
(c) Other money for which the Company is contingently liable:		
(i). Bills discounted with Banks	0.87	3.53
(ii). Customs duty on Capital Goods and Raw Materials imported under EPCG Scheme/Advance License, against which export obligation is to be fulfilled (excluding cenvatable portion).	328.03	368.51
(iii). The Company has received a notice dated 24th March, 2007, from Collector (Stamp), Kanpur, Uttar Pradesh, alleging that stamp duty of ₹ 252.96 crore is payable in view of the order dated 18th November, 2002, of the Hon'ble High Court of Allahabad approving the scheme of arrangement for merger of Copper business of Indo Gulf Corporation Limited with the Company. The Company is of the opinion that it has a very strong case as there is no substantive/computation provision for levy/calculation of stamp duty on court order approving the scheme of arrangement under Companies Act, 1956, within the provisions of Uttar Pradesh Stamp Act, moreover, the properties in question are located in the State of Gujarat and thus the Collector (Stamp), Kanpur, has no territorial jurisdiction to make such a demand. It is pertinent to note that the Company in 2003-04 has already paid stamp duty which has been accepted as per the provisions of the Bombay Stamp Act, 1958, with regard to transfer of shareholding of Indo Gulf Corporation Limited as per the Scheme of Arrangement. Furthermore, the demand made, is on an incorrect assumption. The Company's contention, amongst the various other grounds made is that the demand is illegal, against the principles of natural justice, incorrect, bad in law and malafide. The Company has filed a writ petition before the Hon'ble High Court of Allahabad, <i>inter alia</i> , on the above said grounds, which is pending determination.		
(iv). The assessing officer, while framing the assessment for AY 2008-09, made adjustment, <i>inter alia</i> , amounting to ₹ 270.32 crore, to total income on account of purported arm's length fee for corporate guarantee provided to foreign banks for granting loan to a wholly owned subsidiary of the Company, viz., AV Minerals (Netherlands) N.V. The Company has filed appeal before the Income Tax Tribunal.		
(v). The Company has an agreement with Uttar Pradesh Power Corporation Limited (UPPCL), under which banking of surplus energy with UPPCL is permitted and such banked energy may be drawn as and when required at free of cost. However, UPPCL has raised demand of ₹ 55.42 crore with retrospective effect from 1.4.2009 on the alleged ground that drawal of energy against the banked energy is not permissible during peak hours. The Company has challenged the demand by filing a petition on 27.12.2013 under Section 86(i)(f) read with other relevant provisions of Electricity Act, 2003, seeking quashing/setting aside the demand. The matter has been heard on 12.2.2014 and the Hon'ble Uttar Pradesh Electricity Regulatory Commission (UPERC), vide its order dated 24.2.2014, has directed the UPPCL to restrain from taking any coercive action till final order of UPERC. The Company believes that it has a strong case and no provision towards this is required.		

			(₹ Crore)	FINANCIAL HIGHLIGHTS			
			As at		MANAGEMENT DISCUSSION AND ANALYSIS		
			31/03/2015			31/03/2014	CORPORATE GOVERNANCE REPORT
B. Commitments					SHAREHOLDER INFORMATION		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances						574.76	1,181.44
(b) The Company, along with Aditya Birla Nuvo Limited, Grasim Industries Limited and Birla TMT Holdings Pvt. Limited (the Sponsors), being promoters of Idea, Cellular Limited (Idea) has given the following undertakings to the Facility Agent:							SOCIAL REPORT
i. The Sponsors shall collectively continue to hold at least 33% of the equity capital of Idea till the end of FY 2015-16 and shall not, without prior written approval of the Facility Agent, divest, transfer, assign, dispose of, pledge, charge, create any lien or in any way encumber 33% of shareholdings in Idea. Consequent upon the infusion of fresh equity capital of Idea, if the Sponsors' stake gets diluted from 40% to 33% in the equity capital of Idea, the Sponsors agree and undertake to obtain the prior consent of the Rupee Facility Agent and in other circumstances, the Sponsors agree and undertake to obtain the prior consent of the secured lenders representing 51% of the aggregate outstanding secured loans.							
ii. The Sponsors shall collectively continue to hold 26% of the equity capital of Idea after FY 2015-16 and shall not, without the prior written approval of the Rupee Facility Agent, divest, transfer, assign, dispose of, pledge, charge, create any lien or in any way encumber 26% shareholdings in the capital of Idea.							BUSINESS RESPONSIBILITY REPORT
iii. Not without prior approval of the Facility Agent in writing divest shareholdings in the equity capital of Idea that may result in a single investor along with its affiliates holding more than 25% of the equity capital of Idea.							
(c) The Company, has given the following undertakings in connection with the loan of Utkal Aluminium International Limited (UAIL), a wholly owned subsidiary:							CONSOLIDATED FINANCIAL STATEMENTS
i. To hold minimum 51% equity shares in UAIL.							
ii. To ensure to meet the Financial Covenants, except Fixed Asset Coverage Ratio, as provided in the loan agreements.							
51. As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility committee has been formed by the Company. The Company has incurred expenses amounting to ₹ 32.42 crore in alignment with the CSR Policy of the Company, which is in conformity with the activities specified in Schedule VII to the Companies Act, 2013.							
52. Information related to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company:							
			(₹ Crore)	FINANCIAL STATEMENTS			
			As at				
			31/03/2015	31/03/2014			
(a) Principal Amount Outstanding			2.40	1.73			
(b) Interest on Principal Amount Due			Nil	Nil			
(c) Interest and Principal Amount Paid beyond appointment day			Nil	Nil			
(d) The Amount of Interest Due and Payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act			Nil	Nil			

(₹ Crore)

	As at	
	31/03/2015	31/03/2014
(e) The Amount of Interest Accrued and remaining unpaid at the end of the year	Nil	Nil
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act.	Nil	Nil

**53. (a)** Details of Loans given, Investments made and Guarantees given covered under Section 186(4) of the Companies Act, 2013:

(i) Details of Investments made given as part of Note No. 14 (Non-Current Investments) and Note No. 17 (Current Investments)

(ii) Loans and Corporate Guarantees given below: (₹ Crore)

Name of the Company	Nature of Transactions	As at	
		31/03/2015	31/03/2014
A V Minerals (Netherlands) BV (Subsidiary)	Advance against Equity	-	59.41
Hydromine Global Minerals GmbH (Joint Venture)	Advance against Equity	0.13	31.43
Tubed Coal Mines Limited (Subsidiary)	Advance against Equity	0.33	8.40
Aditya Birla Science and Technology Company Private Limited (Associate)	Inter-Corporate Deposit	57.94	57.94
Hindalco Brasil Industria e Comércio de Alumina Ltda (Subsidiary)	Corporate Guarantee	171.37	198.05
Suvas Holdings Limited (Subsidiary)	Corporate Guarantee	9.91	-
Utkal Alumina International Limited (Subsidiary)	Corporate Guarantee	5000.00	5000.00
		<b>5239.68</b>	<b>5355.23</b>

(b) Disclosure relating to the amount outstanding at the year end and maximum outstanding during the year of loans and advances, in nature of loan, required as per clause 32 of the Listing Agreement, are given below:

(₹ Crore)

Particulars	As at 31/03/2015	Maximum Outstanding during 2015	As at 31/03/2014	Maximum Outstanding during 2014
(a) Associate: Aditya Birla Science & Technology Company Private Limited (Formerly Aditya Birla Science & Technology Company Limited)	57.94	57.94	57.94	57.94

**54.** The Company is one of the promoter members of Aditya Birla Management Corporation Private Limited (ABMCPL), a Company limited by guarantee which has been formed to provide common facilities and resources to its members, with a view to optimize the benefits of specialization and minimize cost for each member. The Company is one of the participants in the common pool and shares the expenses incurred by ABMCPL and accounted for under appropriate heads.

**55. Interests in Joint Ventures:**

The Company's interest, as a venturer, in jointly controlled entities is given below:

Name of Entities	Country of Incorporation	Proportion of Ownership Interests as at	
		31/03/2015	31/03/2014
Mahan Coal Limited	India	50%	50%
Hydromine Global Minerals (GmbH) Limited	British Virgin Islands	45%	45%
MNH Shakti Limited	India	15%	15%

The Company's interest in these Joint Ventures is reported as Long-term Investments and stated at cost. However, aggregate amount of the Company's share of each of the assets, liabilities, income, expenses, contingent liabilities and commitment related to its interests in these jointly controlled entities are given below:

	Year Ended/As at	
	31/03/2015	31/03/2014
Income	0.03	0.11
Expenses	6.60	(0.55)
Assets	216.86	237.26
Liabilities	0.85	1.64
Contingent Liabilities	16.98	40.56
Commitments (Net of Advance)	0.47	0.72

**56. Related Party Disclosures as per Accounting Standard (AS)-18:****A. List of Related Parties:****(a) Enterprises where control exists:****i. Subsidiaries:**

- 1 Hindalco Guinea SARL
- 2 Minerals & Minerals Limited
- 3 Aditya Birla Chemicals (India) Limited
- 4 Aditya Birla Chemicals (Belgium) BVBA (w.e.f. 24th December, 2014)
- 5 Utkal Alumina International Limited
- 6 Utkal Alumina Technical and General Services Limited
- 7 Suvas Holdings Limited
- 8 Renukeshwar Investments & Finance Limited
- 9 Renuka Investments & Finance Limited
- 10 Dahej Harbour and Infrastructure Limited
- 11 Lucknow Finance Company Limited
- 12 Hindalco-Almex Aerospace Limited
- 13 Hindalco do Brasil Indústria e Comércio de Alumina Ltda
- 14 Tubed Coal Mines Limited
- 15 East Coast Bauxite Mining Company Private Limited
- 16 Mauda Energy Limited

- 17 Birla Resources Pty Limited
- 18 Aditya Birla Minerals Limited
- 19 Birla Maroochydore Pty Limited
- 20 Birla Nifty Pty Limited
- 21 Birla Mt. Gordon Pty Limited
- 22 A V Minerals (Netherlands) N.V.
- 23 A V Metals Inc.
- 24 Novelis Inc.
- 25 Novelis (India) Infotech Ltd.
- 26 Novelis No. 1 Limited Partnership (dissolved w.e.f. 31st March, 2015)
- 27 4260848 Canada Inc.
- 28 4260856 Canada Inc.
- 29 8018227 Canada Inc.
- 30 8018243 Canada Limited
- 31 Novelis Cast House Technology Ltd. (amalgamated with Novelis Inc. w.e.f. 31st March, 2015)
- 32 Novelis Corporation
- 33 Aluminum Upstream Holdings LLC
- 34 Eurofoil Inc. (USA)
- 35 Logan Aluminium Inc.
- 36 Novelis Acquisitions LLC
- 37 Novelis Brand LLC (amalgamated with Novelis Inc. w.e.f. 31st March, 2015)
- 38 Novelis PAE Corporation
- 39 Novelis Holdings Inc. (Formerly known as Novelis North America Holding LLC)
- 40 Novelis South America Holdings LLC
- 41 Novelis Delaware LLC
- 42 Albrasilis - Alumínio do Brasil Indústria e Comércio Ltda
- 43 Novelis do Brasil Ltda.
- 44 Novelis Laminés France SAS
- 45 Novelis PAE SAS
- 46 Novelis Aluminium Beteiligungs GmbH
- 47 Novelis Deutschland GmbH
- 48 Novelis Sheet Ingot GmbH
- 49 Novelis Aluminium Holding Company
- 50 Novelis Italia SpA
- 51 Al Dotcom Sdn Berhad
- 52 Alcom Nikkei Specialty Coatings Sdn Berhad

- 53 Aluminum Company of Malaysia Berhad
- 54 Novelis de Mexico SA de CV
- 55 Novelis Madeira, Unipessoal, Limited (Ceased to be Subsidiary w.e.f. 31st March, 2015)
- 56 Novelis Korea Limited
- 57 Novelis AG
- 58 Novelis Switzerland SA
- 59 Novelis UK Ltd.
- 60 Novelis Europe Holdings Limited
- 61 Novelis Services Limited
- 62 Novelis (Shanghai) Aluminum Trading Company
- 63 Novelis (China) Aluminum Products Co., Ltd.
- 64 Novelis MEA Ltd
- 65 Novelis Vietnam Company Limited
- 66 Novelis Asia Holdings (Singapore) Pte. Ltd.
- 67 Brecha Energetica Ltda (w.e.f. 25th April, 2014)
- 68 Brito Energetica Ltda (w.e.f. 25th April, 2014)
- 69 Novelis Services (North America) Inc. (w.e.f. 3rd December, 2014)

(b) **Other Related Parties:**

i. **Associates:**

- 1 Aditya Birla Science and Technology Company Private Limited  
(Formerly Aditya Birla Science & Technology Company Limited)
- 2 Idea Cellular Limited
- 3 Aluminum Norf GmbH
- 4 Consorcio Candonga (Ceased to be Associate w.e.f. 31st December, 2014)
- 5 Deutsche Aluminum Verpackung Recycling GmbH
- 6 France Aluminum Recyclage SA
- 7 Sanjana Cryogenic Storages Limited

ii. **Joint Ventures:**

- 1 Mahan Coal Limited
- 2 Hydromine Global Minerals (GmbH) Limited
- 3 MNH Shakti Limited

iii. **Trust of the Company:**

- 1 Trident Trust

iv. **Key Managerial Personnel:**

Mr. D. Bhattacharya - Managing Director  
Mr Satish Pai - Deputy Managing Director

B. The following transactions were carried out with the Related Parties in the ordinary course of business:

(a) **Subsidiaries, Associates and Joint Ventures:**

(₹ Crore)

Sl. No.	Transaction during the year	2014-15			2013-14		
		Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
1	<b>Sales and Conversion</b>	<b>116.79</b>	-	-	<b>106.72</b>	-	-
	(a) Aditya Birla Chemicals (India) Limited	101.72	-	-	96.31	-	-
	(b) Hindalco-Almex Aerospace Limited	15.04	-	-	10.41	-	-
	(c) Utkal Alumina International Limited	0.03	-	-	-	-	-
2	<b>Services Rendered</b>	<b>7.94</b>	<b>0.02</b>	<b>0.06</b>	<b>1.22</b>	-	<b>0.02</b>
	(a) Dahej Harbour and Infrastructure Limited	0.11	-	-	-	0	-
	(b) Novelis Inc.	0.01	-	-	0.19	-	-
	(c) Utkal Alumina International Limited	7.57	-	-	1.01	-	-
	(d) Others	0.25	0.02	0.06	0.02	-	0.02
3	<b>Interest and Dividend Received</b>	<b>13.87</b>	<b>15.27</b>	-	<b>206.76</b>	<b>12.41</b>	-
	(a) Aditya Birla Science and Technology Company Pvt. Ltd.	-	5.14	-	-	4.61	-
	(b) Aditya Birla Chemicals (India) Limited	1.80	-	-	1.20	-	-
	(c) Hindalco-Almex Aerospace Limited	0.06	-	-	0.03	-	-
	(d) Dahej Harbour and Infrastructure Limited	-	-	-	200.00	-	-
	(e) Idea Cellular Limited	-	10.08	-	-	7.80	-
	(f) Utkal Alumina International Limited	-	-	-	5.53	-	-
	(g) Lucknow Finance Company Limited	12.00	-	-	-	-	-
	(h) Others	0.01	0.05	-	-	-	-
4	<b>Purchase of Materials, Capital Equipment and Others</b>	<b>1,992.64</b>	-	-	<b>2,429.46</b>	-	-
4.1	<b>Purchase of Materials</b>	<b>1,991.03</b>	-	-	<b>2,416.56</b>	-	-
	(a) Aditya Birla Chemicals (India) Limited	393.55	-	-	432.68	-	-
	(b) Birla (Nifty) Pty Limited	328.31	-	-	1,632.93	-	-
	(c) Birla Mt. Gordon Pty Limited	-	-	-	42.05	-	-
	(d) Minerals and Minerals Limited	18.38	-	-	15.57	-	-
	(e) Novelis Inc.	2.71	-	-	9.06	-	-
	(f) Utkal Alumina International Limited	1,248.06	-	-	284.27	-	-
	(g) Others	0.02	-	-	-	-	-
4.2	<b>Purchase of Capital Equipment</b>	<b>1.61</b>	-	-	-	-	-
	(a) Novelis Inc.	1.61	-	-	-	-	-
4.3	<b>Purchase of Investement (Includes Accrued Dividend)</b>	-	-	-	<b>12.68</b>	-	-
	(a) Dahej Harbour and Infrastructure Limited	-	-	-	12.68	-	-

(₹ Crore)

Sl. No.	Transaction during the year	2014-15			2013-14			FINANCIAL HIGHLIGHTS
		Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures	
4.4	Interest Paid	-	-	-	0.22	-	-	MANAGEMENT DISCUSSION AND ANALYSIS
	(a) Aditya Birla Chemicals (India) Limited	-	-	-	0.22	-	-	
5	<b>Services Received</b>	<b>36.66</b>	<b>32.99</b>	-	<b>30.46</b>	<b>18.14</b>	-	CORPORATE GOVERNANCE REPORT
	(a) Aditya Birla Science and Technology Company Pvt. Ltd.	-	15.22	-	-	15.54	-	
	(b) Dahej Harbour and Infrastructure Limited	35.73	-	-	29.32	-	-	SHAREHOLDER INFORMATION
	(c) Idea Cellular Limited	-	3.06	-	-	2.60	-	
	(d) Novelis Inc.	0.35	-	-	0.54	-	-	SUSTAINABLE DEVELOPMENT REPORT
	(e) Sanjana Cryogenic Storages Limited	-	14.71	-	-	-	-	
	(f) Others	0.58	-	-	0.60	-	-	SOCIAL REPORT
6	<b>Investments, Deposits, Loans and Advances Made during the year</b>	<b>785.64</b>	-	<b>2.75</b>	<b>1,242.49</b>	-	<b>166.41</b>	
	(a) Mahan Coal Limited	-	-	2.50	-	-	165.75	DIRECTORS' REPORT
	(b) Hydromine Global Minerals GmbH Limited	-	-	0.25	-	-	0.66	
	(c) A V Minerals (Netherlands) N.V.	-	-	-	153.57	-	-	BUSINESS RESPONSIBILITY REPORT
	(d) Utkal Alumina International Limited	784.50	-	-	1,080.10	-	-	
	(e) Idea Cellular Limited	-	-	-	-	-	-	STANDALONE FINANCIAL STATEMENTS
	(f) Tubed Coal Mines Limited	0.72	-	-	8.40	-	-	
	(g) Others	0.42	-	-	0.42	-	-	CONSOLIDATED FINANCIAL STATEMENTS
7	<b>Investments, Deposits, Loans and Advances received back during the year</b>	<b>1,094.35</b>	-	-	-	-	-	
	(a) A V Minerals (Netherlands) N.V.	<b>1092.25</b>	-	-	-	-	-	FINANCIAL STATEMENTS
	(b) Others	<b>2.10</b>	-	-	-	-	-	
8	<b>Guarantees and Collateral Securities Given</b>	<b>9.91</b>	-	-	<b>5,198.05</b>	-	-	FINANCIAL STATEMENTS
	(a) Utkal Alumina International Limited	-	-	-	5,000.00	-	-	
	(b) Hindalco do Brasil Indústria e Comércio de Alumina Ltda	-	-	-	198.05	-	-	FINANCIAL STATEMENTS
	(c) Suvas Holdings Limited	9.91	-	-	-	-	-	
9	<b>Guarantees and Collateral Securities taken back during the year</b>	<b>26.68</b>	-	-	<b>400.00</b>	-	-	FINANCIAL STATEMENTS
	(a) Utkal Alumina International Limited	-	-	-	400.00	-	-	
	(b) Hindalco do Brasil Indústria e Comércio de Alumina Ltda	26.68	-	-	-	-	-	FINANCIAL STATEMENTS
10	<b>Licence and Lease Arrangements</b>							
	<b>Licence Fees:</b>	<b>0.01</b>	-	-	<b>0.01</b>	-	-	FINANCIAL STATEMENTS
	(a) Dahej Harbour and Infrastructure Limited	0.01	-	-	0.01	-	-	

(₹ Crore)

Sl. No.	Transaction during the year	2014-15			2013-14		
		Subsidiaries	Associates	Joint Ventures	Subsidiaries	Associates	Joint Ventures
11	<b>Outstanding Balance as at 31st March</b>						
1	<b>Debit Balances</b>	<b>19.26</b>	<b>0.44</b>	<b>0.03</b>	<b>7.67</b>	<b>0.40</b>	<b>0.00</b>
	(a) Idea Cellular Limited	-	0.40	-	-	0.40	-
	(b) Aditya Birla Chemicals (India) Limited	4.21	-	-	5.15	-	-
	(c) Aditya Birla Minerals Limited	0.10	-	-	0.04	-	-
	(d) Utkal Alumina International Limited	0.28	-	-	0.94	-	-
	(e) Minerals & Minerals Limited	2.65	-	-	1.49	-	-
	(f) Lucknow Finance Company Limited	12.00	-	-	-	-	-
	(g) Others	0.02	0.04	0.03	0.05	0.00	0.00
11.2	<b>Credit Balances</b>	<b>52.20</b>	<b>0.11</b>	<b>0.05</b>	<b>420.47</b>	<b>0.09</b>	<b>-</b>
	(a) Idea Cellular Limited	-	0.11	-	-	0.09	-
	(b) Aditya Birla Chemicals (India) Limited	8.23	-	-	23.90	-	-
	(c) Birla (Nifty) Pty Limited	1.90	-	-	190.16	-	-
	(d) Novelis Inc.	0.33	-	-	0.53	-	-
	(e) Dahej Harbour and Infrastructure Limited	5.54	-	-	2.56	-	-
	(f) Utkal Alumina International Limited	36.20	-	-	203.32	-	-
	(g) Others	-	-	0.05	-	-	-
11.3	<b>Investments, Deposits, Loans and Advances</b>	<b>13,919.26</b>	<b>309.99</b>	<b>217.72</b>	<b>14,499.39</b>	<b>305.83</b>	<b>236.98</b>
	(a) Aditya Birla Science & Technology Company Pvt. Ltd.	-	67.74	-	-	67.74	-
	(b) Idea Cellular Limited	-	238.38	-	-	238.09*	-
	(c) A V Minerals (Netherlands) N.V.	9,485.21	-	-	10,577.46	-	-
	(d) Aditya Birla Chemicals (India) Limited	12.46	-	-	12.46	-	-
	(e) Aditya Birla Minerals Limited	222.35*	-	-	480.76	-	-
	(f) Utkal Alumina International Limited	4,022.03	-	-	3,237.53	-	-
	(g) Mahan Coal Limited	-	-	173.25*	-	-	192.75
	(h) Hydromine Global Minerals GmbH Limited	-	-	31.70	-	-	31.46
	(i) Others	177.21*	3.87	12.77	191.18*	-	12.77
11.4	<b>Guarantees and Collateral Securities given</b>	<b>5,229.70</b>	<b>-</b>	<b>40.56</b>	<b>5,246.47</b>	<b>-</b>	<b>40.56</b>
	(a) "Hindalco do Brasil Indústria e Comércio de Alumina Ltda"	171.37	-	-	198.05	-	-
	(b) Dahej Harbour and Infrastructure Limited	4.50	-	-	4.50	-	-
	(c) Utkal Alumina International Limited	5,026.88	-	-	5,026.88	-	-
	(d) Mahan Coal Limited	-	-	16.71	-	-	16.71
	(e) Others	26.95	-	23.85	17.04	-	23.85

\* Net of provision for diminution in carrying value of investment.

