

***DIRECTORS***

Shri A. K. Agarwala  
Shri Biswajit Choudhuri  
Shri J. C. Chopra  
Shri P. P. Sharma  
Shri G. M. Dave  
Shri K. K. Maheshwari  
Shri Lalitkumar S. Naik  
Shri K. C. Jhanwar

***MANAGING DIRECTOR***

Shri S. S. Gupta

***COMPANY SECRETARY***

Shri Akash Mishra

***BANKERS***

HDFC Bank Limited  
State Bank of India  
Axis Bank Limited  
IDBI Bank Limited

***STATUTORY AUDITORS***

M/s. Khimji Kunverji & Co.  
Chartered Accountants  
Mumbai

***COST AUDITORS***

M/s. S. Gupta & Co.  
Cost Accountants  
Kolkata

***REGISTERED OFFICE***

“Ghanshyam Kunj”  
Garhwa Road, P.O. Rehla-822 124  
Distt. Palamau (Jharkhand)  
Phone : (06584) 262 211  
          262 221, 262 488  
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**DIRECTORS' REPORT TO SHAREHOLDERS****Dear Shareholders,**

We are pleased to present the 35th Annual Report together with the Annual Accounts of your Company for the financial year ended 31st March 2011.

**FINANCIAL PERFORMANCE**

The performance of the Company for the Financial Year ended 31st March 2011 is summarised below :

	<b>2010-2011</b>	<b>2009-2010</b>
	<b>Rs. in lacs</b>	
Gross Turnover	<b>26107.05</b>	24107.63
Gross Profit/(Loss)	<b>9180.59</b>	9125.91
Depreciation	<b>(2036.26)</b>	(2003.57)
Profit before Tax	<b>7144.33</b>	7122.34
Provision for current tax	<b>(1429.36)</b>	(1234.34)
Provision for deferred tax	<b>(32.24)</b>	(130.26)
MAT Credit Entitlement	<b>588.08</b>	316.53
Profit/(Loss)after Tax	<b>6270.81</b>	6074.27
Adjustment of Taxes for earlier years	<b>(40.85)</b>	(724.81)
Balance brought forward from previous year	<b>21517.25</b>	16880.56
Balance available for Appropriation	<b>27747.22</b>	22230.02
<b>APPROPRIATIONS :</b>		
Proposed Dividend	<b>116.93</b>	350.80
Tax on Proposed Dividend	<b>18.97</b>	58.26
Transfer to General Reserve	-	303.71
Balance carried to Balance Sheet	<b>27611.32</b>	21517.25

**DIVIDEND**

In view of funds needed for augmentation, your Directors recommends dividend @ 5 % i.e. Re. 0.50 per share on the paid up equity share of Rs. 10/- each of the Company.

**OPERATING RESULTS & PROFITS**

Your Company is continuously moving towards its journey of excellence in the Chlor Alkali segment. Despite the increase in input costs such as Power, Coal and other raw materials, the unstable supply of Power from the Grid, the Company has reported an excellent performance in all spheres of its activities.

For the year under review, the gross turnover was higher by 8.29 % at Rs. 261.07 crores as compared to Rs. 241.08 crores in the previous year. Net sales stood at Rs. 236.25 crores as compared to Rs. 221.86 crores in the previous year. Profit before tax rose to Rs. 71.44 crores as the against preceeding year's profit at Rs. 71.22 crores. After tax adjustment , the net profit has risen marginally at Rs. 62.71 crores in comparison to Rs. 60.74 crores in the earlier year.

*A more detailed discussion and analysis on the performance of your Company for the year under review as well as the outlook and focus for the coming year is contained under the chapter on Management Discussion and Analysis Report.*

**ACQUISITION & EXPANSION**

We are pleased to inform you that the Board of Directors of your Company has approved the acquisition of the Chloro Chemicals Division of Kanoria Chemicals & Industries Limited for a cash consideration of Rs. 830 crores in its meeting held on 16th April 2011. This plant is a state of art facility located at Renukoot, Uttar Pradesh, manufacturing Chlor-Alkalis, Chlorine derivatives and water treatment chemicals. It is highly cost competitive, driven by strengths of the latest manufacturing technology, captive power plants with coal linkage and forward integration into value adding chlorine derivatives. The current annual capacity of caustic

## DIRECTORS' REPORT TO SHAREHOLDERS (Contd..)

soda at the facility is 115,000 TPA. With this acquisition, the total caustic soda capacity of your Company will increase from 105,000 TPA to 220,000 TPA. This transaction takes your Company to a higher growth trajectory.

The transaction will be done on a slump sale basis and is subject to customary corporate and other approvals. It is expected to be completed towards the end of May 2011. The financing of this transaction will be arranged from internal accruals and borrowings. The limit of borrowings proposed to be enhanced is upto Rs. 1200 crores, for which an Extra Ordinary General Meeting of Members of the Company has been called on 17th May 2011.

As informed in last Report about our proposed expansion, the capacity of our Aluminium Chloride Plant has been raised from 25 TPD to 43 TPD through additional reactors, based on the latest technology, with a capital investment of Rs.8.64 crores.

### AWARDS AND ACCOLADES

Your directors are pleased to share with you that in recognition of its exemplary work in communities, your Company has bagged the prestigious FICCI Award for "Rural & Community Development" for the year 2009-10. This award was conferred by Shri Pranab Mukherjee, Finance Minister, Govt of India, on Smt. Rajshree Birla, Chairperson, the Aditya Birla Centre for Community Initiatives and Rural Development. Your Company's CSR activities are carried out under its umbrella.

### COMMUNITY SERVICES

For over two decades now your Company has been working single mindedly to make a qualitative difference to the lives of the underprivileged in 40 villages, in proximity to its plants. We reach out to nearly 62,000 people of whom more than 70% live below the poverty line. Your Company's activities extend to improving the lot of the rural poor through major initiatives in education, healthcare, sustainable livelihood and agriculture improvement programmes. Your Company's CSR team partners with the Rotary Club, the Kisan Club, the Pani Panchayat Committee, the Village Development Committee, several Government agencies and NABARD. Your Company's projects have set a new benchmark and are emulated by many other village communities.

### SAFETY, HEALTH, ENVIRONMENT PROTECTION AND POLLUTION CONTROL

Your Company is committed to the safety of employees and processes and engaging all stakeholders involved directly or indirectly with our activities.

Your Company has taken various steps to promote safety, health and pollution control among it is the assessment of the operation and maintenance practices by Chlor alkali experts of India such as Mr. S. K. Khurana and Euro Chlor alkali expert Mr. Gye Mesrobian for the study of process safety, focusing on chlorine hazards. Our team is working on implementation of findings by both experts.

Your company has upgraded the plant's process safety through Instrumentation with the control & installation of RADAR Level transmitter in the caustic storage tank, Valve positioner in the Chlorine and Hydrogen valves of the HCL Furnace, modification in ignition logic in the Hydrogen Boiler, Pressure transmitter / Pressure gauges / temperature element in chlorine surge vessel of Aluminum Chloride Plant.

Your Company's continuous thrust is on conservation of natural resources resulting an ongoing reduction in the consumption of Water and Auxiliary power.

Your Company has also taken significant steps in its endeavor to protect the environment by maintaining a green belt inside the plant and planting trees around its location.

### DIRECTORS

During the year, IDBI Bank Limited had withdrawn its nominee Shri S. C. Mathur from the Board of Directors of the Company w.e.f. 4th November 2010.

The Board has appointed Shri Girish Mohanlal Dave as Additional Director in the Board w.e.f. 16th April 2011.

## DIRECTORS' REPORT TO SHAREHOLDERS (Contd..)

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association, Shri Krishna Kishore Maheshwari and Shri Kailash Chandra Jhanwar, Directors retire by rotation and being eligible, offer themselves for re-appointment in the ensuing General Meeting.

The Board of the Company recommends the appointment / re-appointment of the eligible Directors.

### CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreement with the Stock Exchanges, the Report on Corporate Governance and Management Discussion and Analysis Report form part of this Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Auditors' Certificate, confirming compliance, is attached to the Report on Corporate Governance.

### LISTING OF SHARES

The Company's shares are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

This was not applicable for the year under review.

### FIXED DEPOSITS

The Company did not raise funds by way of fixed deposits and, as such, no amount of principal or interest was outstanding as on the balance sheet date. .

### AUDITORS AND AUDITORS' REPORT

M/s. Khimji Kunvarji & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General meeting and are recommended for re-appointment. A Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act,1956 and that they are not disqualified for re-appointment within the meaning of section 226 of the said Act.

The Notes on Accounts referred to in the Auditors' Report are self explanatory and do not call for any further comments.

