



ADITYA BIRLA MINERALS LIMITED
ABN 37 103 515 037

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
31 MARCH 2009

ADITYA BIRLA MINERALS LIMITED
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ADITYA BIRLA MINERALS LIMITED
DIRECTORS' REPORT

The Directors present their report for the year ended 31 March 2009.

DIRECTORS

The names and details of the directors of Aditya Birla Minerals Ltd in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Debu Bhattacharya (Non-Executive Chairman)
Mr Sunil Kulwal (Non Executive Director) – Appointed 22 Apr 2008
(Chief Executive Officer and Managing Director) – Appointed 9 June 2008
Mr Mysore Prasanna (Non-Executive Director)
Mr Suresh Bhargava (Independent Non-Executive Director)
Mr Maurice Anghie (Independent Non-Executive Director)
Mr Narayan Krishnan (Independent Non-Executive Director)
Mr Sanjay Loyalka (Chief Executive Officer and Managing Director) – Resigned 30 April 2008

Names, qualifications and special responsibilities

Mr Debu Bhattacharya (Non-Executive Chairman)

Qualifications:	Bachelor of Technology with Honours in Chemical Engineering
Experience and other directorships:	<p>Mr Bhattacharya heads Aditya Birla Group's non ferrous metals business & is the Managing Director of Hindalco Industries Limited, the flagship company of Aditya Birla Group, with consolidated revenues of over USD 14 billion. He is also the Vice chairman of Novelis, the global leader in FRP aluminium space, a wholly owned subsidiary of Hindalco Industries Limited.</p> <p>Prior to assuming charge as the Managing Director of Hindalco Industries Limited, Mr Bhattacharya was the Managing Director of Indo Gulf Corporation Limited. Mr Bhattacharya is also the Chairman of Utkal Alumina International Limited, a wholly owned subsidiary of Hindalco Industries Limited, as well as director of Aditya Birla Management Corporation Limited, Birla Management Centre Services Limited, Dahej Harbour and Infrastructure Limited, another wholly owned subsidiary of Hindalco, Minerals and Minerals Limited, Aditya Birla Power Company Limited and Aditya Birla Science and Technology Company Limited.</p> <p>Prior to joining the Aditya Birla Group, Mr. Bhattacharya spent close to 30 years with Unilever, where he held several key responsibilities & worked in several key roles for its Indian & overseas operations. He led the chemical business of Unilever in India before moving to the Aditya Birla Group in 1998.</p> <p>Mr Bhattacharya is the recipient of the prestigious "India Business Leader of the Year Award (IBLA) 2005", and the much coveted "The Asia Corporate Citizen of the Year Award (ABLA) 2005". Mr. Bhattacharya is also the recipient of the LEXI Award 2007 for Strategic & Leadership Excellence.</p>
Special Responsibilities:	Member of the Remuneration and Nomination Committee

ADITYA BIRLA MINERALS LIMITED
DIRECTORS' REPORT

Mr Sunil Kulwal (Chief Executive Officer and Managing Director)

Qualifications:	Bachelor of Commerce, Chartered Accountant (ICAI), Company Secretary (ICSI)
Experience and other directorships:	<p>Mr Kulwal is an experienced general manager having wide ranging career of over 24 years across various industries spanning from profit centre head responsibility, new project execution, strategy development and deployment for global business growth, and head of finance and commerce. He also has experience in supply chain management, sales and marketing, information technology management, taxation management and logistics management.</p> <p>Professionally Mr Kulwal is a qualified Chartered Accountant and Company Secretary. Through his experience in various industries, he has acquired significant working level technical expertise. He has track record of turning around industries through a participative management culture and providing strategic direction. He has presented various papers in international conferences and is a Chevening Scholar.</p> <p>Mr Kulwal was previously Executive President of Grasim Industries Limited, Chemical Division, a company within the Global Aditya Birla Group, where, amongst the general duties imposed upon a chief executive, he was responsible for developing a US\$ 900 million new Chemical Complex.</p>
Special Responsibilities	Chief Executive Officer and Managing Director of Aditya Birla Minerals Limited

Mr Mysore Prasanna (Non-Executive Director)

Qualifications:	Bachelor of Science, Master of Law, Member of the International Bar Association and Vice Chair of the Corporate Counsel Forum
Experience and other directorships:	<p>Mr. Prasanna commenced his career as an independent counsel and began his corporate career with General Insurance Corporation of India and worked for over 27 years with organizations including Alfa Laval, Brook Bond India Limited and Larsen & Toubro Limited. Mr. Prasanna joined the Aditya Birla Group as President, Corporate Legal Cell and has been instrumental in establishing the Corporate Legal Cell for the Aditya Birla Group. Mr. Prasanna is currently the Group Executive President of the legal function. Mr. Prasanna is also a director of a number of other companies, including Birla Management Centre Services Ltd, Utkal Alumina International Ltd and Spice Communications Ltd. Mr. Prasanna was the Chairman of the Legal Affairs Committee and is currently an adviser to the Managing Committee of Bombay Chamber and the Co-Chairperson of the Legal Affairs Committee of Associated Chambers of Commerce and Industry of India. He is on the Advisory Board of Corporate Law Committee of the Federation of Indian Chamber of Commerce & Industry.</p> <p>Mr. Prasanna is also the recipient of the “Best In House Counsel” award by Asia Law, Hong Kong in 2005 and 2007. In November 2006, he was conferred the prestigious “National Law Day” Award by the Hon’ble Prime Minister of India.</p>
Special Responsibilities:	Member of the Audit, Compliance and Risk Committee

ADITYA BIRLA MINERALS LIMITED
DIRECTORS' REPORT

Dr Suresh Bhargava (Independent Non-Executive Director)

Qualifications:	Doctor of Philosophy (Applied Science): D.Sc (RU) & Fellow of Royal Australian Institute of Chemistry
Experience and other directorships:	<p>Dr Bhargava is Professor and Chair of Industrial Chemistry at RMIT University. He is also Director of the Integrated Victorian XRD and Materials Characterisation Facility and the RMIT Vibrational Spectroscopy Facility, unique collaborative facilities established in alliance with other Victorian universities and major industry groups and with support from the Australian Research Council.</p> <p>Dr Bhargava has more than 20 years of experience working with many Australian resource companies on various aspects of mineralogy and hydrometallurgy and environmental issues including technology development. He has worked on various projects with Alcoa, BHP Billiton and Rio Tinto (Comalco). Among many distinguished awards and achievements throughout his career, Dr Bhargava has received the 2006 Vice-Chancellors highest Award for Research Excellence, R K Murphy Award - the most coveted industrial chemistry award in Australia presented by Royal Australian Chemical Institute.</p>
Special Responsibilities:	Chairman of the Remuneration and Nomination Committee

Mr Maurice Anghie (Independent Non-Executive Director)

Qualifications:	Bachelor of Business, Fellow Chartered Accountant, Fellow Certified Practising Accountant, Member of the Australian Institute of Company Directors
Experience and other directorships:	Mr Anghie is an experienced, financially qualified professional possessing a range of commercial and financial skills. Having worked extensively in the listed corporate environment, he possesses legal, regulatory and governance expertise. He has been an Audit and Corporate Finance Partner with Bentleys MRI. He has been an audit partner in chartered accounting firm McLaren and Stewart since 1984. McLaren and Stewart merged with Hall Chadwick and subsequently Hall Chadwick merged with Bentleys MRI Perth in 2005. He is currently a senior consultant at Grant Thornton Chartered Accountants and a non-executive director of Gujarat NRE Minerals Limited.
Special Responsibilities:	Chairman of the Audit, Compliance and Risk Committee

ADITYA BIRLA MINERALS LIMITED
DIRECTORS' REPORT

Mr Narayan Krishnan (Independent Non-Executive Director)

Qualifications:	Master of Science – Geoscience, Bachelor of Technology – Metallurgy (First Class), Member of the Australasian Institute of Mining and Metallurgy
Experience and other directorships:	Mr Krishnan has amassed an extensive industrial career spanning a period of well over 36 years in the field of non ferrous extractive metallurgy including operations management, technical development and process design. He has worked in various capacities during his career at MIM Holdings, Pasminco and more recently as the group advisor metallurgy at WMC Resources Ltd, where the role included operations review, operations support, strategy input, technical advice to copper, nickel and fertiliser business and the management of external research projects. Mr Krishnan established a private technical consultancy firm, OM Metals Trust Pty Ltd, in 2004 and has been involved in providing high level technical advice and strategy input to large mining companies.
Special Responsibilities:	Member of the Audit, Compliance and Risk Committee and the Remuneration and Nomination Committee

COMPANY SECRETARY

Mr Peter Patrick Torre

Mr Torre is the Director of the corporate advisory firm, Torre Corporate. Prior to establishing Prospera Corporate, Mr Torre was a partner of an internationally affiliated firm of chartered accountants, working within its corporate services division for over 9 years where he also held the position of Chairman of the National Corporate Services Committee. Mr Torre is the company secretary of other public listed companies in Australia and is a Director of Carbine Resources Limited and ORT Limited.

Mr Torre holds a Bachelor of Business, is a Chartered Accountant, a Chartered Secretary and a member of the Australian Institute of Company Directors.

INTERESTS IN THE SHARES OF THE COMPANY

The relevant interests of directors either directly or through entities controlled by the directors in the share capital of the Company as at the date of this report are:

Director	Ordinary Shares
Mr Debu Bhattacharya	-
Mr Sunil Kulwal	-
Mr Mysore Prasanna	-
Dr Suresh Bhargava	-
Mr Maurice Anghie	-
Mr Narayan Krishnan	-

DIVIDENDS

On 28 April 2008, the Directors declared a dividend on ordinary shares in respect of the financial year ended 31 March 2008. The total amount of the dividend is \$31.3 million which represents an unfranked dividend of 10 cents per share. The dividend was paid on 30 May 2008.

No dividends were declared or paid with respect to the current financial year.

ADITYA BIRLA MINERALS LIMITED
DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries (“the Group”) during the course of the financial year were the exploration, mining, processing and marketing of copper metal. There has been no change in these activities during the financial year.

OPERATING AND FINANCIAL REVIEW

The Group’s net loss from continuing operations after income tax for the year is \$76.02 million (2008: net profit of \$104.97 million).

Particulars		FY09	FY08	% Variation
Cathode Operations:				
Cathode Produced	Tonnes	2,696	5,112	-47%
Concentrate Operations:				
Mining				
Ore Mined	Tonnes	2,948,434	2,849,786	3%
Grade	%	2.6%	3.0%	
Cu Contained	Tonnes	77,083	84,984	-9%
Processing				
Ore Processed	Tonnes	2,946,057	2,869,869	3%
Grade	%	2.6%	3.0%	
Cu Contained in Ore Processed	Tonnes	76,688	85,161	-10%
Recovery	%	88%	91%	
Cu in Concentrate Produced	Tonnes	67,415	77,283	-13%
Total Copper Production (Cathode and Concentrate)	Tonnes	70,111	82,395	-15%
Financial Results:				
Sale of Product	A\$ 000’s	374,069	663,728	-44%
EBIT	A\$ 000’s	(103,605)	160,619	-165%
EBT	A\$ 000’s	(109,451)	150,355	-173%
PAT	A\$ 000’s	(76,019)	104,965	-172%

Nifty Copper Operations

Nifty Oxide

2,696 metric tonnes of copper cathode was produced during the year compared to 5,112 metric tonnes last year. Cathode production is mainly from flushing of the existing heaps. Oxide operations were suspended in January 2009 due to changed market conditions and reducing yield from the remaining copper inventory in the heaps. The operation is now under care and maintenance. Commencement of the project for retreatment of the heaps by re-mining, desliming & restacking has been deferred.

ADITYA BIRLA MINERALS LIMITED

DIRECTORS' REPORT

Nifty Sulphide Project

Ore mined and milled was higher than last year by 18% and 17% respectively. The Nifty Copper Sulphide Concentrator produced 49,600 metric tonnes of copper in concentrate as compared to 53,397 metric tonnes of contained copper last year. Copper and concentrate production was marginally lower than last year due to sequencing of stopes resulting in a lower mining grade as well as reliability issues at the concentrator. Improvements to process design and operational efficiency during the second half of the year have contributed to increased stability of the sulphide operation.

Constraints were placed on underground production by delays in commissioning of the paste-fill plant and partially due to extended shutdowns of the underground crusher/conveyor system towards the end of the year. Major infrastructure projects were completed, including the underground paste reticulation system, workshop and fuel bay as well as a new pump station. Prominent focus was on performance issues with the maintenance contractor for the underground mobile fleet.