# Net of Foreign Currency Exchange gain of ₹ 361.11 crore.

		(₹ Crore)		FINANCIAL HIGHLIGHTS
		As at		
		31/03/2015	31/03/2014	
(b)	<b>Trident Trust:</b>			MANAGEMENT DISCUSSION AND ANALYSIS
	Beneficiary Interest in the Trust	34.46	34.45	
(c)	<b>Key Managerial Personnel:</b>			CORPORATE GOVERNANCE REPORT
	Managerial Remuneration (including perquisites) *			
	Mr. D. Bhattacharya - Managing Director	21.59	21.06	
	Mr. Satish Pai - Deputy Managing Director	12.17	5.14	
	* Excluding gratuity, leave encashment provisions and compensation under Employee Stock Option Scheme.			

**57. Additional information:**

- A. C.I.F. Value of Imports by the Company (Excluding imported items purchased locally):

		(₹ Crore)		SHAREHOLDER INFORMATION
		Year Ended		
		31/03/2015	31/03/2014	
Raw Materials		17,571.39	15,757.47	SUSTAINABLE DEVELOPMENT
Coal and Fuel		652.89	173.03	
Trading Goods		37.04	-	SOCIAL REPORT
Stores and Spares		73.66	98.59	
Capital Goods		140.64	351.78	DIRECTORS' REPORT

- B. Expenditure in Foreign Currency during the year:

		(₹ Crore)		DIRECTORS' REPORT
		Year Ended		
		31/03/2015	31/03/2014	
Technical Know-how and Professional or Consultation Fees		97.09	112.14	BUSINESS RESPONSIBILITY REPORT
Interest		52.31	60.48	
Others*		(168.53)	(858.64)	

\* Includes cash flow arising on commodity derivatives.

- C. Value of Raw Materials and Stores and Spares Consumed during the year ended:

		Value (₹ Crore)		Percentage (%)		STANDALONE FINANCIAL STATEMENTS
		31/03/2015	31/03/2014	31/03/2015	31/03/2014	
Raw Materials:						
Imported		17,550.95	16,840.15	83.21%	88.78%	CONSOLIDATED FINANCIAL STATEMENTS
Indigenous		3,540.43	2,128.37	16.79%	11.22%	
		<b>21,091.38</b>	<b>18,968.52</b>			CONSOLIDATED FINANCIAL STATEMENTS
Stores and Spares:						
Imported		90.99	73.68	15.18%	14.90%	CONSOLIDATED FINANCIAL STATEMENTS
Indigenous		508.59	420.67	84.82%	85.10%	
		<b>599.58</b>	<b>494.35</b>			

D. Remittance in Foreign Currencies on Account of Dividend:

	(₹ Crore)	
	Year Ended	
	31/03/2015	31/03/2014
Amount of Dividend Remitted (₹ Crore)	19.27	26.70
Year to which Dividend Relates	2013-14	2012-13
Number of Non-Resident Shareholders	300	325
Number of Shares Held	192,718,605	190,770,380
E. Earnings in Foreign Exchange:		
Export of Goods on F.O.B. Basis	13,334.45	8,291.95
Others	2.86	0.67

58. Previous year figures have been reclassified/regrouped to conform to this year's classification.

As per our report annexed.

**For SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

**RAJIV SINGHI**

Partner

Membership No. 53518

Camp : Mumbai

Dated : 28th May, 2015

Praveen Kumar Maheshwari  
CFO

Anil Malik  
Company Secretary

*For and on behalf of the Board of  
Hindalco Industries Limited*

Kumar Mangalam Birla – Chairman  
DIN-00012813  
D. Bhattacharya – Managing Director  
DIN-00033553  
M.M. Bhagat – Director  
DIN-00006245

## **To the Members of Hindalco Industries Limited**

We have audited the accompanying consolidated financial statements of HINDALCO INDUSTRIES LIMITED ("the Holding Company") and its Subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Associates and Jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act"), that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Accounting Standard (AS) - 30 to the extent it relates to Derivative Accounting, as prescribed by the Institute of Chartered Accountants of India. The respective Board of Directors of the companies included in the Group and of its Associates and Jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management of the Company, as aforesaid.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state

of affairs of the Group, its Associates and Jointly controlled entities as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to -

1. Note No. 40 to the consolidated financial statements which describes that as per the accounting policy of Novelis Inc., a wholly owned subsidiary, with respect to recognition of actuarial losses relating to pension and other post-retirement benefit plans in the actuarial gain/(loss) reserve instead of the Statement of Profit and Loss. Had the Group followed the practice of recognition of actuarial gains/losses on the aforesaid defined benefit plans in the Statement of Profit and Loss, Employee Benefits Expenses would have been higher by ₹ 1,516.50 crore (Previous year lower by ₹ 142.09 crore), Tax Expenses (Deferred Tax) would have been lower by ₹ 452.80 crore (Previous year higher by ₹ 77.43 crore), Net Profit for the year would have been lower by ₹ 1,063.69 crore (Previous year higher by ₹ 64.66 crore), Actuarial Gain/(Loss) Reserve would have been ₹ Nil (Previous year ₹ Nil) and Foreign Currency Translation Reserve would have been lower by ₹ 68.65 crore (Previous year lower by ₹ 126.39 crore).
2. Note No. 48 to the consolidated financial statements which describes that in compliance to the scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956, approved by the Hon'ble Bombay High Court, vide order dated 29th June, 2009, the Management of the Company, during the year, has identified and adjusted provision for diminution in the carrying value of Investment in one of its Subsidiaries and a Jointly controlled entity, amounting to ₹ 35 crore and impairment loss of ₹ 62.29 crore (net of deferred tax of ₹ 32.97 crore) related to one of its cash generating units; against Business Reconstruction Reserve. This has resulted in the profit before tax and profit after tax, reported for the year being higher by ₹ 130.26 crore and ₹ 97.29 crore, respectively.
3. Note No. 3(f) to the consolidated financial statements, explaining that the net profit/loss of an Associate has not been included in the consolidated financial statements for the reason stated therein. In our opinion and according to the information and explanations given to us by the Management, impact of the same is insignificant on the consolidated financial statements.

Our opinion is not qualified in respect of these matters.

### Other Matters

1. We did not audit the financial statements/financial information of twelve subsidiaries, and two Jointly controlled entities, whose financial statements/financial information reflect total assets of ₹ 10,697.97 crore as at 31st March, 2015, total revenue of ₹ 2,877.09 crore and net cash flow amounting to ₹ 8.57 crore for the year then ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of ₹ 203.31 crore for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of two Associates, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors, whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries, Jointly controlled entities and Associates, is based solely on the report of other auditors.
2. We did not audit the consolidated financial statements/financial information of three foreign subsidiaries whose financial statements/financial information reflect total assets of ₹ 67,148.18 crore as at 31st March, 2015 (net), total revenue of ₹ 68,478.61 crore and net cash flow amounting to ₹ 930.78 crore for the year then ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been prepared by the Management of the Company and its subsidiaries, in accordance with the generally accepted accounting principles in India and other recognized accounting policies read with point No. 1 under Emphasis of Matter and principles followed by the Company. These financial statements/financial information have been audited by a firm of Chartered Accountants and have been included in the consolidated financial statements of the Group on the basis of their Fit-For-Consolidation Report ("FFC") and our opinion is based solely on those FFC reports.

3. We did not audit the consolidated financial statements/financial information of two foreign subsidiaries, whose financial statements/financial information reflect total assets of ₹ 1,864.31 crore as at 31st March, 2015 (net), total revenue of ₹ 334.14 crore and net cash flow amounting to ₹ 91.47 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information are audited as per the local laws of the respective countries and have been converted by the Management of the Company into Indian GAAP, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such financial statements/financial information which have been converted into Indian GAAP by the Management to the extent possible and have been reviewed by us.
4. We did not audit the financial statements/financial information of two foreign subsidiaries, whose financial statements/financial information reflect total assets of ₹ 161.53 crore as at 31st March, 2015, (net), total revenue of ₹ 133.55 crore and net cash flow amounting to ₹ 9.39 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information are audited as per the local laws of the respective countries and have been converted by the Management of respective subsidiaries and the Holding Company, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such financial statements/financial information of the subsidiaries, which have been converted into Indian GAAP and certified by the Management of the respective subsidiaries and have been provided to us by the Management of the Company.  
Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below are not qualified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, Subsidiaries, Associates and Jointly controlled entities incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that :
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements read with the our observations made in Emphasis of Matter paragraph, comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and Accounting Standard (AS) - 30 to the extent it relates to Derivative Accounting, as prescribed by the Institute of Chartered Accountants of India.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiaries, Associates and Jointly controlled entities incorporated in India, none of the directors of the Holding Company, Subsidiary companies, Associates companies and Jointly control entities incorporated in India is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigation on the consolidated financial position of the Group, its Associates and Jointly controlled entities– Refer Note Nos. 51A(a), 51c(iii), 51c(iv) and 51c(v) to the consolidated financial statements;
  - ii. As reported, certain Group Companies, including Associates and Jointly controlled entities, have long-term contracts including derivative contracts as at 31st March, 2015, for which there were no material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries, Associates and Jointly controlled entities incorporated in India, except a sum of Rs 0.09 crore which are held in abeyance due to pending legal cases.

**For SINGHI & CO.**

Chartered Accountants  
Firm Registration No.302049E

Camp : Mumbai  
Date : 28th May, 2015

**(RAJIV SINGHI)**

Partner  
Membership No. 53518

**Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date**

Re: Hindalco Industries Limited, its Subsidiaries, Associates and Jointly controlled entities, incorporated in India

Our reporting on the CARO 2015 is on Holding Company, subsidiary companies, jointly controlled entities and associate companies incorporated in India (covered entities) which include 11 subsidiary companies, 2 jointly controlled entities and 2 associate companies, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under CARO 2015 in the case of the consolidated financial statements. In respect of an associate company incorporated in India, which has not been included in the consolidated financial statements and in case of an associate company the auditor has not issued report under CARO 2015 along with their auditors report on consolidated financial statements, accordingly effects of the same on our reporting under CARO 2015 has not been given.

- I. (a) The covered entities, wherever applicable, have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Physical verification of fixed assets has been carried out to cover all items as per the policy of respective covered entities, which, in our opinion and in the opinion of the other auditors' is reasonable having regard to the size of the respective covered entity and the nature of their assets. As reported, no material discrepancies between book records and physical inventory have been noticed.
- II. (a) The inventories have been physically verified at reasonable intervals during the year by the Management of the respective covered entity.
- (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to other auditors, the procedure of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective covered entities and the nature of their business.
- (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- III. The covered entities, wherever applicable, has not granted any loans, secured or unsecured, during the year, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- IV. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to other auditors, there is an adequate internal control system which commensurate with the size and the nature of the business of the respective covered entity, for purchase of inventories and fixed assets and for sale of goods and services. During the course of our and other auditors' audit, no continuing failure to correct major weakness in such internal control system have been observed.
- V. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to other auditors, the covered entities have not accepted any deposit from the public.
- VI. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to other auditors, the covered entities, wherever applicable, have maintained the books of accounts in respect of product, pursuant to the rule made by the Central Government of India regarding the maintenance of cost records as prescribed under Section 148(1) of the Companies Act, 2013. However, neither we nor the other auditors have however made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

VII. (a) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to other auditors, the covered entities have generally been regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities. Further, no undisputed statutory dues as above were outstanding as at 31st March, 2015, for a period of more than six months from the date they became payable.

(b) The dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty, Service Tax, Value Added Tax and Cess which have not been deposited on account of any dispute by the respective covered entities and the forum where the dispute is pending as on 31st March, 2015, are as under:

Name of the Statute	Nature of Dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where the disputes are pending
Central Sales Tax Act and Local Sales Tax Act	Sales Tax	0.40	2003-2004	The Supreme Court
		3.71	1992-1993, 2001-2002, 2005-2006, 2006-2007	The High Court
		6.13	1999-2000, 2002-2003, 2003-2004, 2005-2006	Tribunal
		61.19	1996-1997, 1999-2000 to 2002-2003, 2005-2006 to 2012-2013	Asst. Commissioner/ Commissioner/ Revisionary Authorities Level
The Central Excise Act, 1944	Excise Duty	155.31	2000-2001, 2001-2002	The Supreme Court
		4.00	2000-2001 to 2002-2003, 2005-2006, 2006-2007, 2009-2010, 2011-2012	The High Court
		41.48	1988- 1990, 1991-1992, 1993-1994, 1999-2000 to 2010 - 2011	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		197.57	1987-1988, 1997-1998 to 2009-2010, 2011-2012 to 2013-2014	Asst. Commissioner/ Commissioner/ Revisionary Authorities Level
The Service Tax under the Finance Act, 1994	Service Tax	0.46	2002-2003 to 2007-2008, 2009-2010	The High Court
		70.67	2002-2003 to 2012-2013	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		24.73	2001-2002, 2004- 2005 to 2006-2007, 2008-2009 to 2011-2012	Asst. Commissioner/ Commissioner/ Revisionary Authorities Level
The Customs Act, 1962	Customs Act	22.78	2009-2010 and 2010-2011	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		5.29	2006-2007	Tribunal
The Income Tax Act, 1961	Income Tax	546.39	2001-2002, 2005- 2006 to 2011-2012	CIT (Appeals)
Adhoshanrachna Vikas Evam Parayavaran Upkar Adhiniyam, 2005	Chhattisgarh Development and Environment Cess	0.24	2005-2006 to 2011-2012	The Supreme Court
Shakti Nagar Special Area Development Authority	Cess on Coal	3.98	1997-1998 to 2011-2012	The Supreme Court
The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act & Rules ("BOCW Act")	Cess	100.00	2011-2012	The Supreme Court
		0.15	2008-2009	Tribunal

(c) The amounts which were required to be transferred by the respective entities, to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956), and rules thereunder have been transferred to such fund within time except a sum of ₹ 0.09 crore which are held in abeyance due to pending legal cases.

- VIII. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to other auditors, the covered entities do not have consolidated accumulated losses at the end of the financial year nor have they incurred cash losses, on a consolidated basis, during the financial year covered by our audit and in the immediately preceding the financial year.
- IX. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to other auditors, the covered entities, wherever applicable, have not defaulted in repayment of dues to Financial Institutions or Banks or Debentureholders.
- X. In our opinion, the terms and conditions on which the Holding Company has given guarantees for loan taken by others from banks or financial institutions are not prejudicial to the interest of the Holding Company. Further, in the opinion of the others auditors and according to the information and explanations given to other auditors, the other covered entities have not given any guarantee for loans taken by others from banks and financial institutions during the year.
- XI. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to other auditors, the covered entities, wherever applicable, have applied term loans for the purpose for which they were obtained during the year.
- XII. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to other auditors, no fraud by the covered entities and no material fraud on the covered entities have been noticed or reported during the course of the audit.

**For SINGHI & CO.**

Chartered Accountants

Firm Registration No.302049E

**(RAJIV SINGHI)**

Partner

Membership No. 53518

Place: Mumbai

Date: 28th May, 2015

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

		As at 31/03/2015	(₹ Crore) As at 31/03/2014
	Note No.		
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	'6'	206.52	206.48
Reserves and Surplus	'7'	38,122.02	40,392.75
		<b>38,328.54</b>	<b>40,599.23</b>
<b>Minority Interest</b>			
Share Application Money Pending Allotment		956.11	1,780.53
		-	5.60
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	'8'	55,386.18	53,944.09
Deferred Tax Liabilities (Net)	'9'	3,948.14	4,374.23
Other Long-Term Liabilities	'10'	815.03	1,158.30
Long-Term Provisions	'11'	6,562.29	5,813.73
		<b>66,711.64</b>	<b>65,290.35</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	'12'	11,671.98	9,404.26
Trade Payables		15,500.52	12,996.98
Other Current Liabilities	'13'	8,313.75	7,365.66
Short-Term Provisions	'14'	1,656.33	1,738.45
		<b>37,142.58</b>	<b>31,505.35</b>
		<b>143,138.87</b>	<b>139,181.06</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets:			
Tangible Assets	'15'	54,590.71	43,265.40
Intangible Assets	'16'	17,368.05	17,898.08
Capital Work-in-Progress		13,913.97	22,882.30
Intangible Assets under Development		197.30	176.95
		86,070.03	84,222.73
Non-Current Investments	'17'	5,726.41	6,270.24
Deferred Tax Assets (Net)	'18'	1,392.96	1,199.23
Long-Term Loans and Advances	'19'	2,368.66	2,456.35
Other Non-Current Assets	'20'	329.01	766.82
		<b>95,887.07</b>	<b>94,915.37</b>
<b>Current Assets</b>			
Current Investments	'21'	6,619.93	6,690.84
Inventories	'22'	18,451.13	16,694.26
Trade Receivables	'23'	9,186.43	9,234.76
Cash and Bank Balances	'24'	5,308.99	5,021.29
Short-Term Loans and Advances	'25'	5,204.37	4,538.15
Other Current Assets	'26'	2,480.95	2,086.39
		<b>47,251.80</b>	<b>44,265.69</b>
		<b>143,138.87</b>	<b>139,181.06</b>
<b>Significant Accounting Policies</b>			
The accompanying Notes are an integral part of the Financial Statements.			

As per our report annexed.

**For SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

**RAJIV SINGHI**

Partner

Membership No. 53518

Praveen Kumar Maheshwari  
CFOCamp : Mumbai  
Dated : 28th May, 2015Anil Malik  
Company SecretaryFor and on behalf of the Board of  
Hindalco Industries LimitedKumar Mangalam Birla – Chairman  
DIN-00012813  
D. Bhattacharya – Managing Director  
DIN-00033553  
M.M. Bhagat – Director  
DIN-00006245

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

			(₹ Crore)
	Note No.	Year Ended 31/03/2015	Year Ended 31/03/2014
<b>INCOME</b>			
Revenue from Operations:	'27'		
Gross Revenue from Operations		106,695.56	90,006.84
Less: Excise Duty		2,414.46	2,311.35
Net Revenue from Operations		104,281.10	87,695.49
Other Income	'28'	1,104.74	1,017.20
<b>Total Income</b>		<b>105,385.84</b>	<b>88,712.69</b>
<b>EXPENSES</b>			
Purchases of Stock-in-Trade		36.55	52.25
Cost of Materials Consumed	'29'	66,133.05	53,857.37
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	'30'	(1,237.89)	(521.88)
Employee Benefits Expenses	'31'	7,991.23	7,319.16
Power and Fuel	'32'	8,378.56	6,150.49
Finance Costs	'33'	4,178.42	2,701.59
Depreciation and Amortization	'34'	3,493.38	3,346.83
Impairment Loss/(Reversal) (Net)	'35'	97.18	205.96
Other Expenses	'36'	14,035.03	12,551.82
<b>Total Expenses</b>		<b>103,105.51</b>	<b>85,663.59</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>2,280.33</b>	<b>3,049.10</b>
Exceptional Items (Net)	'37'	1,940.10	395.98
<b>Profit Before Tax</b>		<b>340.23</b>	<b>2,653.12</b>
Tax Expenses:	'38'		
Current Tax		1,016.64	1,194.05
MAT Credit Entitlement		(602.97)	-
Deferred Tax		(124.64)	(626.10)
Tax Adjustments for earlier years (Net)		(32.65)	(43.03)
<b>Profit Before Minority Interest and Share in Associates</b>		<b>83.85</b>	<b>2,128.20</b>
Share in Profit/(Loss) of Associates (Net)		174.70	66.84
<b>Profit Before Minority Interest</b>		<b>258.55</b>	<b>2,195.04</b>
Minority Interest in Profit/(Loss) (Net)		(595.66)	20.03
<b>Profit for the year</b>		<b>854.21</b>	<b>2,175.01</b>
<b>Earnings Per Equity Share (EPS):</b>	'39'		
Basic EPS (₹)		4.14	10.91
Diluted EPS (₹)		4.13	10.91

**Significant Accounting Policies**

The accompanying Notes are an integral part of the Financial Statements.

As per our report annexed.