### COST AUDIT

In line with the requirement of the Central Govt. and pursuant to Section 233B of the Companies Act, 1956, the Company carries out an audit of cost accounts relating to its product every year. The Company has re-appointed M/s. S. Gupta & Co., Cost Accountants, Kolkata, to audit the cost accounts relating to its products for the financial year 2011-12. A Certificate from the Cost Auditors has been received to the effect that their re-appointment would be within the limits prescribed under section 224(1B) of the Companies Act,1956 and that they are not disqualified for re-appointment within the meaning of section 226 of the said Act. The due date for filing of the Cost Audit Report is 180 days from the close of financial year and the Cost Audit Report of the Company for the financial year 2009-10 was filed on 25.08.2010 within the due date.

### PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

Details of energy conservation, technology absorption, foreign exchange earnings and outgo required to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in an Annexure forming part of this report.

In accordance with the provisions of Section 217(2A) read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are to be set out in the Directors' report, as an addendum thereto. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and

**DIRECTORS' REPORT TO SHAREHOLDERS (Contd..)**

accounts as therein set out, are being sent to all members of the Company excluding the aforesaid information about the employees. Any member, who is interested in obtaining such particulars about employees, may write to the Company Secretary at the Registered Office of the Company.

**CODE OF CONDUCT**

In terms of requirement of Clause 49 of the Listing Agreement, the Board of Directors of Aditya Birla Chemicals (India) Limited has laid down a Code of Conduct for all Board Members and Senior Management of the Company, which is posted on the website of the Company. The Board Members and Senior Management have affirmed compliance with the Code of Conduct of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors wish to inform that the Audited Accounts containing Financial Statements for the financial year ended 31st March 2011 are in full conformity with requirements of the Companies Act, 1956. Your Directors believe that the Financial Statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and result of operations.

As stipulated in Section-217 (2AA) of the Companies Act, 1956, your Directors subscribe to the Directors' Responsibility statement and confirm that:

- i) in the presentation of the Annual Accounts, applicable accounting standards have been followed ;
- ii) the accounting policies have been consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of your Company as at 31st March 2011 and of the profit for the financial year ended 31st March 2011;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities ;
- iv) the annual accounts of your Company have been prepared on a going concern basis ;
- v) the Company's Internal Auditors had conducted periodic audits to provide reasonable assurance that the Company's established policies and procedures have been followed.

**INDUSTRIAL RELATIONS**

The industrial relations with the employees and workmen of the Company continued to be cordial. Your Company continues to better the manpower productivity.

**ACKNOWLEDGEMENTS**

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's performance.

The Directors wish to thank to all the shareholders, customers, dealers, suppliers, bankers, financial institutions, Govt. authorities and all other business associates for the continued support to the Company and their confidence in its management.

For and on behalf of the Board of Directors

Camp : Mumbai  
Dated : 26th April 2011

A. K. Agarwala  
Director

L. S. Naik  
Director

**DIRECTORS' REPORT TO SHAREHOLDERS (Contd..)**

**Information under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 and forming part of the Directors' Report for the year ending 31st March 2011**

**A. CONSERVATION OF ENERGY :**

**(a) Energy conservation measures taken :**

- Installation of variable fluid coupling in primary air fan
- Replacement of CT fan blade with energy efficient
- Replacement of old and inefficient pump- motor set
- Replacement of two cooling water pumps with single higher rating energy efficient pump.
- Optimization of cooling tower pumps operation.
- Replacement of conventional luminaries with energy efficient CFL & LED luminaries.
- Installation of VFDs at various locations.
- Installation of Solar Water heater
- Installation of Capacitor banks.

**(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :**

- Installation of VFDs.
- Provision of direct pumping of Caustic to CEU.
- Installation of dedicated air compressor for Nitrogen unit to facilitate common air compressor to operate at lower discharge pressure.

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

- The above measures have resulted in energy saving and consequently led to a reduction in the cost of production.

**(d) Total energy consumption and energy consumption per unit of production :**

- As per Form "A" attached.

**B. TECHNOLOGY ABSORPTION :**

- Efforts made in technology absorption as per Form "B" attached.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

**(a) Activities relating to exports :**

- The Company exports Chlorine, Hydrochloric Acid and Stable Bleaching Powder to Nepal, Bangladesh, Malaysia and Bhutan.

**(b) Total foreign exchange used and earned :**

- Foreign exchange earned : Rs. 47.78 lacs
- Foreign exchanged used : Rs. 526.62 lacs

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## ANNEXURE

### FORM "A"

#### DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION	Current year 2010-11	Previous year 2009-10	
<b>1. Electricity</b>			
(a) Purchase			
Unit (KWH in thousand)	40977	44130	
Total amount (Rs. In lacs)	1484.90	1361.45	
Rate/ unit (Rs.) (Average Cost)	3.62	3.08	
(b) Own generation (Net)			
(i) Through Diesel generator			
Unit (KWH in thousand)	8	27	
Unit per Ltr. of diesel oil	2.96	2.52	
*Cost/ unit (Rs.)	13.10	13.27	
(* higher due to fuel consumption on regular test run of DG set)			
(ii) Through steam turbine/ generator (Net)			
Unit (KWH in thousand)	219152	219855	
Total amount (Rs. In lacs)	4463.79	4402.27	
Rate/ unit (Rs.) (Average cost)	2.03	2.00	
<b>2. Coal used in Boiler of 'E' &amp; 'F' Grade</b>			
Quantity (Tonnes in thousand)	212.25	213.27	
Total Cost (Rs. in lacs)	3000.40	3037.81	
Average rate per tonne (Rs.) (Average cost)	1413.59	1424.66	
<b>3. Furnace Oil/ HSD</b>			
Quantity (K. Ltr.)	234.92	195.78	
Total Amount (Rs. in lacs)	91.30	65.61	
Average rate/ Ltr. (Rs.) (Average cost)	38.86	33.51	
<b>4. Others/ internal generation (Please give details)</b>			
Quantity	Nil	Nil	
Total cost	Nil	Nil	
Rate / unit	Nil	Nil	
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>			
<b>Products (with details) Unit</b>	<b>Standards</b>	<b>Current Year 2010-11</b>	<b>Previous year 2009-10</b>
Electricity (KWH/MT)	2511	2504	2486
Furnace oil (Ltr./ MT)	-	-	-



FORM "B"

DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

RESEARCH & DEVELOPMENT

- |   |   |  |
|---|---|--|
| <b>1. Specific areas in which R &amp; D is carried out by the Company</b> | : | <ul style="list-style-type: none"> <li>● Installation of 3rd coal feeders for enhanced plant availability.</li> <li>● Change in the composition of boiler refractory materials for enhanced performance and duration.</li> <li>● Installation and commissioning of air handling unit for temperature control of HT &amp; LT electrical panels and turbine auxiliaries.</li> </ul>  |
| <b>2. Benefits derived as a result of above R &amp; D</b>                 | : | <ul style="list-style-type: none"> <li>● Plant performance improved and significant savings achieved.</li> <li>● Better operational control and safety in CPP &amp; CP.</li> <li>● Reduced specific power consumption in Caustic Soda &amp; Power Plant.</li> <li>● Overall down time of equipments reduced.</li> </ul>  |
| <b>3. Future plan of action</b>   | : | <ul style="list-style-type: none"> <li>● Replacement of 18KA DC Breaker of Isolator and shunt.</li> <li>● Installation of more VFDs and other energy saving schemes.</li> <li>● Silo dust conditioner rehabilitation for loading to closed tanker.</li> <li>● Replacement of single tube and shell type transformer oil cooler with double tube and shell type oil cooler</li> <li>● Replacement of Super heater # 1 &amp; Evaporator Coil bundles.</li> <li>● Recovery of Sodium hypochlorite generated at SBP and Aluminum Chloride plants to main plant.</li> </ul> |
| <b>4. Expenditure on R &amp; D</b>  | : | <ul style="list-style-type: none"> <li>● Rs. 10.50 lacs – for system modification.</li> <li>● Rs. 75.61 lacs – for energy saving schemes.</li> </ul>   |

TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION

- Installation of independent baby compressor in DE System Coal Handling Plant for control on dust emission.
- UPS control supply to critical LT motors.
- Modification in seam welding machine in GI Drum plant.
- Modification in cooling water return line of rectified transformer oil coolers.

**REPORT ON CORPORATE GOVERNANCE**

Corporate Governance is about commitment to values and about ethical business conduct. It is about how an organization is managed. This includes its corporate and other structure, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial performance, ownership and material development affecting the Company, is an integral part of Corporate Governance. Adoption of good Corporate Governance practices helps to develop a good image of the organization, attracts best talent and keeps stakeholders satisfied.

**COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Your Company believes that sound Corporate Governance is critical to enhance and retain investors' trust. Accordingly, your Company seeks to attain its performance with integrity and fairness. The Company's philosophy is based on Accountability, Ethical conduct, Compliance with statutes, Interest of all stakeholders, Transparency and Timely disclosure. The objective is to institutionalize Corporate Governance practices that go beyond adherence to the extant of regulatory framework.

The Company is in full compliance with the requirements under Clause 49 of the Listing Agreement with the Stock Exchanges.