Commissioning of the pastefill plant commenced in February 2009, significantly behind schedule, delays being due to a combination of factors including change in location due to geotechnical conditions, contractor's performance, and necessary process changes.

While the first half of the year posed challenges from escalating costs and interruptions to gas supply, the second half saw world economic changes bringing about an unprecedented fall in the price of copper. These events were met by stringent cost reduction programs, adjustments to employee numbers and rosters as well as a focus on high quality ore zones.

Mount Gordon Operations

Mt Gordon produced 17,815 metric tonnes of contained copper for the year compared with 23,886 metric tonnes of contained copper last year. Due to global financial crisis and significant drop in copper prices, Mammoth underground mine operations were put into care & maintenance.

While Mammoth mine was put under care and maintenance the company had planned to undertake a trial for processing of Esperanza low grade (ELG) ore. However, heavy rainfall and flooding around the site and in most parts of the Queensland severely impacted inbound and outbound logistics, which prevented the ELG trails from starting. Subsequently, the entire Mt Gordon operations have been put under care and maintenance.

Exploration activities continue as per the Company's long term strategy.

Maroochydore Joint Venture

The Company completed a new resource during the year which downgraded the deposit. The reason for the change in metal content is due to a different estimation technique been used as the estimation technique used by previous operators was not considered to be appropriate for the style of mineralisation. The resource estimate was carried out by the Company in-house technical staff and audited by the internationally recognised Snowden Mining Industry Consultants.

A scoping study was completed by Hatch Associates Pty Limited which demonstrated that the Maroochydore project is unlikely to support a financially viable mining operation in its current form. However, there are areas which require additional work and encouraging outcomes would have a positive impact on the project economics. Further planned work will focus on improving recoveries, increasing the resource size, optimising capital expenditure and exploring synergies with Nifty.

Legal formalities for the transfer of title in the name of Birla Maroochydore Pty Ltd are still under progress as at 31 March 2009.

ADITYA BIRLA MINERALS LIMITED

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors there are no significant changes in the state of affairs of the Company or of the Group that occurred during the financial year not already disclosed in this report, the financial statements or notes attached thereto.

SIGNIFICANT EVENTS AFTER BALANCE DATE

In the opinion of the Directors there are no significant events after balance date of the Company or of the Group that occurred during the financial year not already disclosed in this report, the financial statements or notes attached thereto.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Mt Gordon operations which are currently under care and maintenance will be reviewed by the management for restart once the general economic environment stabilises and operations become economically viable.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in the Directors' Report because disclosure of this information could be unreasonably prejudicial to the Company.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are subject to strict environmental regulations under Western Australia and Queensland legislation in relation to its mining activities. The Company undertakes regular monitoring of licence requirements, with performance against licence conditions reported to regulators on a regular basis. The Company also monitors progress of the operations towards meeting the requirements of the mining industry code for environmental management.

At Nifty, the operations were all performed within the requirements under the Western Australian Environment Act and Regulations. Additionally, all reporting of environmental performance against licence conditions were reported.

At Mt Gordon Environmental projects have progressed in line with EPA consent order except for Esperenza catchment water management project due to be completed by September 2009. The company has initiated discussion with EPA to make a joint application to the court for extension of the deadline. The operations were all performed within the requirements under the Queensland Environment Act and Regulations. Additionally, all reporting of environmental performance against licence conditions were reported.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company's parent, Hindalco Industries Limited, has taken a policy under which all Directors and Officers of Hindalco and all its subsidiary companies (worldwide) are both indemnified and insured. The policy in turn serves to cover all Directors and Officers of Aditya Birla Minerals Limited and its subsidiary companies in Australia. Due to a confidentiality clause in the policy, the amount of the premium has not been disclosed.

ADITYA BIRLA MINERALS LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and other key management personnel of Aditya Birla Minerals Limited and its subsidiaries, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

For the purposes of this report, Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director of the Company, and includes the five executives in the Company and the Group receiving the highest remuneration.

a) Compensation of Key Management Personnel

It is the Company's objective to attract and retain high quality Directors and executive officers. One aspect to achieve this is by remunerating Directors and executive officers in a manner consistent with employment market conditions. To assist in achieving this object, the Company may link the nature and amount of executive Directors' and officers' emoluments to the Company's financial and operational performance.

The Remuneration and Nomination Committee is delegated the task of devising packages to attract and retain Directors and executives of the calibre necessary to ensure the success of Aditya Birla Minerals. However, the Committee will avoid paying more than is necessary or deemed reasonable to achieve this aim. To this end, the Committee has the power to use the services of an external remuneration consultant. The Committee may from time to time recommend to the Board for its approval, the creation or amendment of executive incentive schemes.

Management salary packages are reviewed annually with the objective of making them competitive relative to industry measures.

Non-Executive Directors

Independent non-executive Directors will receive a set fee per year and be reimbursed for out-of-pocket expenses incurred as a result of their directorship or in connection with the business of Aditya Birla Minerals Limited.

The annual fee of each independent non-executive Director is \$77,000. The fees represent the total reward arrangement inclusive of superannuation contributions. Independent non-executive Directors will not receive any other retirement benefits.

Additionally, the independent non-executive Directors receive an annual fee of \$7,500 for being a member of a Board Committee or an annual fee of \$17,500 for being a Chairman of the Audit, Compliance and Risk Committee or \$12,500 for being Chairman of the Remuneration and Nomination Committee (each of these additional fees also being inclusive of superannuation contributions).

Hindalco-nominated non-executive Directors will be reimbursed for out-of-pocket expenses incurred as a result of their directorship or in connection with the business of Aditya Birla Minerals Limited. The Hindalco nominated non-executive Directors have voluntarily elected not to receive an annual fee at this time. However, if it were later proposed that they be paid an annual fee, any such fees would need to be approved in accordance with the Company's Constitution. The aggregate of the fees paid to non-executive Directors must be fixed by ordinary resolution of shareholders and any subsequent fees must not exceed that amount without shareholder approval. The maximum aggregate has currently been set at \$500,000 per annum. During the year Mr. N Krishnan provided consulting services to the Group outside his normal Board and Committee duties for which fees were paid at normal commercial terms.

ADITYA BIRLA MINERALS LIMITED
DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

a) Compensation of Key Management Personnel (continued)

Senior Management

In accordance with the Company's Constitution and subject to any contract with the Company and to the ASX Listing Rules, the Board may fix the remuneration of any executive Director. Such remuneration may consist of salary, bonuses or any other element but must not be a commission on or percentage of profits or operating revenue.

Executive Director

The employment arrangements for Mr Kulwal, as the sole executive Director and Chief Executive Officer and Managing Director, provide for remuneration comprising salary, cash allowances and superannuation totalling \$319,440.

Additionally, benefits including housing, car, medical and education allowances are provided which are valued at approximately \$171,000 inclusive of fringe benefits tax. Mr Kulwal's employment arrangements cover a four year tenure that commenced from 9 June 2008, with the option of extension on one year basis at the discretion of the Board. Mr. Kulwal's employment arrangements may be terminated by either party with three month's notice.

Short Term Incentives

Short-term incentives are delivered under the Employee Incentive Scheme, which rewards individuals for meeting or exceeding various performance factors that are set at the beginning of each financial year and are aligned to Aditya Birla Minerals Limited budget. Performance factors include Group and personal objectives and measures. The setting of performance factors and the relative weightings given to the different categories of performance factors effectively incentivises short-term performance.

The performance level achieved against each performance factor is measured and awards are calculated and paid according to the level of performance. The Group's performance factors measure performance in delivering against specific health, safety and environment targets and achieving specified levels of performance against financial targets.

No provision has been made for the financial year ended 31 March 2009 for any short term incentive since the performance factors have not been met.

Retention Plan

Aditya Birla Minerals Limited has a retention scheme that provides for a cash payment based on the continued employment at the end of 24 and 36 months. The retention scheme covers employees who joined up to and including 31 August 2008 and has been discontinued thereafter. Adequate provision has been made in the financial statements of the Group for the financial year ended 31 March 2009.

Employment Contracts

Except as disclosed above with respect to Mr Sunil Kulwal, all other executives are employed under contracts of employment with standard commercial terms, such as having no fixed term of expiry, notice periods of between one and three months and termination payments in lieu of notice.

ADITYA BIRLA MINERALS LIMITED
DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

b) Details of Key Management Personnel

Directors

Name	Position	Date of Appointment	Date of Resignation
Mr D Bhattacharya	Non-Executive Chairman	18 April 2003	-
Mr S Kulwal *	Non-Executive Director	22 April 2008	-
	CEO and Managing Director	9 June 2008	-
Mr M Prasanna	Non-Executive Director	20 January 2003	-
Dr S Bhargava	Independent Non-Executive Director	21 August 2007	-
Mr M Anghie	Independent Non-Executive Director	21 November 2007	-
Mr N Krishnan	Independent Non-Executive Director	21 November 2007	-
Mr S Loyalka	Chief Executive Officer and Managing Director	15 May 2003	30 April 2008

* Mr S Kulwal was appointed as a Non-Executive Director on 22 April 2008 and became the CEO and Managing Director of the Group on 9 June 2008.

Executives

Name	Position	Date of Appointment	Date of Resignation
Mr R Maruwada	Chief Financial Officer	1 July 2008	-
Mr R Jose	Group Chief Mining Engineer	1 September 2006	-
Mr U Goel	Corporate Finance Manager	2 August 2004	-
Mr M Griffiths	General Manager – Birla Nifty Pty Ltd	28 November 2006	2 April 2009
Mr J Golling	Mining Manager – Birla Nifty Pty Ltd	11 May 2006	-
Mr J Welmans	Concentrator Manager – Birla Nifty Pty Ltd	16 November 2007	-

Other than the resignation of Mr M Griffiths, there were no other changes of the key management personnel after reporting date and before the date the financial report was authorised for issue.

ADITYA BIRLA MINERALS LIMITED
DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

c) Compensation of Key Management Personnel

Remuneration of Directors and other Key Management Personnel for the year ended 31 March 2009

	Short Term			Post Employment	Termination Benefits	Other	Total
	Salary & Fees	Cash Bonus ⁴	Non-Monetary Benefits	Superannuation			
	\$	\$	\$	\$	\$	\$	\$
Directors							
Mr D Bhattacharya	-	-	-	-	-	-	-
Mr S Kulwal ¹	232,320	-	128,465	23,232	-	-	384,017
Mr M Prasanna	-	-	-	-	-	-	-
Dr S Bhargava	82,500	-	-	8,250	-	-	90,750
Mr M Anghie	87,500	-	-	8,750	-	-	96,250
Mr N Krishnan	85,000	-	-	8,500	-	14,200	107,700
Mr S Loyalka ²	146,400	-	25,367	2,092	250,000	-	423,859
Subtotal	633,720	-	153,832	50,824	250,000	14,200	1,102,576
Executives							
Mr R Maruwada ³	81,000	-	50,033	8,100	-	-	139,133
Mr R Jose	192,792	9,300	-	19,279	-	-	221,371
Mr U Goel	84,734	9,472	169,229	8,473	-	-	271,908
Mr M Griffiths	310,568	16,363	-	31,057	-	-	357,988
Mr J Golling	258,750	10,800	-	25,875	-	-	295,425
Mr J Welmans	212,800	-	10,598	21,280	-	-	244,678
Subtotal	1,140,644	45,935	229,860	114,064	-	-	1,530,503
Total	1,774,364	45,935	383,692	164,888	250,000	14,200	2,633,079

¹ Mr S Kulwal was appointed as a Non-Executive Director on 22 April 2008 and became the CEO and Managing Director of the Group on 9 June 2008. No remuneration was received during his tenure as a Non-Executive Director.

² Resigned 30 April 2008

³ Appointed 1 July 2008

⁴ Cash bonus relates to the retention scheme.

Mr S Bhartia, Mr J Ray and Mr G Matanda, who were part of the key management personnel in the previous year, resigned on 23 May 2008, 20 October 2008 and 6 August 2008 respectively.