**For SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

**RAJIV SINGHI**

Partner

Membership No. 53518

Praveen Kumar Maheshwari

CFO

Anil Malik

Company Secretary

For and on behalf of the Board of  
Hindalco Industries Limited

Kumar Mangalam Birla – Chairman

DIN-00012813

D. Bhattacharya – Managing Director

DIN-00033553

M.M. Bhagat – Director

DIN-00006245

Camp : Mumbai

Dated : 28th May, 2015

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

	(₹ Crore)	
	<b>Year Ended 31/03/2015</b>	<b>Year Ended 31/03/2014</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	340.23	2,653.12
Adjustments for:		
Finance Costs	4,178.42	2,701.59
Depreciation and Amortization	3,493.38	3,346.83
Impairment Loss/(Reversal) (Net) *	1,062.10	205.96
Employee Share-Based Payments	7.28	3.85
Provisions/Provisions Written-Back (Net)	49.25	(6.31)
Unrealised Foreign Exchange (Gain)/Loss (Net)	(53.06)	(79.76)
Loss/(Gain) on Derivative Transactions (Net)	397.24	(105.47)
Write-off and Amortization of Fair Value Adjustments	(34.40)	(25.18)
Other Non-Operating Income/Expenses (Net)	(352.84)	3.00
Loss/(Gain) on Assets Held for Sale (Net)	(158.42)	(37.41)
Investing Activities (Net)	(829.56)	(856.04)
<b>Operating Profit Before Working Capital Changes</b>	<b>8,099.62</b>	<b>7,804.18</b>
Changes in Working Capital:		
Inventories	(1,869.75)	(1,571.32)
Trade and Other Receivables	(1,616.80)	(2,100.41)
Trade and Other Payables	3,400.29	4,634.03
<b>Cash Generation from Operations</b>	<b>8,013.36</b>	<b>8,766.48</b>
Payment of Direct Taxes	(1,127.99)	(958.55)
Impact of Foreign Exchange Translation (Net)	257.71	147.79
<b>Net Cash Generated/(Used) – Operating Activities</b>	<b>7,143.08</b>	<b>7,955.72</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(5,977.62)	(9,423.57)
Sale of Fixed Assets	261.60	107.44
(Purchase)/Sale of Other Investments (Net)	1,051.04	531.62
Loans and Deposits Given/(Received back) (Net)	397.83	123.40
Interest Received	429.53	499.07
Dividend Received	44.53	47.35
<b>Net Cash Generated/(Used) – Investing Activities</b>	<b>(3,793.09)</b>	<b>(8,114.69)</b>

	Year Ended 31/03/2015	Year Ended 31/03/2014	(₹ Crore)	FINANCIAL HIGHLIGHTS
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Shares (Net of Expenses) #	4.70	1,629.99		MANAGEMENT DISCUSSION AND ANALYSIS
Capital Subsidy Received	-	0.50		
Proceeds from Long-Term Borrowings	8,202.43	22,027.72		CORPORATE GOVERNANCE REPORT
Prepayment of Long-Term Borrowings	(6,922.50)	(19,183.46)		
Repayment of Long-Term Borrowings	(952.39)	(693.27)		
Proceeds/(Repayment) of Short-Term Borrowings (Net)	2,504.79	2,717.88		
Finance Costs Paid	(5,025.31)	(4,691.92)		
Dividend Paid (including Dividend Distribution Tax)	(248.80)	(314.85)		
<b>Net Cash Generated/(Used) - Financing Activities</b>	<b>(2,437.08)</b>	<b>1,492.59</b>		SHAREHOLDER INFORMATION
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>912.91</b>	<b>1,333.62</b>		
Add : Opening Cash and Cash Equivalents	3,537.17	2,184.25		SUSTAINABLE DEVELOPMENT
Add : Foreign Exchange Variation on Cash and Cash Equivalents	(79.56)	19.30		
<b>Closing Cash and Cash Equivalents</b>	<b>4,370.52</b>	<b>3,537.17</b>		SOCIAL REPORT

\* Includes impairment loss of ₹ 964.92 crore (Previous year ₹ Nil) accounted for as Exceptional Items (refer Note No. 37 (c)).

# Includes ₹ 0.65 crore (Previous year ₹ 6.00 crore) received by subsidiaries from minority shareholders.

**Notes:**

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

As per our report annexed.

**For SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

**RAJIV SINGHI**

Partner

Membership No. 53518

Camp : Mumbai

Dated : 28th May, 2015

Praveen Kumar Maheshwari  
CFO

Anil Malik  
Company Secretary

For and on behalf of the Board of  
Hindalco Industries Limited

Kumar Mangalam Birla – Chairman  
DIN-00012813  
D. Bhattacharya – Managing Director  
DIN-00033553  
M.M. Bhagat – Director  
DIN-00006245

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Principles of Consolidation:

The Consolidated Financial Statements (CFS) relate to Hindalco Industries Limited (the Company), its Subsidiaries and its interest in Joint Ventures and Associates (the Group). The CFS have been prepared in accordance with the Accounting Standard-21 on "Consolidated Financial Statements" (AS-21), Accounting Standard-23 on "Accounting for Investments in Associates in Consolidated Financial Statements" (AS-23) and Accounting Standard-27 on "Financial Reporting of Interests in Joint Ventures" (AS-27) and are prepared on the following basis:

- (a) The financial statements of the Company and its Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating inter-group balances and inter-group transactions including unrealized profits/losses in the period-end assets, such as inventories, fixed assets, etc. The difference between the Company's cost of investments in the Subsidiaries, over its portion of equity at the time of acquisition of shares, is recognized in the consolidated financial statements as Goodwill or Capital Reserve on consolidation, as the case may be. Minority Interest's share in net profit/loss of consolidated subsidiaries for the year is adjusted against the income of the Group in order to arrive at the net income attributable to equity shareholders of the Company. Minority Interest's share in net assets of consolidated subsidiaries is presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders. Minority Interest in the consolidated financial statements is identified and recognized after taking into consideration:
  - (i) The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
  - (ii) The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.
  - (iii) The losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary.
  - (iv) The excess of loss over the minority interest in the equity, is adjusted against General Reserve of the Company.
- (b) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities and equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve".
- (c) Investments in Associates are accounted for using equity method in accordance with AS-23. For this purpose, investments are initially recorded at cost. Any Goodwill/Capital Reserve arising at the time of acquisition are identified and carrying amount of investment is adjusted thereafter for the post-acquisition share of profits or losses. Adjustment for any change in equity that has not been included in the profit and loss account is directly made in the carrying amount of investments without routing it through the consolidated profit and loss account. The corresponding debit/credit is made in the relevant head of the equity interest in the Consolidated Balance Sheet.
- (d) Interests in jointly controlled entities, where the Company is a direct venturer, are accounted for using proportionate consolidation in accordance with AS-27. The difference between costs of the Company's interests in jointly controlled entities over its share of net assets in the jointly controlled entities, at the date on which interest is acquired, is recognized in the CFS as Goodwill or Capital Reserve, as the case may be.
- (e) The CFS are prepared by using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, and to the extent possible, are made in the CFS and are presented in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this schedule.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2. Significant Accounting Policies:

#### A. Accounting Convention

These financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on an accrual basis. The GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). All the assets and liabilities are classified as current or non-current as per the criteria set out in Schedule III to the Companies Act, 2013.

In the absence of any specific guidance being available under generally accepted accounting principles in India on accounting for business combination through purchase of shares (to the extent not covered under Accounting Standard-14 on 'Accounting for Amalgamations' and under Accounting Standard-10 on 'Accounting for Fixed Assets'), the Company has adopted the principles of International Financial Reporting Standards 3 (IFRS 3 - Accounting for Business Combinations), effective from the financial year ended 31st March, 2008. Accordingly, the aggregate of consideration (purchase price and transaction costs) paid by the acquirer company has been allocated to the assets acquired and liabilities assumed of the acquiree company, at their acquisition-date fair values.

#### B. Use of Estimates

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

#### C. Fixed Assets

- (a) Tangible Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises of purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.
- (b) Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Cost includes any directly attributable expenditure on making the asset ready for its intended use.
- (c) Machinery spares which can be used only in connection with an item of Tangible Asset and whose use is not of regular nature, are written off over the estimated useful life of the relevant asset.
- (d) Certain directly attributable pre-operative expenses during construction period are included under Capital Work-in-Progress. These expenses are allocated to the cost of Fixed Assets when the same are ready for intended use.

#### D. Depreciation and Amortization

- (a) Depreciation on Tangible Fixed Assets are provided using Straight Line Method based on estimated useful life or on the basis of depreciation rates prescribed under respective local laws.
- (b) Intangible Assets other than Mining Rights and Goodwill on Consolidation are amortized over their estimated useful lives on straight line basis. Mining Rights are amortized over the period of lease on straight line basis or on the basis of production, proportional to mineral resources expected to be ultimately economically recoverable, whichever is higher. Goodwill on Consolidation is subject to impairment testing.
- (c) Depreciation on assets acquired under finance lease is spread over the lease term.

#### E. Impairment

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount except in the case of goodwill on consolidation for which specific external event of an exceptional nature that caused impairment loss has actually reversed the effect of that event.

### F. Leases

- (a) Lease payments under an operating lease are recognized as expense in the Statement of Profit and Loss account as per terms of lease agreement.
- (b) Finance leases prior to 1st April, 2001: Lease rental recognized as expense in the profit and loss account as per terms of lease agreement.
- (c) Finance leases on or after 1st April, 2001: The lower of the fair value of the assets and the present value of the minimum lease rental is recorded as fixed assets with corresponding amount shown as Unsecured Loan. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to statement of profit and loss account as interest cost.

### G. Investments

- (a) Long-term investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.
- (b) Current investments are stated at lower of cost and fair value.

### H. Inventories

- (a) Inventories of stores and spare parts are valued at or below cost after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Inventory of other items are valued 'at Cost or Net Realizable Value, whichever is lower'. Cost is generally determined on weighted-average cost basis and wherever required, appropriate overheads are taken into account. Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.
- (b) Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and enters into the determination of earnings when the inventory is sold.

### I. Foreign Currency Transactions

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

### J. Employee Benefits

Employee benefits of short-term nature are recognized as expense as and when these accrue. Long-term employee benefits and post-employment benefits, whether funded or otherwise, are recognized as expense based on actuarial valuation at the year end using the projected unit credit method. For discounting purpose, market yield of Government Bonds, at the Balance Sheet date, is used except in the case of Novelis Inc. for which such discounting is done on the basis of high quality country-specific Corporate Bond yield. Actuarial gains or losses are recognized immediately in the Statement of Profit and Loss except in case of Novelis Inc., for which such gains or losses are accounted directly in Reserves and

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Surplus, as it is not considered practicable to adopt a common accounting policy due to potential volatility caused by periodic changes in the assumptions underlying the computation of the actuarial liabilities.

### K. Employee Share-Based Payments

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

### L. Revenue Recognition

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

### M. Borrowing Costs

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

### N. Taxation

- (a) Provision for current income tax is made in accordance with local laws. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference.
- (b) Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of credit to 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 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.

### O. Derivative Financial Instruments

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

### P. Research and Development

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

### Q. Government Grants

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

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

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3. The list of subsidiaries, joint ventures and associates which are included in the CFS of the Group and the Group's effective ownership interest therein are as under:

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest	
			31/03/2015	31/03/2014
Minerals & Minerals Limited	Subsidiary	India	100.00%	100.00%
Aditya Birla Chemicals (India) Limited	Subsidiary	India	54.65%	54.65%
Aditya Birla Chemicals (Belgium) BVBA # - (a)	Subsidiary	Belgium	54.65%	-
Utkal Alumina International Limited	Subsidiary	India	100.00%	100.00%
Suvas Holdings Limited	Subsidiary	India	51.00%	51.00%
Renukeshwar Investments & Finance Limited	Subsidiary	India	100.00%	100.00%
Renuka Investments & Finance Limited	Subsidiary	India	100.00%	100.00%
Dahej Harbour and Infrastructure Limited	Subsidiary	India	100.00%	100.00%
Lucknow Finance Company Limited	Subsidiary	India	100.00%	100.00%
Hindalco-Almex Aerospace Limited - (b)	Subsidiary	India	97.18%	97.18%
Tubed Coal Mines Limited	Subsidiary	India	60.00%	60.00%
East Coast Bauxite Mining Company Private Limited	Subsidiary	India	74.00%	74.00%
Mauda Energy Limited	Subsidiary	India	100.00%	100.00%
Utkal Alumina Technical & General Services Limited	Subsidiary	India	100.00%	100.00%
Birla Resources Pty Limited	Subsidiary	Australia	100.00%	100.00%
Aditya Birla Minerals Limited - (c)	Subsidiary	Australia	51.00%	51.00%
A V Minerals (Netherlands) N.V.	Subsidiary	Netherland	100.00%	100.00%
A V Metals Inc.	Subsidiary	Canada	100.00%	100.00%
Novelis Inc. - (d)	Subsidiary	Canada	100.00%	100.00%
Hindalco Do Brasil Industria Comercia de Alumina Ltda - (e)	Subsidiary	Brazil	100.00%	100.00%
Hindalco Guinea SARL	Subsidiary	South Africa	100.00%	100.00%
Mahan Coal Limited	Joint Venture	India	50.00%	50.00%
MNH Shakti Limited	Joint Venture	India	15.00%	15.00%
Hydromine Global Minerals (GMBH) Limited	Joint Venture	British Virgin Islands	45.00%	45.00%
Idea Cellular Limited	Associate	India	6.35%	6.89%
Sanjana Cryogenic Storages Limited - (f)	Associate	India	34.67%	34.67%
Aditya Birla Science and Technology Company Private Limited - (g)	Associate	India	49.00%	49.00%

# Group's proportion of voting power is 100%.

- (a) On 24th December, 2014, Aditya Birla Chemicals (India) Limited, a subsidiary of the Company, has acquired subsidiary, namely, Aditya Birla Chemicals (Belgium) BVBA. Audited Financial Statements of Aditya Birla Chemicals (Belgium) BVBA, prepared under local GAAP, has been converted in Indian GAAP by the management for incorporation in Consolidated Financial Statements.
- (b) CFS for the year ended 31st March, 2014, has been prepared using unaudited Financial Statements of Hindalco-Almex Aerospace Limited (HAAL) due to non availability of their audited account at that time. However, audited Financial Statements of HAAL has been received subsequently and there was no change as compare to unaudited Financial Statements.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (c) For the purpose of consolidation, the consolidated financial statements of Aditya Birla Minerals Limited reflecting consolidation for following entities as at 31st March, 2015, prepared in accordance with International Financial Reporting Standards have been restated, where considered material, to comply with Generally Accepted Accounting Principles in India. Disclosures in respect of these foreign subsidiaries are given to the extent of available information.

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest	
			31/03/2015	31/03/2014
Birla Maroochydore Pty. Limited #	Subsidiary	Australia	51.00%	51.00%
Birla Nifty Pty Limited #	Subsidiary	Australia	51.00%	51.00%
Birla Mt. Gordon Pty. Limited #	Subsidiary	Australia	51.00%	51.00%

# Group's proportion of voting power is 100%.

- (d) For the purpose of consolidation, the consolidated financial statements of Novelis Inc., reflecting consolidation for the following entities as at 31st March, 2015, have been prepared in accordance with Generally Accepted Accounting Principles in India and other recognized accounting practices and policies followed by the Company.

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest	
			31/03/2015	31/03/2014
Albrasilis - Alumínio do Brasil Industria e Comércio Ltda.	Subsidiary	Brazil	99.99%	99.99%
Novelis do Brasil Ltda.	Subsidiary	Brazil	99.99%	99.99%
Brecha Energetica Ltda. *	Subsidiary	Brazil	99.99%	-
Brito Energetica Ltda. *	Subsidiary	Brazil	99.99%	-
4260848 Canada Inc.	Subsidiary	Canada	100.00%	100.00%
4260856 Canada Inc.	Subsidiary	Canada	100.00%	100.00%
8018227 Canada Inc	Subsidiary	Canada	100.00%	100.00%
8018243 Canada Limited	Subsidiary	Canada	100.00%	100.00%
Novelis Cast House Technology Ltd. \$	Subsidiary	Canada	-	100.00%
Novelis No. 1 Limited Partnership **	Subsidiary	Canada	-	100.00%
Novelis (China) Aluminum Products Co. Limited	Subsidiary	China	100.00%	100.00%
Novelis (Sanghai) Aluminum Trading Company	Subsidiary	China	100.00%	100.00%
Novelis Laminés France SAS	Subsidiary	France	100.00%	100.00%
Novelis PAE SAS	Subsidiary	France	100.00%	100.00%
Novelis Aluminium Beteiligungs GmbH	Subsidiary	Germany	100.00%	100.00%
Novelis Deutschland GmbH	Subsidiary	Germany	100.00%	100.00%
Novelis Sheet Ingot GmbH	Subsidiary	Germany	100.00%	100.00%
Novelis Aluminium Holding Company	Subsidiary	Ireland	100.00%	100.00%
Novelis Italia SpA	Subsidiary	Italy	100.00%	100.00%
Aluminum Company of Malaysia Berhad	Subsidiary	Malaysia	59.15%	59.15%

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of the Company	Relationship	Country of Incorporation	Group's Proportion of Ownership Interest	
			31/03/2015	31/03/2014
Alcom Nikkei Specialty Coatings Sdn Berhad #	Subsidiary	Malaysia	59.15%	59.15%
Al Dotcom Sdn Berhad #	Subsidiary	Malaysia	59.15%	59.15%
Novelis (India) Infotech Ltd.	Subsidiary	India	100.00%	100.00%
Novelis de Mexico SA de CV	Subsidiary	Mexico	99.99%	99.99%
Novelis Korea Ltd.	Subsidiary	South Korea	100.00%	100.00%
Novelis AG	Subsidiary	Switzerland	100.00%	100.00%
Novelis Switzerland SA	Subsidiary	Switzerland	100.00%	100.00%
Novelis Europe Holdings Limited	Subsidiary	UK	100.00%	100.00%
Novelis UK Ltd.	Subsidiary	UK	100.00%	100.00%
Aluminum Upstream Holdings LLC	Subsidiary	USA	100.00%	100.00%
Eurofoil, Inc. (USA)	Subsidiary	USA	100.00%	100.00%
Logan Aluminium Inc. ##	Subsidiary	USA	40.00%	40.00%
Novelis Corporation	Subsidiary	USA	100.00%	100.00%
Novelis Madeira, Unipessoal, Limited **	Subsidiary	Portugal	-	100.00%
Novelis Services Limited	Subsidiary	UK	100.00%	100.00%
Novelis Brand LLC \$	Subsidiary	USA	-	100.00%
Novelis PAE Corp.	Subsidiary	USA	100.00%	100.00%
Novelis South America Holdings LLC	Subsidiary	USA	100.00%	100.00%
Novelis Asia Holdings (Singapore) Pte. Limited	Subsidiary	Singapore	100.00%	100.00%
Novelis Acquisitions LLC	Subsidiary	USA	100.00%	100.00%
Novelis Holdings Inc. \$\$	Subsidiary	USA	100.00%	100.00%
Novelis Delaware LLC	Subsidiary	USA	100.00%	100.00%
Novelis Services (North America) Inc. *	Subsidiary	USA	100.00%	-
Novelis Vietnam Company Limited	Subsidiary	Vietnam	100.00%	100.00%
Novelis MEA Limited	Subsidiary	UAE	100.00%	100.00%
Consortio Candonga **	Associate	Brazil	-	50.00%
France Aluminium Recyclage SA	Associate	France	20.00%	20.00%
Aluminium Norf GmbH	Associate	Germany	50.00%	50.00%
Deutsche Aluminium Verpackung Recycling GmbH	Associate	Germany	30.00%	30.00%

# Group's proportion of voting power is 100%.

## Subsidiary on account of the management control.

\* Acquired/Incorporated during FY 2014-15.

\*\* Disposed/Dissolved during FY 2014-15.

\$ Amalgamated with Novelis Inc. during FY 2014-15.