**BOARD OF DIRECTORS**

The Board of Directors, as on 31st March 2011, comprises eight Directors out of which seven are non-executive Directors. Since the Company does not have a Chairman, Directors present in the meeting elect one of them to take the chair and a non-executive Director is appointed as Chairman of the meeting. The Majority of the Directors are non-executive and more than one-third of the total strength of the Board is independent. All the directors are above 21 years of age and are not related with each other in any manner. The composition of the Board as on 31st March 2011, attendance at Board meetings held during the financial year under review and at the last Annual General meeting and number of Directorships and Memberships/ Chairmanships in public Companies held by Directors as on 31st March 2011 (including the Company) are given below :

Name of Director	Category	No. of Board meetings held	No. of Board meetings attended	*No. of Other Directorships	**Committee Membership		Attendance at last AGM
					Member	Chairman	
Shri A. K. Agarwala	Non-Executive	4	3	5	-	-	No
Shri K. K. Maheshwari	Non-Executive	4	-	2	2	1	No
Shri L. S. Naik	Non-Executive	4	3	2	4	-	Yes
Shri K. C. Jhanwar	Non-Executive	4	4	1	1	-	Yes
Shri Biswajit Choudhuri	Independent	4	4	10	3	3	Yes
Shri P. P. Sharma	Independent	4	3	3	-	-	Yes
Shri J. C. Chopra	Independent	4	4	3	1	-	Yes
Shri S. S. Gupta	Managing Director	4	4	-	1	-	Yes
Shri S. C. Mathur [upto 4th Nov. 2010]	Nominee Independent	4	2	N.A.	N.A.	N.A.	No

\* Independent Director means a director defined as such under Clause 49 of the Listing Agreement

\* The Directorship held by Directors as mentioned above, does not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

\* In accordance with Clause 49 of the Listing Agreement, Memberships/ Chairmanships of only the Audit Committee and Shareholders'/ Investors' Grievance Committee of all Public Limited Companies have been considered.

## CORPORATE GOVERNANCE (Contd..)

During the year 2010-11, four (4) Board Meetings held, the details of which are given here-in-below :

Date	Board Strength	No. of Directors Present
30.04.2010	9	6
06.08.2010	9	6
27.10.2010	9	8
28.01.2011	8	7

During the year under review, IDBI Bank Limited had withdrawn its nominee Shri Sunil Chandra Mathur from the Board of Directors of the Company w.e.f. 4th November 2010.

Shri Girish Mohanlal Dave has been appointed as Additional Director in the Board w.e.f. 16th April 2011.

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association, Shri Krishna Kishore Maheshwari and Shri Kailash Chandra Jhanwar, Directors, retire by rotation in the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

As required by Clause 49 of the Listing Agreement, the brief details of Directors seeking appointment/re-appointment are appended to the notice convening the 35th Annual General Meeting of the Company.

The Code of Conduct, laid down by the Company, binds all the Board Members and Senior Management of the Company. A declaration by the Managing Director to this effect is appended to this report. The code of conduct has been posted at the Company's website at [www.adityabirlachemicalsindia.com](http://www.adityabirlachemicalsindia.com).

The Board reviews the Compliance Reports to ensure adherence to all applicable provisions of Law, Rules and Guidelines on regular basis. Post meeting follow-up, review and reporting on the actions taken on decisions of the Board and Committees are being regularly carried out.

**AUDIT COMMITTEE :**

The Audit Committee of the Board of Directors is constituted in compliance with Corporate Governance requirements. The two members out of total four members of the Committee, as on 31st March 2011, are Independent Directors and all the members are non-Executive Directors and have relevant finance and audit exposure. The Committee is headed by an Independent Director. The head of Internal Audit and Statutory Auditors attend and participate in the meeting regularly on invitation.

The terms of reference and scope of the Committee includes :-

to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment/removal of Statutory/Internal Auditors, fixation of audit fees and approval of payments for any other services, to review and discuss with the Auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliances with accounting standards and listing agreement entered into with the Stock Exchanges and other legal requirements concerning financial statements and related party transactions, if any, to review the Risk Management and Legal matters of the Company, to review the quarterly, half yearly and annual financial statements before submitting to the Board of Directors.

Minutes of the Audit Committee meetings are circulated to, discussed and noted by the members of the Board.

The Committee held four (4) meetings during the year under review on 30.04.2010, 06.08.2010, 27.10.2010 and 28.01.2011. The attendance of members at the meetings was as follows :

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## CORPORATE GOVERNANCE (Contd..)

Name of Member	Status	No.of meetings attended
Shri Biswajit Choudhuri	Chairman	4
Shri K. K. Maheshwari	Member	-
Shri L. S. Naik	Member	3
Shri J. C. Chopra	Member	4
Shri S. C. Mathur [upto 4th November 2010]	Member	2
Shri K. C. Jhanwar [upto 28th January 2011]	Member	3
Shri S. S. Gupta	Permanent Invitee	4

The Company Secretary acts as the Secretary of the Committee and the Managing Director of the Company is a permanent invitee to the said Audit Committee meetings.

### SHAREHOLDERS' GRIEVANCE COMMITTEE :

The Shareholders' Grievance Committee of the Board, inter-alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders' complaints like transfer of shares, non receipt of annual report/dividend warrants etc. and oversees the performance of Registrars & Transfer Agents and recommends measures for overall improvements in the quality of investor services.

The Shareholders' Grievance Committee comprises four Non-Executive Directors and the Managing Director and is headed by a Non-Executive Director. The Committee held four (4) meetings during the year under review on 30.04.2010, 06.08.2010, 27.10.2010 and 28.01.2011. The attendance of members at the meetings was as follows :

Name of Member	Status	No. of Meetings attended
Shri K.K. Maheshwari	Chairman	--
Shri L. S. Naik	Member	3
Shri Biswajit Choudhuri	Member	4
Shri K. C. Jhanwar	Member	3
Shri S. S. Gupta	Member	4

Shri Akash Mishra, Company Secretary is the Compliance Officer under the relevant SEBI directions.

### COMPLIANCE OFFICER

Name : Akash Mishra, Company Secretary  
Address : Aditya Birla Chemicals ( India ) Limited  
Garhwa Road, P.O. Rehla - 822 124  
District - Palamau (Jharkhand)  
Phone No. : 06584-262211/221  
Fax No. : 06584-262205  
E-mail : [akash.mishra@adityabirla.com](mailto:akash.mishra@adityabirla.com)

Pursuant to new Clause 47(f) of the listing agreement, the Company's E-mail ID for grievance redressal purpose is [abcil.investors@adityabirla.com](mailto:abcil.investors@adityabirla.com), where complaints can be lodged by the investors.

## CORPORATE GOVERNANCE (Contd..)

**REMUNERATION COMMITTEE :**

In continuation of practices of good corporate governance, the Board has constituted the Remuneration Committee of Directors of the Company on 17.10.2006 to recommend/review remuneration of the Managing Director and/ or Whole Time Directors, as per requirement.

The Remuneration Committee comprises five non-Executive Directors. The Committee held one (1) meeting during the year under review on 06.08.2010. The attendance of members at the meeting was as follows :

Name of Member	Status	No. of Meetings attended
Shri J. C. Chopra	Chairman	1
Shri K.K. Maheshwari	Member	--
Shri L. S. Naik	Member	1
Shri Biswajit Choudhuri	Member	1
Shri K. C. Jhanwar	Member	1

The Non Executive Directors are paid only sitting fees for attending Board/Committee meetings. The amount of sitting fees paid to Non Executive Directors during the year under review are as follows :

Name of Director	Sitting fee paid (Rs.)
Shri A.K. Agarwala	60,000/-
Shri K. K. Maheshwari	--
Shri L. S. Naik	160,000/-
Shri K. C. Jhanwar	180,000/-
Shri Biswajit Choudhuri	210,000/-
Shri P. P. Sharma	60,000/-
Shri J. C. Chopra	170,000/-
Shri S. C. Mathur ( upto 4th November 2010 )	80,000/-

There was no other pecuniary relationship or transaction of the Non Executive Directors with the Company and the Company has not granted any stock option to any of its Directors. As on 31st March 2011, except Shri A. K. Agarwala and Shri Biswajit Choudhuri, Directors, who hold 9700 and 100 equity shares of the Company respectively, no other Directors of the Company hold any shares in the Company, as reported.

The aggregate value of salary and perquisites paid for the year 2010-11 to the Managing Director is as follows :

( all fig. in Rs. Lacs)

	Salary	Variable Pay	All other elements of the remuneration package*	Total
Shri S. S. Gupta	44.56	13.65	11.61	69.82

\* excluding Gratuity and unencashed Earned Leave Salary.

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## CORPORATE GOVERNANCE (Contd..)

Besides this, the Managing Director is also entitled to other facilities as per the rules of the Company and Agreement entered with him.

The re-appointment of Shri S. S. Gupta is for a period of two (2) years w.e.f 24.10.2009. In the event of cessation of employment of Shri Gupta for reasons attributable to him during the subsistence of service, he shall not be entitled to any remuneration on and from the date of termination of his employment. Subject to the provisions of Section 318 of the Companies Act 1956, the Company shall, in the event of the termination of the appointment of Shri Gupta as its Managing Director prior to the expiry of the said period, by the Company, pay compensation to Shri Gupta equivalent to six month's basic salary as prevailing immediately preceding the date he ceases to hold office of the Managing Director of the Company.