ADITYA BIRLA MINERALS LIMITED
DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

c) Compensation of Key Management Personnel (continued)

Remuneration of Directors and other Key Management Personnel for the year ended 31 March 2008

	Short Term			Post Employment	Total
	Salary & Fees	Cash Bonus	Non-Monetary Benefits	Superannuation	
	\$	\$	\$	\$	\$
Directors					
Mr D Bhattacharya	-	-	-	-	-
Mr S Loyalka	273,468	-	219,136	27,347	519,951
Mr M Prasanna	-	-	-	-	-
Mr A Hogendijk ¹	28,636	-	-	2,864	31,500
Mr B McGowan ²	20,341	-	-	2,034	22,375
Mr K Dharmananda ³	55,758	-	-	5,576	61,334
Dr S Bhargava ⁴	50,919	-	-	5,092	56,011
Mr M Anghie ⁵	31,856	-	-	3,186	35,042
Mr N Krishnan ⁶	30,566	-	-	3,057	33,623
Subtotal	491,544	-	219,136	49,156	759,836
Executives					
Mr S Bhartia	148,124	-	156,471	14,812	319,407
Mr M Griffiths	376,218	-	-	37,622	413,840
Mr J Ray	242,977	-	-	24,298	267,275
Mr J Golling	213,750	-	-	21,375	235,125
Mr G Matanda	204,250	-	-	20,425	224,675
Subtotal	1,185,319	-	156,471	118,532	1,460,322
Total	1,676,863	-	375,607	167,688	2,220,158

¹ Resigned 1 November 2007

² Resigned 1 July 2007

³ Resigned 30 November 2007

⁴ Appointed 21 August 2007

⁵ Appointed 21 November 2007

⁶ Appointed 21 November 2007

The key management personnel include the five highest paid company and group executives. None of the remuneration received was performance related.

End of Remuneration Report

ADITYA BIRLA MINERALS LIMITED
DIRECTORS' REPORT

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

Name	Directors' Meetings		Audit Committee Meeting		Remuneration Committee Meeting	
	A	B	A	B	A	B
<i>Number of meetings held</i>						
<i>A being total of meetings eligible to attend</i>	A	B	A	B	A	B
<i>B being total of meetings actually attended</i>						
Mr D Bhattacharya	16	14	-	-	2	2
Mr S Kulwal	14	14	-	-	-	-
Mr M Prasanna	16	14	4	4	-	-
Mr M Anghie	16	14	4	4	-	-
Mr N Krishnan	16	14	4	4	2	2
Dr S Bhargava	16	14	-	-	2	2
Mr S Loyalka	3	2	-	-	-	-

Committee Membership

As at the date of this report the company had an Audit, Risk and Compliance Committee and a Remuneration and Nomination Committee of the Board of Directors.

Members acting on the committees of the Board are:

Audit, Risk and Compliance	Remuneration and Nomination
Mr M Anghie (Chairman)	Dr S Bhargava (Chairman)
Mr M Prasanna	Mr D Bhattacharya
Mr N Krishnan	Mr N Krishnan

PROCEEDINGS ON BEHALF OF THE COMPANY

There are no proceedings on behalf of the company under section 237 of the Corporations Act 2001 in the financial year or at the date of this report.

ROUNDING

The Company is a company of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in this report and the accompanying financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and do not compromise auditor independence.

Details of amounts paid or payable to the auditor for non-audit services provided during the year are detailed in note 4 of the financial statements.

ADITYA BIRLA MINERALS LIMITED
DIRECTORS' REPORT

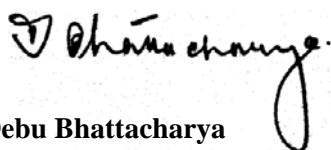
CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Aditya Birla Minerals Limited support and have adhered to the principles of corporate governance. The Company's Corporate Governance Statement will be included in the Annual Report distributed to Shareholders.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the company's auditors, Ernst & Young, to provide the directors with a written Independence Declaration in relation to their audit of the financial report for the year ended 31 March 2009. This written Auditor's Independence Declaration is included on page 68 of this report.

Signed in accordance with a resolution of the Directors.



Debu Bhattacharya
Chairman



Sunil Kulwal
Managing Director

Perth, 30 April 2009

ADITYA BIRLA MINERALS LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Notes	CONSOLIDATED		PARENT	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Continuing operations					
Sale of product	3(a)	374,069	663,728	-	-
Other revenue	3(a)	510	634	31,339	5
Total revenue		374,579	664,362	31,339	5
Cost of sales	3(c)	(444,183)	(500,184)	-	-
Gross (loss)/ profit		(69,604)	164,178	31,339	5
Other income	3(b)	14,306	7,143	1	2,805
Exploration and evaluation expenditure		(16,934)	(4,710)	-	-
Administration expenses		(6,539)	(5,546)	(494)	(672)
Other expenses	3(d)	(24,834)	(446)	(7,858)	(446)
(Loss)/Profit before income tax and finance costs		(103,605)	160,619	22,988	1,692
Finance costs	3(e)	(5,846)	(10,264)	(73)	(174)
(Loss)/Profit before income tax		(109,451)	150,355	22,915	1,518
Income tax benefit/(expense)	5	33,432	(45,390)	1,148	753
Net (loss)/profit for the year		(76,019)	104,965	24,063	2,271
		Cents	Cents		
Earnings per share:					
Basic and diluted for (loss)/profit for the year attributable to ordinary equity holders of the parent	6	(24.26)	33.50		

The above income statement should be read in conjunction with the accompanying notes.

ADITYA BIRLA MINERALS LIMITED

BALANCE SHEET AS AT 31 MARCH 2009

	Notes	CONSOLIDATED		PARENT	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
ASSETS					
Current Assets					
Cash and cash equivalents	8	2,588	12,884	30	2
Trade and other receivables	9	34,814	65,436	3,474	235
Inventories	10	44,464	36,806	-	-
Derivative financial instruments	11	16,562	3,446	14,932	251
Other	12	4,063	549	196	86
Total Current Assets		102,491	119,121	18,632	574
Non-Current Assets					
Trade and other receivables	9	-	-	258,262	294,740
Inventories	10	76,441	86,203	-	-
Property, plant and equipment	13	432,575	433,346	-	-
Deferred exploration and evaluation expenditure	14	12,699	12,699	-	-
Deferred tax assets	5	-	-	38,355	2,217
Other financial assets	15	-	-	131,541	174,350
Other	12	15	2	-	-
Total Non-Current Assets		521,730	532,250	428,158	471,307
TOTAL ASSETS		624,221	651,371	446,790	471,881
LIABILITIES					
Current Liabilities					
Trade and other payables	16	29,368	41,915	505	349
Interest-bearing liabilities	17	31,016	2,133	660	752
Income tax payable		-	746	-	746
Provisions	18	4,850	4,089	-	-
Derivative financial instruments	11	5,543	18,119	984	18,119
Total Current Liabilities		70,777	67,002	2,149	19,966
Non-Current Liabilities					
Interest-bearing liabilities	17	111,389	4,423	-	-
Provisions	18	20,376	18,225	-	-
Deferred tax liabilities	5	10,452	43,138	-	-
Total Non-Current Liabilities		142,217	65,786	-	-
TOTAL LIABILITIES		212,994	132,788	2,149	19,966
NET ASSETS		411,227	518,583	444,641	451,915
EQUITY					
Issued capital	19	450,663	450,663	450,663	450,663
(Accumulated losses)/Retained profits		(39,436)	67,920	(6,022)	1,252
TOTAL EQUITY		411,227	518,583	444,641	451,915

The above balance sheet should be read in conjunction with the accompanying notes.

ADITYA BIRLA MINERALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	CONSOLIDATED		PARENT	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Cash flows from/(used in) operating activities				
Receipts from customers (inclusive of GST)	511,442	632,416	-	-
Payments to suppliers and employees (inclusive of GST)	(436,112)	(417,393)	(1,726)	(1,170)
Payments for exploration and evaluation	(16,934)	(4,710)	-	-
Interest received	206	262	2	5
Interest paid	(3,672)	(9,992)	(73)	(174)
Net cash flows from/(used in) operating activities	26(a) 54,930	200,583	(1,797)	(1,339)
Cash flows from/(used in) investing activities				
Payments for plant and equipment	(21,736)	(17,028)	-	-
Payments for mine development	(31,734)	(54,644)	-	-
Proceeds from sale of plant and equipment	2,346	-	-	-
Dividends received from subsidiaries	-	-	31,337	-
Advances from subsidiaries	-	-	1,911	1,347
Net cash flows (used in)/from investing activities	(51,124)	(71,672)	33,248	1,347
Cash flows from/(used in) financing activities				
Dividends paid	(31,337)	-	(31,337)	-
Proceeds from borrowings	180,692	370,304	-	-
Repayment of borrowings	(159,092)	(488,160)	-	-
Proceeds from borrowings – related entities	-	2	-	2
Repayment of borrowings – related entities	(4)	-	(4)	-
Repayment of finance lease liabilities	(5,416)	(1,163)	-	-
Net cash flows (used in)/from financing activities	(15,157)	(119,017)	(31,341)	2
Net (decrease)/increase in cash and cash equivalents	(11,351)	9,894	110	10
Net foreign exchange differences	633	(1,758)	7	-
Cash and cash equivalents at the beginning of the year	12,687	4,551	(102)	(112)
Cash and cash equivalents at the end of the year	26(b) 1,969	12,687	15	(102)

The above cash flow statement should be read in conjunction with the accompanying notes.

ADITYA BIRLA MINERALS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2009

	Issued Capital	(Accumulated Losses) / Retained Profits	Cash Flow Hedge Reserve	Total Equity
Note	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED				
At 1 April 2007	450,663	(37,045)	(6,427)	407,191
Movement in cash flow hedges, net of tax	-	-	6,427	6,427
Total income/(expense) for the year recognised directly in equity	-	-	6,427	6,427
Net profit for the year	-	104,965	-	104,965
Total income/(expense) for the year	-	104,965	6,427	111,392
At 31 March 2008	450,663	67,920	-	518,583
Movement in cash flow hedges, net of tax	-	-	-	-
Total income/(expense) for the year recognised directly in equity	-	-	-	-
Net loss for the year	-	(76,019)	-	(76,019)
Total income/(expense) for the year	-	(76,019)	-	(76,019)
Dividends paid	-	(31,337)	-	(31,337)
7				
At 31 March 2009	450,663	(39,436)	-	411,227
PARENT				
At 1 April 2007	450,663	(1,019)	-	449,644
Net profit for the year	-	2,271	-	2,271
Total income/(expense) for the year	-	2,271	-	2,271
At 31 March 2008	450,663	1,252	-	451,915
Net profit for the year	-	24,063	-	24,063
Total income/(expense) for the year	-	24,063	-	24,063
Dividends paid	-	(31,337)	-	(31,337)
7				
At 31 March 2009	450,663	(6,022)	-	444,641

The above statement of changes in equity should be read in conjunction with the accompanying notes.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies

(a) Corporate Information

The financial report of Aditya Birla Minerals Limited for the year ended 31 March 2009 was authorised for issue in accordance with a resolution of the directors on 30 April 2009.

Aditya Birla Minerals Limited (the parent) is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange with effect from 12 May 2006.

The address of the registered office is Level 3, 256 Adelaide Terrace, Perth, WA, 6000.

(b) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards and other mandatory professional reporting requirements.

The financial report has been prepared on a historical cost basis, except for trade receivables and derivative financial instruments which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ('000s) unless otherwise stated under the option available to the Company under ASIC Class Order 98/0100. The company is an entity to which the class order applies.