\$\$ Formerly known as Novelis North America Holdings LLC

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (e) Audited Financial Statements of Hindalco Do Brasil Industria Comercio de Alumina Ltda, a subsidiary of the Company, prepared under local GAAP, have been converted in Indian GAAP by the management for incorporation in Consolidated Financial Statements.
- (f) Due to non-availability of Financial Statements, Sanjana Cryogenic Storages Limited has not been included in CFS. However, impact is insignificant.
- (g) Aditya Birla Science and Technology Company Limited has been converted from “Public Limited” to “Private Limited” w.e.f. 30th March, 2015. The name of the said company is changed to Aditya Birla Science and Technology Company Private Limited.
4. Accounting Policy in respect of “Environment and Rehabilitation Expenditure” followed by the Company’s Australian subsidiaries, namely, Aditya Birla Minerals Limited, Birla Maroochydore Pty Limited, Birla Nifty Pty Limited, Birla Mt. Gordon Pty Limited and Birla Resources Pty Limited are different from the accounting policies followed by the Company. The difference between the accounting policy followed and the amount involved are given below:

Accounting Policy		2014-15		2013-14	
Parent	Subsidiary	₹ Crore	Proportion	₹ Crore	Proportion
The cost of reclamation of mined-out land, forestation are treated as part of “Cost of Materials Consumed” when cost incurred.	Provision for estimated future cost of environmental and rehabilitation using net present value are made and capitalized as mine properties and amortized over remaining life of the mine. Any change in net present value at Balance Sheet date is considered as finance cost.	361.40	100%	397.86	100%

Further, in view of different sets of environment in which foreign subsidiaries operate in their respective countries, provision for depreciation is made to comply with local laws and by use of management estimate. It is practically not possible to align rates of depreciation of such subsidiaries with those of the Company. However, on review, the management is of the opinion that provision of such depreciation is adequate.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. Interests in Joint Ventures:

The Group's interests in jointly controlled entities are accounted for using proportionate consolidation. The aggregate amount of each of the assets, liabilities, income, expenditure, contingent liabilities and commitments related to the Group's interests in its jointly controlled entities included in these CFS are given below:

	As at		
	31/03/2015	31/03/2014	
<b>BALANCE SHEET</b>			
<b><u>Equity and Liabilities</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	242.25	205.54	
Reserves and Surplus	(26.35)	(0.07)	
	215.90	205.47	
<b>Share Application Money Pending Allotment</b>	0.11	30.14	
<b><u>Non-Current Liabilities</u></b>			
Long-Term Provisions	-	0.03	
	-	0.03	
<b><u>Current Liabilities</u></b>			
Short-Term Borrowings	0.09	0.77	
Trade Payables	0.01	0.01	
Other Current Liabilities	0.60	0.70	
Short-Term Provisions	0.15	0.14	
	0.85	1.62	
	216.86	237.26	
<b><u>Assets</u></b>			
<b><u>Non-Current Assets</u></b>			
<b>Fixed Assets</b>			
Tangible Assets	3.60	14.78	
Intangible Assets	-	-	
Capital Work-in-Progress	30.72	208.72	
Intangible Assets under Development	3.46	3.42	
Long-Term Loans and Advances	-	2.06	
Other Non-Current Assets	0.08	0.08	
	37.86	229.06	
<b><u>Current Assets</u></b>			
Cash and Bank Balances	5.21	6.95	
Short-Term Loans and Advances	2.34	1.00	
Other Current Assets	171.45	0.25	
	179.00	8.20	
	216.86	237.26	

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### STATEMENT OF PROFIT AND LOSS

	(₹ Crore)	
	Year Ended	
	31/03/2015	31/03/2014
<b>Income</b>		
Other Income	0.03	0.11
<b>Total Income</b>	<b>0.03</b>	<b>0.11</b>
<b>Expenses</b>		
Employee Benefits Expenses	-	-
Finance Costs	-	0.01
Depreciation and Amortization	0.03	0.03
Other Expenses	6.57	(0.59)
Total Expenses	6.60	(0.55)
Profit Before Exceptional Items and Tax	(6.57)	0.66
Exceptional Items (Net)	20.72	-
Profit Before Tax	(27.29)	0.66
Current Tax	0.01	0.03
Profit/(Loss) for the year	<b>(27.30)</b>	<b>0.63</b>

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
<b>Contingent Liabilities and Commitments</b>		
Claims against the Company not acknowledged as debts	0.27	-
Guarantees Outstanding	16.71	40.56
Capital Commitments (Net of Advances)	0.47	0.72

#### 6. Share Capital:

<b>Authorized:</b>		
2,500,000,000 (Previous year 2,100,000,000) Equity Shares of ₹ 1/- each -(a)	250.00	210.00
25,000,000 (Previous year 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each	5.00	5.00
	<b>255.00</b>	<b>215.00</b>
<b>Issued:</b>		
2,065,534,028 (Previous year 2,065,141,514) Equity Shares of ₹ 1/- each (b)	206.55	206.51
	<b>206.55</b>	<b>206.51</b>
<b>Subscribed and Paid-up:</b>		
2,065,526,631 (Previous year 2,065,134,117) Equity Shares of ₹ 1/- each fully paid-up	206.55	206.51
Less: Face Value of 546,249 (Previous year 546,249) Equity Shares forfeited	0.05	0.05
	206.50	206.46
Add: Forfeited Shares (Amount originally Paid-up)	0.02	0.02
	<b>206.52</b>	<b>206.48</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (a) Shareholders of the Company have approved increase in authorised equity share capital from 2,100,000,000 equity shares of ₹ 1/- each to 2,500,000,000 equity shares of ₹ 1/- each in Extra Ordinary General Meeting held on 14th August, 2014.
- (b) Issued Equity Share Capital includes 7,397 Equity Shares (Previous year 7,397 Equity Shares) of ₹ 1/- each issued on Rights basis kept in abeyance due to legal case pending.
- (c) Reconciliation of Shares Outstanding at the beginning and at the end of the reporting period:

	2014-15		2013-14	
	Numbers	₹ Crore	Numbers	₹ Crore
Equity Shares Outstanding at the beginning of the period	2,064,587,868	206.46	1,914,583,068	191.46
Equity Shares Allotted pursuant to exercise of ESOP	392,514	0.04	4,800	
Equity Shares Allotted pursuant to exercise of Share Warrants	-	-	150,000,000	15.00
Equity Shares Outstanding at the end of the period	<b>2,064,980,382</b>	<b>206.50</b>	<b>20,64,587,868</b>	<b>206.46</b>

- (d) Rights, Preferences and restrictions attached to Equity Shares:  
The Company has one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- (e) Details of Shareholders holding more than 5% Equity Shares in the Company on Reporting date:

	31/03/2015		31/03/2014	
	Numbers of Shares Held	Percentage of Holding	Numbers of Shares Held	Percentage of Holding
IGH Holdings Private Limited	349,963,487	16.95	349,963,487	16.95
Turquoise Investment and Finance Limited	124,012,468	6.01	124,012,468	6.01
Morgan Guaranty Trust Company of New York (represents GDRs)	159,430,288	7.72	162,138,001	7.85
Life Insurance Corporation of India and its Associates	228,087,441	11.05	239,089,223	11.58

- (f) Shares Reserved for Issue under Options:  
The Company has reserved equity shares for issue under its Employee Stock Option Schemes.
- (g) The Company during the preceding 5 years:
- Has not allotted shares pursuant to contracts without payment received in cash.
  - Has not issued shares by way of bonus shares.
  - Has not bought back any shares.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 7. Reserves and Surplus:

	(₹ Crore)	
	As at	
	<u>31/03/2015</u>	<u>31/03/2014</u>
Capital Reserve	509.85	567.34
Capital Redemption Reserve	103.67	101.57
Securities Premium Account	5,681.37	5,503.73
Debenture Redemption Reserve	452.17	301.64
Actuarial Gain/(Loss) Reserve (refer Note No. 40)	(2,337.08)	(1,255.01)
Employees Stock Options Outstanding	16.82	9.55
Foreign Currency Translation Reserve	1,615.07	3,049.21
Hedging Reserve (refer Note No. 45 (g))	96.24	389.76
Special Reserve	12.54	11.78
Business Reconstruction Reserve (refer Note No. 48)	6,481.58	6,578.87
General Reserve	21,415.28	21,479.49
Surplus in the Statement of Profit and Loss - (a)	4,074.51	3,654.82
	<b><u>38,122.02</u></b>	<b><u>40,392.75</u></b>
(a) Allocations and Appropriations in Surplus in the Statement of Profit and Loss are as under:		
Balance as at the beginning of the year	3,654.82	2,853.02
Adjustment on Acquisition, Disposal and Change in Holding Interest in Group Companies	(20.55)	(0.22)
Profit for the year	854.21	2,175.01
Transfer on Capital Reduction	-	86.06
Dividend on Equity Shares	(206.52)	(206.46)
Dividend Distribution Tax - (i)	(53.00)	(37.74)
Transitional Depreciation on adoption of Schedule II	(0.93)	-
Transfer to Special Reserve	(0.76)	(0.97)
Transfer to Capital Redemption Reserve	(2.10)	-
Transfer to Debenture Redemption Reserve	(150.66)	(151.00)
Transfer to General Reserve	-	(1,062.88)
	<b><u>4,074.51</u></b>	<b><u>3,654.82</u></b>

(i) Dividend Distribution Tax also includes tax on dividend paid/proposed by the Group Companies.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 8. Long-Term Borrowings:

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
<b>Secured</b>		
Bonds/Debentures/Notes	6,000.00	6,000.00
Term Loans:		
From Banks	32,455.95	31,230.33
From Other Parties	449.25	488.49
	<b>38,905.20</b>	<b>37,718.82</b>
<b>Unsecured</b>		
Bonds/Debentures/Notes	15,578.83	15,003.75
Term Loans		
From Banks	724.06	983.24
Deferred Payment Liabilities	1.00	1.33
Long Term Maturities of Finance Lease Obligations	177.09	236.95
	<b>16,480.98</b>	<b>16,225.27</b>
	<b>55,386.18</b>	<b>53,944.09</b>

## 9. Deferred Tax Liabilities (Net):

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

### Deferred Tax Liabilities

Depreciation and Amortization Expenses	6,454.32	5,204.41
Inventory Valuation Reserves	628.39	519.68
Other Timing Differences	269.90	597.17
	<b>7,352.61</b>	<b>6,321.26</b>

### Less: Deferred Tax Assets

Unabsorbed Business Losses	554.86	488.68
Employee's Separation and Retirement Expenses	112.05	106.74
Provision for Doubtful Debts, Loans and Advances	1,324.56	1,150.05
Unabsorbed Depreciation	1,411.53	86.82
Other Timing Differences	1.47	114.74
	<b>3,404.47</b>	<b>1,947.03</b>
	<b>3,948.14</b>	<b>4,374.23</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 10. Other Long-Term Liabilities:

(₹ Crore)

	As at	
	31/03/2015	31/03/2014
Trade Payables	5.22	4.93
Derivative Liabilities (refer Note No. 45 (c))	149.67	120.21
Liability for Capital Expenditure	94.77	444.30
Security and Other Deposits	4.72	4.69
Other Payables	560.65	584.17
	<b>815.03</b>	<b>1,158.30</b>

### 11. Long-Term Provisions:

Provision for Employee Benefits	5,306.19	4,261.60
Provision for Claims against Company	75.37	85.18
Provision for Assets Retirement Obligations	98.64	93.34
Provision for Restructuring	97.97	100.36
Provision for Rehabilitation	356.67	374.76
Provision for Tax Contingencies	600.27	820.07
Other Provisions	27.18	78.42
	<b>6,562.29</b>	<b>5,813.73</b>

### 12. Short-Term Borrowings:

#### Secured

Loans Repayable on Demand		
From Banks	139.16	146.71
Other Loans and Advances:		
Payable under Trade Financing Arrangements	3.99	9.75
Cash Credit, Export Credit, etc.	350.83	496.34
Others	3,794.88	3,277.35
	<b>4,288.86</b>	<b>3,930.15</b>

#### Unsecured

Loans Repayable on Demand		
From Banks	106.17	30.54
From Other Parties	170.09	143.39
Loans and Advances from Related Parties	-	0.78
Other Loans and Advances:		
Buyers' Credit	1,359.39	1,927.75
Packing Credit	4,258.94	2,319.40
Cash Credit, Export Credit, etc.	17.97	-
Others	1,470.56	1,052.25
	<b>7,383.12</b>	<b>5,474.11</b>
	<b>11,671.98</b>	<b>9,404.26</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 13. Other Current Liabilities:

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
Current Maturities of Long-Term Debts	1,346.83	1,346.81
Current Maturities of Finance Lease Obligations	62.56	60.60
Interest Accrued but not due on Borrowings/Deposits	988.92	957.37
Interest Accrued and due on Borrowings/Deposits	0.02	-
Unclaimed Dividends	6.08	6.44
Application/Call Money Received Due for Refund	0.31	0.31
Advance from Customers	292.76	309.97
Derivative Liabilities (refer Note No. 45 (c))	1,138.48	493.15
Liability for Capital Expenditure	2,051.14	2,137.64
Security and Other Deposits	28.45	27.34
Statutory Dues Payable	585.14	578.80
Other Payables	1,813.06	1,447.23
	<b>8,313.75</b>	<b>7,365.66</b>

### 14. Short-Term Provisions:

Provision for Employee Benefits	208.29	238.27
Proposed Dividends	211.80	208.05
Provision for Dividend Distribution Tax	41.97	35.68
Provision for Current Tax (Net of Advance Tax)	842.93	921.83
Provision for Claims against Company	6.98	3.42
Provision for Restructuring	98.92	177.47
Provision for Warranties	0.70	1.49
Other Provisions	244.74	152.24
	<b>1,656.33</b>	<b>1,738.45</b>

**15. Tangible Assets:**

	ORIGINAL COST				DEPRECIATION				IMPAIRMENT				NET BOOK VALUE			
	As at 31st March, 2014	As at Additions	Disposals/ Adjust-ments	Exchange Adjust-ments	As at 31st March, 2014	As at Additions	Disposals/ Adjust-ments	Exchange Adjust-ments	As at 31st March, 2015	As at 31st March, 2014	As at Recognised Reversal	Exchange Adjust-ments	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2014
Leasehold Land	616.68	66.68	0.31	0.75	683.80	34.85	10.13	0.02	0.03	44.99	-	-	638.81	-	581.83	-
Leasehold Improvements	289.17	13.93	1.41	6.51	308.20	65.65	9.84	(1.10)	2.60	79.19	1.25	-	227.71	1.30	222.27	-
Freehold Land	1,753.46	118.58	152.38	44.24	1,763.90	41.11	6.44	0.45	1.69	48.79	82.56	25.22	3.60	85.00	1,630.11	1,629.79
Buildings	11,399.64	3,242.22	550.44	228.71	14,320.13	2,566.48	570.33	291.23	86.42	2,931.00	53.40	31.20	1.85	51.28	11,337.85	8,779.76
Plant and Equipment	49,529.97	11,530.09	1,577.54	538.76	60,021.28	18,215.03	2,291.22	873.70	224.92	19,857.47	354.03	144.04	(32.09)	645.98	39,517.83	30,960.91
Furniture and Fixtures	730.39	48.89	101.94	22.89	700.23	455.07	70.07	74.93	15.16	465.37	-	-	-	0.08	234.78	275.32
Vehicles and Aircraft	549.87	34.76	31.28	2.98	556.33	220.93	37.62	20.43	2.82	240.94	-	-	-	-	315.39	328.94
Office Equipment	444.79	93.67	45.22	11.17	504.41	278.44	66.78	33.82	7.28	318.68	0.38	-	0.01	0.39	185.34	165.97
Railway Sidings	367.71	211.76	0.02	-	579.45	47.10	26.82	0.02	-	73.90	-	2.66	-	2.66	502.89	320.61
	<b>65,681.68</b>	<b>15,360.58</b>	<b>2,460.54</b>	<b>856.01</b>	<b>79,437.73</b>	<b>21,924.66</b>	<b>3,089.25</b>	<b>1,293.50</b>	<b>339.92</b>	<b>24,060.33</b>	<b>491.62</b>	<b>522.11</b>	<b>200.46</b>	<b>786.69</b>	<b>54,590.71</b>	<b>43,265.40</b>

**16. Intangible Assets:**

	ORIGINAL COST				AMORTISATION				IMPAIRMENT				NET BOOK VALUE			
	As at 31st March, 2014	As at Additions	Disposals/ Adjust-ments	Exchange Adjust-ments	As at 31st March, 2014	As at Additions	Disposals/ Adjust-ments	Exchange Adjust-ments	As at 31st March, 2015	As at 31st March, 2014	As at Recognised Reversal	Exchange Adjust-ments	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2014
Goodwill on Consolidation	13,019.24	-	93.09	448.13	13,374.28	-	-	-	-	14.32	252.31	26.24	(26.31)	214.08	13,160.20	13,004.92
Brands/ Trademarks	881.12	-	0.05	32.71	913.78	320.60	43.55	0.05	12.08	376.18	-	-	-	-	537.60	560.52
Computer Software	999.72	252.30	80.86	36.59	1,207.75	432.11	117.10	42.43	17.22	524.00	30.82	-	1.18	32.00	651.75	536.79
Mining Rights	2,194.84	71.06	17.10	(321.10)	1,927.70	1,306.83	48.45	4.42	(193.04)	1,157.82	-	380.40	(42.71)	337.69	432.19	888.01
Technology Licences	1,074.42	-	30.30	38.61	1,082.73	519.84	69.04	15.03	18.92	592.77	-	-	-	-	489.96	554.58
Favourable Contracts	23.04	0.76	-	0.03	23.83	6.52	2.40	-	-	8.92	-	-	-	-	14.91	16.52
Customer Relationship Assets	833.37	-	20.77	31.95	844.55	647.59	72.44	20.77	26.23	725.49	-	-	-	-	119.06	185.78
	2,818.73	-	160.15	108.03	2,766.61	963.27	140.31	59.60	39.63	1,083.61	-	-	-	-	1,683.00	1,855.46
	387.73	34.76	-	(61.09)	361.40	92.23	3.82	-	(14.03)	82.02	-	-	-	-	279.38	295.50
	<b>22,232.21</b>	<b>358.88</b>	<b>402.32</b>	<b>313.86</b>	<b>22,502.63</b>	<b>4,288.99</b>	<b>497.11</b>	<b>142.30</b>	<b>(92.99)</b>	<b>4,550.81</b>	<b>45.14</b>	<b>632.71</b>	<b>26.24</b>	<b>(67.84)</b>	<b>563.77</b>	<b>17,368.05</b>
															<b>17,898.08</b>	

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 17. Non-Current Investments:

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
Investments in Equity Instruments:		
Associates - (a)	5,275.54	5,794.21
Others	339.66	339.71
Investments in Preference Shares	33.58	28.58
Investments in Debentures and Bonds	57.53	87.63
Investments in Government Securities	20.10	20.11
	<b>5,726.41</b>	<b>6,270.24</b>

(a) Investments in Equity Instruments of Associates include ₹ 3,404.85 crore (Previous year ₹ 3,932.18 crore) towards goodwill arising on the acquisition of these Associates.

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

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
Aggregate Amount of Unquoted Investments	3,848.35	4,691.42
Aggregate Amount of Quoted Investments	1,878.06	1,578.82
Aggregate Market value of Quoted Investments	7,199.23	5,365.11
Aggregate Provision for Diminution in Value of Investments	0.85	0.74

## 18. Deferred Tax Assets (Net):

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

### Deferred Tax Assets

Unabsorbed Business Losses	361.69	257.74
Employee's Separation and Retirement Expenses	6.98	-
Provision for Doubtful Debts, Loans and Advances	1,048.53	791.97
Unabsorbed Depreciation	134.59	187.29
Other Timing Differences	310.62	42.30
	<b>1,862.41</b>	<b>1,279.30</b>

### Less: Deferred Tax Liabilities

Depreciation and Amortization Expenses	404.34	0.89
Inventory Valuation Reserves	4.26	-
Other Timing Differences	60.85	79.18
	<b>469.45</b>	<b>80.07</b>
	<b>1,392.96</b>	<b>1,199.23</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 19. Long-Term Loans and Advances:

(Unsecured, Considered Good, unless otherwise stated)

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
Capital Advances	586.81	1,149.15
Loans, Advances and Deposits to Related Parties - (a)	168.13	156.73
Security Deposits	118.03	94.25
Advances Recoverable in Cash or in Kind:		
Unsecured, Considered Good	838.63	801.54
Unsecured, Considered Doubtful	12.94	1.52
Less: Provision for Doubtful Amount	12.94	1.52
	838.63	801.54
Other Advances and Balances:		
Advance Income Tax (Net of Provision for Taxation)	3.13	2.33
MAT Credit Entitlement	629.74	26.77
Prepaid Expenses	2.61	3.39
Others - (b)	21.58	222.19
	<b>2,368.66</b>	<b>2,456.35</b>

- (a). Loans, Advances and Deposits to Related Parties include ₹ 34.46 crore (Previous year ₹ 34.45 crore) towards balance with Trident Trust which represents 16,316,130 equity shares of ₹ 1/- each fully paid-up of the Company issued, pursuant to a Scheme of Arrangement approved by the Hon'ble High Courts at Mumbai and Allahabad, vide their Orders dated 31st October, 2002 and 18th November, 2002, respectively, to the Trident Trust, created wholly for the benefit of the Company and is being managed by trustees appointed by it. The tenure of the Trust is up to 23rd January, 2017.
- (b). Others include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc., primarily relating to ongoing projects.