### SHARE TRANSFER

The Registrar and Share Transfer Agent of the Company M/s. C. B. Management Services (P) Limited, Kolkata looks after physical as well as electronic transfer of Company's shares.

The Board of Directors have delegated the power of approving transfer of securities to the Registrar subject to notification of the same to the Company Secretary on a monthly basis and intimation to the Committee about such transfers in its meeting.

The Status of total number of requests / complaints received during the year under review is as follows :

Sr. No.	Description	Nos. received				Total Received	Replied / addressed	Pending
		Q1	Q2	Q3	Q4			
A.	<b>Letters received from Statutory bodies</b>							
	SEBI	0	0	0	0	0	0	0
	Stock Exchange	0	0	0	0	0	0	0
B.	<b>Complaints from Shareholders</b>	0	0	0	0	0	0	0
C.	<b>Queries/requests</b> Issue of duplicate certificates, change of address, Bank mandates, Correction of Name, Transmission/ transfer of Shares query, Demat updation status/query, Dividend related query/revalidation, query on fully paid up etc.	25	29	33	18	105	105	0
	<b>Total</b>	<b>25</b>	<b>29</b>	<b>33</b>	<b>18</b>	<b>105</b>	<b>105</b>	<b>0</b>

**CORPORATE GOVERNANCE (Contd..)**

**General Shareholder Information :**

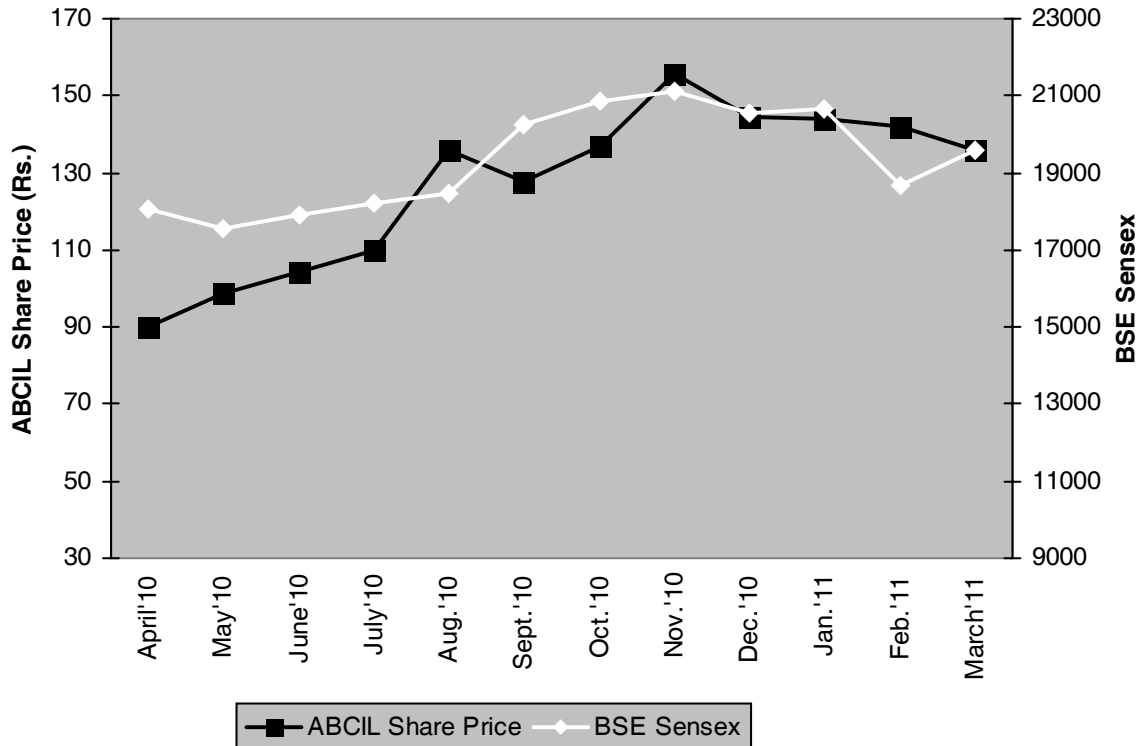
Registered Office	Aditya Birla Chemicals (India) Limited "Ghanshyam Kunj", Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand)
Annual General Meeting	Date and Time : 8th August 2011 at 10:00 A.M. Venue : Aditya Birla Chemicals (India) Limited "Ghanshyam Kunj", Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand) Dividend payment date : within 12th August 2011 Date of Book Closure: 30th July 2011 to 8th August 2011
Financial calendar (Tentative)	<ul style="list-style-type: none"> <li>● Results for the quarter ending 30th June 2011 : by 14th August 2011</li> <li>● Results for the quarter ending 30th September 2011 : by 14th November 2011</li> <li>● Results for the quarter ending 31st December 2011 : by 14th February 2012</li> <li>● Results for the quarter/year ending 31st March 2012 : by 14th May 2012</li> <li>● Next Annual General Meeting (next year) : by 30th September 2012</li> </ul>
Listing on Stock Exchanges and Stock Code	<ul style="list-style-type: none"> <li>i) Bombay Stock Exchange Limited, Mumbai (Stock Code : 500057)</li> <li>ii) National Stock Exchange of India Ltd., Mumbai (Symbol - "ABCIL")</li> </ul> Annual Listing Fee (as applicable) paid upto 2011-12
Demat ISIN in NSDL and CDSL for Equity Shares	ISIN INE605B01016

**MARKET PRICE DATA : HIGH, LOW DURING EACH MONTH IN FINANCIAL YEAR 2010-11**

Month	Bombay Stock Exchange		National Stock Exchange	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April 2010	89.90	76.50	89.90	77.10
May 2010	98.75	84.00	98.75	84.60
June 2010	104.35	87.00	104.45	91.10
July 2010	109.80	98.20	108.00	98.50
August 2010	135.80	100.60	135.75	100.25
September 2010	127.50	111.00	127.40	111.00
October 2010	136.70	117.65	145.00	117.10
November 2010	155.90	120.25	156.80	120.10
December 2010	144.40	131.20	144.95	132.30
January 2011	144.00	121.00	144.00	121.20
February 2011	141.75	123.00	141.90	123.05
March 2011	136.00	122.00	151.00	121.50

CORPORATE GOVERNANCE (Contd..)

Company's Share price performance in comparison to broad based indices - BSE Sensex



Registrar and Transfer Agent	<b>M/s. C. B. Management Services (P) Ltd.</b> P-22, Bondel Road, Kolkata - 700 019 Phone No.(s) : 033 - 4011 6728 / 4011 6717 / 2280 6692-93-94 / 2486 Fax No. 033 - 2287 0263 Email : <a href="mailto:rta@cbmsl.com">rta@cbmsl.com</a>		
Distribution of shareholding as on 31st March 2011	Category	No. of shares	% of shareholding
	Promoters	13,169,987	56.31
	Mutual Funds and UTI	1,500	0.01
	Banks/Financial Institutions/Central Govt./ State Govt.(s) / Insurance Companies / Trust	2,034,500	8.70
	Corporate Bodies	467,589	2.00
	Individuals	5,038,460	21.54
	NRI/FII / OCB	2,651,182	11.34
	Clearing Member	23,282	0.10
	<b>TOTAL</b>	<b>23,386,500</b>	<b>100.00</b>



**CORPORATE GOVERNANCE (Contd..)**

Holding of shares as on 31st March 2011	i) NSDL : 9,183,892 ii) CDSL : 13,043,213 iii) Physical : 1,159,395 (4.96% of Company's Equity Shares in physical form)
Plant location	Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand)
Address for correspondence	Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand) Email : <a href="mailto:abcil.investors@adityabirla.com">abcil.investors@adityabirla.com</a> <a href="mailto:akash.mishra@adityabirla.com">akash.mishra@adityabirla.com</a> <a href="mailto:murari.prasad@adityabirla.com">murari.prasad@adityabirla.com</a>

**ANNUAL GENERAL MEETINGS:**

Particulars	FY 2007-2008	FY 2008-2009	FY 2009-2010
Date and Time	21.08.2008 at 10:30 A.M.	29.06.2009 at 10:30 A.M.	06.08.2010 at 10:00 A.M.
Venue	Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand)	Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand)	Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand)

- No Special Resolution was passed in the previous 3 Annual General Meetings of the Company.
- No Special Resolution was passed through postal ballot at the last Annual General Meeting.
- No Special Resolution is proposed through postal ballot at the forthcoming Annual General Meeting.