(c) Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 31 March 2009. These are outlined in the table below:

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB Int. 17 and AASB 2008-13	Distributions of Non-cash Assets to Owners and consequential amendments to other Australian Accounting Standards	The Interpretation outlines how an entity should measure distributions of assets, other than cash, as a dividend to its owners acting in their capacity as owners. This applies to transactions commonly referred to as spin-offs, split offs or demergers and in-specie distributions.	1 July 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	1 April 2010
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 <i>Segment Reporting</i> , which adopts a management reporting approach to segment reporting.	1 January 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	1 April 2009

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies (continued)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 123 (Revised) and AASB 2007-6	Borrowing Costs and consequential amendments to other Australian Accounting Standards	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.	1 January 2009	No impact on the Group.	1 April 2009
AASB 101 (Revised) and AASB 2007-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1 January 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	1 April 2009
AASB 2008-2	Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation	The amendments provide a limited exception to the definition of a liability so as to allow an entity that issues puttable financial instruments with certain specified features, to classify those instruments as equity rather than financial liabilities.	1 January 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	1 April 2009
AASB 3 (Revised)	Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	1 July 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	1 April 2010

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies (continued)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 127 (Revised)	Consolidated and Separate Financial Statements	Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.	1 July 2009	No impact on the Group.	1 April 2010
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	1 July 2009	No impact on the Group.	1 April 2010
AASB 2008-7	Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	<p>The main amendments of relevance to Australian entities are those made to AASB 127 deleting the ‘cost method’ and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity’s separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment.</p> <p>AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.</p>	1 January 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	1 April 2009
AASB 2008-8	Amendments to Australian Accounting Standards – Eligible Hedged Items	The amendment to AASB 139 clarifies how the principles underlying hedge accounting should be applied when (i) a one-sided risk in a hedged item and (ii) inflation in a financial hedged item existed or was likely to exist.	1 July 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	1 April 2010

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies (continued)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
Amendments to IFRS 7	Amendments to IFRS 7: Improving Disclosures about Financial Instruments	The amendments to IFRS 7 require enhanced disclosures about fair value measurements and liquidity risk.	1 January 2009	IFRS 7 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. However, the amendments will have an impact on the Group's financial risk management and fair value disclosures.	1 April 2009
Amendments to IFRIC 9 and IAS 39	Amendments to IFRIC 9 Embedded derivatives and IAS 39 Financial Instruments: Recognition and Measurement	The amendments to IFRIC 9 and IAS 39 issued clarify that on reclassification of a financial asset out of the 'at fair value through profit or loss' category all embedded derivatives have to be assessed and, if necessary, separately accounted for in financial statements.	Annual reporting periods ending on or after 30 June 2009	The Group has not yet determined the extent of the impact of the amendments, if any.	1 April 2009

(d) Principles of Consolidation

The consolidated financial statements comprise the financial statements of Aditya Birla Minerals Limited (the parent entity) and its controlled entities, referred to collectively throughout these financial statements as the "Group".

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The balances and effects of transactions between controlled entities included in the consolidated financial statements have been fully eliminated.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies (continued)

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Copper Sales

Revenue from sales of copper concentrate and copper cathode is recognised upon shipment or discharge when there has been a passing of the significant risks and rewards of ownership, which means the following:

- The product is in a form suitable for delivery and no further processing is required by, or on behalf of the Group;
- The quantity and quality (grade) of the product can be determined with reasonable accuracy;
- The selling price can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably; and
- Copper concentrate sales revenue is subject to adjustments due to weight, price and currency variations.

Interest income

Revenue is recognised as interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends

Revenue is recognized when the shareholders' right to receive the payment is established.

(f) Foreign Currency Transactions

Both the functional and the presentation currency of the parent entity and its controlled entities are Australian dollars (\$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date.

All differences in the financial report are taken to the income statement.

The accounting policy for hedge transactions is set out in Note 1(i).

(g) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies (continued)

(g) Income Tax (continued)

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary difference associated with investments in subsidiaries, deferred tax asset are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Effective from incorporation, for the purposes of income taxation, Aditya Birla Minerals Limited and its 100% owned subsidiaries have formed a tax consolidated group. Aditya Birla Minerals Limited is the head entity of the tax consolidated group. Members of the Group have entered into a tax sharing agreement which provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies (continued)

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (“GST”), except where the amount of GST incurred is not recoverable from the Australian Tax Office (“ATO”). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

(i) Derivative Financial Instruments and Hedging

The Group benefits from the use of derivative financial instruments to manage commodity price, interest rates and foreign currency exposures.

Instruments used to manage natural exposures to commodity prices, exchange rates and interest rates include put and call options, swaps and foreign exchange contracts.

Derivative financial instruments are initially recognised in the balance sheet at fair value and are subsequently re-measured at their fair values.

For the purposes of hedge accounting, hedges are classified as either fair value hedges when the Group hedges the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges where the Group hedges the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or an expected transaction.

The method of recognising the resultant gain or loss is dependent on the nature of the item being hedged.

At the inception of the transaction, the Group documents the relationship between the hedging instrument and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives designated as hedges to resultant cash flows from specific quotational periods.

Changes in the fair value of derivatives that are designated against future sales qualify as cash flow hedges and if deemed highly effective, are recognised in equity to the extent of the hedge’s effectiveness. Any ineffectiveness in the hedge relationship is taken immediately to the income statement. Amounts deferred in equity are transferred to the income statement and classified as revenue in the same periods during which the designated hedged sales are recognised.

Certain derivative instruments do not qualify for hedge accounting under the specific rules in AASB 139. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under AASB 139 are recognised immediately in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting under AASB 139, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the commitment or expected transaction occurs. However, if the committed or expected transaction is no longer expected to occur, the cumulative gain or loss reported in equity is immediately transferred to the income statement.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies (continued)

(j) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) Trade and Other Receivables

On initial recognition trade debtors are designated at fair value through profit and loss, accordingly trade debtors are measured at fair value as at reporting date.

The majority of sales revenue is invoiced and received in US dollars.

Generally 100% of the copper cathode sales invoice value is to be settled within 10 days of presentation of delivery documents.

In the case of copper concentrate, on presentation of documents the customer settles 90% of the provisional invoice value within 3-5 days of receipt of consignment and the remaining 10% is settled within 3-5 days of presentation of the final invoice at the end of the quotational period. The final price is based on the average LME copper price for the month of settlement.

Other receivables are recognised and carried at original invoiced amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified. No interest is charged on overdue accounts.

(l) Inventories

Inventories comprise broken ore, copper in ore and under leach, concentrate and cathode which are carried at the lower of weighted average cost and net realisable value.

Cost comprises direct material, labour and other expenditure together with an appropriate portion of fixed and variable overhead expenditure based on the weighted average costs incurred during the period in which such inventories were produced.

Inventories of consumable supplies and spare parts expected to be used in production are valued at the lower of weighted average cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies (continued)

(m) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Items of property, plant and equipment are depreciated as outlined below.

- **mining plant & equipment:** unit of production based on economically recoverable reserves.
- **other plant and equipment:** straight line depreciation at a rate of 10% to 50% per annum, depending on the item of plant.

The cost of property, plant and equipment constructed by the Group includes the costs of all materials used in construction, direct labour, borrowing costs incurred during construction and an allocation of overheads.

Borrowing costs included in the cost of property, plant and equipment are those costs, which are directly attributable to the construction, or production of qualifying assets and that would have been avoided if the expenditure on the construction of the property, plant and equipment had not been made.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and available for use.

Mining Properties in Production or Under Development

Mine properties in production (including exploration, evaluation and development expenditure) are accumulated and brought to account at cost less accumulated amortisation in respect of each identifiable area of interest. Amortisation of capitalised costs is provided on a production output basis, proportional to the depletion of the mineral resource of each area of interest expected to be ultimately economically recoverable.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation that area of interest. Should the carrying value of expenditure not yet amortised exceed its estimated recoverable amount in any year, the excess is written off to the income statement.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash flows the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating unit are written down to their recoverable amount through the Income Statement.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset or group of assets being assessed.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies (continued)

(m) Property, Plant and Equipment (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit). A reversal of impairment loss is recognised in profit and loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(n) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is charged against earnings as incurred.

Exploration and evaluation expenditure is allocated separately to specific areas of interest. Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure directly related to activities in the area of interest.

Costs related to the acquisition of properties that contain mineral resources are allocated separately to specific areas of interest. These costs are capitalised until viability of the area of interest is determined. If no mineral ore body is discovered, capitalised acquisition costs are expensed in the period in which it is determined that the area of interest has no future economic value. When a decision to proceed to development is made, all costs subsequently incurred to develop a mine prior to the start of mining operations within the area of interest are capitalised and carried at cost. These costs include expenditure incurred to develop new ore bodies within the area of interest, to define further mineralisation in existing areas of interest, to expand the capacity of a mine and to maintain production.

(o) Rehabilitation, Restoration and Environmental Costs

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with current environmental and regulatory requirements.

The costs include obligations relating to reclamation, waste site closure, plant closure, and other costs associated with the restoration of the site.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance (to the extent that it relates to the development of an asset) that has been incurred as at the balance sheet date. Increases due to additional environmental disturbances are capitalised and amortised over the remaining lives of the mines. These increases are accounted for on a net present value basis.

Annual increases in the provision relating to the change in the net present value of the provision are accounted for in the income statement as borrowing costs.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies (continued)

(p) Deferred Mining Costs

Certain mining costs, principally those that relate to the stripping of waste and which relate to future economically recoverable ore to be mined, have been capitalised and included in the balance sheet as deferred mining in mine properties.

These costs are deferred or taken to the cost of production as the case may be, so that each tonne of ore mined bears the average cost of waste removal per tonne of ore, as determined by the waste to ore ratio derived from the current pit design. The waste to ore ratio and the remaining life of the mine are regularly assessed by the Directors and senior management to ensure the carrying value and the rate of deferral is appropriate.

(q) Recoverable Amount of Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Recoverable amount is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset or group of assets being assessed.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit and loss unless the asset is carried at its revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(r) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group. Trade accounts are normally settled in accordance with the terms of trade.

Payables to related parties are initially recognised at their fair value and subsequently measured at amortised cost.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies (continued)

(s) Interest-Bearing Liabilities

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

(t) Leased Assets

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases

Leases which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements and amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is shorter.

Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

(u) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Obligations for contributions to contribution superannuation plans are expensed as incurred.

(v) Borrowing Costs

Borrowing costs are recognised as an expense when incurred, except where the borrowing costs incurred are directly associated with the construction, purchase or acquisition of a qualifying asset, in which case the borrowing costs are capitalised as part of the cost of the asset.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies (continued)

(w) Provisions

A provision is recognised when a legal or constructive obligation exists as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(x) Investments

Interests in controlled entities are included in other financial assets at the lower of cost and recoverable amount.

(y) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction, net of tax, of the proceeds received.

(z) Earnings per Share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the company, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

1. Summary of Significant Accounting Policies (continued)

(aa) Significant Accounting Judgements, Estimates and Assumptions

(i) *Mine rehabilitation provision*

The Group assesses its mine rehabilitation provision annually in accordance with the accounting policy stated in note 1(o). Significant judgement is required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine site. Factors that will affect this liability include future development, changes in technology, commodity price changes and changes in interest rates. When these factors change or become known in the future, such difference will impact the mine rehabilitation provision in the period in which they change or become known.

(ii) *Units of production method of depreciation*

The Group applies the units of production method of depreciation of its mine assets based on ore tonnes mined. These calculations require the use of estimates and assumptions. Significant judgement is required in assessing the available reserves and the production capacity of the plants to be depreciated under this method. Factors that are considered in determining reserves and resources and production capacity are the company's history of converting resources to reserves and the relevant time frames, the complexity of metallurgy, markets and future developments. When these factors change or become known in the future, such differences will impact pre tax profit and carrying values of assets.

(iii) *Ore under Leach*

The Group carries copper in ore and under leach at the lower of weighted average cost and net realisable value. This assessment requires an estimation of the recoverable tonnes of copper under leach, the future copper price and exchange rate and future processing cost to extract the copper under leach.

Changes in the above assumption could have a material impact on the assessed net realisable value of copper in ore and under leach.

(ab) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year's disclosures.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

2. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, bank loans and overdrafts, finance leases, cash and derivatives.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, commodity price risk, credit risk and liquidity risk. The Group manages its exposure to financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

To manage exposure to commodity prices, exchange rates and interest rates the Group uses derivative instruments, principally put and call options, swaps and forward contracts. The purpose is to manage the commodity price, currency and interest rate risks arising from the Group's operations and its sources of finance. These derivatives provide economic hedges and qualify for hedge accounting and are based on limits set by the Board. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to commodity prices, interest rate and foreign exchange risk and assessments of market forecasts for commodity prices, interest rate and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarized below.

Primary responsibility for identification and control of financial risks rests with the Audit, Compliance and Risk Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, hedging cover of commodity prices, foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

Risk Exposures and Responses

Foreign currency risk

The Group has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency. Approximately 100% of the Group's sales are denominated in United States dollar (US\$), whilst most of the costs are denominated in the entity's functional currency. The functional currency of the parent and its controlled entities are determined to be Australian dollar (A\$).

The Group's profit and loss and balance sheet can be affected significantly by movements in the US\$/A\$ exchange rates. The Group seeks to mitigate the effect of its net foreign currency exposure by using derivative instruments, principally put and call options and forward foreign currency contracts.

