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FISCAL YEAR

2007

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## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2007

(Rs Crores)

FINANCIAL RESULTS	Consolidated Financial Results				
	Nine months Ended 31st Dec 2006	Quarter Ended 31st March		Year Ended 31st March	
		2007	2006	2007	2006
Income from Operations	5,841.47	2,592.69	1,796.17	8,434.16	5,163.09
Less: Excise Duty	127.57	48.59	41.13	176.16	156.16
<b>Net Income from Operations</b>	<b>5,713.90</b>	<b>2,544.10</b>	<b>1,755.04</b>	<b>8,258.00</b>	<b>5,006.93</b>
Other Income	43.81	20.21	7.69	64.02	33.32
<b>Total Income</b>	<b>5,757.71</b>	<b>2,564.31</b>	<b>1,762.73</b>	<b>8,322.02</b>	<b>5,040.25</b>
<b>Total Expenditure:</b>					
Decrease / (Increase) in Stock in Trade	(39.20)	(14.64)	(14.34)	(53.84)	(47.30)
Cost of Raw Materials/Traded Goods	1,459.88	502.73	451.37	1,962.61	1,502.56
Staff Cost	820.30	407.97	132.04	1,228.27	434.51
Other Expenditure	1,834.80	827.50	431.00	2,662.30	1,368.69
Change in valuation of liability in respect of life insurance policies in force	847.85	535.70	562.90	1,383.55	1,166.06
<b>Profit Before Interest, Depreciation &amp; Tax</b>	<b>834.08</b>	<b>305.05</b>	<b>199.76</b>	<b>1,139.13</b>	<b>615.73</b>
Interest and Finance Expenses	270.56	115.52	41.68	386.08	117.06
Add: Interest Income	17.11	6.09	5.54	23.20	13.23
<b>Profit Before Depreciation &amp; Tax</b>	<b>580.63</b>	<b>195.62</b>	<b>163.62</b>	<b>776.25</b>	<b>511.90</b>
Depreciation and Amortisation	305.81	116.97	74.74	422.78	224.97
<b>Profit Before Tax and Exceptional Items</b>	<b>274.82</b>	<b>78.65</b>	<b>88.88</b>	<b>353.47</b>	<b>286.93</b>
Gain on sale of Subsidiary	-	2.53	-	2.53	-
VRS Cost	(2.01)	-	(0.98)	(2.01)	(4.04)
<b>Profit After Exceptional Items</b>	<b>272.81</b>	<b>81.18</b>	<b>87.90</b>	<b>353.99</b>	<b>282.89</b>
<b>Less: Provision for Taxation:</b>					
Current Tax	92.20	22.38	32.57	114.58	96.81
Deferred Tax (Net)	5.58	12.45	(4.61)	18.03	(5.51)
Fringe Benefit Tax	6.40	2.86	3.04	9.26	8.19
Provision for Tax for earlier years written back	(9.06)	(21.25)	(5.44)	(30.31)	(5.37)
<b>Net Profit (Before Minority Interest)</b>	<b>177.69</b>	<b>64.74</b>	<b>62.34</b>	<b>242.43</b>	<b>188.77</b>
Less : Minority Interest	(20.56)	(17.78)	(7.31)	(38.34)	(14.90)
Share of Profit/(Loss) of Associates	0.46	-	0.46	0.46	0.37
<b>Net Profit</b>	<b>198.71</b>	<b>82.52</b>	<b>70.11</b>	<b>281.23</b>	<b>204.04</b>
Equity Share Capital/Share Capital Suspense (Face Value of Rs.10 each) Reserve	83.50			93.31 3400.20	83.50 1,914.83
Basic Earnings Per Share (Rs)	22.94	9.00	7.89	32.00	26.12
Diluted Earnings Per Share (Rs)	22.94	8.99	7.89	31.98	26.11

ADITYA BIRLA NUVO



## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2007

(Rs Crores)

SEGMENT REPORTING	Consolidated Financial Results				
	Nine months Ended 31st Dec 2006	Quarter Ended 31st March		Year Ended 31st March	
		2007	2006	2007	2006
<b>Segment Revenue</b>					
Garments	611.45	218.93	158.36	830.38	620.64
Rayon Yarn (Including Caustic & Allied Chemicals)	334.04	107.42	100.45	441.46	385.55
Carbon Black	557.60	181.34	155.41	738.94	564.23
Insulators	155.13	70.17	68.21	225.30	249.19
Other Textiles (Spun Yarn & Fabrics)	466.05	158.95	148.53	625.00	527.69
Fertilizers	580.77	197.71	155.64	778.48	379.39
Financial Services	90.92	45.63	28.22	136.55	70.97
Life Insurance	1,239.77	720.24	703.28	1,960.01	1,575.37
Software	68.73	24.85	25.49	93.58	85.79
BPO	641.68	373.86	43.48	1,015.54	163.30
Telecom	972.73	449.08	170.44	1,421.81	388.32
Others	0.74	0.24	0.24	0.98	0.97
<b>Total Segmental Revenue</b>	<b>5,719.61</b>	<b>2,548.42</b>	<b>1,757.75</b>	<b>8,268.03</b>	<b>5,011.41</b>
<b>Less: Inter Segment Revenue</b>	<b>(5.71)</b>	<b>(4.32)</b>	<b>(2.71)</b>	<b>(10.03)</b>	<b>(4.48)</b>
<b>Net Income from Operations</b>	<b>5,713.90</b>	<b>2,544.10</b>	<b>1,755.04</b>	<b>8,258.00</b>	<b>5,006.93</b>
<b>Segment Results (Profit before Interest and Tax - PBIT)</b>					
Garments	48.07	16.50	9.03	64.57	33.09
Rayon Yarn (Including Caustic & Allied Chemicals)	76.43	12.31	22.28	88.74	64.22
Carbon Black	86.61	29.42	17.98	116.03	75.85
Insulators	22.49	20.31	10.04	42.80	31.21
Other Textiles (Spun Yarn & Fabrics)	40.99	11.14	10.12	52.13	41.44
Fertilizers	69.73	31.16	20.92	100.89	55.55
Financial Services	26.74	6.78	6.96	33.52	22.45
Life Insurance	(70.62)	(64.83)	(27.86)	(135.45)	(57.94)
Software	2.11	2.75	2.17	4.86	3.78
BPO	25.93	7.83	7.12	33.76	28.15
Telecom	175.25	95.81	41.33	271.06	73.10
Others	0.42	0.01	(0.03)	0.43	0.66
<b>Total Segment Result</b>	<b>504.15</b>	<b>169.19</b>	<b>120.06</b>	<b>673.34</b>	<b>371.56</b>
<b>Less: Interest &amp; Finance Expenses (Net)</b>	<b>(228.99)</b>	<b>(91.89)</b>	<b>(30.23)</b>	<b>(320.88)</b>	<b>(87.41)</b>
<b>Add: Net of Unallocable Income/(Expenditure)</b>	<b>(0.34)</b>	<b>1.35</b>	<b>(0.95)</b>	<b>1.01</b>	<b>2.78</b>
<b>Profit Before Tax and Exceptional Items</b>	<b>274.82</b>	<b>78.65</b>	<b>88.88</b>	<b>353.47</b>	<b>286.93</b>
Gain on sale of Subsidiary	-	2.53	-	2.53	-
VRS Cost	(2.01)	-	(0.98)	(2.01)	(4.04)
<b>Profit After Exceptional Items</b>	<b>272.81</b>	<b>81.18</b>	<b>87.90</b>	<b>353.99</b>	<b>282.89</b>
<b>Capital Employed (Segment Assets - Segment Liabilities)</b>	<b>As on 31st Dec 06</b>			<b>As on 31st March 07</b>	<b>As on 31st March 06</b>
Garments	434.08			494.89	346.77
Rayon Yarn (Including Caustic & Allied Chemicals)	434.53			450.54	408.23
Carbon Black	466.33			487.25	409.00
Insulators	164.12			186.10	103.21
Other Textiles (Spun Yarn & Fabrics)	306.33			311.17	232.54
Fertilizers	315.33			400.75	303.35
Financial Services	226.54			146.58	123.89
Life Insurance	223.48			226.96	155.18
Software	24.75			29.13	23.14
BPO	886.56			910.74	72.78
Telecom	1,950.30			2,417.48	916.48
Others	46.15			29.68	29.09
<b>Total Segment Capital Employed</b>	<b>5,478.50</b>			<b>6,091.27</b>	<b>3,123.66</b>
<b>Add: Unallocated Corporate Assets</b>	<b>2,132.41</b>			<b>2,468.55</b>	<b>1,070.52</b>
<b>Total Capital Employed</b>	<b>7,610.91</b>			<b>8,559.82</b>	<b>4,194.18</b>

ADITYA BIRLA NUVO



## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2007

(Rs Crores)

FINANCIAL RESULTS	Standalone Financial Results				
	Nine months Ended 31st Dec 2006	Quarter Ended 31st March		Year Ended 31st March	
		2007	2006	2007	2006
Income from Operations	2,679.04	898.85	800.52	3,577.89	2,786.39
Less: Excise Duty	118.22	39.20	37.70	157.42	144.34
<b>Net Income from Operations</b>	<b>2,560.82</b>	<b>859.65</b>	<b>762.82</b>	<b>3,420.47</b>	<b>2,642.05</b>
Other Income	33.87	10.64	4.87	44.51	23.44
<b>Total Income</b>	<b>2,594.69</b>	<b>870.29</b>	<b>767.69</b>	<b>3,464.98</b>	<b>2,665.49</b>
<b>Total Expenditure:</b>					
Decrease / (Increase) in Stock in Trade	(40.01)	(5.47)	(15.26)	(45.48)	(47.32)
Cost of Raw Materials/Traded Goods	1,373.51	466.85	428.16	1,840.36	1,447.87
Staff Cost	149.20	44.02	47.47	193.22	164.10
Other Expenditure	652.04	221.05	174.82	873.09	657.45
<b>Profit Before Interest, Depreciation &amp; Tax</b>	<b>459.95</b>	<b>143.84</b>	<b>132.50</b>	<b>603.79</b>	<b>443.39</b>
Interest and Finance Expenses	144.23	51.17	22.50	195.40	68.55
Add: Interest Income	22.13	2.11	5.73	24.24	12.76
<b>Profit Before Depreciation &amp; Tax</b>	<b>337.85</b>	<b>94.78</b>	<b>115.73</b>	<b>432.63</b>	<b>387.60</b>
Depreciation and Amortisation	92.33	27.99	36.36	120.32	111.81
<b>Profit Before Tax and Exceptional Items</b>	<b>245.52</b>	<b>66.79</b>	<b>79.37</b>	<b>312.31</b>	<b>275.79</b>
Gain/(Loss) on Transfer of business	0.20	-	-	0.20	-
VRS Cost	(1.43)	-	(0.98)	(1.43)	(4.04)
<b>Profit After Exceptional Items</b>	<b>244.29</b>	<b>66.79</b>	<b>78.39</b>	<b>311.08</b>	<b>271.75</b>
<b>Less: Provision for Taxation:</b>					
Current Tax	80.93	17.89	30.66	98.82	92.97
Deferred Tax (Net)	7.00	8.16	(4.78)	15.16	(6.91)
Fringe Benefit Tax	2.56	0.83	1.33	3.39	4.25
Provision for Tax for earlier years written back	(8.91)	(22.35)	(5.49)	(31.26)	(5.49)
<b>Net Profit</b>	<b>162.71</b>	<b>62.26</b>	<b>56.67</b>	<b>224.97</b>	<b>186.93</b>
Equity Share Capital/Share Capital Suspense (Face Value of Rs.10 each) Reserve	83.50			93.31 3031.24	83.50 2124.11
Basic Earnings Per Share (Rs)	18.78	6.79	6.54	25.60	24.48
Diluted Earnings Per Share (Rs)	18.78	6.78	6.54	25.58	24.48
<b>Aggregate of Public Shareholding</b>					
Number of Shares	48,146,913			53,531,369	48,185,506
Percentage of Shareholding	57.66%			57.37%	57.70%



## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2007

(Rs Crores)

SEGMENT REPORTING	Standalone Financial Results				
	Nine months Ended 31st Dec 2006	Quarter Ended 31st March		Year Ended 31st March	
		2007	2006	2007	2006
<b>Segment Revenue</b>					
Garments	526.53	173.59	158.40	700.12	620.55
Rayon Yarn (Including Caustic & Allied Chemicals)	334.04	107.42	100.45	441.46	385.55
Carbon Black	557.60	181.34	155.41	738.94	564.23
Insulators	74.61	38.20	35.15	112.81	135.89
Other Textiles (Spun Yarn & Fabrics)	466.05	158.95	148.53	625.00	527.69
Fertilizers	580.77	197.71	155.64	778.48	379.39
Financial Services	24.85	2.80	10.80	27.65	31.64
<b>Total Segmental Revenue</b>	<b>2,564.45</b>	<b>860.01</b>	<b>764.38</b>	<b>3,424.46</b>	<b>2,644.94</b>
Less: Inter Segment Revenue	(3.63)	(0.36)	(1.56)	(3.99)	(2.89)
<b>Net Income from Operations</b>	<b>2,560.82</b>	<b>859.65</b>	<b>762.82</b>	<b>3,420.47</b>	<b>2,642.05</b>
<b>Segment Results (Profit before Interest and Tax - PBIT)</b>					
Garments	40.55	17.49	8.92	58.04	32.59
Rayon Yarn (Including Caustic & Allied Chemicals)	76.43	12.31	22.28	88.74	64.22
Carbon Black	86.61	29.42	17.98	116.03	75.85
Insulators	23.88	11.19	8.57	35.07	30.32
Other Textiles (Spun Yarn & Fabrics)	40.99	11.14	10.12	52.13	41.44
Fertilizers	69.73	31.16	20.92	100.89	55.55
Financial Services	7.46	0.30	3.59	7.76	11.38
<b>Total Segment Result</b>	<b>345.65</b>	<b>113.01</b>	<b>92.38</b>	<b>458.66</b>	<b>311.35</b>
Less: Interest & Finance Expenses (Net)	(109.59)	(47.70)	(12.06)	(157.29)	(40.59)
Add: Net of Unallocable Income/(Expenditure)	9.46	1.48	(0.95)	10.94	5.03
<b>Profit Before Tax and Exceptional Items</b>	<b>245.52</b>	<b>66.79</b>	<b>79.37</b>	<b>312.31</b>	<b>275.79</b>
Gain/(Loss) on Transfer of business	0.20	-	-	0.20	-
VRS Cost	(1.43)	-	(0.98)	(1.43)	(4.04)
<b>Profit After Exceptional Items</b>	<b>244.29</b>	<b>66.79</b>	<b>78.39</b>	<b>311.08</b>	<b>271.75</b>
<b>Capital Employed (Segment Assets - Segment Liabilities)</b>	<b>As on 31st Dec 06</b>			<b>As on 31st March 07</b>	<b>As on 31st March 06</b>
Garments	290.03			331.16	307.51
Rayon Yarn (Including Caustic & Allied Chemicals)	434.53			450.54	408.23
Carbon Black	466.33			487.25	409.00
Insulators	22.86			27.47	21.63
Other Textiles (Spun Yarn & Fabrics)	306.33			311.17	232.54
Fertilizers	315.33			400.75	303.35
Financial Services	97.14			15.75	77.14
<b>Total Segment Capital Employed</b>	<b>1,932.55</b>			<b>2,024.09</b>	<b>1,759.40</b>
Add: Unallocated Corporate Assets	3,261.47			3,780.30	1,690.87
<b>Total Capital Employed</b>	<b>5,194.02</b>			<b>5,804.39</b>	<b>3,450.27</b>

**Notes:**

1 Pursuant to a Rights Offer dated December 15, 2006 for Issue of 98,26,638 equity shares of Rs 10 each at a premium of Rs 783 per equity share, aggregating to Rs 779.25 crores, 98,00,201 equity shares of Rs 10 each fully paid up were allotted on February 13, 2007. Allotment of the balance 26,437 Equity Shares of Rs 10 each has been kept under abeyance pending receipt of necessary document for establishing title to these shares.

The Company has utilized Rs 400.00 Crs till March 31, 2007 for the purposes disclosed in the Letter of Offer for the Rights Issue and the balance amount (net of issue expenses) has been temporarily invested in short term liquid instruments/securities.

2 On February 28, 2007 Aditya Birla Telecom Limited a wholly owned subsidiary of the Company which holds Bihar Telecom License has been sold to Idea Cellular Ltd. Harwood Garment Private Limited and English Apparels Private Limited ceased to be subsidiary subsequent to their merger with their holding company Crafted Clothing Private Limited, which is a subsidiary of the Company.

During the current year, the Company through one of its subsidiary has floated Peter England Fashions Limited and Madura Garments Lifestyle Retail Company Limited for garment retailing.

3 The Board of Directors had in March 12, 2007 declared an interim dividend of 55% aggregating to Rs 51.32 crores. Together with the Corporate Dividend Tax of Rs 7.20 crores, the total payout was Rs 58.52 crores. The Board at its meeting held on date May 03, 2007 have decided not to recommend any further dividend and to treat the interim dividend as final dividend.

4 IDEA Cellular Limited (IDEA) a Joint Venture of the Company, raised Rs 2500 Crs through IPO including Green Shoe Option of Rs 318.75 crores. Pre-IPO the Company has made additional investment of Rs 225 Crs at Rs 75 per share raising its holding from 35.74% to 36.26% which has Post-IPO come down to 31.78%.

5 The Company has adopted Accounting Standard 15 (Revised) on 'Employee Benefits' issued by the Institute of Chartered Accountants of India which was mandatory from current financial year at the time of adoption. The incremental liabilities (net of taxes) at the beginning of the year, amounting to Rs.19.25 Crs has been adjusted against opening balance of General Reserve as per transitional provision.

6 Due to merger of Indo Gulf Fertilizers Limited and Birla Global Finance Limited from the Appointed Date i.e. September 01, 2005 the results for the full year are not strictly comparable with that of the corresponding year. Previous Year's/period's figures are regrouped/ rearranged wherever necessary.

7 Status of Investor Complaints for the quarter ended March 31, 2007.

	Opening	Received	Redressed	Pending
Related to Rights Issue:	NIL	953	852	101
Other:	NIL	2	2	NIL
<b>Total:</b>	<b>NIL</b>	<b>955</b>	<b>854</b>	<b>101*</b>

\* Out of 101 pending complaints, 87 complaints have since been resolved.

8 The above results have been reviewed by the Audit Committee of the Board and taken on record at the meeting of the Board of Directors held on May 03, 2007.

Place: Mumbai  
Date: May 03, 2007

**Dr. Bharat K. Singh**  
Managing Director

**ADITYA BIRLA NUVO LIMITED**  
Regd. Office: Indian Rayon Compound, Veraval 362266, GUJARAT.  
Web Site: <http://www.adityabirla.com>  
An Aditya Birla Group Company

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ADITYA BIRLA GROUP  
CORPORATE

ADITYA BIRLA NUVO



## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2007

(Rs Crores)

FINANCIAL RESULTS	Consolidated Financial Results				
	Nine months Ended 31st Dec 2006	Quarter Ended 31st March		Year Ended 31st March	
		2007	2006	2007	2006
Income from Operations	5,841.47	2,592.69	1,796.17	8,434.16	5,163.09
Less: Excise Duty	127.57	48.59	41.13	176.16	156.16
<b>Net Income from Operations</b>	<b>5,713.90</b>	<b>2,544.10</b>	<b>1,755.04</b>	<b>8,258.00</b>	<b>5,006.93</b>
Other Income	43.81	20.21	7.69	64.02	33.32
<b>Total Income</b>	<b>5,757.71</b>	<b>2,564.31</b>	<b>1,762.73</b>	<b>8,322.02</b>	<b>5,040.25</b>
<b>Total Expenditure:</b>					
Decrease / (Increase) in Stock in Trade	(39.20)	(14.64)	(14.34)	(53.84)	(47.30)
Cost of Raw Materials/Traded Goods	1,459.88	502.73	451.37	1,962.61	1,502.56
Staff Cost	820.30	407.97	132.04	1,228.27	434.51
Other Expenditure	1,834.80	827.50	431.00	2,662.30	1,368.69
Change in valuation of liability in respect of life Insurance policies in force	847.85	535.70	562.90	1,383.55	1,166.06
<b>Profit Before Interest, Depreciation &amp; Tax</b>	<b>834.08</b>	<b>305.05</b>	<b>199.76</b>	<b>1,139.13</b>	<b>615.73</b>
Interest and Finance Expenses	270.56	115.52	41.68	386.08	117.06
Add: Interest Income	17.11	6.09	5.54	23.20	13.23
<b>Profit Before Depreciation &amp; Tax</b>	<b>580.63</b>	<b>195.62</b>	<b>163.62</b>	<b>776.25</b>	<b>511.90</b>
Depreciation and Amortisation	305.81	116.97	74.74	422.78	224.97
<b>Profit Before Tax and Exceptional Items</b>	<b>274.82</b>	<b>78.65</b>	<b>88.88</b>	<b>353.47</b>	<b>286.93</b>
Gain on sale of Subsidiary	-	2.53	-	2.53	-
VRS Cost	(2.01)	-	(0.98)	(2.01)	(4.04)
<b>Profit After Exceptional Items</b>	<b>272.81</b>	<b>81.18</b>	<b>87.90</b>	<b>353.99</b>	<b>282.89</b>
<b>Less: Provision for Taxation:</b>					
Current Tax	92.20	22.38	32.57	114.58	96.81
Deferred Tax (Net)	5.58	12.45	(4.61)	18.03	(5.51)
Fringe Benefit Tax	6.40	2.86	3.04	9.26	8.19
Provision for Tax for earlier years written back	(9.06)	(21.25)	(5.44)	(30.31)	(5.37)
<b>Net Profit (Before Minority Interest)</b>	<b>177.69</b>	<b>64.74</b>	<b>62.34</b>	<b>242.43</b>	<b>188.77</b>
Less : Minority Interest	(20.56)	(17.78)	(7.31)	(38.34)	(14.90)
Share of Profit/(Loss) of Associates	0.46	-	0.46	0.46	0.37
<b>Net Profit</b>	<b>198.71</b>	<b>82.52</b>	<b>70.11</b>	<b>281.23</b>	<b>204.04</b>
Equity Share Capital/Share Capital Suspense (Face Value of Rs.10 each) Reserve	83.50			93.31 3400.20	83.50 1,914.83
Basic Earnings Per Share (Rs)	22.94	9.00	7.89	32.00	26.12
Diluted Earnings Per Share (Rs)	22.94	8.99	7.89	31.98	26.11



## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2007

(Rs Crores)

SEGMENT REPORTING	Consolidated Financial Results				
	Nine months Ended 31st Dec 2006	Quarter Ended 31st March		Year Ended 31st March	
		2007	2006	2007	2006
<b>Segment Revenue</b>					
Garments	611.45	218.93	158.36	830.38	620.64
Rayon Yarn (Including Caustic & Allied Chemicals)	334.04	107.42	100.45	441.46	385.55
Carbon Black	557.60	181.34	155.41	738.94	564.23
Insulators	155.13	70.17	68.21	225.30	249.19
Other Textiles (Spun Yarn & Fabrics)	466.05	158.95	148.53	625.00	527.69
Fertilizers	580.77	197.71	155.64	778.48	379.39
Financial Services	90.92	45.63	28.22	136.55	70.97
Life Insurance	1,239.77	720.24	703.28	1,960.01	1,575.37
Software	68.73	24.85	25.49	93.58	85.79
BPO	641.68	373.86	43.48	1,015.54	163.30
Telecom	972.73	449.08	170.44	1,421.81	388.32
Others	0.74	0.24	0.24	0.98	0.97
<b>Total Segmental Revenue</b>	<b>5,719.61</b>	<b>2,548.42</b>	<b>1,757.75</b>	<b>8,268.03</b>	<b>5,011.41</b>
Less: Inter Segment Revenue	(5.71)	(4.32)	(2.71)	(10.03)	(4.48)
<b>Net Income from Operations</b>	<b>5,713.90</b>	<b>2,544.10</b>	<b>1,755.04</b>	<b>8,258.00</b>	<b>5,006.93</b>
<b>Segment Results (Profit before Interest and Tax - PBIT)</b>					
Garments	48.07	16.50	9.03	64.57	33.09
Rayon Yarn (Including Caustic & Allied Chemicals)	76.43	12.31	22.28	88.74	64.22
Carbon Black	86.61	29.42	17.98	116.03	75.85
Insulators	22.49	20.31	10.04	42.80	31.21
Other Textiles (Spun Yarn & Fabrics)	40.99	11.14	10.12	52.13	41.44
Fertilizers	69.73	31.16	20.92	100.89	55.55
Financial Services	26.74	6.78	6.96	33.52	22.45
Life Insurance	(70.62)	(64.83)	(27.86)	(135.45)	(57.94)
Software	2.11	2.75	2.17	4.86	3.78
BPO	25.93	7.83	7.12	33.76	28.15
Telecom	175.25	95.81	41.33	271.06	73.10
Others	0.42	0.01	(0.03)	0.43	0.66
<b>Total Segment Result</b>	<b>504.15</b>	<b>169.19</b>	<b>120.06</b>	<b>673.34</b>	<b>371.56</b>
Less: Interest & Finance Expenses (Net)	(228.99)	(91.89)	(30.23)	(320.88)	(87.41)
Add: Net of Unallocable Income/(Expenditure)	(0.34)	1.35	(0.95)	1.01	2.78
<b>Profit Before Tax and Exceptional Items</b>	<b>274.82</b>	<b>78.65</b>	<b>88.88</b>	<b>353.47</b>	<b>286.93</b>
Gain on sale of Subsidiary	-	2.53	-	2.53	-
VRS Cost	(2.01)	-	(0.98)	(2.01)	(4.04)
<b>Profit After Exceptional Items</b>	<b>272.81</b>	<b>81.18</b>	<b>87.90</b>	<b>353.99</b>	<b>282.89</b>
<b>Capital Employed (Segment Assets - Segment Liabilities)</b>	<b>As on 31st Dec 06</b>			<b>As on 31st March 07</b>	<b>As on 31st March 06</b>
Garments	434.08			494.89	346.77
Rayon Yarn (Including Caustic & Allied Chemicals)	434.53			450.54	408.23
Carbon Black	466.33			487.25	409.00
Insulators	164.12			186.10	103.21
Other Textiles (Spun Yarn & Fabrics)	306.33			311.17	232.54
Fertilizers	315.33			400.75	303.35
Financial Services	226.54			146.58	123.89
Life Insurance	223.48			226.96	155.18
Software	24.75			29.13	23.14
BPO	886.56			910.74	72.78
Telecom	1,950.30			2,417.48	916.48
Others	46.15			29.68	29.09
<b>Total Segment Capital Employed</b>	<b>5,478.50</b>			<b>6,091.27</b>	<b>3,123.66</b>
Add: Unallocated Corporate Assets	2,132.41			2,468.55	1,070.52
<b>Total Capital Employed</b>	<b>7,610.91</b>			<b>8,559.82</b>	<b>4,194.18</b>

ADITYA BIRLA NUVO



## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2007

(Rs Crores)

FINANCIAL RESULTS	Standalone Financial Results				
	Nine months Ended 31st Dec 2006	Quarter Ended 31st March		Year Ended 31st March	
		2007	2006	2007	2006
Income from Operations	2,679.04	898.85	800.52	3,577.89	2,786.39
Less: Excise Duty	118.22	39.20	37.70	157.42	144.34
<b>Net Income from Operations</b>	<b>2,560.82</b>	<b>859.65</b>	<b>762.82</b>	<b>3,420.47</b>	<b>2,642.05</b>
Other Income	33.87	10.64	4.87	44.51	23.44
<b>Total Income</b>	<b>2,594.69</b>	<b>870.29</b>	<b>767.69</b>	<b>3,464.98</b>	<b>2,665.49</b>
<b>Total Expenditure:</b>					
Decrease / (Increase) in Stock in Trade	(40.01)	(5.47)	(15.26)	(45.48)	(47.32)
Cost of Raw Materials/Traded Goods	1,373.51	466.85	428.16	1,840.36	1,447.87
Staff Cost	149.20	44.02	47.47	193.22	164.10
Other Expenditure	652.04	221.05	174.82	873.09	657.45
<b>Profit Before Interest, Depreciation &amp; Tax</b>	<b>459.95</b>	<b>143.84</b>	<b>132.50</b>	<b>603.79</b>	<b>443.39</b>
Interest and Finance Expenses	144.23	51.17	22.50	195.40	68.55
Add: Interest Income	22.13	2.11	5.73	24.24	12.76
<b>Profit Before Depreciation &amp; Tax</b>	<b>337.85</b>	<b>94.78</b>	<b>115.73</b>	<b>432.63</b>	<b>387.60</b>
Depreciation and Amortisation	92.33	27.99	36.36	120.32	111.81
<b>Profit Before Tax and Exceptional Items</b>	<b>245.52</b>	<b>66.79</b>	<b>79.37</b>	<b>312.31</b>	<b>275.79</b>
Gain/(Loss) on Transfer of business	0.20	-	-	0.20	-
VRS Cost	(1.43)	-	(0.98)	(1.43)	(4.04)
<b>Profit After Exceptional Items</b>	<b>244.29</b>	<b>66.79</b>	<b>78.39</b>	<b>311.08</b>	<b>271.75</b>
<b>Less: Provision for Taxation:</b>					
Current Tax	80.93	17.89	30.66	98.82	92.97
Deferred Tax (Net)	7.00	8.16	(4.78)	15.16	(6.91)
Fringe Benefit Tax	2.56	0.83	1.33	3.39	4.25
Provision for Tax for earlier years written back	(8.91)	(22.35)	(5.49)	(31.26)	(5.49)
<b>Net Profit</b>	<b>162.71</b>	<b>62.26</b>	<b>56.67</b>	<b>224.97</b>	<b>186.93</b>
Equity Share Capital/Share Capital Suspense (Face Value of Rs.10 each) Reserve	83.50			93.31 3031.24	83.50 2124.11
Basic Earnings Per Share (Rs)	18.78	6.79	6.54	25.60	24.48
Diluted Earnings Per Share (Rs)	18.78	6.78	6.54	25.58	24.48
<b>Aggregate of Public Shareholding</b>					
Number of Shares	48,146,913			53,531,369	48,185,506
Percentage of Shareholding	57.66%			57.37%	57.70%



## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2007

(Rs Crores)

SEGMENT REPORTING	Standalone Financial Results				
	Nine months Ended 31st Dec 2006	Quarter Ended 31st March		Year Ended 31st March	
		2007	2006	2007	2006
<b>Segment Revenue</b>					
Garments	526.53	173.59	158.40	700.12	620.55
Rayon Yarn (Including Caustic & Allied Chemicals)	334.04	107.42	100.45	441.46	385.55
Carbon Black	557.60	181.34	155.41	738.94	564.23
Insulators	74.61	38.20	35.15	112.81	135.89
Other Textiles (Spun Yarn & Fabrics)	466.05	158.95	148.53	625.00	527.69
Fertilizers	580.77	197.71	155.64	778.48	379.39
Financial Services	24.85	2.80	10.80	27.65	31.64
<b>Total Segmental Revenue</b>	<b>2,564.45</b>	<b>860.01</b>	<b>764.38</b>	<b>3,424.46</b>	<b>2,644.94</b>
<b>Less: Inter Segment Revenue</b>	<b>(3.63)</b>	<b>(0.36)</b>	<b>(1.56)</b>	<b>(3.99)</b>	<b>(2.89)</b>
<b>Net Income from Operations</b>	<b>2,560.82</b>	<b>859.65</b>	<b>762.82</b>	<b>3,420.47</b>	<b>2,642.05</b>
<b>Segment Results (Profit before Interest and Tax - PBIT)</b>					
Garments	40.55	17.49	8.92	58.04	32.59
Rayon Yarn (Including Caustic & Allied Chemicals)	76.43	12.31	22.28	88.74	64.22
Carbon Black	86.61	29.42	17.98	116.03	75.85
Insulators	23.88	11.19	8.57	35.07	30.32
Other Textiles (Spun Yarn & Fabrics)	40.99	11.14	10.12	52.13	41.44
Fertilizers	69.73	31.16	20.92	100.89	55.55
Financial Services	7.46	0.30	3.59	7.76	11.38
<b>Total Segment Result</b>	<b>345.65</b>	<b>113.01</b>	<b>92.38</b>	<b>458.66</b>	<b>311.35</b>
<b>Less: Interest &amp; Finance Expenses (Net)</b>	<b>(109.59)</b>	<b>(47.70)</b>	<b>(12.06)</b>	<b>(157.29)</b>	<b>(40.59)</b>
<b>Add: Net of Unallocable Income/(Expenditure)</b>	<b>9.46</b>	<b>1.48</b>	<b>(0.95)</b>	<b>10.94</b>	<b>5.03</b>
<b>Profit Before Tax and Exceptional Items</b>	<b>245.52</b>	<b>66.79</b>	<b>79.37</b>	<b>312.31</b>	<b>275.79</b>
Gain/(Loss) on Transfer of business	0.20	-	-	0.20	-
VRS Cost	(1.43)	-	(0.98)	(1.43)	(4.04)
<b>Profit After Exceptional Items</b>	<b>244.29</b>	<b>66.79</b>	<b>78.39</b>	<b>311.08</b>	<b>271.75</b>
<b>Capital Employed (Segment Assets - Segment Liabilities)</b>	<b>As on 31st Dec 06</b>			<b>As on 31st March 07</b>	<b>As on 31st March 06</b>
Garments	290.03			331.16	307.51
Rayon Yarn (Including Caustic & Allied Chemicals)	434.53			450.54	408.23
Carbon Black	466.33			487.25	409.00
Insulators	22.86			27.47	21.63
Other Textiles (Spun Yarn & Fabrics)	306.33			311.17	232.54
Fertilizers	315.33			400.75	303.35
Financial Services	97.14			15.75	77.14
<b>Total Segment Capital Employed</b>	<b>1,932.55</b>			<b>2,024.09</b>	<b>1,759.40</b>
<b>Add: Unallocated Corporate Assets</b>	<b>3,261.47</b>			<b>3,780.30</b>	<b>1,690.87</b>
<b>Total Capital Employed</b>	<b>5,194.02</b>			<b>5,804.39</b>	<b>3,450.27</b>