**DISCLOSURES**

- (i) There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors, management, relatives except for those disclosed in the Annual Report for the year ended 31st March 2011.
- (ii) The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/stricture has been imposed against it in the last 3 years.
- (iii) The Company has complied with mandatory requirements, as reflected in this report and has adopted the non mandatory requirement of constitution of Remuneration Committee.
- (iv) The Directors' Responsibility Statement has been stated in the Directors' Report.
- (v) Management Discussion and Analysis Report is enclosed separately and forms part of Directors' Report.
- (vi) The Company does not have any Subsidiary Company.
- (vii) CEO / CFO Certificate : The Managing Director and Finance Head has certified to the Board the particulars as stipulated vide Clause 49(V) and the said certificate is appended to this report.
- (viii) Notes on the Statement of Accounts referred to in the Auditors' Report are self explanatory, and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

## ADITYA BIRLA CHEMICALS (INDIA) LIMITED

### MEANS OF COMMUNICATION

The quarterly/half yearly/yearly financial results were published in Business Standard / Financial Express (all editions) and Ranchi Express.

The Annual Report containing all of its required and important information is circulated to Members of the Company and others entitled thereto.

Annual Report, Quarterly Results, Shareholding Patterns etc. of the Company are also posted on the website: [www.corpfilings.co.in](http://www.corpfilings.co.in)

Website of the Company : [www.adityabirlachemicalsindia.com](http://www.adityabirlachemicalsindia.com)

### CAUTIONARY STATEMENT

Details given here in above relating to various activities and future plans may be 'forward looking statements' within the meaning of applicable laws and regulations. The actual performance may differ from that Expressed or implied.

### COMPLIANCE CERTIFICATE OF THE AUDITORS

The Company has obtained Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 and the same is annexed herewith.

Camp : Mumbai  
Dated : 26th April 2011

For and on behalf of the Board of Directors

A.K. Agarwala  
Director

L. S. Naik  
Director

**DECLARATION FOR CODE OF CONDUCT IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES.**

The Board of Directors of Aditya Birla Chemicals ( India ) Limited has laid down a Code of Conduct for all Board Members and Senior Management of the Company, which is posted on the website of the Company. The Board Members and Senior Management have affirmed compliance with the Code of Conduct of the Company.

For **ADITYA BIRLA CHEMICALS (INDIA) LIMITED**

**S. S. GUPTA**  
[ **Managing Director** ]

★ ★ ★ ★ ★ ★ ★

**CERTIFICATION IN TERMS OF CLAUSE 49 (V) OF THE LISTING AGREEMENT WITH STOCK EXCHANGES**

We hereby certify that :

- a) we have reviewed financial statements and the cashflow statement for the year ending 31st March 2011 and that to the best of our knowledge and belief;
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) there are, to the best of our knowledge and belief , no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) we have indicated to the Auditors and the Audit Committee;
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an Employee having a significant role in the Company's internal control system over financial reporting.

**H. K. Panda**  
[**General Manager (F & C)**]

**S. S. Gupta**  
[**Managing Director**]

**AUDITORS' CERTIFICATE**

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE - 49 OF THE LISTING AGREEMENT**

**AUDITOR'S CERTIFICATE**

To

The Members of **Aditya Birla Chemicals (India) Limited**

1. We have examined the compliance of conditions of Corporate Governance by Aditya Birla Chemical (India) Limited ('the Company') for the year ended March 31, 2011 , as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of  
**Khimji Kunverji & Co.**  
Chartered Accountants  
Firm Registration No. 105146W

Dated : 26th April 2011  
Place : Mumbai

**Hasmukh B Dedhia**  
Partner (F-033494)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY AND DEVELOPMENT WITH SEGMENTWISE PERFORMANCE AND MARKET OUTLOOK

The Global Caustic Soda Industry has transformed since the financial crisis of 2008. The Caustic Soda industry benefited from rapid economic recovery in particular from China and India. A demand pull from the construction sector helped in demand generation for Chlor-Vinyl products, whereas recovery in Alumina, pulp and paper segments boosted demand for caustic.

The global consumption of Chlor-Alkali increased to 68 Million tons in 2010, an increase of almost 11% over 2009. The global capacity for caustic soda is around 85 million tons, out of this around 55% of the capacity is in Asia.

Chlor-Alkali production in India has increased by 6% to 2.45 million tons in 2010-11. Growth in India is linked to chlorine consumption growth which has been following the growth in Indian GDP. Consumption of Poly Vinyl Chlorine and Chlorinated (two major consuming sectors of chlorine) has witnessed double digit growth and is expected to perform well.

The major driver of caustic demand is Alumina segment wherein large capacities are coming up in the Eastern region. With the acquisition of Chloro Chemical division of Kanoria Chemicals at Renukoot, our Company is planning to utilize the excess captive power available by increasing the caustic capacity further by 145 TPD.

The acquisition of Chloro Chemicals Division of Kanoria Chemicals by our Company is a compelling strategic fit. Given the large expansion plans of Aditya Birla Group's aluminium business in the Eastern region, the deal serves as an excellent sourcing point. The business has potential for growth both in revenues and earnings. The acquisition offers significant potential and infrastructure to expand the business which will serve the increasing demand for caustic soda.

### RISKS AND CONCERNS

- a) Increase in price of Coal.
- b) Import threat of Caustic Soda.
- c) Increase in logistic cost.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a strong internal control system to ensure protection of its resources, to provide accurate and speedy financial statements, reports and to comply with policies, procedures and legal obligations.

The prime objective of the system of internal control is the management of business risks so as to safeguard assets of the Company and long term interest of all the stakeholders and to provide a reasonable assurance against any misstatement or loss.

The Company has a balanced organization structure, well-defined authority levels and set guidelines and rules for conducting business transactions. The Company's internal auditors periodically conduct audits to ensure adequacy of internal control systems, adherence to management instructions and policies and compliance with the laws and regulations in force. The internal audit reports are circulated to the Management, who initiates actions as required.

The Audit Committee, whose Chairman is an independent Director, meets periodically with the Management and the Auditors of the Company to review the process of internal audit, statutory audit, risk management and internal control systems.

### FINANCIAL AND OPERATIONAL PERFORMANCE

#### Financial Performance Highlights

The Gross turnover for the year under review was higher by 8.29 % at Rs. 261.07 crores as compared to Rs. 241.08 crores in the previous year. The profit before interest, depreciation and tax was Rs. 94.45 crores. After

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd..)**

providing Rs. 2.64 crores for interest, Rs. 20.36 crores for depreciation and Rs. 8.74 crores for taxes, the net profit for the year was at Rs. 62.71 crores which is higher by 3.24 % over the previous year.

The earning per share was higher at Rs. 26.81 compared with Rs. 25.97 in last year and return on shareholders' fund was 17.81% vis-à-vis 20.99 % last year.

**Operational Performance Highlights**

The average production of Caustic and Chlorine for the year 2010-11 has been recorded at the level of 280 TPD of Caustic Soda. During the year, the average power generation was 28.16 MW with a Plant Load factor of 93.87%. The Net Turnover at Rs. 236.25 crores as compared to Rs. 221.86 crores in the previous year reflects a rise of 6.49%. The Company had achieved various milestones including highest ever production of Aluminium Chloride at 26 TPD and highest ever production of Stable Bleaching Powder at 25 TPD. The Company's good performance is due to the optimum utilization of plant capacity, optimization of process parameters and various cost reduction initiatives.

Interest cost has been lower at Rs. 2.64 crores as compared to Rs. 3.57 crores in the previous year due to scheduled repayment of term borrowings.

The Company continues to pay MAT under Section 115 JB of the IT Act on account of the Tax incentive under Section 80-IA and higher depreciation under Income Tax Act.

**HUMAN RESOURCES / INDUSTRIAL RELATIONS**

Human Resource plays a important role in achieving sustainable competitive advantage and excellence in value creation through engaging and involving it's workforce. Our Company is committed to recruit and retain suitable talent with focus on people development, in line with business needs and strategies, with institutionalized processes, which is the key area of thrust of our Company for ensuring sustainable growth.

Over the last few years, the Company has launched many new HR initiatives such as Organizational Health Survey, Employee Satisfaction Survey even to the extent of Contract Labour.

Performance linked reward mechanisms, compensation systems and Special recognition mechanisms are in place to acknowledge exceptional achievements of employees.

The Company continuously updates the infrastructural facilities and amenities for its employees and their families. The Company has a committed work force of 356 employees as on 31.03.2011.

The Company has a very congenial and healthy Industrial Relation atmosphere with no disputes. There has been no man day loss of production on account of the cordial environment in which employees operates.

**Cautionary Statement**

Statements in this Management Discussion and Analysis Report are based upon the data available with the Company and on certain assumptions having regard to the economic conditions, government policies, political developments within and outside the country, factors affecting the selling prices of finished goods etc. The management is not in a position to guarantee the accuracy of the assumptions and projected performance of the Company in future. It is, therefore, cautioned that the actual results may differ from those expressed or implied herein.