It is the Group's policy to enter into derivative instruments to economically hedge foreign currency exposure once likelihood of such exposure is highly probable and to negotiate the terms of the hedge derivatives to exactly match the terms of the underlying item to maximise hedge effectiveness. The Group will follow its current policy of economically hedging up to 50% of sales revenues in US\$.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

2. Financial Risk Management Objectives and Policies (continued)

Risk Exposures and Responses (continued)

Foreign currency risk (continued)

At 31 March 2009, the Group had the following exposure to US\$ foreign currency that is not designated in cash flow hedges:

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Financial Assets				
Cash and cash equivalents	2,517	12,781	30	2
Trade and other receivables	28,313	60,511	-	-
Derivative foreign exchange contracts	1,630	3,195	-	-
Derivative commodity hedges	14,932	251	14,932	251
Financial Liabilities				
Trade and other payables	(1,622)	-	-	-
Interest-bearing liabilities	(119,247)	-	-	-
Derivative foreign exchange contracts	(4,559)	-	-	-
Derivative commodity hedges	(984)	(18,119)	(984)	(18,119)
Net exposure	(79,020)	58,619	13,978	(17,866)

At 31 March 2009, the Group had hedged from an economic perspective approximately US\$50.08 million of its foreign currency receipts that are highly probable, extending to August 2009.

The following table sets out the gross value of US dollars sold under foreign exchange contracts, the weighted average contracted exchange rates and the settlement periods of outstanding contracts for the Group:

	Weighted Average Rate	Consolidated	Weighted Average Rate	Consolidated
	2009	2009 US\$'000	2008	2008 US\$'000
US Dollars – Forward				
Not later than one year	0.8603	15,150	0.8481	46,530
US Dollars – Sell Call Options				
Not later than one year	0.6933	34,930	-	-
US Dollars – Buy Put Options				
Not later than one year	0.5872	34,930	-	-

The net fair value of the above contracts as at 31 March 2009 is a net liability of \$2.9 million (2008: net asset of \$3.2 million).

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

2. Financial Risk Management Objectives and Policies (continued)

Risk Exposures and Responses (continued)

Foreign currency risk (continued)

The following sensitivity is based on the foreign currency risk exposures in existence at the balance date:

At 31 March 2009, had the Australian dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Consolidated				
AUD/USD +5%	2,624	(3,676)	-	-
AUD/USD -5%	(2,922)	4,063	-	-
Parent				
AUD/USD +5%	-	-	-	-
AUD/USD -5%	-	-	-	-

Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

Price risk

The Group's exposure to copper prices is very high as approximately 100% of the revenue comes from sale of copper. Copper is sold on the basis of copper prices quoted on the London Metal Exchange (LME).

The Group's profit and loss and balance sheet can be affected significantly by movements in the copper prices on the LME. The Group seeks to mitigate the effect of its copper prices exposure by using derivative instruments, principally put and call options and swaps.

To manage copper price risk the Group deals in copper swap contracts and put and call option contracts for the purposes of providing an economic hedge against movement in copper prices. The limits of hedging are set by the Board.

It is the Group's policy to enter into derivative instruments to hedge copper price exposure once likelihood of such exposure is highly probable and to negotiate the terms of the hedge derivatives to exactly match the terms of the hedged item to maximise hedge effectiveness. The Group will follow its current policy of hedging up to 50% of the forward rolling 12 month of expected copper sales quantity. However, the hedging percentage may be higher than 50% for new projects.

The Group also has copper price hedge contracts designated as cash flow hedges and fair value hedges that are subject to fair value movements through equity and profit and loss respectively as copper prices move.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

2. Financial Risk Management Objectives and Policies (continued)

Risk Exposures and Responses (continued)

Price risk (continued)

At 31 March 2009, the Group had the following items that are exposed to commodity price risk not designated in cash flow hedges:

	Consolidated		Parent	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Financial Assets				
Trade and other receivables	28,313	60,511	-	-
Derivative commodity hedges	14,932	251	14,932	251
Financial Liabilities				
Derivative commodity hedges	(984)	(18,119)	(984)	(18,119)
Net exposure	42,261	42,643	13,948	(17,868)

At 31 March 2009, the Group had hedged approximately 5,375 (2008: 31,500) tonnes of its copper sales quantity, extending to August 2009. The contracts outstanding at the reporting dates were:

	Tonnes Hedged	Average Price	Tonnes Hedged	Average Price
	2009	2009 US\$	2008	2008 US\$
Copper – Sell Call Options				
Not later than one year	1,625	8,834	22,500	7,793
Copper – Buy Put Options				
Not later than one year	1,625	7,700	22,500	7,015
Copper – Swap				
Not later than one year	3,750	5,006	9,000	8,078

The mark to market of the above contracts as at 31 March 2009 is a net asset of \$13.9 million (2008: net liability of \$17.9 million).

The entire hedged quantity of 5,375 tonnes at 31 March 2009 (2008: 31,500 tonnes) was either designated against copper sales which have occurred in the period to 31 March 2009 and will be settled at the end of the quotational period (which is approximately four months) of the specific sale to which they have been designated against, or contracts considered to be ineffective hedges. This change in fair value of \$13.9 million (2008: net liability of \$17.9 million) has been recognised in the income statement along with the related hedged sale.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

2. Financial Risk Management Objectives and Policies (continued)

Risk Exposures and Responses (continued)

Price risk (continued)

The following sensitivity is based on the copper price risk exposures in existence at the balance date:

At 31 March 2009, had the LME copper prices moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Profit		Equity	
	Higher/(Lower)		Higher/(Lower)	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Consolidated				
Copper Prices +10% (2008: +5%)	6,025	(751)	-	-
Copper Prices -10% (2008: -5%)	(6,025)	751	-	-
Parent				
Copper Prices +10% (2008: +5%)	-	-	-	-
Copper Prices -10% (2008: -5%)	-	-	-	-

For 2008, a 5% sensitivity is used. The sensitivity in 2009 reflects the increase in volatility of commodity prices during the year. Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

2. Financial Risk Management Objectives and Policies (continued)

Risk Exposures and Responses (continued)

Interest rate risk

The Group's exposure to market interest rate risk and the effective weighted average interest rates of classes of financial assets and liabilities is set out below:

CONSOLIDATED	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing within 1 year \$'000	Fixed interest maturing 1 to 5 years \$'000	Non- interest bearing \$'000	Total \$'000
2009						
Financial assets:						
Cash and cash equivalents	0.1%	2,588	-	-	-	2,588
Trade and other receivables		-	-	-	34,814	34,814
Derivatives		-	-	-	16,562	16,562
Employee loans	6.0%	-	15	15	-	30
Total financial assets		2,588	15	15	51,376	53,994
Financial liabilities:						
Trade and other payables		-	-	-	29,368	29,368
Interest-bearing liabilities						
- Bank loans and overdraft	6.4%	22,232	-	-	-	22,232
- Payable to related entities	6.9%	-	7,935	111,312	-	119,247
- Payable to related entities	7.0%	645	-	-	-	645
- Finance lease liabilities	7.9%	-	204	77	-	281
Derivatives		-	-	-	5,543	5,543
Total financial liabilities		22,877	8,139	111,389	34,911	177,316
Net financial assets / (liabilities)		(20,289)	(8,124)	(111,374)	16,465	(123,322)
2008						
Financial assets:						
Cash and cash equivalents	2.0%	12,884	-	-	-	12,884
Trade and other receivables		-	-	-	65,436	65,436
Derivatives		-	-	-	3,446	3,446
Employee loans	6.0%	-	-	-	2	2
Total financial assets		12,884	-	-	68,884	81,768
Financial liabilities:						
Trade and other payables		-	-	-	41,915	41,915
Interest-bearing liabilities						
- Bank loans and overdraft	10.5%	210	-	-	-	210
- Payables to related entities	8.1%	649	-	-	-	649
- Finance lease liabilities	7.9%	-	1,274	4,423	-	5,697
Derivatives		-	-	-	18,119	18,119
Total financial liabilities		859	1,274	4,423	60,034	66,590
Net financial assets / (liabilities)		12,025	(1,274)	(4,423)	8,850	15,178

ADITYA BIRLA MINERALS LIMITED

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

2. Financial risk management objectives and policies (continued)

Risk Exposures and Responses (continued)

Interest rate risk (continued)

PARENT	Weighted average interest rate	Floating interest rate	Fixed interest maturing within 1 year	Fixed interest maturing 1 to 5 years	Non- interest bearing	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
2009						
Financial assets						
Cash and cash equivalents		-	-	-	30	30
Trade and other receivables		-	-	-	261,736	261,736
Derivatives		-	-	-	14,932	14,932
Total financial assets		-	-	-	276,698	276,698
Financial liabilities						
Trade and other payables		-	-	-	505	505
Interest-bearing liabilities						
- Bank loans and overdraft	9.5%	15	-	-	-	15
- Payables to related entities	7.0%	645	-	-	-	645
Derivatives		-	-	-	984	984
Total financial liabilities		660	-	-	1,489	2,149
Net financial assets / (liabilities)		(660)	-	-	275,209	274,549
2008						
Financial assets						
Cash and cash equivalents		-	-	-	2	2
Trade and other receivables		-	-	-	294,975	294,975
Derivatives		-	-	-	251	251
Total financial assets		-	-	-	295,228	295,228
Financial liabilities						
Trade and other payables		-	-	-	349	349
Interest-bearing liabilities						
- Bank loans and overdraft	10.5%	104	-	-	-	104
- Payables to related entities	8.1%	648	-	-	-	648
Derivatives		-	-	-	18,119	18,119
Total financial liabilities		752	-	-	18,468	19,220
Net financial assets / (liabilities)		(752)	-	-	276,760	276,008

The Group believes there is a very high correlation between interest rates and economic growth. The Group normally borrows money at variable rates.

At 31 March 2009 approximately 100% of the Group's borrowings are at a variable rate of interest (2008: 100%). The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

2. Financial risk management objectives and policies (continued)

Risk Exposures and Responses (continued)

Interest rate risk (continued)

The following sensitivity is based on the interest rate risk exposures in existence at the balance date:

At 31 March 2009, had the interest rates moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Profit		Equity	
	Higher/(Lower)		Higher/(Lower)	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Consolidated				
Interest Rates +1% (100 basis points)	(12)	7	-	-
Interest Rates -1% (100 basis points)	12	(7)	-	-
Parent				
Interest Rates +1% (100 basis points)	-	-	-	-
Interest Rates -1% (100 basis points)	-	-	-	-

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments.

The Group's maximum exposures to credit risk at the balance date in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of these assets as indicated in the balance sheet.

In relation to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure in relation to these is the total mark to market gain, should the counterparties not honour their obligations.

The Group does not hold any credit derivatives to offset its credit exposure. The Group trades with recognised, creditworthy third parties only, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

The majority of the Group's sales are to its ultimate parent company, Hindalco Industries Limited. Considering Hindalco Industries Limited's standing and credit worthiness, the Group believes credit risk is almost negligible.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk, other than receivables from Hindalco Industries Limited, within the Group and financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counterparties.

There are no past due or material impaired receivables at balance date.

ADITYA BIRLA MINERALS LIMITED

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

2. Financial risk management objectives and policies (continued)

Risk Exposures and Responses (continued)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and committed available credit lines.

The Group monitors on a regular basis rolling forecasts of liquidity on the basis of expected cash flow.

It is the Group's policy to renew bank loan facilities well before the renewal dates to avoid any inherent liquidity issues when the facilities expire.