**Notes:**

1 Pursuant to a Rights Offer dated December 15, 2006 for issue of 98,26,638 equity shares of Rs 10 each at a premium of Rs 783 per equity share, aggregating to Rs 779.25 crores, 98,00,201 equity shares of Rs 10 each fully paid up were allotted on February 13, 2007. Allotment of the balance 26,437 Equity Shares of Rs 10 each has been kept under abeyance pending receipt of necessary document for establishing title to these shares.

The Company has utilized Rs 400.00 Crs till March 31, 2007 for the purposes disclosed in the Letter of Offer for the Rights Issue and the balance amount (net of issue expenses) has been temporarily invested in short term liquid instruments/securities.

2 On February 28, 2007 Aditya Birla Telecom Limited a wholly owned subsidiary of the Company which holds Bihar Telecom License has been sold to Idea Cellular Ltd. Harwood Garment Private Limited and English Apparels Private Limited ceased to be subsidiary subsequent to their merger with their holding company Crafted Clothing Private Limited, which is a subsidiary of the Company.

During the current year, the Company through one of its subsidiary has floated Peter England Fashions Limited and Madura Garments Lifestyle Retail Company Limited for garment retailing.

3 The Board of Directors had in March 12, 2007 declared an interim dividend of 55% aggregating to Rs 51.32 crores. Together with the Corporate Dividend Tax of Rs 7.20 crores, the total payout was Rs 58.52 crores. The Board at its meeting held on date May 03, 2007 have decided not to recommend any further dividend and to treat the interim dividend as final dividend.

4 IDEA Cellular Limited (IDEA) a Joint Venture of the Company, raised Rs 2500 Crs through IPO including Green Shoe Option of Rs 318.75 crores. Pre-IPO the Company has made additional investment of Rs 225 Crs at Rs 75 per share raising its holding from 35.74% to 36.26% which has Post-IPO come down to 31.78%.

5 The Company has adopted Accounting Standard 15 (Revised) on 'Employee Benefits' issued by the Institute of Chartered Accountants of India which was mandatory from current financial year at the time of adoption. The incremental liabilities (net of taxes) at the beginning of the year, amounting to Rs.19.25 Crs has been adjusted against opening balance of General Reserve as per transitional provision.

6 Due to merger of Indo Gulf Fertilizers Limited and Birla Global Finance Limited from the Appointed Date i.e. September 01, 2005 the results for the full year are not strictly comparable with that of the corresponding year. Previous Year's/period's figures are regrouped/rearranged wherever necessary.

7 Status of Investor Complaints for the quarter ended March 31, 2007.

	Opening	Received	Redressed	Pending
Related to Rights Issue:	NIL	953	852	101
Other:	NIL	2	2	NIL
<b>Total:</b>	<b>NIL</b>	<b>955</b>	<b>854</b>	<b>101*</b>

\* Out of 101 pending complaints, 87 complaints have since been resolved.

8 The above results have been reviewed by the Audit Committee of the Board and taken on record at the meeting of the Board of Directors held on May 03, 2007.

Place: Mumbai  
Date: May 03, 2007

**Dr. Bharat K. Singh**  
Managing Director

**ADITYA BIRLA NUVO LIMITED**  
Regd. Office: Indian Rayon Compound, Veraval 362266, GUJARAT.  
Web Site: <http://www.adityabirla.com>

An Aditya Birla Group Company



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MAY - 7 2007

ADITYA BIRLA NUVO, AN ADITYA BIRLA GROUP COMPANYADITYA BIRLA GROUP  
LIMITEDREPORTS GOOD PERFORMANCE FOR THE YEAR ENDED MARCH 31, 2007

Consolidated Net Sales	<u>4<sup>th</sup> Quarter</u> Rs. 2544.1 Cr	<u>Full Year</u> Rs. 8258.0 Cr
Consolidated Net Profit	Rs. 82.5 Cr	Rs. 281.2 Cr

Particulars	Consolidated					
	Quarter ended on 31st March			Full Year ended on 31st March		
	2007	2006	Growth %	2007	2006	Growth %
Net Income from Operations	2,544.1	1,755.0	45	8,258.0	5,006.9	65
Operating Profit (PBDIT)	305.0	199.8	53	1,139.1	615.7	85
Profit before Depreciation & Tax	195.6	163.6	20	776.2	511.9	52
Net Profit (after Minority Interest)	82.5	70.1	18	281.2	204.1	38
EPS (Rs.)	9.0	7.9	14	32.0	26.1	23

Aditya Birla Nuvo has posted good performance for the year ended 31<sup>st</sup> March 2007

**Substantial growth in revenues**

The company's **consolidated** turnover of Rs. 8258.0 Crores is up by 65% over Rs. 5006.9 Crores achieved in the preceding year. The Company's **stand-alone** turnover at Rs. 3420.5 Crores grew by 29% vis-à-vis Rs. 2642.0 Crores attained in the preceding year.

Revenues from its subsidiaries and joint ventures, where the company has made substantial investments in the past, saw a phenomenal rise of 105%, from Rs. 2364.9 Crores to Rs. 4837.5 Crores. All the businesses are on high growth trajectory.

- ◆ **Telecom** business has shown a spectacular growth in revenues from Rs. 2965.5 Crores to Rs. 4366.4 Crores up by 47%, almost doubling the subscriber base. During the year, the Company raised its stake in Idea Cellular from 20.74% to 31.78% (post IPO)
- ◆ In **BPO** business revenues have soared to 1015.5 Crores with the acquisition of Minacs on 18<sup>th</sup> August 2006. In the preceding year revenues stood at Rs. 163.3 Crores.
- ◆ **Life Insurance** has reported a total income of Rs. 1960.0 Crores, up by 24 % with an increase in its distribution reach.
- ◆ **Garments** business achieved a turnover of Rs. 830.4 Crores vis-à-vis Rs. 620.6 Crores while maintaining its Industry leadership.

The Company's consolidated Net Profit of Rs. 281.2 Crores grew by 38% over Rs. 204.1 Crores in the preceding year.

Its Stand-alone net profit at Rs. 225.0 Crores is higher by 20% as against Rs. 186.9 Crores earned preceding year. At the operating level all the businesses have done well. The Company's stand-alone operating profit is up by 36% at Rs. 603.8 Crores. **A major rise in interest cost on account of borrowings for the acquisition of a higher stake in Idea has strained profit numbers, which could have been much higher.**

The contribution of joint ventures and subsidiaries to Net Profit has been at Rs. 56.3 Crores as against Rs. 17.1 Crores preceding year.

- ◆ Telecom's Net Profit at Rs. 503.3 Crores vis-a-vis Rs. 211.8 Crores earned preceding year is commendable. The growth in profitability is despite launches in three new circles.
- ◆ Life insurance incurred higher losses due to higher spend on augmenting its sales force and opening new branches to regain the market share.
- ◆ The BPO business bottom line has been impacted by the interest burden on funding its new acquisition, restructuring and accounting readjustment at Minacs, to bring it at par with Indian accounting standards.
- ◆ In the stand alone businesses, Garments and Carbon Black have substantively contributed to the operating profit of the company.

### **Successful Completion of the Rights Issue**

The Company has raised Rs. 777.2 Crores through a rights issue. The equity share capital of the Company has increased from Rs. 83.5 Crores to Rs. 93.3 Crores. The proceeds are / being used for repayment of debt and fresh investments in Idea.

### **Dividend**

The Company had paid an interim dividend of 55% in March 2007 which was treated as the final dividend for the current year as against 50% preceding year. The dividend outgo, including dividend tax, has been at Rs. 58.5 Crores against Rs. 47.6 Crores preceding year.

### **Standalone Performance**

#### **Garments**

In branded garments business, fashion brands viz. Louis Philippe, Van Heusen Allen Solly and Espirit saw a healthy growth supported by new launches. The popular brand "Peter England" continued to expand its reach. Innovative merchandise and creative campaigns have resulted in an upsurge in brand equity; further entrenching Madura Garments' leadership status. The division is aggressively expanding its controlled retail space.

Rs. 525.7 Crores recorded in the preceding year. Operating Profit, on like to like basis, is up by 33% supported by better channel mix and pricing despite high discount and the dormancy phenomena across the industry.

The contract exports business has been divested into Madura Garment Exports Limited from July 1, 2006. Volumes increased through capacity expansion and revenues grew, on like to like basis, by 58% to Rs. 173.2 Crores. A new facility to manufacture shirts is slated to be completed by August'07, which will give a fillip to the Contract Exports business

### **Rayon Division**

VFY segment recorded sales volumes at 17,039 tonnes against 17,380 tonnes in the preceding year. Aided by a 13% increase in realisation rates, revenues stepped up by 11% to Rs. 288.6 Crores as against Rs. 260.4 Crores in the preceding year.

In Chlor-alkali segment, ECU realisation remained flat but the volumes rose by 18% backed by expanded caustic soda capacity. This resulted in a 22% growth in revenues at 152.8 Crores as against Rs. 125.2 Crores in the preceding year.