For and on behalf of the Board of Directors

Camp : Mumbai  
Dated : 26th April 2011

A.K. Agarwala  
Director

L. S. Naik  
Director

**AUDITORS' REPORT**

**THE MEMBERS OF ADITYA BIRLA CHEMICALS (INDIA) LIMITED**

- 1 We have audited the attached Balance Sheet of **Aditya Birla Chemicals (India) Limited** as at March 31, 2011, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion
- 3 As required by the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as "the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, (hereinafter referred to as "the Act") we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order
- 4 Further to our comments in the Annexure referred to above, we report that:
  - i We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - iii The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in section 211 (3C) of the Act.
  - v On the basis of the written representations received from the directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of section 274 (1)(g) the Act.
  - vi In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011 ;
    - b in the case of the Profit and Loss account, of the profit of the Company for the year ended on that date; and
    - c in the case of Cash Flow statement, of the cash flows of the Company for the year ended on that date

For and on behalf of  
**Khimji Kunverji & Co.**  
Chartered Accountants  
Firm Registration No. 105146W

Place : Mumbai  
Dated : April 26 2011

Hasmukh B Dedhia  
Partner (F-033494)

**AUDITORS' REPORT (Contd..)**

**Annexure referred to in paragraph 3 of our Auditor's Report of Aditya Birla Chemicals (India) Limited of even date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a program for phased physical verification of all its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification
- (c) The Company has not disposed off substantial part of its fixed assets during the year
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year
- (b) The procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification
- (iii) The Company has neither taken nor granted any Loans, secured or unsecured from/ to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, clause (iii)(b) to (iii)(g) of paragraph 4 of the order are not applicable to company for the year
- (iv) In our opinion and according to the information and explanations given, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further on the basis of examination of the books and records of the Company and according to the information and explanations given, and as per checking carried out in accordance with the auditing standards generally accepted in India, neither we have observed nor have we been reported of any continuing failure to correct major weakness in the internal control system relating to these areas
- (v) Based on the audit procedures applied and according to the information and explanations given, there are no contracts or arrangements referred to in section 301 of the Act that need to be entered in the register maintained under that section. Hence clause (v)(b) of para 4 of the Order is not applicable
- (vi) The Company has not accepted any deposits from public to which the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 apply to the Company
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business
- (viii) We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been maintained
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise Duty, Cess, and other material statutory dues applicable to it. There were no arrears as at March 31, 2011 for a period exceeding six months from the date they became payable
- (b) According to the information and explanations given, there are no dues of sales-tax, income-tax, wealth-tax, service tax, custom duty, excise duty and cess, which have not been deposited on account of any dispute except as follows:



AUDITORS' REPORT (Contd..)

Name of the Statute	Nature of dues	Period	Amount (Rs. in lacs)	Forum where Dispute is pending
Income Tax Act 1961	Income tax and Interest	AY 1998-99	1.29	Referred to AO by ITAT Ranchi
		AY 2000-01	2.54	Referred to AO by ITAT Ranchi
		AY 2002-03	2.27	CIT (Appeal), Ranchi
		AY 2005-06	19.80	ITAT, Ranchi
		AY 2007-08	197.02	CIT (Appeals) and Petition u/s 154
		AY 2008-09	357.32	CIT (Appeals) and Petition u/s 154
Ranchi Industrial Area Development Authority (RIADA), Ranchi	Land Revenue Tax and Maintenance	FY 2004-05 to 2010-11	1376	Development Officer, RIADA

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year
- (xi) Based on our audit procedures and as per the information and explanations given, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution or bank
- (xii) According to the information and explanations given, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of para 4 of the Order are not applicable to the Company
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of para 4 of the Order are not applicable to the Company
- (xv) According to the information and explanations given, the Company has not given any guarantee for loans taken by others from banks or financial institutions
- (xvi) Based on information and explanations given to us, the term loans were applied by the Company during the year for the purposes for which the loans were obtained
- (xvii) According to the information and explanations given and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment
- (xviii) During the year the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act
- (xix) The Company has not issued any debentures during the year
- (xx) The Company has not raised any money through a public issue during the year
- (xxi) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have been informed of any such instance by the Management

For and on behalf of  
**Khimji Kunverji & Co.**  
Chartered Accountants  
Firm Registration No. 105146W

Place : Mumbai  
Dated : April 26 2011

Hasmukh B Dedhia  
Partner (F-033494)

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## BALANCE SHEET AS AT MARCH 31, 2011

(Rs. in lacs)

	Schedule	As at March 31, 2011	As at 31 March 31, 2010
<b>SOURCES OF FUNDS :</b>			
<b>Shareholders' Funds :</b>			
Share Capital	' 1 '	2,338.65	2,338.65
Reserves & Surplus	' 2 '	32,866.11	26,597.04
		<u>35,204.76</u>	<u>28,935.69</u>
<b>LOAN FUNDS :</b>			
Secured Loans	' 3 '	2,605.06	4,379.64
Unsecured Loans	' 4 '	10.40	25.80
		<u>2,615.46</u>	<u>4,405.44</u>
Deferred Tax Liabilities (Net)		<u>3,593.57</u>	<u>3,561.32</u>
	Total	<u>41,413.79</u>	<u>36,902.45</u>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets :</b>			
Gross Block	' 5 '	38,416.88	37,918.84
Less : Depreciation		<u>14,345.15</u>	<u>12,557.28</u>
Net Block		<u>24,071.73</u>	<u>25,361.56</u>
Capital Work-in-Progress		<u>1,412.71</u>	<u>272.47</u>
		<u>25,484.44</u>	<u>25,634.03</u>
<b>Investments</b>	' 6 '	<b>4,602.36</b>	3,093.74
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>			
Inventories	' 7 '	1,955.55	2,081.11
Sundry Debtors	' 8 '	2,536.37	2,495.41
Cash & Bank Balances	' 9A '	6,301.79	4,524.67
Other Current Assets	' 9B '	246.14	196.99
Loans, Advances & Deposits	' 10 '	2,571.49	2,223.94
		<u>13,611.34</u>	<u>11,522.12</u>
<b>Less : Current Liabilities &amp; Provisions :</b>			
Liabilities	' 11 '	1,773.76	2,312.27
Provisions	' 12 '	510.59	1,035.17
		<u>2,284.35</u>	<u>3,347.44</u>
Net Current Assets		<u>11,326.99</u>	<u>8,174.68</u>
Miscellaneous Expenditure (To the extent not written off or adjusted)	' 13 '	-	0.00
	Total	<u>41,413.79</u>	<u>36,902.45</u>
Significant Accounting Policies and Notes on Accounts	' 21 '		
Schedules referred to above form an integral part of Balance Sheet			
As per our attached report of even date			
For Khimji Kunverji & Co			
Chartered Accountants			
F.R.N. : 105146W			
Hasmukh B. Dedhia	Akash Mishra	A. K. Agarwala	Director
Partner (F-033494)	Company Secretary	Biswajit Choudhuri	Director
		J. C. Chopra	Director
		G. M. Dave	Director
		L. S. Naik	Director
		K. C. Jhanwar	Director
		S.S. Gupta	Managing Director
Place : Mumbai			
Dated : April 26 2011			

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Rs. in lacs)

	Schedule	For the year ended March 31, 2011	For the year ended March 31, 2010
<b>INCOME :</b>			
Income from Operation	' 14A '	26,265.21	24,354.56
Less : Excise duty		<u>2,482.08</u>	<u>1,922.05</u>
Net Income from Operation		23,783.13	22,432.51
Other Income	' 14B '	<u>1,519.59</u>	<u>1,915.91</u>
		<u>25,302.72</u>	<u>24,348.42</u>
<b>EXPENDITURE :</b>			
(Increase)/Decrease in stocks	' 15 '	(10.93)	75.21
Raw Materials consumed	' 16 '	9,934.58	9,084.48
Manufacturing and other expenses	' 17 '	3,766.56	3,517.49
Payment to and provisions for employees	' 18 '	1,322.14	1,268.78
Selling, Distribution, Administration and other expenses	' 19 '	<u>845.78</u>	<u>919.40</u>
		<u>15,858.13</u>	<u>14,865.36</u>
<b>Profit before Interest, Depreciation &amp; Tax</b>		<u>9,444.59</u>	<u>9,483.06</u>
Interest and Financial Charges	' 20 '	<u>264.00</u>	<u>357.15</u>
<b>Profit before Depreciation &amp; Tax</b>		<u>9,180.59</u>	<u>9,125.91</u>
Depreciation		<u>2,036.26</u>	<u>2,003.57</u>
<b>Profit before Tax</b>		<u>7,144.33</u>	<u>7,122.34</u>
Provision for Taxation (including Wealth Tax - Rs. 0.88 lac)			
Previous year Rs. 1.03 lacs)		1,429.36	1,234.34
MAT Credit Entitlement		(588.08)	(316.53)
Provision for Deferred Tax (Net)		<u>32.24</u>	<u>130.26</u>
Profit after Tax		<u>6,270.81</u>	<u>6,074.27</u>
Adjustment of Taxation for earlier years		(40.85)	(724.81)
Balance Brought forward from previous year		21,517.26	16,880.56
Less: Transferred to State Capital Subsidy			-
Balance available for Appropriation		<u>27,747.22</u>	<u>22,230.02</u>
<b>APPROPRIATIONS :</b>			
Proposed Dividend on Equity Shares		116.93	350.80
Tax on Proposed Dividend		18.97	58.26
Transferred to General Reserve		-	303.71
Balance Carried over to Balance Sheet		<u>27,611.32</u>	<u>21,517.25</u>
		<u>27,747.22</u>	<u>22,230.02</u>
Basic and diluted earning per Share (in Rupees)		<u>26.81</u>	<u>25.97</u>
Significant Accounting Policies and Notes on Accounts	' 21 '		
As per our attached report of even date			
For Khimji Kunverji & Co			
Chartered Accountants			
F.R.N. : 105146W			
Hasmukh B. Dedhia	Akash Mishra	A. K. Agarwala	Director
Partner (F-033494)	Company Secretary	Biswajit Choudhuri	Director
		J. C. Chopra	Director
		G. M. Dave	Director
		L. S. Naik	Director
		K. C. Jhanwar	Director
		S.S. Gupta	Managing Director
Place : Mumbai			
Dated : April 26 2011			