The contractual maturities of the Group's and parent entity's financial liabilities are set out in the table in note 2 under the section, "*Interest Rate Risk*". All financial liabilities, except for the non-current portion of finance leases, have a contractual maturity of one year or less.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

CONSOLIDATED		PARENT	
2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000

3. Revenues and Expenses

(a) Revenue

Sale of product	374,069	663,728	-	-
Other revenue				
Dividend income from subsidiaries	-	-	31,337	-
Bank interest	206	262	2	5
Other	304	372	-	-
	510	634	31,339	5
Total revenue	374,579	664,362	31,339	5

(b) Other income

Net gain on sale of plant and equipment	379	-	-	-
Net gain on foreign exchange	13,927	4,193	1	11
Write back of impairment on investment	-	-	-	2,794
Other	-	2,950	-	-
Total other income	14,306	7,143	1	2,805

(c) Expenses included in cost of sales

Depreciation of plant and equipment	16,462	22,025	-	-
Amortisation of mine properties	36,341	39,876	-	-
Government royalties	12,178	28,769	-	-
Minimum lease payments – operating lease	13,476	9,883	-	-
Employee benefits expense				
- Wages and salaries	62,099	51,539	-	-
- Defined contribution superannuation expense	5,006	4,204	-	-
- Other employee benefits expense	1,065	766	-	-
Total employee benefits expense	68,170	56,509	-	-

(d) Other expenses

Net realisable value write down of inventories	19,620	-	-	-
Plant and equipment written off	4,259	-	-	-
Impairment loss on investment	-	-	7,073	-
Business development expenses	955	446	785	446
	24,834	446	7,858	446

(e) Finance costs

Borrowing costs	3,248	9,387	34	122
Payables to related entities	1,661	52	39	52
Finance charges payable under finance leases	385	553	-	-
	5,294	9,992	73	174
Unwinding of discount on rehabilitation provision	552	272	-	-
Total finance costs	5,846	10,264	73	174

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

CONSOLIDATED		PARENT	
2009	2008	2009	2008
\$	\$	\$	\$

4. Auditor's Remuneration

The auditor of Aditya Birla Minerals Limited is Ernst & Young (Australia).

Amounts received or due and receivable by Ernst & Young (Australia) for:

- an audit or review of the financial report of the entity and any other entity in the consolidated group	235,000	276,600	235,000	276,600
- other services in relation to the entity and any other entity in the consolidated group				
- tax compliance	287,468	71,350	287,468	71,350
	<u>522,468</u>	<u>347,950</u>	<u>522,468</u>	<u>347,950</u>

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

CONSOLIDATED		PARENT	
2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000

5. Income Tax

(a) Income tax (benefit)/expense

)

The major components of income tax are:

Income statement

Current income tax

Current income tax charge	-	746	-	746
Adjustments in respect of current income tax of previous years	(746)	-	(746)	-

Deferred income tax

Relating to origination and reversal of temporary differences	(32,686)	44,644	(402)	(1,499)
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Income tax (benefit)/expense reported in the income statement

(33,432)	45,390	(1,148)	(753)
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(b) Amounts charged/(credited) directly to equity

Deferred income tax related to items charged/(credited) directly to equity

Net loss on cash flow hedges	-	2,755	-	-
Income tax expense reported in equity	-	2,755	-	-

(c) A reconciliation between tax (benefit)/expense and the product of accounting (loss)/profit before income tax multiplied by the Group's applicable income tax rate is as follows:

Accounting (loss)/profit before income tax	(109,451)	150,355	22,915	1,518
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At the statutory income tax rate of 30% (2008: 30%)

(32,835)	45,106	6,875	455
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Add:

- non-deductible expenses	3	1	2,124	1
- adjustments in respect of deferred income tax of previous years	146	283	-	-

Less:

- income not subject to tax	-	-	(9,401)	-
- reversal of temporary difference not brought to account as a deferred tax asset	-	-	-	(838)
- adjustments in respect of current income tax of previous years	(746)	-	(746)	-
- adjustments in respect of deferred income tax of previous years	-	-	-	(371)

At effective income tax rate of 31% (Parent: 4%) (2008: 30%, Parent: 59%)

(33,432)	45,390	(1,148)	(753)
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ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

5. Income Tax (continued)

BALANCE SHEET		INCOME STATEMENT	
2009	2008	2009	2008
\$'000	\$'000	\$'000	\$'000

(d) Recognised deferred tax assets and liabilities

Deferred income tax at 31 March relates to the following:

CONSOLIDATED

Deferred tax liabilities

Accrued revenue	(7,968)	-	(7,968)	-
Capitalised exploration expenditure	(3,810)	(3,810)	-	-
Capital work in progress	-	(1,291)	1,291	(1,291)
Diesel fuel rebate	(28)	(97)	69	143
Foreign exchange	(5)	(3)	(2)	518
Derivative contracts	(3,013)	-	(3,013)	-
Prepaid expenditure	(69)	(32)	(37)	(32)
Property, plant and equipment	(10,462)	(23,980)	13,518	347
Mine properties	(66,877)	(55,005)	(11,872)	(3,002)
Gross deferred income tax liabilities	(92,232)	(84,218)		

Deferred tax assets

Accrued liabilities	186	128	58	25
Borrowing costs	22	37	(15)	(9)
Share issue costs	1,410	2,141	(731)	(731)
Employee entitlements	1,820	1,460	360	436
Foreign exchange	1,281	143	1,138	-
Derivative contracts	1,172	4,402	(3,230)	4,493
Provision for rehabilitation	5,810	6,453	(643)	1,440
Project pool	18,608	18,624	(16)	681
Trading stock	14,596	7,692	6,904	863
Recognition/(recoupment) of tax losses	36,875	-	36,875	(48,525)
Gross deferred income tax assets	81,780	41,080		
Net deferred tax liabilities	(10,452)	(43,138)		
Deferred tax income/(expense)			32,686	(44,644)

PARENT

Deferred tax liabilities

Foreign exchange	(5)	(3)	(2)	356
Others	-	-	-	113
Gross deferred income tax liabilities	(5)	(3)		

Deferred tax assets

Borrowing costs	17	23	(6)	(1)
Share issue costs	1,410	2,141	(731)	(731)
Recognition of income tax losses	36,874	-	1,138	1,762
Others	59	56	3	-
Gross deferred income tax assets	38,360	2,220		
Net deferred tax assets	38,355	2,217		
Deferred tax income/(expense)			402	1,499

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

5. Income Tax (continued)

(e) Tax Losses

The Group has Australian capital losses for which no deferred tax asset is recognised on the balance sheet of \$585,000 (2008: \$585,000) which are available indefinitely for offset against future capital gains subject to continuing to meet relevant statutory tests.

(f) Tax Consolidation

Effective from incorporation, for the purposes of income taxation, Aditya Birla Minerals Limited and its 100% owned subsidiaries have formed a tax consolidated group under Australian tax law. Aditya Birla Minerals Limited is the head entity of the tax consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the group allocation approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company (as head entity in the tax-consolidated group). Entities within the tax consolidated group have entered into a tax sharing agreement with the head entity. As there is no tax funding arrangement between entities in the tax consolidated group, tax consolidation transactions are accounted for as equity transactions. In the head entity, the carrying amount of investments in subsidiaries are increased by tax consolidation contributions and reduced by tax consolidation distributions. Refer to note 15 for the tax consolidation contributions/distributions.

6. Earnings Per Share

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	CONSOLIDATED	
	2009	2008
	\$'000	\$'000
Net (loss)/profit attributable to ordinary equity holders of the parent	(76,019)	104,965
	2009	2008
	'000	'000
Weighted average number of ordinary shares for basic and diluted earnings per share	313,373	313,373

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

CONSOLIDATED		PARENT	
2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000

7. Dividends Paid and Proposed

Dividends declared and paid during the year on ordinary shares:

Unfranked dividend for the financial year ended 31 March 2008 of 10 cents per share, paid 30 May 2008 (2008: Nil)

	31,337	-	31,337	-
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8. Cash and Cash Equivalents

Cash at bank and in hand – denominated in AUD

	71	103	-	-
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Cash at bank and in hand – denominated in USD

	2,517	12,781	30	2
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	2,588	12,884	30	2
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Terms and conditions

Cash at bank earns interest at floating rates based on daily bank deposit rates.

9. Trade and Other Receivables

Current

Trade debtors at amortised cost

	478	2,981	-	-
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Less: Allowance for impairment loss

	(209)	-	-	-
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	269	2,981	-	-
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Trade debtors at fair value - related entities

	28,456	58,415	240	231
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	28,725	61,396	240	231
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Other debtors

	6,089	4,040	3,234	4
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	34,814	65,436	3,474	235
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Non-Current

Loans to controlled entities

	-	-	258,262	294,740
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Terms and conditions

Terms and conditions relating to the above financial instruments

(i) Details of the terms and conditions of credit sales are set out in note 1(k).

(ii) Details of the terms and conditions of loans to controlled entities are set out in note 20(e).

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

	CONSOLIDATED		PARENT	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
10. Inventories				
Current				
Copper at cost	-	2,395	-	-
Copper at net realisable value	15,584	-	-	-
Copper in-circuit at cost	-	879	-	-
Copper in ore at cost	-	2,395	-	-
Copper in ore at net realisable value	3,580	1,389	-	-
Copper in ore and under leach at cost	-	1,273	-	-
Copper in ore and under leach at net realisable value	-	6,554	-	-
Consumable stocks at cost	26,148	22,769	-	-
Less: Allowance for obsolescence on consumables and stores	(848)	(848)	-	-
	44,464	36,806	-	-
Non-Current				
Copper in ore and under leach at cost	-	12,996	-	-
Copper in ore and under leach at net realisable value	76,441	73,207	-	-
	76,441	86,203	-	-
11. Derivative Financial Instruments				
Current Assets				
Derivative commodity hedges	14,932	251	14,932	251
Derivative foreign exchange contracts	1,630	3,195	-	-
	16,562	3,446	14,932	251
Current Liabilities				
Derivative commodity hedges	984	18,119	984	18,119
Derivative foreign exchange contracts	4,559	-	-	-
	5,543	18,119	984	18,119
<p>The Company enters into commodity hedges with counter-parties on behalf of its subsidiaries. The Company has entered into back to back agreements with its subsidiaries for all such hedging transactions and hence net income or loss is recognised in the books of the subsidiaries. The net deferred metal hedge liability or asset is on account of marked to market gain or loss on the hedges outstanding as at balance date. The derivative assets and liabilities with external parties are recognised in the Company's balance sheet with a corresponding entry recognised through the intercompany accounts.</p>				
12. Other Assets				
Current				
Prepayments	4,048	549	196	86
Employee loans	15	-	-	-
	4,063	549	196	86
Non-Current				
Employee loans	15	2	-	-

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

CONSOLIDATED		PARENT	
2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000

13. Property, Plant and Equipment

Plant and Equipment

Plant and equipment, at cost	222,022	210,102	-	-
Less: Accumulated depreciation	(63,053)	(48,865)	-	-
	158,969	161,237	-	-

Leased Equipment

Leased equipment	1,090	7,590	-	-
Less: Accumulated depreciation	(730)	(1,583)	-	-
	360	6,007	-	-

Mine Properties

Mine properties, at cost	362,150	339,506	-	-
Less: Accumulated amortisation	(131,160)	(94,819)	-	-
	230,990	244,687	-	-

Capital Work in Progress

Capital work in progress, at cost	42,256	21,415	-	-
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Total Property, Plant & Equipment

	432,575	433,346	-	-
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Reconciliation

Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below:

Plant and Equipment

Carrying amount at beginning of the year	161,237	139,119	-	-
Additions	4,011	987	-	-
Transfer from capital works in progress	6,503	42,459	-	-
Transfer from leased equipment	5,105	-	-	-
Disposals	(1,967)	-	-	-
Depreciation	(15,920)	(21,328)	-	-
Carrying amount at end of the year	158,969	161,237	-	-

Leased Equipment

Carrying amount at beginning of the year	6,007	6,704	-	-
Transfer to plant and equipment	(5,105)	-	-	-
Depreciation	(542)	(697)	-	-
Carrying amount at end of the year	360	6,007	-	-

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

CONSOLIDATED		PARENT	
2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000

13. Property, Plant and Equipment (continued)

Reconciliation (continued)

Mine Properties (in production)

Carrying amount at beginning of the year	171,297	176,579	-	-
Expenditure incurred during the year	6,597	6,443	-	-
Transfer from capital works in progress	-	11,895	-	-
Amortisation	(25,097)	(23,620)	-	-
Carrying amount at end of the year	152,797	171,297	-	-

Mine Properties (under development)

Carrying amount at beginning of the year	1,585	1,105	-	-
Expenditure incurred during the year	7,162	480	-	-
Carrying amount at end of the year	8,747	1,585	-	-

Deferred Mining

Carrying amount at beginning of the year	61,558	45,076	-	-
Expenditure incurred during the year	7,017	29,685	-	-
Amortisation	(9,770)	(13,203)	-	-
Carrying amount at the end of the year	58,805	61,558	-	-

Rehabilitation Asset (relating to Mine Properties)

Carrying amount at beginning of the year	10,247	13,478	-	-
Additions during the year	1,868	-	-	-
Timing adjustment on unwinding of discount	-	(178)	-	-
Amortisation	(1,474)	(3,053)	-	-
Carrying amount at end of the year	10,641	10,247	-	-
Total carrying amount of mine properties at the end of the year	230,990	244,687	-	-

Capital Work In Progress

Carrying amount at beginning of the year	21,415	41,692	-	-
Additions	31,604	34,077	-	-
Transfer to plant and equipment	(6,503)	(42,459)	-	-
Transfer to mine properties	-	(11,895)	-	-
Disposals	(4,260)	-	-	-
Carrying amount at end of the year	42,256	21,415	-	-

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

CONSOLIDATED		PARENT	
2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000

14. Deferred Exploration and Evaluation Expenditure

Exploration and evaluation costs carried forward in respect of mining areas of interest

Pre-production - Exploration and evaluation phases

Carrying amount at beginning of the year	12,699	12,699	-	-
Additions during the year	-	-	-	-
Carrying amount at end of the year	12,699	12,699	-	-

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

During the previous year, Renison Bell had approved the assignment by Straits Exploration (Australia) Pty Ltd of its interests in the Maroochydhore joint venture to Birla Maroochydhore Pty Ltd. However, legal formalities for the transfer of title in the name of Birla Maroochydhore Pty Ltd are still under progress as at 31 March 2009.