### 20. Other Non-Current Assets:

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
Long-Term Trade Receivables:		
Unsecured, Considered Doubtful	19.35	19.10
Less: Provision for Doubtful Amount	19.35	19.10
	-	-
Deposits with Bank exceeding 12 months maturity	78.64	94.58
Inventories (Work-in-Progress)	51.38	425.36
Interest Accrued on Investments and Deposits	0.95	-
Derivative Assets (refer Note No. 45 (c))	30.38	37.55
Unamortized Expenses	74.71	89.23
Other Receivables	92.95	120.10
	<b>329.01</b>	<b>766.82</b>

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 21. Current Investments:

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
<b>Current Investments</b>		
Investments in Preference Shares	12.18	12.18
Investments in Debentures and Bonds:		
Associates	10.04	9.75
Others	918.95	1,197.33
Investments in Government Securities	246.76	204.35
Investments in Certificate of Deposits	459.04	238.80
Investments in Commercial Papers	577.37	316.18
Investments in Mutual Funds	4,395.59	4,712.25
	<b>6,619.93</b>	<b>6,690.84</b>

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

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
Aggregate Amount of Unquoted Investments	6,278.26	6,418.70
Aggregate Amount of Quoted Investments	341.67	272.14
Aggregate Market value of Quoted Investments	354.76	273.61
Aggregate Provision for Diminution in Value of Investments	7.19	23.24

## 22. Inventories:

Raw Materials	5,867.21	6,203.12
Finished Goods	3,006.41	2,202.08
Work-in-Progress	7,276.39	6,691.63
Stores and Spares	1,348.31	1,273.05
Coal and Fuel	952.81	324.38
	<b>18,451.13</b>	<b>16,694.26</b>

## 23. Trade Receivables:

Outstanding for a period exceeding six months:		
Secured, Considered Good	-	0.04
Unsecured, Considered Good	104.40	406.98
Unsecured, Considered Doubtful	50.83	33.75
Less: Provision for Doubtful Amount	50.83	33.75
	104.40	407.02
Outstanding for a period less than six months:		
Secured, Considered Good	80.15	120.87
Unsecured, Considered Good	9,001.88	8,706.87
Unsecured, Considered Doubtful	7.92	22.24
Less: Provision for Doubtful Amount	7.92	22.24
	<b>9,082.03</b>	<b>8,827.74</b>
	<b>9,186.43</b>	<b>9,234.76</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 24. Cash and Bank Balances:

(₹ Crore)

	As at	
	31/03/2015	31/03/2014
<b>Cash and Cash Equivalents</b>		
Balance with Banks:		
Deposits with less than 3 months initial maturity	1,237.32	327.72
Current Accounts	3,117.75	3,108.40
Cheques and Drafts on Hand	14.81	100.43
Cash on Hand	0.64	0.62
	<b>4,370.52</b>	<b>3,537.17</b>
<b>Other Balances</b>		
Balance with Banks:		
Earmarked Balances	98.71	7.35
Margin Money Account	2.14	2.94
Deposits with more than 3 months initial maturity	837.62	1,473.83
	<b>938.47</b>	<b>1,484.12</b>
	<b>5,308.99</b>	<b>5,021.29</b>

### 25. Short-Term Loans and Advances:

(Unsecured, Considered Good, unless otherwise stated)

Loans, Advances and Deposits to Related Parties	342.34	336.06
Inter-Corporate Loans, Advances and Deposits	-	22.00
Security Deposits:		
Unsecured, Considered Good	35.87	54.66
Unsecured, Considered Doubtful	0.25	0.25
Less: Provision for Doubtful Amount	0.25	0.25
	35.87	54.66
Advances Recoverable in Cash or in Kind:		
Unsecured, Considered Good	2,825.31	2,465.18
Unsecured, Considered Doubtful	42.04	12.52
Less: Provision for Doubtful Amount	42.04	12.52
	2,825.31	2,465.18
Other Advances and Balances:		
Advance Income Tax (Net of Provision for Taxation)	4.82	11.85
Balance with Government Authorities	262.21	330.19
Prepaid Expenses	41.34	47.88
Others - (a)	1,692.48	1,270.33
	<b>5,204.37</b>	<b>4,538.15</b>

(a) Others under the head "Other Advances and Balances" mainly include CENVAT credit receivable, VAT credit receivable, Service Tax credit receivable, etc.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 26. Other Current Assets:

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
Accrued Interest	97.29	135.05
Accrued Export and Other Incentives	235.36	110.13
Derivative Assets (refer Note No. 45 (c))	1,172.45	1,044.54
Amount Recoverable on Deallocation of Coal Mines	194.03	-
Assets Held for Sale	79.68	331.59
Unamortized Expenses	1.80	1.80
Other Receivables	700.34	463.28
	2,480.95	2,086.39
Unsecured, Considered Doubtful	1.11	-
Less: Provision for Doubtful Amount	1.11	-
	<u>2,480.95</u>	<u>2,086.39</u>

### 27. Revenue from Operations:

	(₹ Crore)	
	Year Ended	
	31/03/2015	31/03/2014
Sale of Products	105,913.44	89,509.45
Sale of Services	38.45	29.82
Other Operating Revenues	743.67	467.57
Gross Revenue from Operations	106,695.56	90,006.84
Less: Excise Duty	2,414.46	2,311.35
Net Revenue from Operations	<u>104,281.10</u>	<u>87,695.49</u>

### 28. Other Income:

Interest Income:		
On Long-Term Investments	8.85	9.10
On Current Investments	160.81	143.86
On Others	223.71	370.10
Dividend Income:		
On Long-Term Investments	20.00	26.11
On Current Investments	24.53	14.44
Gain/(Loss) on Sale of Investments (Net):		
On Long-Term Investments	-	11.24
On Current Investments	425.73	381.40
Adjustments to the Carrying Amount of Investments (Net):		
On Long-Term Investments	(0.11)	(0.11)
On Current Investments	16.05	(16.06)
Profit/(Loss) on Fixed Assets Sold/Discarded (Net)	(47.62)	(66.78)
Rent Income	12.68	12.83
Liabilities no longer required written back	76.49	81.74
Other Non-Operating Income (Net)	186.55	68.07
	1,107.67	1,035.94
Less: Transfer to Capital Work-in-Progress/Finance Costs - (a)	2.93	18.74
	<u>1,104.74</u>	<u>1,017.20</u>

(a) Includes ₹ 2.39 crore (Previous year ₹ 16.78 crore) income derived from temporary deployment of surplus fund out of specific borrowing for various projects deducted from borrowing costs.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 29. Cost of Materials Consumed:

	(₹ Crore)	
	Year Ended	
	31/03/2015	31/03/2014
Raw Materials	66,178.02	54,034.14
Packing Materials	24.85	27.65
	66,202.87	54,061.79
Less: Transfer to Capital Work-in-Progress	69.82	204.42
	<b>66,133.05</b>	<b>53,857.37</b>

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

#### Opening Inventories

Finished Goods	2,202.08	1,737.75
Work-in-Progress	7,116.99	6,617.70
Stock-in-Trade	-	1.05
	<b>9,319.07</b>	<b>8,356.50</b>

#### Less: Closing Inventories

Finished Goods	3,006.41	2,202.08
Work-in-Progress	7,327.77	7,116.99
Stock-in-Trade	-	-
	<b>10,334.18</b>	<b>9,319.07</b>

	(1,015.11)	(962.57)
Add: Inventories on acquisition of Business	-	4.78
Add: Increase/Decrease of Excise Duty on Inventories	8.64	13.89
Add: Foreign Currency Translation Adjustments	(231.42)	422.02
	<b>(1,237.89)</b>	<b>(521.88)</b>

### 31. Employee Benefits Expenses:

Salaries and Wages - (a)	6,267.81	5,786.56
Contribution to Provident and Other Funds	669.37	527.61
Employee Share-Based Payments	7.28	3.85
Employee Welfare	1,171.62	1,215.93
	8,116.08	7,533.95
Less: Transfer to Capital Work-in-Progress	124.85	214.79
	<b>7,991.23</b>	<b>7,319.16</b>

(a) Salaries and Wages include ₹ 55.22 crore (Previous year ₹ 162.33 crore) on account of Stock Appreciation Rights (SARs) and Restricted Stock Units (RSUs) granted by a subsidiary to its eligible employees which are settled in cash.

### 32. Power and Fuel:

Power and Fuel	8,463.97	6,724.99
Less: Transfer to Capital Work-in-Progress	85.41	574.50
	<b>8,378.56</b>	<b>6,150.49</b>

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 33. Finance Costs:

	(₹ Crore)	
	Year Ended	
	31/03/2015	31/03/2014
Interest Expenses	5,061.80	4,883.39
Other Borrowing Costs	65.32	119.60
Loss on Foreign Currency Transactions and Translation (Net)	20.52	36.84
	5,147.64	5,039.83
Less: Income on Specific Borrowing (refer Note No. 28 (a))	2.39	16.78
	5,145.25	5,023.05
Less: Transfer to Capital Work-in-Progress	966.83	2,321.46
	<b>4,178.42</b>	<b>2,701.59</b>

## 34. Depreciation and Amortization:

Depreciation and Amortization - (a)	3,499.03	3,363.71
Less: Transfer to Capital Work-in-Progress	5.65	16.88
	<b>3,493.38</b>	<b>3,346.83</b>

(a) In compliance with Schedule II of the Companies Act, 2013, requiring companies to change the manner of calculation of depreciation w.e.f. 1st April, 2014, the Company and its Indian subsidiaries and joint ventures have recomputed useful life of its assets to bring it in line with the Schedule. As a result, in accordance with transitional provision ₹ 57.78 crore (net of deferred tax of ₹ 29.55 crore) has been recognised in the opening balance of retained earnings in respect of assets whose life has got exhausted as on 1st April, 2014, as per the revised useful life.

## 35. Impairment Loss/(Reversal) (Net):

Impairment Loss	192.44	205.96
Adjusted with Business Reconstruction Reserve ₹ 62.29 crore and Deferred Tax of ₹ 32.97 crore - (a)	95.26	-
	<b>97.18</b>	<b>205.96</b>

The Group has carried out impairment test of various assets and identified the following impairment loss:

- ₹ 95.26 crore arising on deteriorating operating performance of Muri Alumina Unit, one of its cash generating units of Aluminium Business, using value in use basis for recoverable amount.
- ₹ 97.18 crore (including ₹ 2.54 crore towards Capital Work-in-Progress) as a result of uneconomical operation of the certain assets of Novelis Inc., subsidiary of the Company.

## 36. Other Expenses:

Consumption of Stores and Spares	2,987.72	2,918.18
Repairs to Buildings	210.00	167.41
Repairs to Machinery	1,636.70	1,552.23
Rates and Taxes	163.67	210.60
Rent	198.00	189.94
Insurance	223.54	201.76
Payments to Auditors	61.06	50.60
Research and Development	330.08	298.41
Freight and Forwarding Expenses (Net)	3,328.81	3,077.78
Provision for Doubtful Loans, Advances and Receivables (Net)	52.78	2.17
Bad Loans, Advances and Receivables written off/(written back) (Net)	3.80	6.36
Prior Period Items (Net)	(0.81)	0.21
Donation	31.69	14.84

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ Crore)	
	Year Ended	
	31/03/2015	31/03/2014
Directors' Fees and Commission	9.97	13.18
(Gain)/Loss on Assets Held for Sale	(158.42)	(37.41)
(Gain)/Loss on Change in Fair Value of Derivatives (Net)	(108.26)	(633.36)
Cost of Own Manufactured Products Capitalized/Used	(21.23)	(54.92)
Tolling Expenses	1,043.70	902.82
Miscellaneous Expenses	4,227.23	4,098.20
	14,220.03	12,979.00
Less: Transfer to Capital Work-in-Progress	185.00	427.18
	<b>14,035.03</b>	<b>12,551.82</b>

### 37. Exceptional Items:

Exceptional Expenses	2,210.32	395.98
Exceptional Income	(270.22)	-
	<b>1,940.10</b>	<b>395.98</b>

Exceptional Items (Net) include:

- ₹ 562.85 crore towards additional levy of ₹ 295/- per MT on extracted coal for the period up to 30th September, 2014, in view of the Hon'ble Supreme Court order.
- ₹ 146.48 crore liability provided towards Renewable Power Obligations (RPO) in view of the Hon'ble Supreme Court judgment dated 13th May, 2015, upheld validity of RPO under the Electricity Act, 2003.
- Impairment of Fixed Assets ₹ 723.77 crore, impairment of Goodwill on Consolidation ₹ 241.15 crore, write down in value of inventories ₹ 412.62 crore and ₹ 118.17 crore towards restoration of operation by Birla Nifty Pty Limited and Birla Mount Gordon Pty Limited, subsidiaries of the Company, as a result of the sinkhole incident and change in macro economic conditions.
- ₹ 5.28 crore towards expenses written off by Tubed Coal (subsidiary) on deallocation of coal blocks by the Hon'ble Supreme Court.
- Net foreign exchange gain of ₹ 229.95 crore in connection return of capital from A V Minerals (Netherlands) N. V., a wholly owned subsidiary of the Company.
- Reversal of ₹ 40.27 crore out of the liabilities provided in the previous years and accounted for as exceptional items which are no longer required.

### 38. Tax Expenses:

	(₹ Crore)	
	Year Ended	
	31/03/2015	31/03/2014
Current Tax	1,016.64	1,194.05
MAT Credit Entitlement	(602.97)	-
Deferred Tax	(124.64)	(626.10)
Tax Adjustments for earlier years (Net)	(32.65)	(43.03)
	<b>256.38</b>	<b>524.92</b>

The Tax Expenses, Current as well as Deferred, are aggregate of the amount of tax expenses appearing in the separate financial statements of the Parent and its subsidiaries as well as joint ventures.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 39. Earnings per Share (EPS):

	₹ Crore	
	Year Ended	
	31/03/2015	31/03/2014
Profit for the period (₹ Crore)	854.21	2,175.01
Weighted-Average Number of Shares used in the calculation of EPS:		
Weighted-Average Number of Equity Shares for computing basic EPS	2,064,821,218	1,993,898,373
Dilutive impact of Employee Stock Options Scheme	1,834,285	331,541
Weighted-Average Number of Equity Shares for computing diluted EPS	2,066,655,503	1,994,22,9914
Face Value of Per Share (₹)	1.00	1.00
Basic EPS (₹)	4.14	10.91
Diluted EPS (₹)	4.13	10.91

40. In accordance with the accounting policy for accounting of actuarial gains or losses relating to pension and other post-retirement employee benefit plans of Novelis Inc., the Group has recognised actuarial gains/losses (net of deferred tax) in the 'Actuarial Gain/(Loss) Reserve' under Reserves and Surplus in its Consolidated Financial Statements. Had the Group followed the practice of recognition of actuarial gains/losses on the aforesaid defined benefit plans in the Statement of Profit and Loss, Employee Benefits Expenses would have been higher by ₹ 1,516.50 crore (Previous year lower by ₹ 142.09 crore), Tax Expenses (Deferred Tax) would have been lower by ₹ 452.80 crore (Previous year higher by ₹ 77.43 crore), Net Profit for the year would have been lower by ₹ 1,063.69 crore (Previous year higher by ₹ 64.66 crore), Actuarial Gain/(Loss) Reserve would have been ₹ Nil (Previous year ₹ Nil) and Foreign Currency Translation Reserve would have been lower by ₹ 68.65 crore (Previous year lower by ₹ 126.39 crore).

41. For the year ended 31st March, 2015, the Board of Directors of the Company has recommended dividend of ₹ 1.00 per share (Previous year ₹ 1.00 per share) to equity shareholders aggregating to ₹ 246.09 crore (Previous year ₹ 241.55 crore) including Dividend Distribution Tax.

42. The Company is one of the promoter members of Aditya Birla Management Corporation Private Limited (ABMCPL), a Company limited by guarantee, which has been formed to provide common facilities and resources to its members, with a view to optimize the benefits of specialization and minimize cost for each member. The Company is one of the participants in the common pool and shares the expenses incurred by ABMCPL and accounted for under appropriate heads.

43. Aditya Birla Chemicals (India) Limited, a subsidiary of the Company, has proposed amalgamation with Grasim Industries Limited w.e.f. 1st April, 2015, subject to receipt of requisite statutory approvals.

### 44. Segment Reporting:

#### A. Primary Segment Reporting (by Business Segment):

(a) The Group has three reportable segments, viz., Aluminium, Copper and Others' which have been identified in line with the Accounting Standard-17 on Segment Reporting, taking into account the organizational structure as well as differential risk and return of these segments. Details of products included in each segments are as under:

- Aluminium : Hydrate & Alumina, Aluminium and Aluminium Products
- Copper : Continuous Cast Copper Rods, Copper Cathode, Sulphuric Acid, DAP & Complexes, Gold and Silver

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- iii. Others : Caustic and Others
- (b) Inter-segment transfers are based on market rates.
- (c) The details of the revenue, results, assets, liabilities and other information from operations by reportable business segments are as follows:

(₹ Crore)

Particulars	Year Ended 31/03/2015				Year Ended 31/03/2014			
	Aluminium	Copper	Others	Total	Aluminium	Copper	Others	Total
<b>REVENUE</b>								
External	83,044.23	20,469.31	767.56	104,281.10	69,131.28	17,862.83	701.38	87,695.49
Inter-Segment	95.26	23.03	358.14	476.43	86.33	43.01	364.78	494.12
<b>Total</b>	<b>83,139.49</b>	<b>20,492.34</b>	<b>1,125.70</b>	<b>104,757.53</b>	<b>69,217.61</b>	<b>17,905.84</b>	<b>1,066.16</b>	<b>88,189.61</b>
<b>RESULTS</b>								
Segment Results	4,226.40	1,340.19	189.68	5,756.27	3,763.52	1,024.64	177.17	4,965.33
Unallocated Corporate Income				901.79				949.09
Unallocated Corporate Expenses				(199.31)				(163.73)
Finance Costs				(4,178.42)				(2,701.59)
Profit Before Exceptional Items and Tax				2,280.33				3049.10
Exceptional Items (Net)				(1,940.10)				(395.98)
Tax Expenses				(256.38)				(524.92)
Share in Profit/ (Loss) of Associates				174.70				66.84
Minority Interest				595.66				(20.03)
Profit for the Period				<b>854.21</b>				<b>2,175.01</b>
<b>OTHER INFORMATION</b>								
<b>Assets:</b>								
Segment Assets	115,462.79	9,661.80	1,805.92	126,930.51	107,500.30	12,265.33	1,746.52	121,512.15
Unallocated Corporate Assets				16,208.36				17,668.91
<b>Total Assets</b>				<b>143,138.87</b>				<b>139,181.06</b>
<b>Liabilities:</b>								
Segment Liabilities	26,778.09	3,059.65	193.41	30,031.15	20,582.18	3,879.61	247.13	24,708.92
Unallocated Corporate Liabilities				73,823.07				72,086.78
<b>Total Liabilities</b>				<b>103,854.22</b>				<b>96,795.70</b>
Capital Expenditure	5,892.51	167.79	141.83		10,769.44	322.32	214.13	
Non-Cash Expenses:								
Depreciation and Amortization	3,216.34	195.62	63.31		2,789.05	459.63	76.86	
Impairment Loss/ (Reversal) (Net)	97.18	-	-		205.96	-	-	
Other Non-Cash Expenses	48.46	4.06	-		12.08	-	0.10	

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### B. Secondary Segment Reporting (by Geographical Demarcation):

- The secondary segment is based on geographical demarcation, i.e. India and Rest of the World.
- The Group's revenue from external customers and information about its assets and others by geographical location are as follows:

(₹ Crore)

	Year Ended 31/03/2015			Year Ended 31/03/2014		
	India	Rest of World	Total	India	Rest of World	Total
Revenue	22,060.16	82,697.37	104,757.53	20,556.53	67,633.08	88,189.61
Assets	61,041.62	65,888.89	126,930.51	58,965.98	62,546.17	121,512.15
Capital Expenditure	2,724.29	3,477.84	6,202.13	6,709.81	4,596.08	11,305.89

### 45. Derivative Financials Instruments and Risk Management:

- The Company has adopted Accounting Standard-30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India, so far as it relates to derivative accounting.
- In the ordinary course of business, the Company is exposed to risks resulting from changes in prices of commodity, exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through derivative financial instruments. It uses derivative instruments such as forwards, futures, swaps and options to manage these risks. These derivative financial instruments reduce the impact of both favourable and unfavourable fluctuations.

The Company's risk management activities are subject to the management, direction and control of Risk Management Board (RMB). The RMB is composed of three directors including Managing Director, Deputy Managing Director and at least two officers, one being the Chief Financial Officer. The RMB reports to the Board of Directors on the scope of its activities.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is always linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Company is exposed to losses in the event of non-performance by the counter parties to the derivative contracts. All derivative contracts are executed with counter parties that, in our judgment, are creditworthy. The credit levels are reviewed to ensure that there is no inappropriate concentration of outstanding to any particular counter party.

#### Commodity Price Risk

##### Copper and Precious Metals

This business is conducted under a conversion model. The prices of input and output are derived from the same benchmark and/or are linked to each other through a defined formula. The objective of risk management is to attempt to use derivatives to match the price fluctuations arising out of the timing mismatch in pricing the input and output to make the margins immune to the fluctuations in prices of the input and output.

##### Aluminium

This business is vertically integrated. The main raw material, viz., bauxite (mostly mined from own mines) and other purchased raw materials do not have any linkage with the output price, which is Aluminium LME prices. When the prices of input(s) and output(s) do not follow the above condition, then risk management attempts to use derivatives so as to protect the margins from adverse movements in prices on either side, i.e., from a rise in input cost or from a fall in output price.

As a condition of sale, customers often require the Company to enter into fixed price commitments. These commitments expose the Company to the risk of fluctuating aluminum prices between the time the order is committed and the time that the material is shipped. The Company may enter into derivative financial

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

instruments to mitigate the risk arising out of the fixed price commitments. Consequently, the gain or loss resulting from movements in the price of aluminum on these contracts would generally be offset by an equal and opposite impact on the net sales and purchases being hedged.

### **Coal**

Both green field and brown field expansion has increased the power requirement mainly for smelting and other associated operations. Power is mostly supplied to these smelters through captive power generation units, which are coal based. In order to meet the gap between requirement of coal and availability in the domestic market as also from own sources, at times coal is also imported, which gives rise to risk of price fluctuation. The domestic prices are not linked to any internationally traded prices whereas imported coal is linked to internationally traded prices. Hence, the imported coal price fluctuates in line with international prices. To mitigate this risk, coal commodity derivatives are taken.

### **Natural Gas**

The Company purchases natural gas on the open market in Europe, Asia and South America, which exposes the Company to market price fluctuations. The Company mitigates the future exposure to natural gas prices through the use of forward purchase contracts.

### **Electricity**

The Company has entered into an electricity swap in North America to fix a portion of the cost of electricity requirement in North America.

### **Foreign Currency Exchange Risk**

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on our operating results. In addition to the foreign exchange flow from exports, the commodity prices in the domestic market are derived based on the landed cost of imports in India where LME prices and USD/INR exchange rate are the main factors. In case of conversion business, the objective is to match the exchange rate of outflows and related inflows through derivative financial instruments. With respect to Aluminium business where costs are predominantly in INR, the strengthening of INR against USD adversely affects the profitability of the business and benefits when INR depreciates against USD. The Company enters into various foreign exchange contracts to protect profitability. Also, certain foreign exchange future derivatives are taken for arbitrage purpose between exchange and OTC.

The Company enters into various cross currency swaps to manage the exposure to fluctuating exchange rate arising from loans given to and net investments made in various European subsidiaries.

The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign currency exchange rate movement in foreign currency contracts executed with foreign suppliers to procure capital items for its project activities.