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

(Rs. in lacs)

	<u>As at</u> <u>March 31, 2011</u>	<u>As at</u> <u>March 31, 2010</u>	
<b>SCHEDULE '1'</b>			
<b>SHARE CAPITAL :</b>			
<b>Authorised</b>			
24,500,000	Equity Shares of Rs. 10/- each	2,450.00	2,450.00
50,000	11% Redeemable Cumulative Preference Shares of Rs. 100/- each (Free of Company's Tax but subject to deduction of tax at source at the prescribed rates and redeemable at par between 7 to 10 years from the date of allotment by giving three months notice in writing).	50.00	50.00
		<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued, Subscribed and Paid-up</b>			
23,386,500	Equity Shares of Rs. 10/- each fully paid up in cash (12004987 shares are held by Hindalco Industries Limited (Holding Company), 775000 shares are held by Renuka Investment & Finance Limited (Subsidiary of Hindalco Industries Limited).	2,338.65	2,338.65
		<u>2,338.65</u>	<u>2,338.65</u>
<b>SCHEDULE '2'</b>			
<b>RESERVES &amp; SURPLUS :</b>			
Capital Reserve		1,000.00	1,000.00
Add : Subsidy received during the year		175.00	-
		<u>1,175.00</u>	<u>1,000.00</u>
Securities Premium Account		1.75	1.75
<b>General Reserve :</b>			
As per last Balance Sheet		4,078.04	3,774.33
Add : Transferred from Profit & Loss Account		-	303.71
		<u>4,078.04</u>	<u>4,078.04</u>
Balance as per Profit & Loss Account		<u>27,611.32</u>	<u>21,517.25</u>
		<u>32,866.11</u>	<u>26,597.04</u>

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

(Rs. in lacs)

	<u>As at</u> <u>March 31, 2011</u>	<u>As at</u> <u>March 31, 2010</u>
<b>SCHEDULE '3'</b>		
<b>SECURED LOANS</b>		
A. <b>Term Loans from IDBI Bank Ltd.</b>	-	3,340.00
Secured against joint equitable mortgage by deposit of Title Deeds in respect of the company's immovable properties, present and future save and except book debts and first charge on all the remaining assets of the company subject to the prior charges created and/or to be created in favour of the company's bankers for borrowing, working capital requirements, on stock of raw materials, goods-in-process, finished goods, consumable stores, book debts and other movable as may be agreed upon by Financial Institutions. The mortgage of charge has been created in favour of IDBI Bank Ltd and participating banks pari-passu inter se. (Repayable withing one year - Nil, previous year - Rs. 1120 lacs)		
B. <b>Term Loans from HDFC Bank Ltd.</b>	2,500.00	-
By way of first exclusive charge to the Bank all the stock in trade both present and future consisting of raw materials, finished goods, goods in process of manufacturing and all the book debts, outstanding moneys receivable, claims and bills etc.& all the movable plant and machinery both present and future stored at or at present installed at Garhwa Road , Rehla, Distt: Palamau. (Repayable within one year - Rs.1120 lacs)		
C. <b>Short Term Demand Loan - IDBI Bank Ltd.</b>	-	1,000.00
Secured against present and future Current Assets and second charge on pari-passu basis on Fixed Assets		
D. <b>From State Bank of India</b>	105.06	39.64
Secured against pledge of Fixed Deposits of the Company		
	<u>2,605.06</u>	<u>4,379.64</u>
<b>SCHEDULE '4'</b>		
<b>UNSECURED LOANS</b>		
Interest Free Sales Tax Loan From Bihar State Credit And Investment Corporation Limited	10.40	25.80
(Repayable within one year Rs. 10.40 lacs,previous year Rs. 15.40 lacs)		
	<u>10.40</u>	<u>25.80</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**  
**SCHEDULE '5'**  
**FIXED ASSETS**

(Rs. in lacs)

Sl. No.	Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at April 1, 2010	Additions during the year	Less Sales/adjustment	Total Upto March 31, 2011	Total upto March 31, 2010	Provided for the year	Less adjust-ments	Total upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
<b>A.</b>	<b>Tangible Assets</b>										
1	Land-Freehold	66.70	-	-	66.70	-	-	-	-	66.70	66.70
2	Land-Leasehold	140.96	-	-	140.96	20.97	1.58	-	22.55	118.41	119.99
3	Buildings	2,702.46	77.59	0.00	2,780.05	647.16	87.03	-	734.19	2,045.86	2,055.30
4	Plant & Machineries	32,052.42	646.05	56.31	32,642.16	10,228.92	1,665.89	53.51	11,841.30	20,800.86	21,823.50
5	Chlorine Tonners	1,503.36	-	212.00	1,291.36	997.29	170.95	188.38	979.86	311.50	506.07
6	Furniture & Fixtures	130.25	21.78	1.33	150.70	75.92	33.00	0.01	108.91	41.79	54.33
7	Computers, Office Equipments	283.33	14.97	0.00	298.30	160.98	18.98	-	179.96	118.34	122.35
8	Railway siding	736.29	-	-	736.29	277.91	34.97	-	312.88	423.41	458.38
9	Vehicles	187.78	23.37	21.81	189.34	47.51	17.06	6.49	58.08	131.26	140.27
		37,803.55	783.76	291.45	38,295.86	12,456.66	2,029.46	248.39	14,237.73	24,058.13	25,346.89
<b>B</b>	<b>Intangible Assets</b>										
	Computer Software	115.29	5.73	-	121.02	100.62	6.80	-	107.42	13.60	14.67
		115.29	5.73	-	121.02	100.62	6.80	-	107.42	13.60	14.67
	Total	37,918.84	789.49	291.45	38,416.88	12,557.28	2,036.26	248.39	14,345.15	24,071.73	25,361.56
	Previous Year	37,434.14	550.81	66.11	37,918.84	10,581.53	2,003.57	27.82	12,557.28	25,361.56	-

Note : The useful life of computer software is considered 3 years.

**ADITYA BIRLA CHEMICALS (INDIA) LIMITED**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**

(Rs. in lacs)