15. Other Financial Assets

Non-Current

Investment in Birla Maroochydhore Pty Ltd, at cost	-	-	10,000	10,000
Less: Adjustment due to tax losses distributed	-	-	(3,636)	(3,403)
Net carrying value	-	-	6,364	6,597
Investment in Birla Nifty Pty Ltd, at cost	-	-	138,038	138,038
Less: Adjustment due to tax (losses)/profits distributed	-	-	(12,861)	10,539
Net carrying value	-	-	125,177	148,577
Investment in Birla Mt Gordon Pty Ltd, at cost	-	-	24,000	24,000
Less: Adjustment due to tax losses distributed	-	-	(16,927)	(4,824)
Less: Provision for impairment	-	-	-	(2,794)
Provision (recognised)/written back during the year	-	-	(7,073)	2,794
Net carrying value	-	-	-	19,176
	-	-	131,541	174,350

Further details of investments in controlled entities are set out in note 20(a). For further details on adjustments due to tax losses distributed refer to note 5(f).

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

CONSOLIDATED		PARENT	
2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000

16. Trade and Other Payables

Current

Trade creditors	7,619	9,999	7	51
Trade creditors – related entities	1,622	-	-	-
Other creditors and accruals	20,127	31,916	498	298
	29,368	41,915	505	349

Terms and conditions

Terms and conditions relating to the above financial instruments

- (i) Trade and other creditors are normally settled in accordance with the terms of trade.
- (ii) Trade creditors – related entities are interest-free and are repayable on demand.

17. Interest-Bearing Liabilities

Current

Working capital and overdraft line - (a) (i) & (b)

(i)	22,232	210	15	104
Finance lease liabilities - (a) (ii) & (b) (ii)	204	1,274	-	-
Payable to related entities – (a) (iii)	8,580	649	645	648
	31,016	2,133	660	752

Non-Current

Finance lease liabilities - (a) (ii) & (b) (ii)

Payables to related entities – (a) (iii)	77	4,423	-	-
	111,312	-	-	-
	111,389	4,423	-	-

(a) Terms and conditions

Terms and conditions relating to the above financial instruments

- (i) Interest on working capital loan is linked with BBSY for A\$ or LIBOR for US\$. Interest on the loan facility of \$60 million (2008: \$150 million) is annually renewable. Refer to note 17(c) for further details of this facility.
- (ii) The lease liabilities have an average term of 2 years with the option to purchase the assets at the completion of the lease term at a nominal value.
- (iii) Payables to related entities are unsecured and bear interest based on LIBOR. The current balance is repayable on demand.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

17. Interest-Bearing Liabilities (continued)

(b) Securities

- (i) Security for the working capital and overdraft line facility pertaining to the Group:
- a) A first ranking fixed and floating charge over the assets and undertaking of Birla Nifty Pty Ltd limited to \$68 million plus interest and costs.
 - b) First registered mining mortgages over mining tenements of Birla Nifty Pty Ltd limited to \$68 million plus interest and costs.
 - c) A second ranking fixed and floating charge over the assets and undertaking of Birla Nifty Pty Ltd securing all amounts outstanding under the group facilities.
 - d) A first ranking fixed and floating charge over the assets and undertaking of Aditya Birla Minerals Limited and Birla Mt Gordon Pty Ltd securing all the amounts outstanding under the group facility except for amount covered under a) and b) above.
 - e) Registered mining mortgage over mining tenements held by Aditya Birla Minerals Limited, Birla Nifty Pty Ltd and Birla Mt. Gordon Pty Ltd securing all amounts outstanding under the group facilities except for amounts covered under a) and b) above.
- (ii) Finance lease liabilities are secured by a charge over the leased assets.

CONSOLIDATED		PARENT	
2009	2008	2009	2008
\$'000	\$'000	\$'000	\$'000

(c) Financing facilities

The Group had access to the following financing facilities at balance date:

Total facilities available:

- Multiple advance, working capital & overdraft line – (i)	24,726	114,015	-	-
- Bank guarantees, letter of credit - (ii)	35,274	35,985	-	-
	60,000	150,000	-	-

Facilities utilised at balance date:

- Multiple advance, working capital & overdraft line – (i)	22,219	197	-	-
- Bank guarantees, letter of credit - (ii)	35,274	35,985	-	-
	57,493	36,182	-	-

Facilities not utilised at balance date:

- Multiple advance, working capital & overdraft line – (i)	2,507	113,818	-	-
- Bank guarantees, letter of credit - (ii)	-	-	-	-
	2,507	113,818	-	-

(i) Multi currency revolving advance

This loan was provided to facilitate the working capital and provide a general corporate loan.

(ii) Bank guarantee and letter of credit

Bank guarantees have been provided mainly to the following parties:

- Queensland and West Australian regulatory bodies for mining leases of Birla Mt Gordon Pty Ltd and Birla Nifty Pty Ltd; and
- Electricity, gas, logistic and other service providers.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

CONSOLIDATED		PARENT	
2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000

18. Provisions

Current

Employee entitlements	4,850	4,089	-	-
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Non-Current

Employee entitlements	1,008	1,018	-	-
Rehabilitation	19,368	17,207	-	-
	20,376	18,225	-	-

The nature of the provisions is described in note 1(o), 1(u) and 1(w).

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred over the life of the mines. However, the timing of rehabilitation expenditure is dependant on the life of the mines which may vary in future.

Movements in Provisions

	Employee Entitlements \$'000	Rehabilitation \$'000
Consolidated		
Carrying amount at the beginning of the year	5,107	17,207
Additional provision recognised during the year (net)	7,530	1,868
Amount utilised during the year	(6,779)	(259)
Increase in value due to time passage	-	552
Carrying amount at the end of the year	5,858	19,368

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

	2009 \$'000	2008 \$'000
19. Contributed Equity and Reserves		
(a) Issued and Paid Up Capital		
313,372,551 Ordinary shares		
(2008: 313,372,551 Ordinary shares)	450,663	450,663
	Shares	\$'000
<i>Movement in ordinary shares on issue</i>		
At 31 March 2009 and 31 March 2008	313,372,551	450,663

Terms and conditions

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Effective from 1 July 1998, the Corporation legislation in place abolished the concept of authorised capital and par value shares. Accordingly, the Company does not have authorised capital nor par value in respect of its issued shares.

Capital Management

The primary objective of the Company's capital management is to seek to maximise cash returns to shareholders whilst having regard to ensuring a solid financial structure for the Company and providing for value accretive development and exploration activities and targeted growth opportunities. Management also aims to maintain a capital structure through a combination of debt and equity that ensures the lowest cost of capital available to the Company.

The payment of dividends by the Company in the future will be at the complete discretion of the Directors and will depend upon the Company's available distributable earnings, franking credit balance, operating results, available cash flow, financial condition, outlook, taxation position and future capital requirements, as well as general business and financial conditions, the Directors' view of the appropriate payout ratio from time to time and any other factors the Directors may consider relevant.

The following table sets out the level of net debt based on the carrying value of the capital of the continuing operations of the Group:

	CONSOLIDATED		PARENT	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Cash and cash equivalents	2,588	12,884	30	2
Interest-bearing liabilities	142,405	6,556	660	752
Net debt	139,817	(6,328)	630	750
Total equity	411,227	518,583	444,641	451,915
Total capital	551,044	512,255	445,271	452,665

The Group is not subject to any externally imposed capital requirements.

Nature and purpose of reserve

Cash flow hedge reserve

This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

20. Related Parties

(a) Interests in Controlled Entities

Aditya Birla Minerals Limited	Country of Incorporation	% Shares Held 2009	% Shares Held 2008
Birla Nifty Pty Ltd	Australia	100%	100%
Birla Maroochydore Pty Ltd	Australia	100%	100%
Birla Mt Gordon Pty Ltd	Australia	100%	100%

(b) Ultimate Holding Company - Hindalco Industries Ltd

The Group has a secure, long-term partnership with its ultimate parent entity, Hindalco Industries Limited, a company incorporated in India. The Group's copper in concentrate production is sold to Hindalco Industries Limited under contract at arm's length terms. These contractual arrangements extend to the life of mine of the Nifty operations and the Mt Gordon operation (the Nifty Concentrate Sales Agreement and the Mt Gordon Concentrate Sales Agreement). Treatment and Refining Charges (Tc/Rc) are negotiated annually with reference to the published benchmark set by major Japanese smelters and include standard industry Price Participation (PP) levels. For the year ended 31 March 2009, Tc was set at US\$45 (2008: US\$60) per dry metric tonne of copper concentrate and Rc was set at US\$0.045 (2008: US\$0.06) per pound of payable copper, which is 96.5% of contained copper in copper concentrate. There were no price participation charges in the current and previous year.

During the year ended 31 March 2009, transactions between the Group and Hindalco Industries Limited consist of sales and advances made under normal terms and conditions to/by the ultimate parent entity.

The value of transactions with Hindalco Industries Limited during the year and the balances outstanding at the balance date has been set out in the table below:

	CONSOLIDATED		PARENT	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Trade receivables	28,456	58,415	240	231
Trade payables – interest-free	1,622	-	-	-
Trade payables – interest-bearing	119,247	-	-	-
Transactions during the year:				
- Sales of copper concentrate *	262,942	638,809	-	-
- Interest on loan	-	(37)	-	-
- Interest on trade payables	(1,622)	-	-	-

* During the year ended 31 March 2009, the Group sold 64,872 tonnes of copper contained in concentrate to Hindalco (2008: 79,443 tonnes). Sales of copper concentrate have been reported net of Tc/Rc charges of \$23,937,000 (2008: \$37,197,000).

(c) Key Management Personnel

Details relating to Key Management Personnel, including remuneration paid, are included in note 21.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

20. Related Parties (continued)

(d) **Related Entity - Birla Resources Pty Ltd**

Aditya Birla Minerals Limited also holds a loan of \$650,000 (2008: \$650,000) payable to Birla Resources Pty Ltd, a subsidiary of Hindalco Industries Limited. This loan is interest-bearing with no security and no fixed term of repayment.

(e) **Wholly Owned Group**

The non-current loans to controlled entities shown in note 9 are unsecured, interest-free and are repayable on demand.

The Company also enters into commodity hedges with counter-parties on behalf of its subsidiaries. The Company has entered into back to back agreements with its subsidiaries for all such hedging transactions. The derivative assets and liabilities with external parties are recognised in the Company's balance sheet with a corresponding entry recognised through the intercompany accounts.

For the year ended 31 March 2009, the Group has not made any allowance for impairment loss relating to amounts owed by its related entities. An impairment assessment is undertaken each financial year by examining the financial position of the related entities and the market in which the related entity operates to determine whether there is objective evidence that the related entity receivable is impaired. When such objective evidence exists, the Company recognises an allowance for the impairment loss.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

21. Key Management Personnel

(a) Details of Key Management Personnel

Directors

Name	Position	Date of Appointment	Date of Resignation
Mr D Bhattacharya	Non-Executive Chairman	18 April 2003	-
Mr S Kulwal *	Non-Executive Director	22 April 2008	-
	CEO and Managing Director	9 June 2008	-
Mr M Prasanna	Non-Executive Director	20 January 2003	-
Dr S Bhargava	Independent Non-Executive Director	21 August 2007	-
Mr M Anghie	Independent Non-Executive Director	21 November 2007	-
Mr N Krishnan	Independent Non-Executive Director	21 November 2007	-
Mr S Loyalka	Chief Executive Officer and Managing Director	15 May 2003	30 April 2008

* Mr S Kulwal was appointed as a Non-Executive Director on 22 April 2008 and became the CEO and Managing Director of the Group on 9 June 2008.