### **Interest Rate Risk**

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

### **Embedded Derivatives**

Copper concentrate is purchased on future pricing model based on month's average LME (in case of copper)/LBMA (in case of gold and silver). Since the value of the concentrate changes with response to change in commodity pricing indices, embedded derivatives (ED) is identified and segregated in the contract. The ED, so segregated, is treated like commodity derivative and qualify for hedge accounting. These derivatives are put into a Fair Value hedge relationship with inventory.

The objective of hedge designation of the embedded commodity derivative is to offset the volatility in the Statement of Profit and Loss due to change in value of un-priced inventory with response to LME/LBMA.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Net Investment Hedges

For derivative instruments that are designated as hedges of net investment in foreign operations, gains and losses on derivative instruments are included (net of taxes), to the extent the hedges are effective, in Cumulative Translation Adjustment (CTA). The ineffective portions of hedges of net investments in foreign operations, if any, are recognised as gains or losses and included in 'Other Expenses' in the Statement of Profit and Loss.

(c) The Asset and Liability position of various outstanding derivative financial instruments is given below:

(₹ Crore)

Particulars	Nature of Risk being Hedged	31st March, 2015			31st March, 2014		
		Liability	Asset	Net Fair Value	Liability	Asset	Net Fair Value
<b>Current</b>							
<b>Cash Flow Hedges</b>							
- Commodity Contracts	All cash flow risks other than foreign currency	(84.65)	384.60	299.95	(57.65)	363.21	305.56
- Interest Rate Contracts	Exchange rate movement risk	(3.65)	-	(3.65)	(2.38)	-	(2.38)
- Foreign Currency Contracts	Exchange rate movement risk	(263.46)	174.08	(89.38)	(92.41)	251.86	159.46
<b>Fair Value Hedges</b>							
- Commodity Contracts		(0.17)	0.03	(0.14)	(5.40)	0.20	(5.20)
- Embedded Derivatives		(123.89)	72.57	(51.32)	(20.73)	247.44	226.71
<b>Net Investment Hedges</b>							
- Foreign Currency Contracts	Exchange rate movement risk	-	28.19	28.19	(4.00)	0.11	(3.89)
<b>Non-Designated Hedges</b>							
- Commodity Contracts		(329.36)	313.90	(15.46)	(204.66)	301.61	96.95
- Foreign Currency Contracts		(457.19)	271.65	(185.54)	(126.65)	127.55	0.90
- Interest Rate Contracts		-	-	-	-	-	-
<b>Total</b>		<b>(1,262.37)</b>	<b>1,245.02</b>	<b>(17.35)</b>	<b>(513.88)</b>	<b>1,291.98</b>	<b>778.10</b>
<b>Non - Current</b>							
<b>Cash Flow Hedges</b>							
- Commodity Contracts	All cash flow risks other than foreign currency	(10.68)	27.45	16.77	(4.65)	13.60	8.95
- Interest Rate Contracts	Exchange rate movement risk	-	-	-	-	0.03	0.03
- Foreign Currency Contracts	Exchange rate movement risk	(95.42)	0.01	(95.41)	(36.56)	23.94	(12.62)
<b>Fair Value Hedges</b>							
- Commodity Contracts	All cash flow risks other than foreign currency	(0.02)	0.01	(0.01)	(0.91)	0.06	(0.85)
<b>Net Investment Hedges</b>							
- Foreign Currency Contracts	Exchange rate movement risk	-	-	-	(0.01)	0.02	0.01
<b>Non-Designated Hedges</b>							
- Commodity Contracts		(43.55)	0.09	(43.46)	(77.76)	0.12	(77.64)
- Foreign Currency Contracts		-	2.82	2.82	(0.32)	(0.22)	(0.54)
- Interest Rate Contracts		-	-	-	-	-	-
<b>Total</b>		<b>(149.67)</b>	<b>30.38</b>	<b>(119.29)</b>	<b>(120.21)</b>	<b>37.55</b>	<b>(82.66)</b>
<b>Grand Total</b>		<b>(1,412.04)</b>	<b>1,275.40</b>	<b>(136.64)</b>	<b>(634.09)</b>	<b>1,329.53</b>	<b>695.44</b>

\* Fair Value of ₹ (51.32) crore (Previous year ₹ 226.71 crore) is part of Trade Payables.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

	Currency Pair	31st March, 2015			31st March, 2014		
		Average Exchange Rate	Notional Value (in Millions)	Fair Value Gain/(Loss) (₹ Crore)	Average Exchange Rate	Notional Value (in Millions)	Fair Value Gain/(Loss) (₹ Crore)
Foreign Currency Forwards							
Cash Flow Hedges							
Buy	CHF_EUR	0.95	86.11	6.95	0.83	3.17	(0.33)
Buy	EUR_INR	69.85	0.42	(0.10)	86.34	3.05	(0.94)
Buy	USD_INR	65.57	4.46	(0.74)	62.09	2.68	(0.48)
Buy	BRL_USD	0.36	258.92	(287.03)	0.43	292.48	(61.99)
Buy	EUR_USD	1.27	48.86	(17.12)	1.35	57.88	(6.08)
Buy	USD_CAD	1.18	36.65	(18.62)	1.10	38.79	(4.54)
Buy	USD_KRW	1,098.90	186.61	(19.58)	1,125.72	331.93	75.40
Sell	USD_INR	66.38	750.79	151.45	64.45	703.00	107.29
Sell	AUD_USD	-	-	-	0.88	158.95	38.50
Total				(184.79)			146.83
Net Investment Hedges							
Buy	EUR_USD	1.32	27.86	28.19	1.37	61.21	(3.88)
Total				28.19			(3.88)
Non-Designated Hedges							
Buy	AUD_INR	49.20	0.44	(0.05)	56.18	1.15	0.00
Buy	CAD_INR	50.69	0.06	(0.01)	54.96	0.25	0.00
Buy	CHF_INR	66.66	0.13	(0.02)	72.10	0.19	(0.03)
Buy	EUR_INR	72.52	5.66	(2.96)	86.75	11.69	(2.57)
Buy	GBP_INR	94.67	0.21	(0.03)	103.18	0.30	(0.06)
Buy	NOK_INR	8.18	1.05	(0.03)	10.40	2.37	(0.04)
Buy	SEK_INR	7.63	0.05	(0.00)	-	-	-
Buy	USD_INR	62.92	462.43	(29.01)	60.08	164.50	(20.01)
Buy	GBP_EUR	1.38	43.58	0.73	1.19	22.15	3.63
Buy	KRW_USD	0.91	179.14	1.79	0.91	62.72	(0.56)
Buy	USD_EUR	0.86	232.17	43.30	0.74	142.69	(0.86)
Buy	GBP_USD	1.49	22.21	2.05	1.66	34.02	0.12
Buy	USD_CHF	0.96	59.58	4.18	0.89	39.49	(2.54)
Buy	CAD_USD	-	-	-	0.92	3.48	1.15
Buy	USD_BRL	2.94	292.58	(209.75)	2.34	236.83	20.46
Buy	JPY_USD	0.01	0.83	(0.00)	0.01	0.94	(0.01)
Buy	CHF_GBP	0.69	1.06	0.60	0.68	8.30	0.35
Buy	CHF_EUR	0.94	36.10	19.52	0.82	170.21	(0.34)
Buy	EUR_KRW	1,207.70	0.68	(0.04)	1,472.50	4.81	0.04
Buy	CNY_USD	0.16	39.48	4.90	0.16	0.08	0.50
Buy	SEK_USD	-	-	-	0.15	0.39	0.02
Buy	CNY_EUR	0.14	26.11	(8.53)	0.12	5.39	(0.30)
Buy	MYR_USD	0.27	1.23	(1.03)	-	-	-
Sell	USD_INR	66.23	165.13	10.17	61.28	28.43	1.41
Sell	AUD_USD	0.84	31.90	(18.50)	-	-	-
Total				(182.72)			0.36

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(e) The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2015:

		Average Price (USD/Unit)	Quantity	Unit	Notional Value (USD in Millions)	Fair Value Gain/ (Loss) (₹ Crore)
<b>Commodity Futures/Forwards</b>						
<b>Cash Flow Hedges</b>						
Aluminium	Sell	1,877.60	558,640	MT	1,048.91	355.36
Natural Gas	Buy	4.16	7,279,980	MMBtu	30.31	(52.64)
Aluminium	Buy	1,781.25	1,200	MT	2.14	(0.07)
Gold	Sell	1,194.61	103,147	TOZ	123.22	7.04
Silver	Sell	17.53	2,593,963	TOZ	45.46	14.04
Copper	Sell	5,973.05	16,325	MT	97.51	(7.01)
<b>Total</b>						<b>316.72</b>
<b>Fair Value Hedges</b>						
Aluminium	Buy	1,781.25	1,450	MT	2.58	(0.15)
<b>Total</b>						<b>(0.15)</b>
<b>Non-Designated Hedges</b>						
Aluminium	Buy	1,783.68	104,938	MT	187.18	(32.40)
Aluminium	Sell	1,820.16	129,070	MT	234.93	88.99
Copper	Buy	6,070.89	15,800	MT	95.92	(0.62)
Copper	Sell	6,043.22	20,825	MT	125.85	(2.57)
Gold	Buy	1,257.34	33,889	TOZ	42.61	(15.66)
Gold	Sell	1,277.30	37,000	TOZ	47.26	21.53
Silver	Buy	16.63	1,203	TOZ	0.02	0.00
Coal	Buy	57.24	156,250	MT	8.94	(0.57)
Coal	Sell	59.55	6,250	MT	0.37	0.05
Electricity	Buy	32.33	438,648	MWh	14.18	(98.35)
Natural Gas	Buy	4.34	1,930,020	MMBtu	8.38	(18.05)
Gold	Buy		*	TOZ		(9.09)
Silver	Buy		*	TOZ		7.82
<b>Total</b>						<b>(58.92)</b>
<b>Embedded Derivatives</b>						
<b>Fair Value Hedges</b>						
Copper	Sell	5,956.78	93,297	MT	555.75	(55.65)
Gold	Sell	1,205.53	32,351	TOZ	39.00	4.51
Silver	Sell	16.53	285,545	TOZ	4.72	(0.18)
<b>Total</b>						<b>(51.32)</b>

\* Represent derivatives matured within 31st March, 2015, for which cash flow to happen on settlement date during April, 2015.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2014:

		Average Price (USD/Unit)	Quantity	Unit	Notional Value (USD in Millions)	Fair Value Gain/ (Loss) (₹ Crore)
<b>Commodity Futures/Forwards</b>						
<b>Cash Flow Hedges</b>						
Aluminium	Sell	1,874.31	553,179	MT	1,036.83	220.17
Natural Gas	Buy	4.06	9,530,000	MMBtu	38.72	15.41
Aluminium	Buy	1,744.25	15,735	MT	27.45	(2.04)
Gold	Sell	1,289.08	119,697	TOZ	154.30	2.98
Silver	Sell	21.13	1,398,151	TOZ	29.55	10.34
Copper	Sell	7,199.32	20,425	MT	147.05	67.65
<b>Total</b>						<b>314.51</b>
<b>Fair Value Hedges</b>						
Aluminium	Buy	1,744.25	9,315	MT	16.25	(6.05)
<b>Total</b>						<b>(6.05)</b>
<b>Non-Designated Hedges</b>						
Aluminium	Buy	1,733.58	106,805	MT	185.15	(65.27)
Aluminium	Sell	1,812.87	214,582	MT	389.01	152.14
Copper	Buy	6,564.02	20,675	MT	135.71	10.92
Copper	Sell	7,098.80	14,200	MT	100.80	48.06
Gold	Buy	1,294.39	15,598	TOZ	20.19	(0.94)
Gold	Sell	1,254.43	27,131	TOZ	34.03	(4.86)
Silver	Buy	19.92	35,146	TOZ	0.70	(0.03)
Electricity	Buy	32.33	668,416	MWh	21.61	(114.81)
Natural Gas	Buy	4.14	1,520,000	MMBtu	6.30	3.59
Copper	Buy		*	MT		0.24
Gold	Buy		*	TOZ		(10.24)
Silver	Sell		*	TOZ		0.51
Coal				MT	-	-
<b>Total</b>						<b>19.31</b>
<b>Embedded Derivatives</b>						
<b>Fair Value Hedges</b>						
Copper	Sell	6,964.22	112,395	MT	782.74	212.20
Gold	Sell	1,328.58	41,688	TOZ	55.39	11.06
Silver	Sell	20.53	757,777	TOZ	15.56	3.45
<b>Total</b>						<b>226.71</b>

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

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (f) The following table presents the outstanding position and fair value of various interest rate derivative financial instruments:

Interest Rate Swaps	Fixed Leg	As of 31st March, 2015			As of 31st March, 2014		
		Average Price (USD/Unit)	Notional Value (USD in Millions)	Fair Value (₹ Crore)	Average Price (USD/Unit)	Notional Value (USD in Millions)	Fair Value (₹ Crore)
<b>Cash Flow Hedges</b> 3M-CD-3200	Pay fixed	3.69%	77.83	(3.65)	4.03%	127.25	(2.35)
<b>Non-Designated Hedges</b> 1M USD Libor	Pay fixed						
<b>Total</b>			<b>77.83</b>	<b>(3.65)</b>		<b>127.25</b>	<b>(2.35)</b>

- (g) The following table presents the details of amount held in Hedging Reserve and the period during which these are going to be released and affecting the Statement of Profit and Loss.

(₹ Crore)

Hedge Instrument Type	Products/Currency Pair	31st March, 2015			31st March, 2014		
		Closing Value in Hedging Reserve as at 31st March, 2015	Release		Closing Value in Hedging Reserve as at 31st March, 2014	Release	
			In less than 12 Months	After 12 Months		In less than 12 Months	After 12 Months
		Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
Commodity Forwards	Aluminium	371.30	350.19	21.11	149.42	52.71	96.71
	Gold	7.11	7.11	-	4.73	4.73	-
	Silver	14.00	14.00	-	8.70	8.70	-
	Copper	(6.36)	(8.55)	2.19	33.94	33.94	-
	Electricity	(56.26)	(33.75)	(22.51)	(86.69)	-	(86.69)
	Natural Gas	(55.86)	(46.45)	(9.41)	15.05	(16.14)	31.19
	<b>Total</b>	<b>273.93</b>	<b>282.55</b>	<b>(8.62)</b>	<b>125.15</b>	<b>83.94</b>	<b>41.21</b>
Debt		(18.70)	(18.70)	-	89.80	89.80	-
Liability for Copper Concentrate		(9.32)	(9.32)	-	52.82	52.82	-
Interest Rate Swaps	3M-CD-3200	(3.45)	(3.45)	(0.00)	(2.28)	(2.02)	(0.26)
	<b>Total</b>	<b>(3.45)</b>	<b>(3.45)</b>	<b>(0.00)</b>	<b>(2.28)</b>	<b>(2.02)</b>	<b>(0.26)</b>
Foreign Currency Forwards	EUR_INR	(0.94)	(0.94)	-	(0.96)	(0.96)	-
	USD_INR	147.95	147.95	-	107.59	107.59	-
	USD_EUR	(17.31)	15.12	(32.43)	(6.39)	(7.87)	1.48
	USD_BRL	(253.22)	(217.59)	(35.63)	(60.04)	(49.79)	(10.25)
	USD_CAD	(18.62)	(19.12)	0.50	(4.50)	(4.95)	0.45
	EUR_KRW	-	(0.49)	0.49	-	(0.48)	0.48
	USD_KRW	(11.02)	(10.76)	(0.26)	75.61	61.28	14.33
	EUR_CHF	6.94	6.94	-	-	-	-
	AUD_USD	-	-	-	12.96	12.96	-
	<b>Total</b>	<b>(146.22)</b>	<b>(78.89)</b>	<b>(67.33)</b>	<b>124.27</b>	<b>117.78</b>	<b>6.49</b>
	<b>Grand Total</b>	<b>96.24</b>	<b>172.19</b>	<b>(75.95)</b>	<b>389.76</b>	<b>342.32</b>	<b>47.44</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (h) The following table presents the amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2014-15:

(₹ Crore)

Item	Opening Balance	Net Amount Recognised	Recycled			CTA	Closing Balance
			Net Amount to P&L	Net Amount Added to Non-Financial Assets	Total Amount Recycled		
Commodity	125.15	(7.36)	(144.24)	(5.57)	(149.81)	6.33	273.93
Forex	266.89	(333.43)	120.51	(24.72)	95.79	(11.91)	(174.24)
Interest	(2.28)	(5.12)	(4.01)	-	(4.01)	(0.06)	(3.45)
<b>Total</b>	<b>389.76</b>	<b>(345.91)</b>	<b>(27.74)</b>	<b>(30.29)</b>	<b>(58.03)</b>	<b>(5.64)</b>	<b>96.24</b>

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

(₹ Crore)

Item	Opening Balance	Net Amount Recognised	Recycled			CTA	Closing Balance
			Net Amount to P&L	Net Amount Added to Non-Financial Assets	Total Amount Recycled		
Commodity	371.99	783.69	1,034.88	1.47	1,036.35	5.82	125.15
Forex	63.98	(571.51)	(734.38)	(45.65)	(780.03)	(5.61)	266.89
Interest	(4.36)	(0.13)	0.43	-	0.43	2.64	(2.28)
<b>Total</b>	<b>431.61</b>	<b>212.05</b>	<b>300.93</b>	<b>(44.18)</b>	<b>256.75</b>	<b>2.85</b>	<b>389.76</b>

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

(₹ Crore)

Schedule No.	Schedule Line Item	2014-15	2013-14
27	Revenue from Operations	331.09	113.82
29	Cost of Materials Consumed	(240.86)	322.61
34	Depreciation	(5.00)	(1.11)
33	Finance Costs	(2.09)	0.43
36	(Gain)/Loss on Asset Held for Sale	44.16	-
36	Other Expenses	(9.60)	-
36	(Gain)/Loss in change in Fair Value of Derivatives (Net)	(145.44)	(134.82)

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

(₹ Crore)

	2014-15	2013-14
Copper	54.37	(218.75)
Gold	(4.49)	(11.23)
Silver	0.19	(3.51)
<b>Total</b>	<b>50.07</b>	<b>(233.49)</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Sensitivities

The following table presents the estimated potential changes in the fair values of the foreign currency derivative financial instruments given a 10% changes in their respective indexes.

(₹ Crore)

Currency Pair	Change in Rate/Price	31st March, 2015			31st March, 2014		
		Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve	Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve
<b>Forwards</b>							
USD_INR	10%	295.12	(169.11)	464.23	348.93	(74.15)	423.08
EUR_INR	10%	4.07	3.80	0.27	12.60	10.08	2.52
GBP_INR	10%	0.19	0.19	-	0.30	0.30	-
NOK_INR	10%	0.07	0.07	-	0.22	0.22	-
CHF_INR	10%	0.08	0.08	-	0.11	0.11	-
AUD_INR	10%	0.21	0.21	-	0.65	0.66	-
CAD_INR	10%	0.03	0.03	-	0.12	0.12	-
SEK_INR	10%	0.00	0.00	-	-	-	-
CHF_USD	10%	136.95	134.36	2.59	127.34	128.20	(0.86)
GBP_USD	10%	23.44	23.00	0.44	28.97	29.17	(0.20)
CAD_USD	10%	18.71	-	18.71	18.70	1.55	17.15
KRW_USD	10%	249.90	120.08	129.82	267.04	42.72	224.31
BRL_USD	10%	151.20	68.50	82.70	230.36	79.98	150.37
EUR_USD	10%	170.02	125.37	44.65	296.28	162.59	133.69
AUD_USD	10%	14.94	14.94	-	122.11	58.87	63.24
EUR_KRW	10%	0.43	0.35	0.08	2.33	2.60	(0.27)
EUR_CHF	10%	76.16	11.73	64.43	393.36	394.48	(1.13)
EUR_GBP	10%	27.16	18.67	8.49	36.64	36.89	(0.25)
GBP_CHF	10%	0.66	9.92	(9.26)	9.90	9.96	(0.07)
CNY_USD	10%	5.44	5.37	0.07	2.96	2.98	(0.02)
JPY_USD	10%	0.58	0.57	0.01	0.62	0.63	(0.01)
SEK_USD	10%	-	-	-	0.26	0.26	(0.00)
MYR_USD	10%	0.73	0.72	0.01			
EUR_CNY	10%	14.14	11.73	2.41	2.59	172.46	(169.88)
Debt	10%	687.10	193.96	493.14	377.49	86.80	290.69

The following table presents the estimated potential change in the fair values of the commodity derivative financial instruments, given a 10% change in their respective indexes (LME in case of Aluminium and Copper, LBMA in case of Gold and Silver, Argus McCloskey API 4 in case of Coal, NYMEX NYISO Zone, a Peak Rate in the case of Electricity).

(₹ Crore)

Types of Derivative	Change in Rate/Price	31st March, 2015			31st March, 2014		
		Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve	Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve
Forwards	10%	800.25	34.47	765.78	774.52	58.98	715.54
Swaps	10%	5.28	5.28	-			
Embedded Derivatives	10%	378.50	378.50	-	489.45	489.45	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the estimated potential change in the fair values of the interest rate derivative financial instruments, given a 10% change in their respective indexes (USD Libor in case of Interest rate swaps).