### **Carbon Black Division**

Capitalizing on the vibrant auto sector growth Carbon Black Division continues to show a robust performance. Sales volumes stood at 180893 tons, the highest ever recorded in a year. Realisation is up by 27% on account of high CBFS prices and optimized product, market and logistics mix. Revenues at Rs. 738.9 Crores extended by 31% vis-à-vis Rs. 564.2 Crores attained in the preceding year. Operating profits are higher by 43% at Rs.132.2 Cores.

### **Textiles Division**

Textiles Division's revenues have gone up by 18% to Rs. 625.0 Crores as against Rs. 527.7 Crores in the preceding year. Operating Profits increased by 19% at Rs. 67.4 Crores despite downsizing in the Synthetic segment which is being phased out. Linen fabric volumes remained flat. Linen yarn witnessed increase in volumes and the Wool segment outperformed with higher volumes and realizations.

### **Fertilisers Division**

Increased operational efficiencies coupled with the rising demand for urea, aided the Fertiliser division's production and sales to reach highest levels at 10.28 lacs MT and 10.44 lacs MT respectively for the year ended 31st March 2007. Its net turnover stood at Rs. 778.5 Crores, while operating profits have been impressive at Rs. 129.6 Crores. The stringent pricing policy norms announced on 8<sup>th</sup> March'2007 (with retrospective effect from 1<sup>st</sup> October 2006) have affected the profits for second half year.

Insulators business has reported revenues of Rs. 289.5 Crores vis-a-vis Rs. 362.5 Crores attained in the preceding year. Revenues have been affected by an illegal strike at the Halol plant for major part of the year. After amicable settlement with the workers in December 2006, the working of the plant is normalised now at improved efficiency, the full benefit of which will be reflected in financial year 2007-08. The business has reported a higher operating profit at Rs.54.3 Crores as against Rs. 44.0 Crores in the preceding year, supported by improved realizations and a strong demand for Insulators.

### **Other Joint Ventures and Subsidiaries**

In telecom business, **IDEA Cellular's** subscriber base at 14.01 million doubled over preceding year, recording an 8.63% market share. Revenues for the year showed an impressive jump of 47% at Rs. 4366.4 Crores. The Company posted a healthy rise in profits despite the gestation period for the three newly rolled out circles putting pressure on EBITDA margins. Idea strengthened its balance sheet by raising Rs. 2819 Crores through an IPO & Pre- IPO placement. Post IPO, Nuvo's share in Idea has diluted to 31.78%. The Mumbai and Bihar circles are expected to be operational by Januray'08.

In Life Insurance business at **Birla Sun Life Insurance**, the total premium income grew by 41% to Rs: 1735.2 Crores. The Individual business annualised premium grew by 41% at Rs. 1575.0 Crores. The Company is focusing on expanding its distribution reach; today it has 137 branches as against 85 in the preceding year and the direct sales force has increased to 56603 from 17986 in preceding year. As a result of these long-term investments, Net loss has increased to Rs. 139.7 Crores from Rs. 61.1 Crores in the preceding year.

In the Asset Management business at **Birla Sun Asset Management Company**, Assets Under Management (AUM) stood at Rs. 20849 Crores with 5.8% market share. Business reported revenues at Rs. 81.9 Crores and net profits at Rs. 14.3 Crores.

In BPO business, at **TransWorks**, revenues rose by 21% to Rs. 197.2 Crores supported by the improved share of non-voice business. **Minacs** reported revenues at Rs. 818.4 Crores for the period from 18<sup>th</sup> August 2006, the date of its acquisition to 31<sup>st</sup> March 2007. The Profits of Minacs have been affected by unusual items like one time restructuring cost and accounting readjustment expenses. In Philippines, Manila centre went live in March 2007.

On a combined basis the BPO business has 21 delivery centres in 7 countries across 3 continents. With global client base including 15 Fortune 500 companies; the business supports customers in 30 different languages. It has over 11000 employees worldwide. The BPO business now has a global delivery model with integrated management and marketing structure.

In software business at **PSI Data Systems**, Revenues stood at Rs. 93.6 Crores with a positive bottom line. The Company has ramped up its sales team and net staff strength is up from 573 to 684 during the year. The Company has added 20 marquee clients while focusing on core verticals viz. Corporate

## **Merger of Aditya Birla Insulators Limited**

The Board of Directors of the Company, at its meeting held on 3<sup>rd</sup> May, 2007, have approved, subject to requisite approvals, merger of Aditya Birla Insulators Limited (ABIL), a wholly owned subsidiary of the Company, with the Company with effect from 1<sup>st</sup> April, 2007 through a Scheme of Amalgamation (Scheme), u/s 391 to 394 of the Companies Act, 1956. On the Scheme coming into effect, the business of ABIL will be transferred to the Company on going concern basis.

## **Growth Initiatives**

- ◆ **Madura Garment** will aggressively pursue retailing of Lifestyle and Popular brands by expanding its reach with bigger size stores besides creating specialized outlets.
- ◆ **Carbon Black's** brown-field expansion of 60,000 TPA is targeted by the end of June 07. Land acquisition for 1,20,000 TPA green-field project in Western India is being accelerated.
- ◆ **Fertilisers** will focus on de-bottlenecking to increase capacity
- ◆ **Textiles** will increase its capacity in linen fabrics and flax yarns.
- ◆ **Insulator** is expanding its capacity and investing for yield improvement
- ◆ **Birla Sun Life insurance's** emphasis is on regaining its market position of being amongst the top three, increasing the branch network, strengthening its agency force and launching contemporary products.
- ◆ **AMC and Distribution** have aggressive branch opening plans as well.
- ◆ The **BPO business** is working on a global delivery model with an additional share of KPO business.
- ◆ **Telecom** will strengthen and expand its network in existing circles and better its reach through a roll out in Mumbai and Bihar circles. Plans for acquiring licences in the remaining circles are underway. National Long Distance roll out is being worked upon.

Investments in various businesses are happening in their growth phases which seem to be coinciding. Aditya Birla Nuvo is very optimistic about coping with the challenges of strategic and growth initiatives and stretching out in the short term.

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Aditya Birla Nuvo Limited  
Regd. Office: Indian Rayon Compound, Junagadh-Veraval Road, Veraval – 366 266 (Gujarat)  
Corporate Office: 4<sup>th</sup> Floor 'A' Wing, Aditya Birla Center, S.K. Ahire Marg, Worli, Mumbai – 400 030  
[www.adityabirla.com](http://www.adityabirla.com) or [www.adityabirlanuvo.co.in](http://www.adityabirlanuvo.co.in)

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# Performance Review

## FY 2006-07

Investors Presentation

ADITYA BIRLA NUVO



Mumbai, 3rd May 2007

# Contents



- Strategic Highlights
- Business-wise Performance
- Financial Performance
- Business Outlook and Strategy

# Strategic Highlights



- **Capital infusion of Rs. 777 Cr. through rights issue**
  - ➔ Equity share capital increased from Rs. 83.5 Cr to Rs. 93.3 Cr
  - ➔ Proceeds being used for repaying debt for Idea acquisition and fresh investment in Idea
- **BPO – Global delivery Model**
  - ➔ Integrated management structure and joint go to market launched successfully
  - ➔ In the process of achieving globally integrated technology / network architecture
  - ➔ New centre in Philippines went live in March'07
- **Idea – A growth story**
  - ➔ Idea strengthened its balance sheet by raising Rs. 2819 Cr through IPO & Pre-IPO placement
  - ➔ Nuvo's stake in Idea came down to 31.78% after IPO
  - ➔ Aggressive Capex planned for both capacity and coverage
  - ➔ Roll out of services in Mumbai & Bihar expected by January'08
  - ➔ Licenses for remaining circles being pursued

# Strategic Highlights

Cont...



- **Life Insurance - Aggressive approach to expand distribution reach**
  - ➔ Direct sales force increased to 57K from 18K in FY2006
  - ➔ Branches increased to 137 from 85 in FY2006
  - ➔ Position marginally improved in last quarter
- **Madura Garments – Retail expansion viewed as crux in the industry**
  - ➔ Thrust on expanding controlled retail space for own brands through EBOs
  - ➔ For accelerated & focused growth in garment retail sector, creating SPVs with underlined vision & strategy–
    - ◆ *Fashion Brands to enter pure play in Men's Lifestyle brand retailing*
    - ◆ *Large format stores offering affordable Peter England "Mega Retail brand" experience*
- **Carbon Black**
  - ➔ Brownfield expansion by 60,000 MT targeted in June-07
  - ➔ Accelerating Greenfield expansion by 120,000 MT in Western India
    - ◆ *Major part of land acquisition complete and environmental clearance under progress*

# Strategic Highlights



## ● Rayon

- ➔ Caustic soda capacity increased in Jan'07 by 25 TPD to 225 TPD
- ➔ 18 MW power plant commissioned in Sep'06, now stabilised.

## ● Fertilisers

- ➔ New fertiliser policy announced on 8<sup>th</sup> March'07 (w.e.f. 1<sup>st</sup> October 2006)
  - ◆ *Lower subsidy & stringent energy consumption norms*
  - ◆ *Benefit to accrue from separate reimbursement of transportation cost on Natural Gas*

## ● Textiles

- ➔ Continuous focus on Linen Fabric retail business.
- ➔ Capacity expansion in Linen Spinning progressing well.
- ➔ Downsizing of Synthetic operations commenced, to be completed in FY 08.

## ● Insulators

- ➔ JV with NGK terminated & company became Nuvo's subsidiary - to be merged in Nuvo
- ➔ Plant operations at Halol being stabilised with new productivity norms

# Business Performance – Value Businesses



Business	Growth		Highlights
	Revenue	PBIT	
Rayon	15%	38%	<ul style="list-style-type: none"> <li>● VFY revenue up by 11%                             <ul style="list-style-type: none"> <li>➔ Volumes remained flat (Exports up by 20%)</li> <li>➔ Realisation improved by 13%</li> </ul> </li> <li>● Chlor-alkali segment's revenue up by 22%                             <ul style="list-style-type: none"> <li>➔ Volumes up by 18% on the back of expanded capacity</li> <li>➔ Realisation were flat due to poor chlorine realisation</li> </ul> </li> <li>● Caustic Soda capacity increased by 65 TPD</li> <li>● Divisional revenue up by 15%</li> <li>● 18 MW Captive power plant set up in Sep'06                             <ul style="list-style-type: none"> <li>➔ Savings in power cost</li> </ul> </li> <li>● Thus, operating profit (PBDIT) at Rs. 119.7 Cr. jumped up by 33%</li> </ul>
Quarterly	7%	41.5%	