Executives

Name	Position	Date of Appointment	Date of Resignation
Mr R Maruwada	Chief Financial Officer	1 July 2008	-
Mr R Jose	Group Chief Mining Engineer	1 September 2006	-
Mr U Goel	Corporate Finance Manager	2 August 2006	-
Mr M Griffiths	General Manager – Birla Nifty Pty Ltd	28 November 2006	-
Mr J Golling	Mining Manager – Birla Nifty Pty Ltd	11 May 2006	-
Mr J Welmans	Concentrator Manager – Birla Nifty Pty Ltd	16 November 2007	-

(b) Compensation of Key Management Personnel

	CONSOLIDATED		PARENT	
	2009	2008	2009	2008
	\$	\$	\$	\$
Short term employee benefits	2,203,991	2,052,470	-	-
Post employment benefits	164,888	167,688	-	-
Termination benefits	250,000	-	-	-
Other	14,200	-	-	-
Total	2,633,079	2,220,158	-	-

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

21. Key Management Personnel (continued)

(c) Shareholdings of Key Management Personnel (Consolidated)

No key management personnel held any shares or undertook any equity transactions during the current or previous year.

(d) Transactions and Balances with Key Management Personnel and their Related Parties

Loans

A loan of \$35,000 (2008: Nil) was provided to an executive during the year. The loan is repayable within three years and bears interest at 6% per annum. A balance of \$30,000 was outstanding at 31 March 2009 (2008: Nil).

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

22. Net Fair Values of Financial Assets and Liabilities

The carrying amounts and estimated net fair values of financial assets and financial liabilities (including derivatives) held at each reporting date are given below. The net fair value representing the mark to market of a financial asset or a financial liability is the amount at which the asset could be exchanged or liability settled in a current transaction between willing parties after allowing for transaction costs.

CONSOLIDATED	2009 Carrying Amount \$'000	2009 Net Fair Value \$'000	2008 Carrying Amount \$'000	2008 Net Fair Value \$'000
Financial Assets				
<i>Current</i>				
Cash and cash equivalents	2,588	2,588	12,884	12,884
Trade and other receivables	34,814	34,814	65,436	65,436
Derivatives:				
- Foreign exchange contracts	1,630	1,630	3,195	3,195
- Commodity contracts	14,932	14,932	251	251
Employee loans	15	15	-	-
<i>Non-Current</i>				
Employee loans	15	15	2	2
Total financial assets	53,994	53,994	81,768	81,768
Financial Liabilities				
<i>Current</i>				
Trade and other payables	29,368	29,368	41,915	41,915
Interest-bearing liabilities – floating rate	22,877	22,877	859	859
Interest-bearing liabilities – fixed rate	8,139	8,152	1,274	1,274
Derivatives:				
- Foreign exchange contracts	4,559	4,559	-	-
- Commodity contracts	984	984	18,119	18,119
<i>Non-Current</i>				
Interest-bearing liabilities – fixed rate	111,389	111,694	4,423	4,423
Total financial liabilities	177,316	177,634	66,590	66,590
Net financial (liabilities)/assets	(123,322)	(123,640)	15,178	15,178
	2009	2009	2008	2008
	Carrying	Net Fair	Carrying	Net Fair
	Amount	Value	Amount	Value
	\$'000	\$'000	\$'000	\$'000
PARENT				
Financial Assets				
<i>Current</i>				
Cash and cash equivalent	30	30	2	2
Trade and other receivables	3,474	3,474	235	235
Derivatives:				
- Commodity contracts	14,932	14,932	251	251
<i>Non-Current</i>				
Loans to controlled entities	258,262	258,262	294,740	294,740
Total financial assets	276,698	276,698	295,228	295,228
Financial Liabilities				
<i>Current</i>				
Trade and other payables	505	505	349	349
Interest-bearing liabilities – floating rate	660	660	752	752
Derivatives:				
- Commodity contracts	984	984	18,119	18,119
Total financial liabilities	2,149	2,149	19,220	19,220
Net financial assets	274,549	274,549	276,008	276,008

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

22. Net Fair Values of Financial Assets and Liabilities (continued)

The methods and assumptions used to estimate the fair value of the financial instruments are set out below:

Cash and Cash Equivalents

The carrying amount is the fair value due to the liquid nature of these assets.

Receivables/Payables

Due to the short-term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values.

Interest-Bearing Liabilities

For interest-bearing liabilities with floating rates, their carrying amounts are estimated to represent their fair values. For interest-bearing liabilities with fixed rates, their fair values are calculated by discounting the expected future cash flows at prevailing market interest rates at balance date.

23. Segment Reporting

The Group operates in one business and geographic segment, being the mining and production of copper in Australia.

CONSOLIDATED		PARENT	
2009	2008	2009	2008
\$'000	\$'000	\$'000	\$'000

24. Commitments

Capital Expenditure

Estimated capital expenditure contracted for at reporting date, but not provided for:

Payable not later than one year	14,523	18,754	-	-
Payable later than one not later than five years	-	-	-	-
Payable later than five years	-	-	-	-
	14,523	18,754	-	-

The Group had contractual obligations in relation to the Nifty heap leach re-mine project of \$14,523,000 (2008: \$15,754,000) and the Nifty paste fill plant of nil (2008: \$3,000,000). The commitment for the Nifty paste fill plant was settled during the year.

Operating Leases

The Group has entered into contracts for the provision of vehicle fleet and infrastructure as follows:

Payable not later than one year	10,150	12,507	-	-
Payable later than one not later than five years	13,000	14,976	-	-
Payable later than five years	6	45	-	-
	23,156	27,528	-	-

The Group has entered into operating leases on certain motor vehicles, mining equipment and portable infrastructure. These leases have an average life of between 2 and 5 years with no renewal option included in the contracts.

There are no restrictions placed upon the Group by entering into these leases.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

CONSOLIDATED		PARENT	
2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000

24. Commitments (continued)

Finance Leases

Payable not later than one year	239	1,714	-	-
Payable later than one not later than five years	80	4,869	-	-
Payable later than five years	-	-	-	-
	319	6,583	-	-
Less: Future finance charges	(38)	(886)	-	-
Present value of future lease charges	281	5,697	-	-

The Group has entered into finance leases on certain plant equipment. These leases have an average term of 2 years with the option to purchase the assets at the completion of the lease term at a nominal value.

Other Commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to outlay lease rentals and to meet the minimum expenditure requirements of the relevant regulatory bodies per annum. Minimum expenditure requirements excluding lease rentals are \$3,365,100 (2008: \$2,876,100). These commitments are subject to renewal of the leases, renegotiation upon expiry of the exploration leases or when application for a mining lease is made. These commitments are not provided for in the financial statements.

For the transportation of gas from Port Hedland to Nifty, the Group has agreed to pay minimum transportation charges of \$2,410,000 per annum (2008: \$2,410,000). The gas transportation agreement is valid until 6 December 2019.

25. Contingent Liabilities

In October 2008, the Commissioner of State Revenue ("Commissioner") issued a stamp duty assessment notice in respect of the Company's acquisition of Birla Nifty Pty Ltd in 2003. The Commissioner determined that Birla Nifty Pty Ltd was a land holder within the meaning of the Stamp Act 1921 at the date of acquisition and thus the Company is liable to pay stamp duty of approximately \$7,300,000 based on the Commissioner's calculation of the land and chattels held by Birla Nifty Pty Ltd. The Company does not agree with the Commissioner's determination and has lodged with the Commissioner an objection regarding the methodology of the land rich analysis and calculation. The Company has a view that Birla Nifty Pty Ltd was not a land holder at the relevant time. The Company has sought and obtained from the Commissioner an extension of time to pay the assessment until after the determination of the objection, if still required.

No provision has been included in the financial statements in respect of the aforesaid contingent liabilities.

ADITYA BIRLA MINERALS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

CONSOLIDATED		PARENT	
2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000

26. Notes to the Cash Flow Statement

(a) Reconciliation of net (loss)/ profit after income tax to net cash flows from operating activities

Net (loss)/profit from ordinary activities after income tax	(76,019)	104,965	24,063	2,271
<i>Adjustments for:</i>				
Depreciation of plant and equipment	16,462	22,025	-	-
Amortisation of mine properties	36,341	39,876	-	-
Net gain on sale of plant and equipment	(379)	-	-	-
Dividend income from subsidiaries classified as investing cash flow	-	-	(31,337)	-
Impairment loss/(Write back of impairment) on investment	-	-	7,073	(2,794)
Plant and equipment written off	4,259	-	-	-
Net realisable value write down of inventories	19,620	-	-	-
Net unrealised foreign exchange differences on cash and cash equivalents	(633)	1,757	(7)	-
<i>Changes in assets and liabilities:</i>				
(Increase)/decrease in trade and other receivables	30,621	(55,940)	(486)	(230)
(Increase)/decrease in other assets	(3,527)	40	(111)	(53)
(Increase)/decrease in inventories	(17,515)	32,934	-	-
(Increase)/decrease in deferred derivative assets	(13,116)	(3,446)	-	-
Increase/(decrease) in deferred derivative liabilities	(12,576)	18,802	-	-
(Increase)/decrease in deferred tax assets	-	-	(402)	(1,499)
Increase/(decrease) in deferred tax liabilities	(32,686)	44,644	-	-
Increase/(decrease) in income tax payable	(746)	746	(746)	746
Increase/(decrease) in trade and other payables	(15,467)	(4,188)	156	220
Increase/(decrease) in interest-bearing liabilities	119,247	-	-	-
Increase/(decrease) in employee entitlements	752	1,792	-	-
Increase/(decrease) in provision for rehabilitation	292	(3,424)	-	-
Net cash from/(used in) operating activities	54,930	200,583	(1,797)	(1,339)

(b) Reconciliation of cash

For the purpose of the Cash Flow Statement, cash and cash equivalents comprise the following at 31 March:

Cash at bank and in hand	2,588	12,884	30	2
Bank overdraft	(619)	(197)	(15)	(104)
	<u>1,969</u>	<u>12,687</u>	<u>15</u>	<u>(102)</u>

Bank overdraft is included in interest-bearing liabilities (note 17).

ADITYA BIRLA MINERALS LIMITED

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

26. Notes to the Cash Flow Statement (continued)

(c) Disclosure of financing facilities

Details of financing facilities are included in note 17(c).

27. Events Subsequent to Balance Date

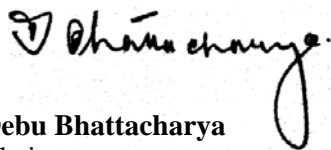
There are no material subsequent events after the balance date.

Directors' Declaration

In accordance with a resolution of the Directors of Aditya Birla Minerals Limited, we state that:

1. In the opinion of the Directors:
 - a) the financial statements, notes, and the additional disclosures included in the Directors' Report designated as audited, of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 31 March 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 March 2009.

Signed in accordance with a resolution of the directors.



Debu Bhattacharya
Chairman

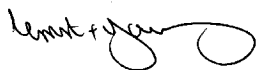


Sunil Kulwal
Managing Director

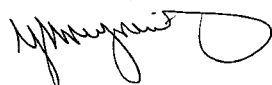
Perth, 30 April 2009

Auditor's Independence Declaration to the Directors of Aditya Birla Minerals Limited

In relation to our audit of the financial report of Aditya Birla Minerals Limited for the year ended 31 March 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'G H Meyerowitz'.

G H Meyerowitz
Partner
Perth
30 April 2009

Independent auditor's report to the members of Aditya Birla Minerals Limited

Report on the Financial Report

Directors' Responsibility for the Financial Report

We have audited the accompanying financial report of Aditya Birla Minerals Limited, which comprises the balance sheet as at 31 March 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of Aditya Birla Minerals Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the financial position of Aditya Birla Minerals Limited and the consolidated entity at 31 March 2009 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

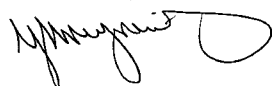
We have audited the Remuneration Report included in pages 10 to 14 of the directors' report for the year ended 31 March 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Aditya Birla Minerals Limited for the year ended 31 March 2009, complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'G H Meyerowitz'.

G H Meyerowitz
Partner
Perth
30 April 2009