(₹ Crore)

Types of Derivative	Change in Rate/Price	31st March, 2015			31st March, 2014		
		Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve	Change in Fair Value	Change in Profit & Loss	Change in Hedging Reserve
1M USD Libor	100 bps				-	-	-
3M-CD-3200	100 bps	2.39	-	2.39	8.45	-	8.45

46. The Hon'ble Supreme Court of India, in its judgment dated 25th August, 2014, and order dated 24th, September, 2014, has declared all allocations of the coal blocks made through Screening Committee route since 1993 as illegal and has quashed the allocation of coal blocks, which include:
- Mahan, Tubed and Talabira II & III Coal Blocks allocated to joint venture companies Mahan Coal Limited (Mahan Coal), Tubed Coal Mines Limited (Tubed Coal) and MNH Shakti Limited (MNH Shakti), respectively. The Company holds equity of 50%, 60% and 15%, respectively, in these joint venture companies. In view of the said judgement, Mahan Coal and Tubed Coal have reported that going concern concept has been vitiated and, accordingly, these companies have made necessary provisions in their financial statements to bring down the assets and liabilities to their realisable value. Considering these facts, the Company has made appropriate provisions for diminution in the value of investments in these companies.
  - Talabira I Coal Block held and operated by the Company stands cancelled with effect from 1st April, 2015, following deallocation of coal blocks by the Hon'ble Supreme Court. However, an additional levy of ₹ 295/- per MT of coal extracted since beginning till 31st March, 2015, has been paid, as per direction of the Hon'ble Supreme Court.
47. The Company has been awarded four coal blocks in the auction conducted by the Nominated Authority of the Ministry of Coal.
48. The Company had formulated a scheme of financial restructuring under Sections 391 to 394 of the Companies Act, 1956 ("the Scheme"), between the Company and its equity shareholders approved by the High Court of judicature of Bombay to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created during the year 2008-09 by transferring the balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme. Accordingly, the Company had transferred ₹ 8,647.37 crore from Securities Premium Account to BRR and till 31st March, 2014, ₹ 2,068.50 crore has been adjusted against BRR. During the year, following expenses have been adjusted with BRR:
- Impairment loss of ₹ 62.29 crore (Net of deferred tax ₹ 32.97 crore) arising on deteriorating operating performance in one of its cash generating unit of Aluminium Business. (refer Note No. 35 (a))
  - Provision of ₹ 35.00 crore towards diminution in value of investment of Mahan Coal Limited, joint venture of the Company, and Tubed Coal Mines Limited, subsidiary of the Company, made following deallocation of coal blocks by the Hon'ble Supreme Court. (refer Note No. 46 (a))

Had the Scheme not prescribed aforesaid treatment, the impact on results and Earnings Per Share (EPS) would have been as under:

Profit for the year lower by ₹ 97.29 crore

Basic EPS lower by ₹ 0.47

Diluted EPS lower by ₹ 0.47

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

49. Gain or Loss on foreign currency transaction and translation has been accounted for under respective head of accounts depending upon the nature of transaction. The detail of net (gain)/loss included in various heads of accounts are as under:

	(₹ Crore)	
	Year Ended	
	31/03/2015	31/03/2014
Revenue from Operations	(131.39)	90.70
Cost of Materials Consumed	78.60	(9.28)
Power and Fuel	(2.03)	2.78
Other Expenses	164.24	(10.07)
	<b>109.42</b>	<b>74.13</b>

### 50. Leases:

#### A. Operating Lease

Future obligations towards minimum lease payment commitments under non-cancellable operating leases are as under:

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
Not later than 1 year	170.94	177.28
Later than 1 year and not later than 5 years	458.56	435.73
Later than 5 years	334.36	387.98

#### B. Finance Lease

Future obligations towards minimum lease payment commitments under the finance leases taken on or after 1st April, 2001, are as under:

	(₹ Crore)			
	As at 31/03/2015		As at 31/03/2014	
	Payment	Present Value	Payment	Present Value
Not later than 1 year	67.56	62.56	72.63	60.60
Later than 1 year and not later than 5 years	195.17	177.09	247.82	202.24
Later than 5 years	-	-	35.15	34.71

### 51. Contingent Liabilities and Commitments:

	(₹ Crore)	
	As at	
	31/03/2015	31/03/2014
A. Contingent Liabilities not provided in respect of the followings:		
(a) Claims against the Company not acknowledged as debt	968.25	1,205.49
(b) Corporate Guarantees Outstanding	0.50	-
(c) Other Money for which the Company is contingently liable:		
i. Bills Discounted with Banks	0.87	3.53
ii. Customs Duty on Capital Goods and Raw Materials imported under Advance Licence/EPCG Scheme, against which export obligation is to be fulfilled.	328.03	368.51

- iii. The Company has received a notice dated 24th March, 2007, from Collector (Stamp) Kanpur, Uttar Pradesh the alleging that stamp duty of ₹ 252.96 crore is payable in view of the order dated 18th November, 2002, of the Hon'ble High Court of Allahabad approving scheme of arrangement for merger of Copper business of Indo Gulf Corporation Limited with the Company. The Company is of the opinion that it has a very strong case as there is no substantive/computation provision for levy/calculation of stamp duty on court order approving the scheme of arrangement under Companies Act, 1956 within the provisions of Uttar Pradesh Stamp Act, moreover, the properties in question are located in the State of Gujarat and thus the Collector (Stamp), Kanpur has no territorial jurisdiction to make such a demand. It is pertinent to note that the Company in 2003-04 has already paid stamp duty which has been accepted as per the provisions of the Bombay Stamp Act, 1958, with regard to transfer of shareholding of Indo Gulf Corporation Limited as per the Scheme of Arrangement. Furthermore, the demand made is on an incorrect assumption. The Company's contention amongst the various other grounds made is that the demand is illegal, against the principles of natural justice, incorrect, bad in law and malafide. The Company has filed a writ petition before the Hon'ble High Court of Allahabad, *inter alia*, on the above said grounds, which is pending determination.
- iv. The assessing officer, while framing the assessment for AY 2008-09, made adjustment, *inter alia*, amounting to ₹ 270.32 crore, to total income on account of purported arm's length fee for corporate guarantee provided to foreign banks for granting loan to a wholly owned subsidiary of the Company, viz., AV Minerals (Netherlands) N.V. The Company has filed appeal before Income Tax Tribunal.
- v. The Company has an agreement with Uttar Pradesh Power Corporation Limited (UPPCL) under which banking of surplus energy with UPPCL is permitted and such banked energy may be drawn as and when required at free of cost. However, UPPCL has raised demand of ₹ 55.42 crore with retrospective effect from 1.04.2009 on the alleged ground that drawal of energy against the banked energy is not permissible during peak hours. The Company has challenged the demand by filing a petition on 27.12.2013 under Section 86(i)(f) read with other relevant provisions of Electricity Act, 2003, seeking quashing/setting aside the demand. The matter has been heard on 12.02.2014 and the Hon'ble Uttar Pradesh Electricity Regulatory Commission (UPERC), vide its order dated 24.02.2014, has directed the UPPCL to restrain from taking any coercive action till final order of UPERC. The Company believes that it has a strong case and no provision towards this is required.

(₹ Crore)

As at	
31/03/2015	31/03/2014

## B. Commitments

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advance paid)
 

	1,362.26	2,958.51
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- (b) Purchase commitments in relation to Materials and Services
 

	52,447.32	33,794.29
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- (c) In order to maintain current rights of tenure to exploration tenements and transportation of gas from port to mining place, one of the subsidiary companies is required to meet the minimum expenditure requirements of ₹ 25.74 crore (Previous Year ₹ 20.53 crore).
- (d) The Company, along with Aditya Birla Nuvo Limited, Grasim Industries Limited and Birla TMT Holdings Pvt. Limited (the Sponsors), being promoters of Idea Cellular Limited (Idea), has given the following undertakings to the Facility Agent:
  - i. The Sponsors shall collectively continue to hold at least 33% of the equity capital of Idea till the end of FY 2015-16 and shall not, without prior written approval of the Facility Agent, divest, transfer, assign, dispose of, pledge, charge, create any lien or in any way encumber 33% of shareholdings in Idea. Consequent upon the infusion of fresh equity capital of Idea, if the Sponsors' stake gets diluted from 40% to 33% in the equity capital of Idea, the Sponsors agree and undertake to obtain the prior consent of the Rupee Facility Agent and in other circumstances, the Sponsors agree and undertake to obtain the prior consent of the secured lenders representing 51% of the aggregate outstanding secured loans.

- ii. The Sponsors shall collectively continue to hold 26% of the equity capital of Idea after FY 2015-16 and shall not, without the prior written approval of the Rupee Facility Agent, divest, transfer, assign, dispose of, pledge, charge, create any lien or in any way encumber 26% shareholdings in the capital of Idea.
- iii. Not without prior approval of the Facility Agent in writing divest shareholdings in the equity capital of Idea that may result in a single investor along with its affiliates holding more than 25% of the equity capital of Idea.

## 52. Related Party Disclosures:

Related Party Disclosures as per Accounting Standard (AS)-18 is given below:

### A. List of Related Parties:

#### (a) Associates:

Aditya Birla Science and Technology Company Private Limited  
 Sanjana Cryogenic Storages Limited  
 Idea Cellular Limited  
 Aluminium Norf GmbH  
 Consorcio Candonga (Disposed during the year)  
 Deutsche Aluminium Verpackung Recycling GmbH  
 France Aluminium Recyclage SA

#### (b) Joint Ventures:

Mahan Coal Limited  
 Hydromine Global Minerals (GmbH) Limited  
 MNH Shakti Limited

#### (c) Trust:

Trident Trust

#### (d) Key Managerial Personnel:

Mr. D. Bhattacharya - Managing Director  
 Mr. Satish Pai - Deputy Managing Director

### B. Disclosure of transactions in the ordinary course of business between the Group and its Related Parties during the year and status of outstanding balances at the year end:

#### (a) Associates and Joint Ventures:

	2015		2014	
	Associates	Joint Ventures	Associates	Joint Ventures
(₹ Crore)				
<b>Transactions during the year ended 31st March:</b>				
Service Received	1,631.49	-	1,680.95	-
Service Rendered	0.02	0.06	-	0.02
Interest and Dividend Received	19.68	-	14.73	-
Loans, Advances and Deposits Given	127.16	-	-	0.07
Loans, Advances and Deposits Received Back/ Adjusted	-	3.13	3.27	-
Corporate Guarantee given withdrawn	6.85	-	-	-
<b>Outstanding balances as at 31st March:</b>				
Trade and Other Receivables	1.95	0.05	0.56	-
Trade and Other Payables	271.30	0.03	320.52	-
Investments, Loans, Advances and Deposits	4,513.12	0.01	5,336.64	3.14
Corporate Guarantee Given Outstanding	12.46	-	19.31	-

**(b) Trust:**

	(₹ Crore)	
	<b>As at 31/03/2015</b>	<b>As at 31/03/2014</b>
Beneficiary Interest in Trust	34.46	34.45

**(c) Key Managerial Personnel:**

Managerial Remuneration (including perquisites but excluding gratuity, leave encashment provisions and compensation under Employee Stock Options Scheme)

	(₹ Crore)	
	<b>As at 31/03/2015</b>	<b>As at 31/03/2014</b>
Mr. D. Bhattacharya	22.56	21.99
Mr. Satish Pai	13.11	5.73

**53. Additional Information, as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiaries, Associates and Joint Ventures.**

Name of Entity		Net Assets, i.e., total assets minus total liabilities as at 31st March, 2015		Share in Profit/(Loss) for the year ended 31st March, 2015	
		As % of Consolidated Net Assets	Amount (₹ Crore)	As % of Consolidated Profit/(Loss)	Amount (₹ Crore)
<b>A. Parent:</b>					
	Hindalco Industries Limited	97.20%	37,255.26	108.30%	925.15
<b>B. Subsidiaries:</b>					
	<b>Indian:</b>				
	Minerals & Minerals Limited	0.00%	1.13	(0.05)%	(0.43)
	Aditya Birla Chemicals (India) Limited	1.16%	446.00	4.37%	37.29
	Utkal Alumina International Limited	7.72%	2,959.48	(58.07)%	(496.07)
	Utkal Alumina Technical & General Services Limited *	0.00%	0.04	0.00%	(0.00)
	Suvas Holdings Limited	0.02%	7.02	(0.01)%	(0.08)
	Renukeshwar Investments & Finance Limited	0.16%	62.87	0.44%	3.79
	Renuka Investments & Finance Limited	0.10%	40.10	0.18%	1.57
	Dahej Harbour and Infrastructure Limited	0.33%	128.25	4.87%	41.62
	Lucknow Finance Company Limited	0.04%	14.54	0.35%	2.95
	Hindalco-Almex Aerospace Limited	0.21%	78.63	(0.20)%	(1.75)
	Tubed Coal Mines Limited	0.06%	23.09	(2.48)%	(21.15)
	East Coast Bauxite Mining Company Private Limited	0.00%	-	0.00%	-
	Mauda Energy Limited	0.00%	0.14	0.00%	(0.01)

Name of Entity		Net Assets, i.e., total assets minus total liabilities as at 31st March, 2015		Share in Profit/(Loss) for the year ended 31st March, 2015	
		As % of Consolidated Net Assets	Amount (₹ Crore)	As % of Consolidated Profit/(Loss)	Amount (₹ Crore)
C.	<b>Foreign:</b>				
	Birla Resources Pty Limited	0.01%	3.05	0.00%	(0.01)
	Aditya Birla Minerals Limited (Consolidated)	3.52%	1,349.84	-137.45%	(1,174.14)
	A V Minerals (Netherlands) N. V.	26.06%	9,987.47	-8.24%	(70.36)
	A V Metals Inc. *	25.42%	9,743.99	0.00%	-
	Novelis Inc. (Consolidated) * @	24.91%	9,549.35	105.92%	904.74
	Hindalco Do Brasil Ind Com Alumina Ltda *	0.07%	25.13	-16.16%	(138.08)
	Hindalco Guinea SARL	0.00%	-	0.00%	-
	Aditya Birla Chemicals (Belgium) BVBA *	0.00%	0.04	0.00%	-
	<b>Minority Interests in all Subsidiaries #</b>	-2.49%	(956.11)	69.73%	595.66
	<b>Associates (Investments as per the Equity Method)</b>				
	<b>Indian:</b>				
	Idea Cellular Limited (Consolidated)	3.85%	1,475.16	23.72%	202.64
	Aditya Birla Science and Technology Company Private Limited	0.03%	12.19	0.08%	0.68
	<b>Joint Ventures (as per Proportionate Consolidation Method)</b>				
	<b>Indian: \$</b>				
	Mahan Coal Limited	0.45%	173.04	-2.44%	(20.82)
	MNH Shakti Limited	0.03%	12.77	0.00%	-
	<b>Foreign:</b>				
	Hydromine Global Minerals (GmbH) Limited (Consolidated)	0.08%	30.20	-0.76%	(6.48)
D.		<b>188.95%</b>	<b>72,422.67</b>	<b>92.10%</b>	<b>786.72</b>
	<b>Consolidation Adjustments</b>	<b>-88.95%</b>	<b>(34,094.13)</b>	<b>7.90%</b>	<b>67.49</b>
		<b>100.00%</b>	<b>38,328.54</b>	<b>100.00%</b>	<b>854.21</b>

\* Indirect subsidiaries of the Company.

# ₹ 956.11 crore and ₹ 595.66 crore represent minority share in net assets and minority share in net loss of subsidiaries, respectively.

@ Includes ₹ 3,785.07 crore of Net Assets and ₹ 28.62 crore of share in net loss of associate companies of Novelis Inc.

\$ Financial Statements of Sanjana Cryogenic Storages Limited, an associate of the Company, has not been included in consolidation due to non-availability of its financial statements.

54. As clarified by the Ministry of Corporate Affairs vide its General Circular No. 39/2014 No. 4/2/2014-CL-I Dated: 14th October, 2014, certain information provided in standalone accounts of individual companies under the Group have not been consolidated and disclosed as part of Consolidated Financial Statements (CFS) keeping in mind the fact that these are repetitive in nature or not relevant to CFS. However, all such information are available as part of standalone accounts of the respective companies under the Group.
55. Figures of previous year have been reclassified/regrouped, wherever necessary.

As per our report annexed.

**For SINGHI & CO.**

*Chartered Accountants*

Firm Registration No. 302049E

**RAJIV SINGHI**

*Partner*

Membership No. 53518

Camp : Mumbai

Dated : 28th May, 2015

Praveen Kumar Maheshwari  
CFO

Anil Malik  
Company Secretary

*For and on behalf of the Board of  
Hindalco Industries Limited*

Kumar Mangalam Birla – Chairman  
DIN-00012813  
D. Bhattacharya – Managing Director  
DIN-00033553  
M.M. Bhagat – Director  
DIN-00006245

Statement containing salient features: Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 relating to Subsidiary Companies

Sr.	Name of the Subsidiary Company	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debiture, Bonds & Others	Turnover/ Revenues	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend	% of Share Holding
1	Minerals & Minerals Limited	INR	0.05	1.08	5.32	4.19	0.00	18.03	0.16	0.59	0.00	0.00	100.00
2	Renuka Investments & Finance Limited	INR	9.25	53.62	63.69	0.82	56.71	4.65	4.36	0.57	3.79	0.00	100.00
3	Renukeshwar Investments & Finance Limited	INR	4.80	35.31	40.10	-0.01	40.03	1.59	1.59	0.02	1.57	0.00	100.00
4	Suvas Holdings Limited	INR	7.08	-0.06	11.24	4.22	0.00	0.06	-0.06	-0.02	-0.08	0.00	51.00
5	Utkal Alumina International Limited	INR	3911.76	-952.28	8578.21	5618.73	0.00	1671.99	-496.08	0.02	-496.06	0.00	100.00
6	Aditya Birla Chemicals (India) Limited	INR	23.39	422.62	1844.54	1398.53	5.05	1133.61	81.51	44.22	37.29	11.69	54.65
7	Hindalco-Almex Aerospace Limited	INR	88.56	-9.93	81.51	2.88	6.73	43.88	-1.75	0.00	-1.75	0.00	97.18
8	Lucknow Finance Company Limited	INR	9.90	4.63	29.85	15.32	6.12	4.07	3.63	0.68	2.95	0.00	100.00
9	Danej Harbours and Infrastructure Limited	INR	50.00	78.25	146.41	18.16	82.90	76.08	51.38	9.76	41.62	0.00	100.00
10	East Coast Bauxite Mining Company Private Limited	INR	0.01	-0.02	0.01	0.02	0.00	0.00	0.00	0.00	0.00	0.00	74.00
11	Tubed Coal Mines Limited	INR	44.59	-21.83	23.56	0.80	0.00	0.07	-21.13	-0.02	-21.15	0.00	60.00
12	Mauda Energy Limited	INR	0.18	-0.03	0.15	0.00	0.00	0.00	-0.01	0.00	-0.01	0.00	100.00
13	Aditya Birla Minerals Limited	INR	2137.83	-860.32	1416.54	139.03	1005.46	14.65	-1032.95	-62.45	-1095.40	0.00	51.00
14	Birla Nifty Pty Limited ^	AUD	450.66	-181.36	298.61	29.31	211.96	2.74	-193.28	-11.69	-204.96	0.00	51.00
15	Birla Marochydore Pty Limited ^	INR	414.67	624.94	1360.73	321.12	279.79	279.79	-1082.21	262.11	-820.10	0.00	51.00
16	Birla Mt Gordon Pty Limited ^	AUD	87.41	131.74	286.85	67.69	67.69	58.98	-228.13	55.25	-172.88	0.00	51.00
17	Birla Resources Pty Limited ^	INR	47.44	-99.29	62.86	114.71	114.71	0.00	-6.27	1.88	-4.39	0.00	51.00
18	A V Minerals (Netherlands) N.V. *	AUD	10.00	-20.93	13.25	24.18	24.18	0.00	-1.32	0.40	-0.93	0.00	51.00
19	A V Metals Inc #	INR	113.85	-1030.67	341.76	1258.57	1258.57	0.11	-145.03	43.53	-101.50	0.00	51.00
20	Novelis Inc. #	USD	24.00	-217.27	72.04	265.31	265.31	0.02	-30.57	9.18	-21.40	0.00	100.00
21	Novelis Inc. #	USD	0.65	-0.01	0.67	0.03	0.00	0.04	0.00	0.00	0.00	0.00	100.00
22	Novelis Inc. #	USD	10205.67	-218.20	9987.47	0.00	0.00	0.00	-70.36	0.00	-70.36	0.00	100.00
23	Novelis Inc. #	USD	1637.75	-35.01	1602.73	0.00	0.00	0.06	-11.51	0.00	-11.51	0.00	100.00
24	Novelis Inc. #	INR	9767.90	-23.92	9744.01	0.03	0.00	0.00	0.00	0.00	0.00	0.00	100.00
25	Novelis Inc. #	USD	1567.50	-3.84	1563.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
26	Novelis Inc. #	INR	9845.82	-7465.37	33687.65	31307.21	0.00	4065.44	-287.33	-18.34	-305.67	0.00	100.00
27	Novelis Inc. #	USD	1580.00	-1198.00	5406.00	5024.00	0.00	665.00	-47.00	-3.00	-50.00	0.00	100.00
28	Novelis Inc. #	INR	784.25	-2.14	773.26	11.15	0.00	0.00	-1.77	-2.10	-0.34	0.00	100.00
29	Novelis Inc. #	USD	122.64	-0.34	124.09	1.79	0.00	0.00	-0.06	-0.29	-0.34	0.00	100.00
30	Novelis Inc. #	INR	1146.42	-2.69	1146.42	2.69	0.00	0.00	0.00	2.63	-2.63	0.00	100.00
31	Novelis Inc. #	USD	183.97	-0.43	183.97	0.43	0.00	0.00	0.00	0.43	-0.43	0.00	100.00
32	Novelis Inc. #	INR	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
33	Novelis Inc. #	USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
34	Novelis Inc. #	Ruppee	0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
35	Novelis Inc. #	INR	1.00	1.22	2.49	0.27	0.00	0.00	0.11	0.02	0.09	0.00	100.00
36	Novelis Inc. #	INR	10475.20	-6212.84	16445.01	12182.64	0.00	23879.14	458.51	165.06	293.45	0.00	100.00
37	Novelis Inc. #	USD	1681.00	-997.00	2639.00	1955.00	0.00	3906.00	75.00	27.00	48.00	0.00	99.99
38	Novelis Inc. #	INR	0.04	-0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99.99
39	Novelis Inc. #	USD	0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99.99
40	Novelis Inc. #	INR	782.46	2584.98	9651.42	6283.98	0.00	11410.66	1131.72	452.65	679.07	0.00	99.99
41	Novelis Inc. #	Reals	402.15	1328.55	4960.36	3229.66	0.00	4579.63	454.21	181.67	272.54	0.00	100.00
42	Novelis Inc. #	INR	657.01	2741.07	8564.45	5166.37	0.00	11306.54	189.00	32.91	156.09	0.00	100.00
43	Novelis Inc. #	Won	116905.00	487735.00	1529923.00	919283.00	0.00	1962941.00	32813.00	5714.00	27099.00	0.00	100.00
44	Novelis Inc. #	INR	20.61	36.58	89.08	31.89	0.00	227.86	-1.21	0.44	-0.77	0.00	59.15
45	Novelis Inc. #	Ringgit	12.25	21.74	52.94	18.95	0.00	124.68	-0.66	0.24	-0.42	0.00	59.15
46	Novelis Inc. #	INR	226.02	48.19	364.90	90.69	0.00	511.00	1.44	1.38	0.07	0.00	59.15
47	Novelis Inc. #	Ringgit	134.33	28.64	216.97	53.99	0.00	279.60	0.75	0.75	0.04	0.00	59.15
48	Novelis Inc. #	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59.15
49	Novelis Inc. #	Won	1351.88	574.74	2648.63	722.01	0.00	3552.67	276.62	64.68	211.94	0.00	100.00
50	Novelis Inc. #	Pounds	146.09	62.11	286.22	78.02	0.00	360.60	28.08	6.57	21.51	0.00	100.00
51	Novelis Inc. #	INR	1252.60	483.27	1791.21	55.34	0.00	621.44	348.84	69.13	279.71	0.00	100.00
52	Novelis Inc. #	USD	201.01	77.55	287.44	8.88	0.00	101.65	57.06	11.31	45.75	0.00	100.00