# Business Performance – Value Businesses



Business	Growth		Highlights
	Revenue	PBIT	
Carbon Black	Yearly	31%	<ul style="list-style-type: none"> <li>● Highest ever revenue (Rs. 739 Cr.) &amp; profit achieved</li> <li>● Operating margin improved in volatile CBFS scenario                             <ul style="list-style-type: none"> <li>➔ Optimised market &amp; logistics mix</li> <li>➔ Product mix linked to productivity &amp; contribution</li> </ul> </li> <li>● Capacity expansion of 60K MT targeted by June'07</li> </ul>
	Quarterly	17%	
Fertilisers	Yearly	20%	<ul style="list-style-type: none"> <li>● Higher volumes &amp; rise in input prices reflected in higher revenue of Rs. 778.5 Cr.</li> <li>● Operating profit sustained                             <ul style="list-style-type: none"> <li>➔ Despite higher energy consumption &amp; negative impact of new fertiliser policy</li> <li>➔ CDM credit Rs. 7 Cr. Globally first unit in fertiliser industry to receive CDM credit</li> </ul> </li> </ul>
	Quarterly	27%	

# Business Performance – Value Businesses



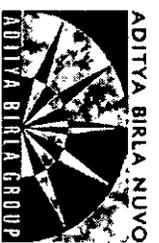
Business	Growth		Highlights
	Revenue	PBIT	
Textiles	Yearly ↑ 18%	↑ 26%	<ul style="list-style-type: none"> <li>● Linen yarn witnessed increase in volumes</li> <li>● Marginal growth in Linen Fabric volume</li> <li>● Wool segment outperformed with higher volumes and better product mix</li> <li>● Business posted higher revenue &amp; profit despite planned downsizing in Synthetic segment</li> </ul>
	Quarterly ↑ 8%	↑ 10%	
Insulators	Yearly ↓ 20%	↑ 32%	<ul style="list-style-type: none"> <li>● Lower volumes in Halol plant due to labour unrest                             <ul style="list-style-type: none"> <li>➔ After settlement, new productivity norms are in place</li> </ul> </li> <li>● Overall, higher realisation fetched higher profit</li> <li>● Exit of NGK is complete and manufacturing business is back on profitability</li> <li>● Plant is being expanded &amp; upgraded to meet the demand of booming power sector</li> </ul>
	Quarterly ↓ 37%	↑ 77%	

# Business Performance – Growth Businesses



Business	Growth		Highlights
	Revenue	PBIT	
Branded Garments	 28%	 52%	<ul style="list-style-type: none"> <li>● Revenue at Rs. 670.4 Cr. grew by 28%</li> <li>● Fashion Brands grew at 28% in revenue                             <ul style="list-style-type: none"> <li>➔ Brand momentum leveraged by launching sub-brands &amp; focus on own retail outlets</li> </ul> </li> <li>● Peter England achieved sustainable growth</li> <li>● Operating profit up by 33%                             <ul style="list-style-type: none"> <li>➔ Loss making SF jeans to be discontinued from FY'08</li> </ul> </li> <li>● Thrust on expanding retail space – Explosive growth in sector has led retail space a scarce commodity                             <ul style="list-style-type: none"> <li>➔ Controlled Retail space 3.1 Lacs Sq. Ft.</li> <li>➔ Locked additional 2.5 Lacs Sq. Ft.</li> </ul> </li> </ul>
Quarterly	 38%	 103%	

# Business Performance – Growth Businesses



Business	Growth		Highlights
	Revenue	PBIT	
Contract Exports	 58%		<ul style="list-style-type: none"> <li>● Volumes increased through capacity expansion</li> <li>● PBIT turned around from Rs (3.14) Cr to Rs 5.19 Cr</li> <li>● FSP business initiated in UK &amp; India                             <ul style="list-style-type: none"> <li>➔ To open soon in US</li> </ul> </li> <li>● 14 new customers added in Europe &amp; US</li> <li>● Greenfield shirts &amp; knits expansion by August'07</li> </ul>
Yearly	 58%		
Quarterly	 12%		

# Business Performance – Growth Businesses



Business	Growth		Highlights
	Revenue	PAT	
Telecom	47%	138%	<ul style="list-style-type: none"> <li>● End subscriber base at 14 Mn almost doubled than last year summing up to 8.6% market share                             <ul style="list-style-type: none"> <li>➔ Cell sites increased to 10311 covering 4432 towns</li> </ul> </li> <li>● EBITDA at 34% vis-à-vis 37% in FY 2005-06                             <ul style="list-style-type: none"> <li>➔ Gestating 3 circles impacted EBITDA percentage</li> <li>➔ Increased capex put pressure on opex</li> <li>➔ However, impact of lower rate per unit neutralised by operating efficiencies</li> </ul> </li> <li>● Roll out of NLD operation will strengthen margins</li> <li>● Roll out of services in Mumbai &amp; Bihar circles expected by January'08</li> <li>● Licenses for remaining circles being pursued</li> <li>● Aggressive Capex planned for both capacity and coverage</li> <li>● Eyeing benefits from comprehensive IT outsourcing deal with IBM</li> </ul>
Quarterly	59%	66%	
Yearly	47%	138%	

# Business Performance – Growth Businesses



Business	Growth		Highlights
	Revenue	PAT	
BPO – TransWorks	Yearly		<ul style="list-style-type: none"> <li>● Revenue up by 21% supported by improved 33% share of Non-Voice business</li> <li>● 10 new clients added during the year                             <ul style="list-style-type: none"> <li>➔ Fortune 500 clients increased to 7</li> <li>➔ Amongst Top 100 IT innovators in list of NASSCOM</li> </ul> </li> <li>● Interest cost on funds borrowed for acquisition of Minacs impacted profitability</li> </ul>
	Quarterly		
BPO-Minacs	Yearly		<ul style="list-style-type: none"> <li>● Revenue up by 18%. Added 6 new clients in FY07</li> <li>● Profitability impacted                             <ul style="list-style-type: none"> <li>➔ Higher training, ramp up &amp; debt restructuring costs</li> <li>➔ Amortisation of deferred expenses as per Indian GAAP</li> </ul> </li> <li>● Q4 FY07 showed sign of improvement</li> </ul>
	Quarterly		

# Business Performance – Growth Businesses



Business	Growth		Highlights
	Revenue	PAT	
Life Insurance	Yearly 24%	↓	<ul style="list-style-type: none"> <li>● New business premium grew by 25%</li> <li>● Significant steps taken to expand distribution reach                             <ul style="list-style-type: none"> <li>➔ Number of branches and advisors increased to 137 and 57K respectively</li> <li>➔ Two new products launched in March'07                                     <ul style="list-style-type: none"> <li>◆ <i>Supreme Life &amp; Children's Dream Plan</i></li> </ul> </li> </ul> </li> <li>● Resulting high operating costs impacted profitability</li> </ul>
Asset Management	Yearly 15%	↓	<ul style="list-style-type: none"> <li>● AUM stood at 20849 Cr. with 5.8 % market share</li> <li>● Profitability under pressure                             <ul style="list-style-type: none"> <li>➔ Higher proportion of low margin liquid funds in AUM</li> <li>➔ Higher marketing expenses on equity-oriented NFOs</li> </ul> </li> </ul>
	Quarterly 39%	↓	

# Business Performance – Growth Businesses



Business	Growth		Highlights
	Revenue	PAT	
Other Financial Services	Yearly		<ul style="list-style-type: none"> <li>Collateral finance continued to maintain leadership position</li> <li>Increase funding exposure to SME purchasers of Group manufacturing units with credit insurance</li> <li>Distribution business's AUM increased to Rs. 4953 Cr with 27% share of equity</li> <li>Insurance advisory business focusing on Non Group business</li> </ul>
	Quarterly		
IT Services	Yearly		<ul style="list-style-type: none"> <li>Revenue grew at a slow pace of 9%</li> <li>Ratio of high margin offshore business improved to 50% from 40% in last year</li> <li>Acquisition of 20 marquee clients during the year</li> <li>Sales team ramped up</li> </ul>
	Quarterly		



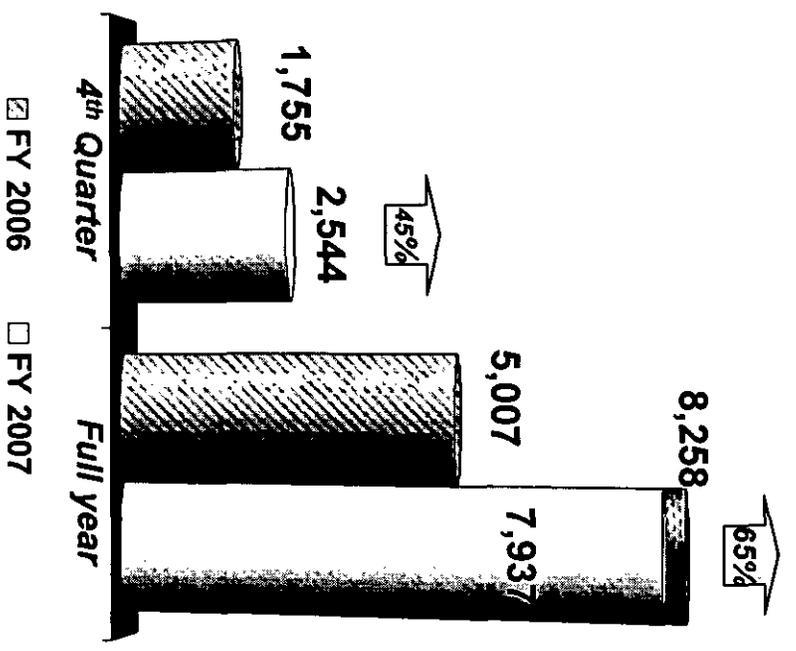
# Financial Performance

# Performance Highlights – Revenue

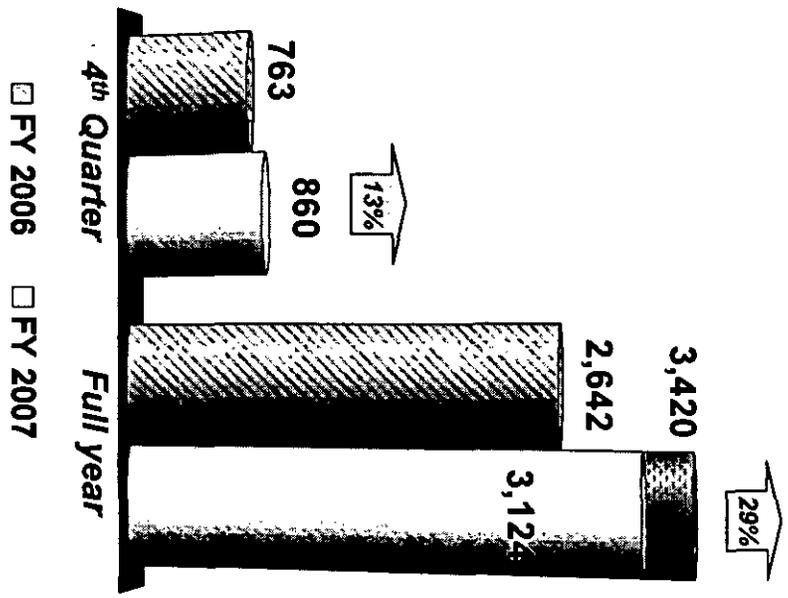
Rs. Cr.



## Consolidated



## Standalone



 Denotes revenue from Indo Gulf and Birla Global from April 1, 2006 to August 31, 2006

# Segmental Revenue - Consolidated

Rs. Cr.



4th Quarter		Revenue		Full Year	
Actual 2006-07	Actual 2005-06			Actual 2006-07	Actual 2005-06
859.7	762.8	Aditya Birla Nuvo		3,420.5	2,642.0
449.1	170.4	Nuvo's Share		1,421.8	388.3
1308.4	821.9	Telecom Total		4366.4	2965.5
373.9	43.5	BPO (Transworks & Minacs*)		1,015.5	163.3
720.2	703.3	Life Insurance		1,960.0	1,575.4
12.3	8.8	Nuvo's Share		41.0	21.7
24.6	17.7	Asset Management Total		81.9	43.5
24.9	25.5	IT Services		93.6	85.8
68.5	33.1	Nuvo's Share		154.5	113.3
68.5	66.1	Insulator Mfg. # Total		218.7	226.6
89.8	17.5	Others		262.6	33.9
54.3	9.8	Less: Inter Co. Elimination		111.5	16.9
1,684.4	992.2	Nuvo's Share in JVs/Subs		4,837.5	2,364.9
2,544.1	1,755.0	Nuvo Consolidated		8,258.0	5,006.9

\* Includes Minacs financials from August 18, 2006  
# Insulator manufacturing became subsidiary w.e.f Dec 1, 2006

13%  
60%  
2%70%  
45%

29%  
47%  
24%29%

105%  
65%  
17

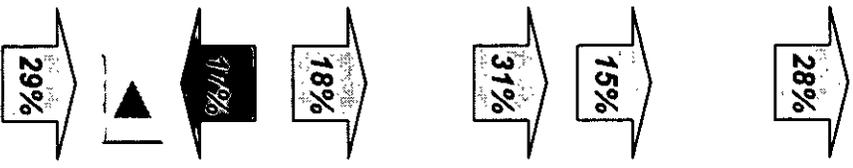
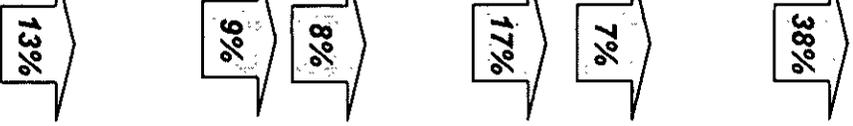
# Segmental Revenue – Standalone

Rs. Cr.



4th Quarter		Revenue		Full Year	
Actual 2006-07	Actual 2005-06			Actual 2006-07	Actual 2005-06
173.6	125.4	Garments - Branded		670.4	525.7
-	33.0	Garments - CE		29.7	94.9
107.4	100.5	Rayon		441.5	385.6
181.3	155.4	Carbon Black		738.9	564.2
197.7	155.6	Fertilisers		778.5	379.4
158.6	147.0	Textiles		621.0	524.8
38.2	35.1	Insulators		112.8	135.9
2.8	10.8	Financial Services		27.7	31.6
<b>859.7</b>	<b>762.8</b>	<b>Total</b>		<b>3,420.5</b>	<b>2,642.0</b>

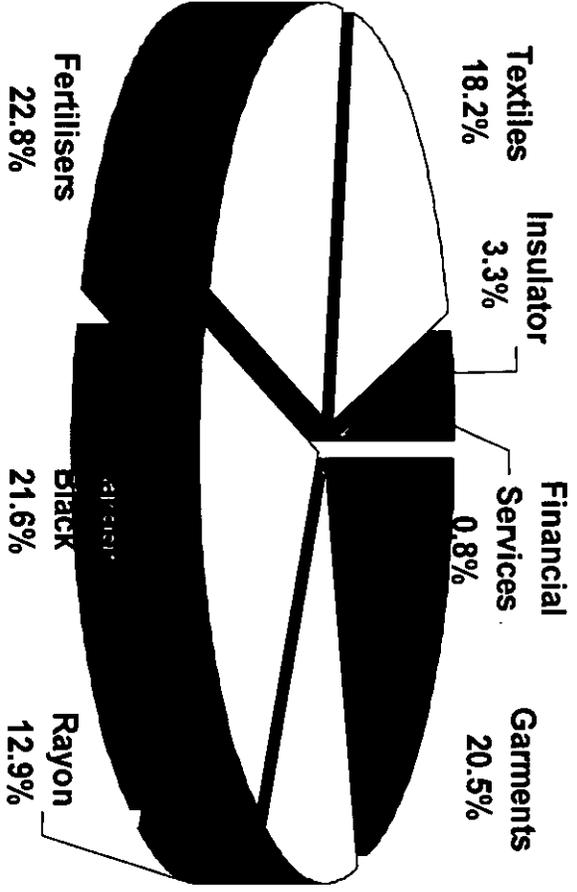
Note: Indo Gulf and Birla Global merged with Nuvo w.e.f September 1, 2005  
Garments' Contract export business has been divested w.e.f July 1, 2006