CONSOLIDATED FINANCIAL STATEMENTS	STANDALONE FINANCIAL STATEMENTS	BUSINESS RESPONSIBILITY REPORT	DIRECTORS' REPORT	SOCIAL REPORT	SUSTAINABLE DEVELOPMENT	SHAREHOLDER INFORMATION	CORPORATE GOVERNANCE REPORT	MANAGEMENT DISCUSSION AND ANALYSIS	FINANCIAL HIGHLIGHTS
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Sr.	Name of the Subsidiary Company	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debiture, Bonds & Others	Turnover/ Revenues	Profit/ (Loss) before Tax	Provision for tax	Profit/ (Loss) after Tax	Proposed Dividend	% of Share Holding
₹ Crore & Foreign Currency in Million													
35	Novelis Deutschland GmbH	INR	746.34	92.15	6134.52	5296.03	497.08	23192.98	-968.38	0.29	-968.66	0.00	100.00
36	Novelis Aluminium Beteiligungs GmbH	Euro	111.50	13.77	916.48	791.21	74.26	2994.97	-125.05	0.04	-125.09	0.00	100.00
		INR	0.17	0.15	0.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		Euro	0.03	0.02	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
37	Novelis Switzerland SA	INR	32.05	1482.93	2415.26	900.29	0.00	4382.35	535.99	60.74	475.25	0.00	100.00
		Francs	5.00	231.36	376.81	140.46	0.00	666.25	81.49	9.23	72.25	0.00	100.00
38	Novelis Laminés France SAS	INR	20.75	19.77	43.09	2.57	0.00	3.07	0.51	0.30	0.21	0.00	100.00
		Euro	3.10	2.95	6.44	0.38	0.00	0.40	0.07	0.04	0.03	0.00	100.00
39	Novelis Italia SPA	INR	642.59	-200.62	851.07	409.11	0.00	1453.08	-32.82	5.22	-38.04	0.00	100.00
		Euro	96.00	-29.97	127.15	61.12	0.00	187.64	-4.24	0.67	-4.91	0.00	100.00
40	Novelis Aluminium Holding Company	INR	20.08	1377.79	6189.71	4791.84	0.00	957.50	1260.37	133.11	1127.25	0.00	100.00
		Euro	3.00	205.84	924.72	715.88	0.00	123.64	162.75	17.19	145.57	0.00	100.00
41	Eurofoil Inc. (USA) (New York)	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		USD											100.00
42	Novelis PAE Corporation (Delaware)	INR	2.03	-0.16	1.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		USD	0.33	-0.03	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
43	Novelis PAE SAS	INR	27.04	80.10	301.36	194.22	0.00	184.21	18.81	4.92	13.89	0.00	100.00
		Euro	4.04	11.97	45.02	29.02	0.00	23.79	2.43	0.64	1.79	0.00	100.00
44	Novelis Europe Holdings Limited	INR	1927.87	281.95	3615.99	1406.18	0.00	-14.79	-140.20	0.00	-140.20	0.00	100.00
		USD	309.37	45.25	580.27	225.66	0.00	-2.42	-22.93	0.00	-22.93	0.00	100.00
45	Novelis AG (Switzerland)	INR	6.41	1364.64	5980.27	4609.22	0.00	313.34	9.24	-41.95	51.19	0.00	100.00
		Francs	1.00	212.90	933.00	719.10	0.00	47.64	1.41	-6.38	7.78	0.00	100.00
46	Logan Aluminium Inc. (Delaware)	INR	0.00	-179.08	1147.52	1326.60	0.00	2392.79	3.06	0.49	2.56	0.00	40.00
		USD	0.00	-28.74	184.15	212.88	0.00	391.40	0.50	0.08	0.42	0.00	99.99
47	ALBRASILIS - Alumínio do Brasil Indústria e Comércio Ltda	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		Reals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
48	Novelis North American Holdings	INR	0.00	1451.68	1451.69	0.01	0.00	0.00	-0.01	327.72	327.71	0.00	100.00
		USD	0.00	232.96	232.96	0.00	0.00	0.00	0.00	53.61	53.61	0.00	100.00
49	8018227 Canada Inc.	INR	0.00	-128.84	2191.95	2320.80	0.00	0.00	-90.03	-2.07	-92.10	0.00	100.00
		USD	0.00	-20.68	351.75	372.43	0.00	0.00	-14.73	-0.34	-15.07	0.00	100.00
50	8018243 Canada Limited	INR	4419.10	0.40	4419.50	0.00	0.00	0.00	324.30	0.00	324.30	0.00	100.00
		USD	709.15	0.06	709.22	0.00	0.00	0.00	53.05	0.00	53.05	0.00	100.00
51	Novelis Delaware LLC	INR	4419.50	-861.05	3558.45	0.00	0.00	0.00	323.68	0.00	323.68	0.00	100.00
		USD	709.22	-138.18	571.04	0.00	0.00	0.00	52.95	0.00	52.95	0.00	100.00
52	Novelis Acquisitions LLC	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		USD											100.00
53	Novelis Sheet Ingot GmbH (Germany)	INR	133.87	0.00	1662.11	1528.24	0.00	189.70	-347.53	0.00	-347.53	0.00	100.00
		Euro	20.00	0.00	248.31	228.31	0.00	24.50	-44.88	0.00	-44.88	0.00	100.00
54	Novelis MEA Ltd (Dubai)	INR	5.68	45.44	1053.42	1002.29	0.00	2363.80	37.64	0.00	37.64	0.00	100.00
		USD	0.91	7.29	169.05	160.84	0.00	386.66	6.16	0.00	6.16	0.00	100.00
55	Novelis (Shanghai) Aluminium Trading Company	INR	22.26	51.15	171.07	97.66	0.00	331.33	45.88	11.47	34.41	0.00	100.00
		CNY	22.14	50.89	170.19	97.16	0.00	335.70	46.49	11.62	34.87	0.00	100.00
56	Novelis (China) Aluminium Products Co. Ltd.	INR	356.94	-36.19	789.47	468.72	0.00	0.00	-29.84	-7.46	-22.38	0.00	100.00
		CNY	355.11	-36.01	785.41	466.31	0.00	0.00	-30.23	-7.56	-22.67	0.00	100.00
57	Novelis Vietnam Company Limited (Vietnam)	INR	6.04	8.42	108.02	93.56	0.00	229.09	18.11	5.00	13.10	0.00	100.00
		Dong	20820.00	29029.54	372484.28	322634.74	0.00	789975.04	62439.32	17252.02	45187.30	0.00	100.00
58	Novelis Asia Holdings (Singapore)	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		SGD											100.00
59	Novelis Services (North America) Inc.	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		USD											100.00
60	Brecha Energetica Ltda	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99.99
		Reals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99.99
61	Brito Energetica Ltda	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		Reals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
62	Hindalco Guinea SARL	INR	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
		USD											100.00
63	Hindalco Do Brazil Ind Com Alumina LTDA	INR	206.37	-181.24	161.46	136.32	0.00	133.55	124.07	14.01	-138.08	0.00	100.00
		Reals	78.09	-65.18	82.98	70.06	0.00	48.63	-49.79	-5.23	-55.02	0.00	100.00

Sr.	Name of the Subsidiary Company	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debiture, Bonds & Others	Turnover/ Revenues	Profit/ (Loss) before Tax	Provision for tax	Profit/ (Loss) after Tax	Proposed Dividend	% of Share Holding
64	Utkal Alumina Technical & General Services Ltd.@	INR	0.05	-0.01	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
65	Novelis No.1 Limited Partnership \$	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
66	Novelis Brand LLC (Delaware) \$	USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
67	Novelis Madeira, Unipessoal, Lda \$	INR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
68	Novelis Cast House Technology Ltd \$	USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
69	Aditya Birla Chemicals (Belgium) BVBA	INR	0.04	0.00	0.07	0.03	0.00	0.00	0.00	0.00	0.00	0.00	99.97

Note Balance sheet items are translated at closing Exchange rate and Profit/(Loss) items are translated at average exchange rate.

\$ subsidiaries which have been liquidated or sold off during the year

^ Subsidiary of Aditya Birla Minerals Limited

# Subsidiary of AV Minerals (Netherlands) N.V.

@ Subsidiary of Utkal Alumina International Limited

Foreign Currency	AVG for the year	Year End closing
Reals	BRL 24.91610	BRL 19.45710
Francs	CHF 65.77610	CHF 64.09720
CNY	CNY 9.86960	CNY 10.05170
Euro	EUR 77.43970	EUR 66.93600
Pounds	GBP 98.52060	GBP 92.53820
Won	KRW 0.05760	KRW 0.05620
Ringgit	MYR 18.27610	MYR 16.82580
USD	USD 61.13450	USD 62.31530
Dong	VND 0.00290	VND 0.00290
SGD	SGD 0.00000	SGD 0.00000
AUD	AUD 53.44434	AUD 47.43752

Name of subsidiaries which have been liquidated or sold off during the year
1 Novelis No.1 Limited Partnership \$
2 Novelis Brand LLC (Delaware) \$
3 Novelis Madeira, Unipessoal, Lda \$
4 Novelis Benlux NV
5 Novelis Cast House Technology Ltd \$
6 Novelis Belgique SA
7 Novelis Technology AG
8 Novelis Luxembourg SA
9 Novelis Foil France SAS
10 Evermore Recycling LLC (J-V)
Name of subsidiaries which are yet to commence operations
1 Mauda Energy Limited
2 Tubed Coal Mines Limited
3 East Coast Bauxite Company Private Limited
5 Suvas Holdings Limited
6 Utkal Alumina Technical and General Services Ltd
7 Birla Marochydore Pty Ltd
8 Birla Resources Pty Ltd
9 Al Dotcom Sdn. Berhad
10 Novelis South America Holdings LLC (Delaware)
11 Aluminum Upstream Holdings LLC (Delaware)
12 Novelis Aluminium Beteteiligungs GmbH
13 Novelis PAE Corporation (Delaware)
14 ALBRASILIS - Aluminio do Brasil Industria e Comercio Ltda
15 Novelis Asia Holdings (Singapore)
16 Hindalco Guinea SARL

## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates / Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Networth to Shareholding as per latest audited balance sheet (₹ in Crore)	Profit/Loss for the year			Base on why the associate / joint venture is not considered
			No.	Amount of investment (Carrying Value) in Associates/ Joint Venture (₹ in crore)	Extent of Holding % attributable		Considered in consolidation (₹ in Crore)	Not considered in consolidation	Description of how there is significant influence	
Associates										
1	Aditya Birla Science and Technology Company Private Limited	31-Mar-15	9,800,000	9.80	49.00	12.19	0.68		Note A	
			228,340,226	228.34	6.35	1,475.16	202.64		Note A	
2	Idea Cellular Limited	31-Mar-15	780,000	3.12	34.67	-	-	Note B	Note B	Note B
3	Sanjana Cryogenic Storages Limited	31-Mar-14	-	-	-	3,785.07	(28.62)		Note A	
4	Associates of Novelis Inc. @	31-Mar-15								
Joint Ventures										
1	Mahan Coal Limited	31-Mar-15	195,250,000	173.25	50.00	173.04	(20.82)		Note A	
			64,650	31.58	45.00	30.20	(6.48)		Note A	
2	Hydromine Global Minerals (GMBH) Limited	31-Mar-15	12,765,000	12.77	15.00	12.77	-		Note A	
3	MNH Shakti Limited	31-Mar-15								

@ - Associates of Novelis Inc., includes following companies for which separate information is not available

Aluminium Norf GmbH

Consortio Candonga - (Ceased to be Associate w.e.f. 31st Dec.2014)

Deutsche Aluminium VerpackungRecycling GMBH

France Aluminium Recyclage SA

Note A : There is significant influence due to percentage holding of share capital

Note B : Non-availability of Financial Statements

As per our report annexed.

**For SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

**RAJIV SINGHI**

Partner

Membership No. 53518

Camp : Mumbai

Dated : 28th May, 2015

For and on behalf of the Board of  
Hindalco Industries Limited

Praveen Kumar Maheshwari  
CFO

Kumar Mangalam Birla – Chairman  
DIN-00012813

D. Bhattacharya – Managing Director  
DIN-00033553

M.M. Bhagat – Director  
DIN-00006245

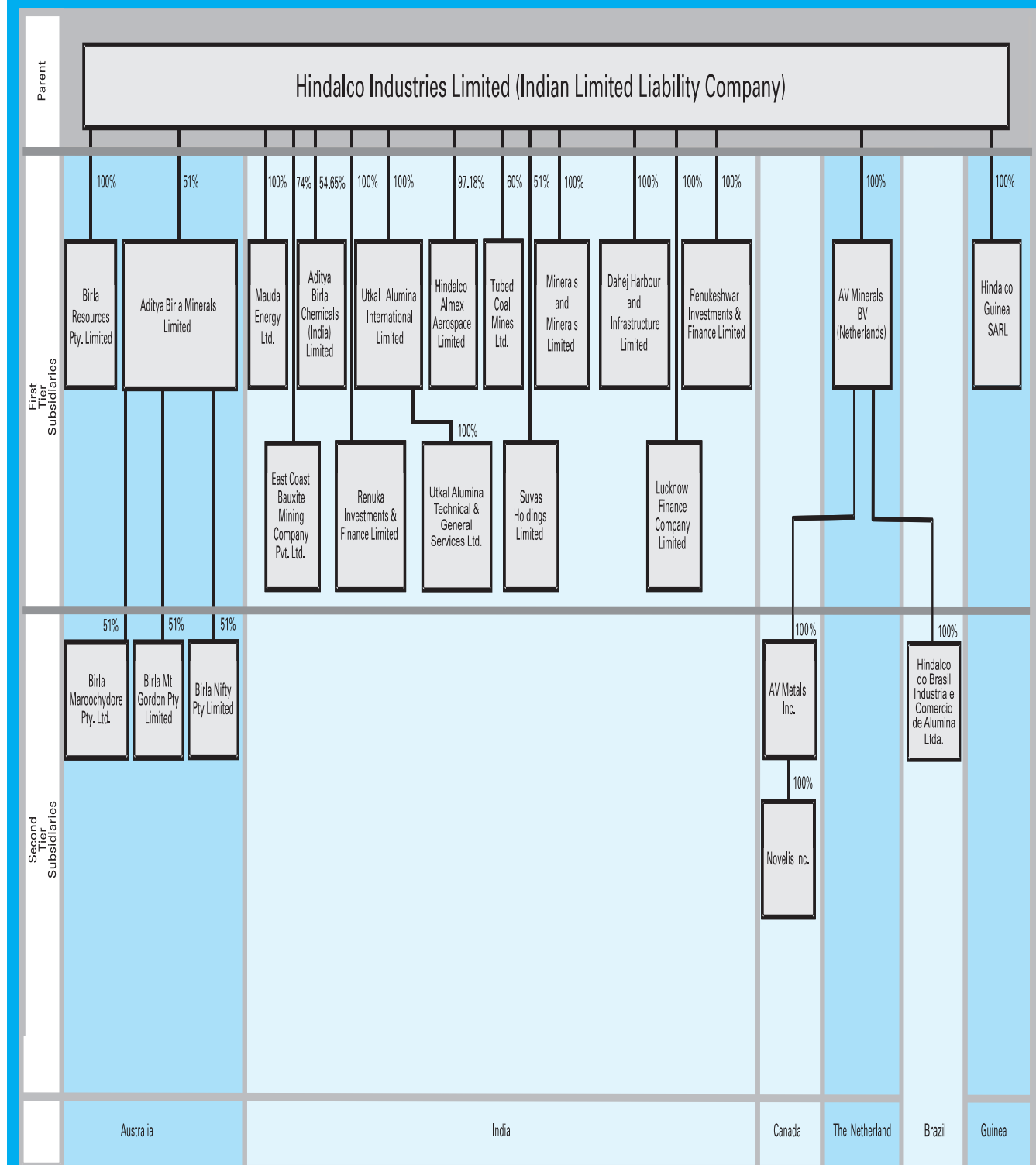
Anil Malik  
Company Secretary

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## Notes

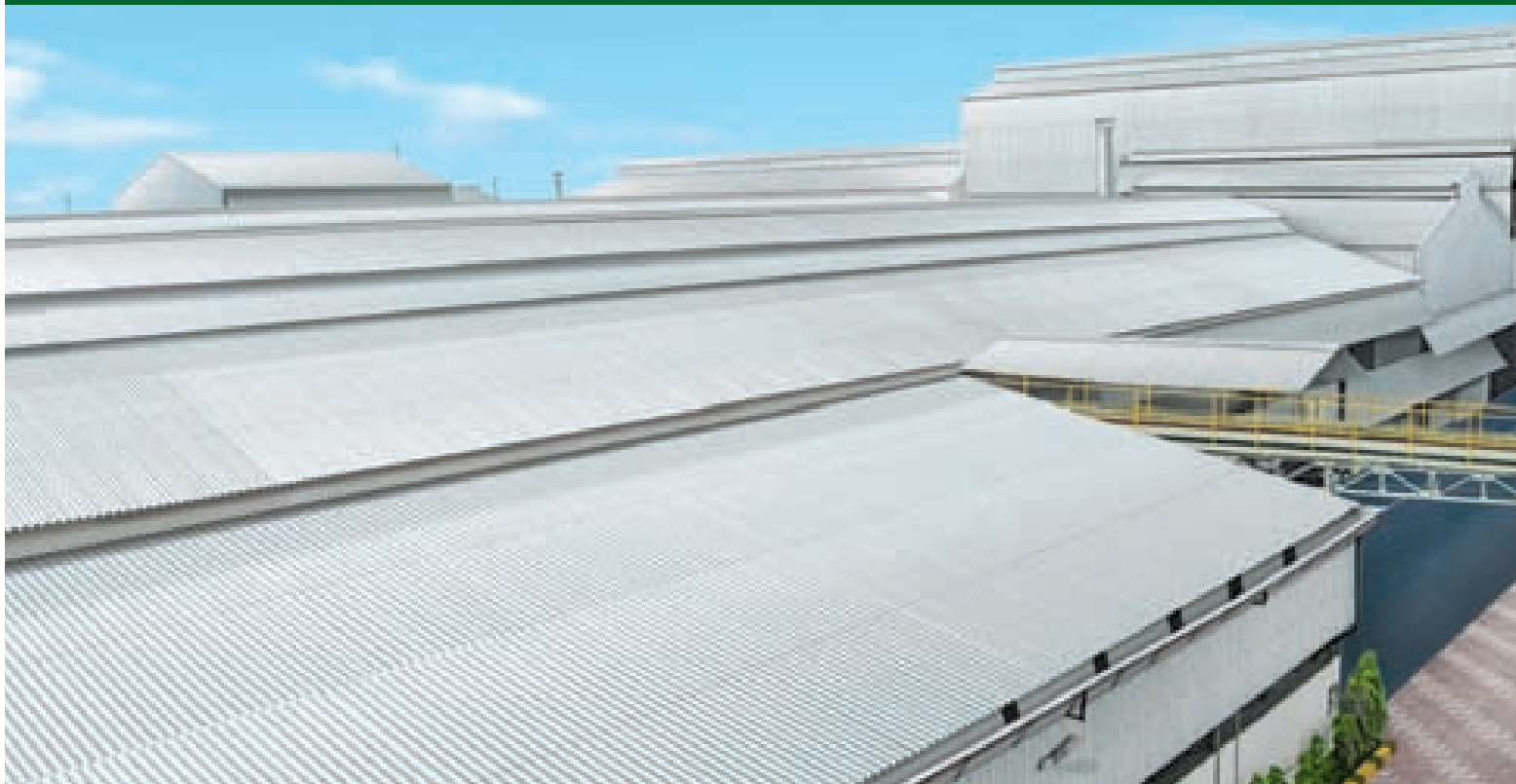
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## Hindalco Corporate Structure Diagram





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