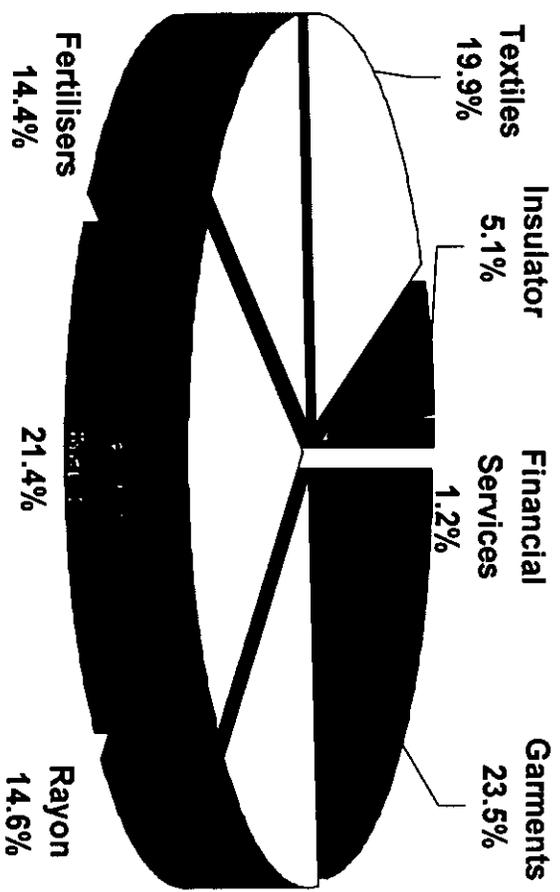
# Revenue Composition – Standalone



**FY 2007**



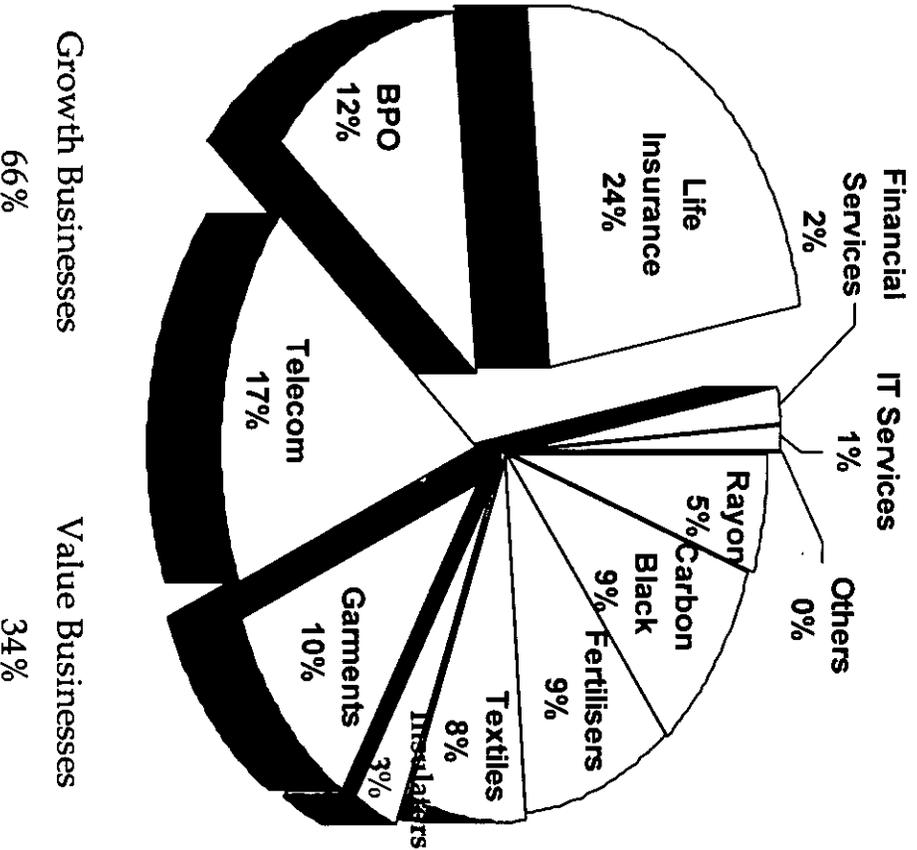
**FY 2006**



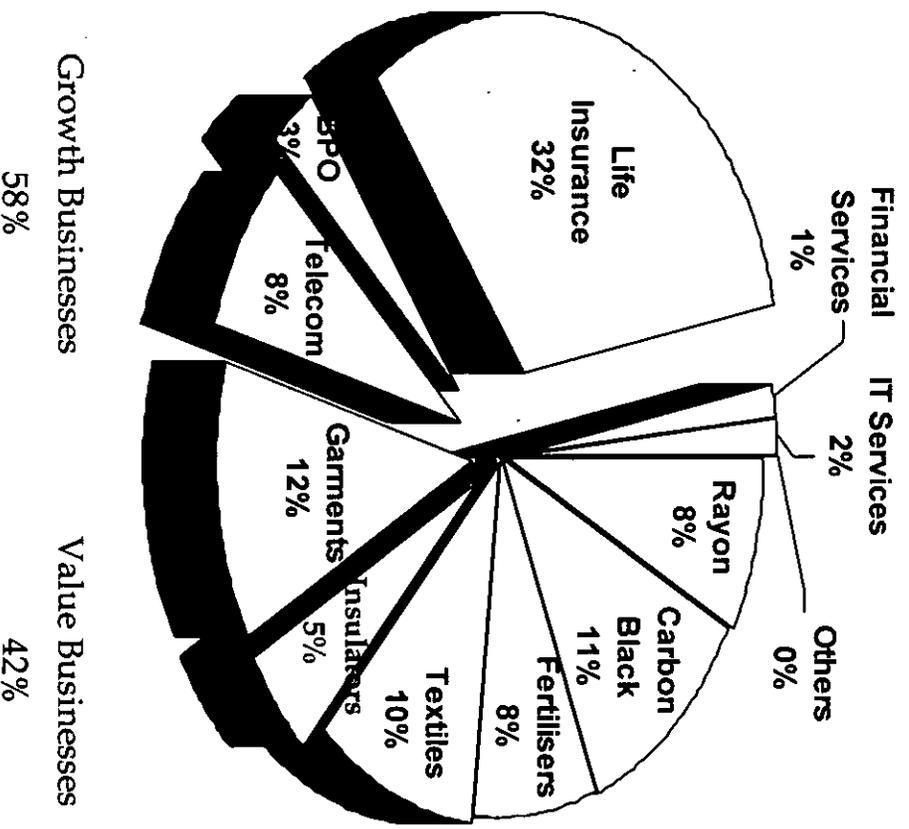
# Revenue Composition – Consolidated



**FY 2007**



**FY 2006**

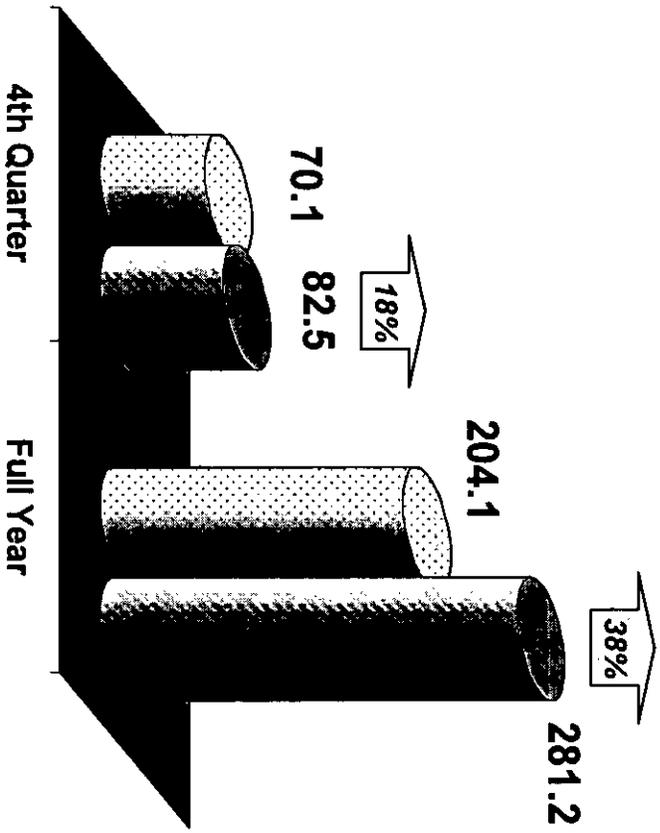


# Net Profit

Rs. Cr.

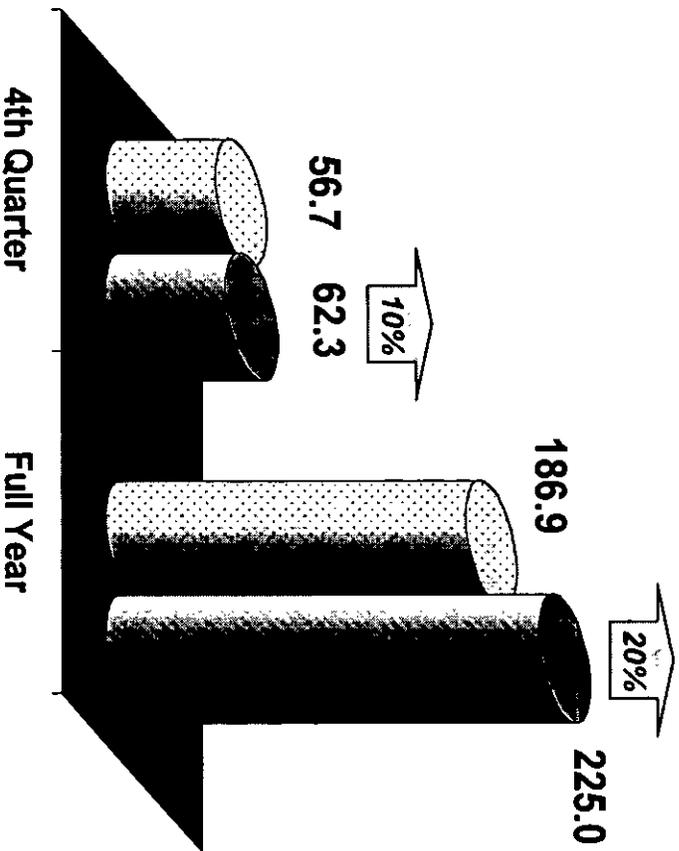


## Consolidated



FY 2006  FY 2007

## Standalone



FY 2006  FY 2007

# Segmental Net Profit – Consolidated

Rs. Cr.



4th Quarter		Net Profit		Full Year	
Actual 2006-07	Actual 2005-06			Actual 2006-07	Actual 2005-06
62.3	56.7	Nuvo Standalone		225.0	186.9
66.0	24.2	Telecom	Nuvo's Share	164.9	31.8
193.4	116.7		Total	503.3	211.8
(7.2)	6.7	BPO (Transworks & Minacs)		(17.5)	26.5
(66.0)	(29.0)	Life Insurance		(139.7)	(61.1)
(0.2)	1.4		Nuvo's Share	7.1	4.7
(0.5)	2.8	Asset Management	Total	14.3	9.4
2.0	1.5	IT Services		1.5	1.3
6.9	0.6		Nuvo's Share	3.5	(1.8)
6.9	1.3	Insulators Mfg.	Total	1.1	(3.6)
(1.4)	0.7	Others		5.7	3.0
(20.2)	(7.3)	Less: Inter Co. Elimination / M		(30.7)	(12.7)
20.3	13.4	Nuvo's Share in JVs/Subs		56.3	17.1
82.5	70.1	Nuvo Consolidated		281.2	204.1

10%

66%

18%

20%

138%

38%

\* Includes Minacs financials from August 18, 2006  
# Insulator manufacturing became subsidiary w.e.f Dec 1, 2006



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OFFICE OF INTERNATIONAL  
CORPORATE FINANCE

May 3, 2007

U.S. Securities and Exchange Commission  
Office of International Corporation Finance  
Division of Corporation Finance  
100 F Street, N.E.  
Washington D.C. 20549

**Re : Aditya Birla Nuvo Limited / SEC File No.82-34979 Rule 12g3-2(b) Submission**  
**Sub : Board Meeting – 3<sup>rd</sup> May, 2007**

Ladies and Gentlemen :

This letter supplements our prior correspondence with respect to Aditya Birla Nuvo Limited, a limited company incorporated under the laws of India (the “Company”).

Pursuant to Rule 12g3-2(b) (the “Rule”) promulgated under the Securities Exchange Act of 1934, as amended (the “Act”), enclosed please find one copy of the following document :

[Regulatory Announcement of the Company dated 09.04.2007]

The Company is providing the enclosed information and documents in reliance upon (i) paragraph (b)(4) of the Rule to the effect that such information and documents are not deemed “filed” with the Commission or otherwise subject to the liabilities under Section 18 of the Act and (ii) paragraph (b)(5) of the Rule to the effect that the furnishing of such information and documents shall not constitute an admission for any purpose that the Company is subject to the Act.

Very truly yours,  
For **ADITYA BIRLA NUVO LIMITED**

**Devendra Bhandari**  
Company Secretary

Encls : a/a.

**Corporate Finance Division : ADITYA BIRLA NUVO LTD.**



**FILE NO : 82-34979**

May 3, 2007

U.S. Securities and Exchange Commission  
Office of International Corporation Finance  
Division of Corporation Finance  
100 F Street, N.E.  
Washington D.C. 20549

Dear Sir,

**Sub: Board Meeting - 3rd May, 2007**

This is to inform you that the Board of Directors of Aditya Birla Nuvo Limited at its meeting held today, the 3<sup>rd</sup> May, 2007, have inter alia:

1. Approved the Audited Annual Accounts of the Company for the year ended 31st March, 2007.
2. Decided to treat the Interim Dividend declared at the meeting of Board of Directors held on March 12, 2007 of Rs. 5.50/- per equity share for the year 2006-07, as the final dividend for the year ended March 31, 2007.
3. Approved subject to requisite approvals, the amalgamation of Aditya Birla Insulators Limited ("ABIL") with the Company in terms of Scheme of Amalgamation under section 391 – 394 of the Companies Act 1956 which will take effect from the appointed date i.e. April 1, 2007 ("the Appointed Date").

Copies of the Financial Results, Presentation and Press Release, which are being released today, are enclosed herewith.

The above is for your information and record.

Thanking you,

Yours faithfully,  
For Aditya Birla Nuvo Limited

**Devendra Bhandari**  
**Company Secretary**

**Corporate Finance Division : ADITYA BIRLA NUVO LTD.**



**FILE NO : 82-34979**

May 3, 2007

U.S. Securities and Exchange Commission  
Office of International Corporation Finance  
Division of Corporation Finance  
100 F Street, N.E.  
Washington D.C. 20549

Dear Sir,

This is to inform you that the Board of Directors of Aditya Birla Nuvo Limited at its meeting held on 3rd May, 2007 at Mumbai have inter alia, approved the Annual Accounts of the Company for the year ended 31st March, 2007. The financial results are as under:-

**Statement of Appropriations  
(As per Clause 20 of the Listing Agreement)**

Name of the Company: **Aditya Birla Nuvo Limited**  
**Regd. Office: Indian Rayon Compound,**  
**Veraval – 362 266, Gujarat**

For the year ended 31<sup>st</sup> March, 2007

	<b>Year ended 31.03.07</b>	<b>(Rs. in Crores)</b> <b>Previous Year Ended 31.03.2006(*)</b>
1. Total Turnover and other Receipts	3464.98	2665.49
2. Gross Profit: 413.46 (before deducting any of the following)	603.79	443.39
a) Interest	171.16	55.79
b) Depreciation / amortisation	120.32	111.81
c) Provision for Tax	86.11	84.82
d) Extraordinary Item	1.23	4.04
3. Net Profit	224.97	186.93

**Corporate Finance Division : ADITYA BIRLA NUVO LTD.**

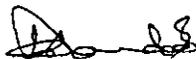
4.	Amounts appropriated from		
	a) Debenture Redemption Reserve	-	25.00
	b) Investment Allowance Reserve	-	-
	c) Amount transferred on amalgamation of IGFL		262.57
5.	Appropriation		
	Less: Transferred to:		
	i) General Reserve	150.00	750.00
	ii) Investment Reserve	-	-
	iii) Debenture Redemption Reserve	-	-
6.	a) Proposed*/Interim Dividend	51.32	41.75*
	b) Corporate Dividend Tax	7.20	5.86
7.	Balance carried forward	16.90	0.45
8.	Paid-up Equity Capital including Capital Suspense	93.31	83.50
9.	Reserve Except Revaluation Reserve	3031.24	2124.11
10.	Particulars of proposed Right / Convertible Debenture issue	None	None

(\*) Previous Year's / period's figures are regrouped / rearranged wherever necessary.

This is for your kind information.

Thanking you,

Yours faithfully,  
For Aditya Birla Nuvo Limited



**Devendra Bhandari**  
Company Secretary

*END*