		<u>As at</u>		<u>As at</u>
		<u>March 31, 2011</u>		<u>March 31, 2010</u>
<b>SCHEDULE " 6 "</b>				
<b>INVESTMENTS :</b>				
<b>Long Term Investments</b>				
	<b>Face Value</b>	<b>Cost</b>	<b>Amortised Cost</b>	<b>Amortised Cost</b>
<b>Quoted (other than trade)</b>				
Investment in Bonds/Debt securities (Amortised Cost)				
7.60% Konkan Rlwy Corp Ltd 2010	-	-	-	19.84
7.6% IDBI BANK LTD OMNI 2011	-	-	-	9.89
7.4% HDFC SR-30 2012	30.00	29.25	29.25	29.25
7.3% IDBI BANK LTD 2012	-	-	-	77.69
9.25% IDBI BANK LTD 2014	-	-	-	204.18
10.20% TATA STEEL LTD. 2015	200.00	211.52	208.66	210.78
7.35% HUDCO TX SR-SD5 2013	90.00	87.35	87.35	87.35
6.75% IDBI BANK LTD OMNI-1 2013	40.00	38.05	38.05	38.05
8.4% ONGC VIDESH LTD 2014	20.00	20.04	20.04	20.04
10% IDBI BANK LTD OMNI-1 2012	5.00	5.17	5.09	5.16
11% IDBI BANK LTD OMNI S1-T2 2011	8.00	8.40	8.14	8.36
8.49% POWER FINANCE CORPORATION 2011	-	-	-	50.42
8.60% POWER FINANCE CORPORATION 2014	-	-	-	200.18
7.25% ANDHRA BANK 2014	40.00	38.28	38.28	-
7.5% AP POWER FINANCE CORPORATION 2012	50.00	49.15	49.15	-
7.7% AP POWER FINANCE CORPORATION 2015	130.00	128.74	128.74	-
8.4% AP POWER GENERATION CORPORATION 2014	150.00	149.55	149.55	-
7.8% AP POWER GENERATION CORPORATION 2014	200.00	198.76	198.76	-
7.25% INDIAN OVERSEAS BANK 2015	110.00	104.26	104.26	-
7.6% SYNDICATE BANK 2015	50.00	48.25	48.25	-
8.95% CENTRAL BANK OF INDIA 2016	50.00	50.65	50.57	-
8.15% CENTRAL BANK OF INDIA 2015	100.00	98.20	98.20	-
8.45% TAMILNADU ELECTRICITY BOARD 2015	100.00	99.95	99.95	-
8% WB INFRA FINANCE CORPORATION 2015	50.00	48.60	48.60	-
6.5% IDBI BANK LTD. 2014	50.00	46.88	46.88	-
8% IDBI BANK LTD. 2016	100.00	97.39	97.39	-
7.5% IDBI BANK LTD. 2015	50.00	47.89	47.89	-
7.7% IDBI BANK LTD. 2016	50.00	48.07	48.07	-
7.2% RURAL ELECTRIFICATION CORPORATION 2015	30.00	29.51	29.51	-
9.4% G.E.SHIPPING 2018	500.00	502.19	502.03	-
9.05% TATA CAPITAL LTD. 2020	300.00	300.00	300.00	-
(Cost Rs. 2,486.10 lacs, Market Value Rs. 2,439.08 lacs, Face Value Rs. 2,503.00 lacs)				
<b>Unquoted (other than trade)</b>				
11.5% Aditya Birla Nuvo Ltd 2011	-	-	-	520.45
6.9% MECON LTD 2013	66.00	63.86	63.86	85.14
10.75% IDBI BANK LTD 2011	10.00	10.49	10.19	10.44
10% IDBI BANK LTD 2012	35.00	36.24	35.62	36.18
(Cost Rs.110.59 lacs, Market Value Rs.107.32 lacs, Face Value Rs.111.00 lacs)				
3,00,000 Units of Birla Sun Life FTP - Series BE - Retail Dividend Schemes of Birla Sun Life Mutual Fund of Rs.10/- each				
Market Value. NIL (Previous Year Rs. 35.76 lacs)			-	30.00
3,00,000 Unites of SBI Debt Fund Series - 370 days - 9 - Growth				
Market Value Rs. 30.51 lacs			30.00	-
<b>Current Investments</b>				
<b>Quoted (other than trade)</b>				
CD STATE BANK OF HYDERABAD	2,000.00	1,930.64	1,930.64	-
CD CANARA BANK	50.00	49.39	49.39	-
(Cost Rs. 1,980.03 lacs, Market Value Rs. 2,030.66 lacs, Face Value Rs. 2,050.00 lacs)				
Units of HDFC Cash Management Fund - Treasury Advantage Plan				
Market Value NIL (Previous Year W. 1453.52)			-	1,450.34
			<u>4,602.36</u>	<u>3,093.74</u>

**ADITYA BIRLA CHEMICALS (INDIA) LIMITED**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**

(Rs. in lacs)

	<u>As at</u> <u>March 31, 2011</u>	<u>As at</u> <u>March 31, 2010</u>
<b>SCHEDULE " 7 "</b>		
<b>INVENTORIES :</b>		
(As taken, valued and Certified by Management)		
Finished Goods	165.87	146.91
Work-in-Progress	109.78	114.05
Raw Materials	1,455.56	1,594.96
Packing Materials	66.30	62.04
Waste / Scrap	6.20	9.96
Stores And Spares Parts	151.84	153.19
	<u>1,955.55</u>	<u>2,081.11</u>
<b>SCHEDULE ' 8</b>		
<b>SUNDRY DEBTORS :</b>		
(Unsecured)		
Exceeding six months:		
Considered good	28.59	7.15
Considered Doubtful	9.01	9.01
	<u>37.60</u>	<u>16.16</u>
Other debts		
Considered good	2,507.78	2,488.26
	<u>2,545.38</u>	<u>2,504.42</u>
Less: Provision for Doubtful Debts	9.01	9.01
	<u>2,536.37</u>	<u>2,495.41</u>
<b>SCHEDULE ' 9A '</b>		
<b>CASH AND BANK BALANCES :</b>		
Cash in hand	7.29	5.97
Cheques / Drafts in hand and remittance in transit	-	84.60
Balance with Scheduled Banks in:		
Current Accounts	206.09	235.55
Deposit Account	6,088.41	4,198.55
	<u>6,301.79</u>	<u>4,524.67</u>
<b>SCHEDULE ' 9B '</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Accrued but not due on		
Bank Deposits	107.36	130.66
Investments	138.78	66.33
	<u>246.14</u>	<u>196.99</u>
<b>SCHEDULE ' 10 '</b>		
<b>LOANS, ADVANCES &amp; DEPOSITS :</b>		
(Unsecured, considered Good, unless otherwise stated)		
Advances recoverable in cash or kind or for value to be received	357.04	593.52
Prepaid Expenses	13.60	8.87
Claims Receivable	179.37	147.86
Deposits with Government and Others	574.70	560.93
MAT Credit Entitlement	1,436.95	905.75
Advance to Employees	9.83	7.01
	<u>2,571.49</u>	<u>2,223.94</u>
<b>SCHEDULE ' 11 '</b>		
<b>CURRENT LIABILITES :</b>		
Sundry Creditors :		
For Goods		
Dues to Micro, Small & Medium Enterprises (refer note no.18 of schedule 21)	1.96	3.75
Other than Micro, Small & Medium Enterprises	289.08	364.35
For Expenses	1,160.26	1,569.94
For Other	93.28	132.38
Customers' Credit Balances and Advances from customers	35.11	25.83
Security and Other Deposits	178.99	201.26
Interest accrued but not due on Unsecured Loans	-	2.40
Unclaimed Dividend (Investors' Education and Protection Fund to be credited as and when due)	15.08	12.36
	<u>1,773.76</u>	<u>2,312.27</u>



# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

(Rs. in lacs)

	As at <u>March 31, 2011</u>	As at <u>March 31, 2010</u>
<b>SCHEDULE ' 12 '</b>		
<b>PROVISIONS</b>		
Taxation (Net of Advance payments)	42.85	237.30
Retirement Benefits	184.04	241.01
Provisions for Others	147.80	147.80
Proposed Dividend on Equity Shares	116.93	350.80
Corporate Tax on Proposed Dividend	18.97	58.26
	<u>510.59</u>	<u>1,035.17</u>
<b>SCHEDULE ' 13 '</b>		
<b>MISCELLANEOUS EXPENDITURE :</b>		
Deferred Revenue Expenditure	-	61.00
Add : Addition during the year	3.62	-
Less :Written off during the year	3.62	61.00
	<u>0.00</u>	<u>0.00</u>
	<b>For the year ended <u>March 31, 2011</u></b>	<b>For the year ended <u>March 31, 2010</u></b>
<b>SCHEDULE ' 14A '</b>		
<b>INCOME FROM OPERATION :</b>		
Gross Sales	26,107.05	24,107.63
Other Operating Income		
Rent on Hydrogen cylinders/Property at Veraval	14.19	27.77
Sale of Scrap	140.11	150.44
Insurance Claims (Net)	0.31	65.28
Recovery from Hydraulic Testing	3.55	3.44
	<u>26,265.21</u>	<u>24,354.56</u>
<b>SCHEDULE ' 14B '</b>		
<b>OTHER INCOME :</b>		
Liabilities No Longer Required, written back	470.31	1,453.83
Income From Investments		
On Current Investments		
Dividend Income	5.78	0.17
Profit on Sale of Investments	143.20	5.45
Interest Income (Tax deducted at source Rs. 1.92 lacs, previous year Rs. 0.12 lacs)	261.73	75.96
Interest Income on:		
Fixed deposit (Tax deducted at source Rs.50.71 lacs, previous year Rs.42.78 lacs)	325.10	330.51
Others	18.59	18.59
Miscellaneous Income	99.47	20.68
Profit on Sales of Assets (discarded)	20.40	-
Sundry Balance written off/back(Net)	168.13	10.72
Foreign Exchange Fluctuation	6.88	-
	<u>1,519.59</u>	<u>1,915.91</u>
<b>SCHEDULE ' 15 '</b>		
<b>INCREASE/(DECREASE) IN STOCKS :</b>		
Closing Stocks :		
Finished Goods	165.87	146.91
Work-in-Progress	109.78	114.05
Waste / Scrap	6.20	9.96
	<u>281.85</u>	<u>270.92</u>
Less : Opening Stocks :		
Finished Goods	146.91	248.74
Work-in-Progress	114.05	97.39
Waste / Scrap	9.96	-
	<u>270.92</u>	<u>346.13</u>
	<u>10.93</u>	<u>(75.21)</u>

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

(Rs. in lacs)

	For the year ended <u>March 31, 2011</u>	For the year ended <u>March 31, 2010</u>
<b>SCHEDULE ' 16 '</b>		
<b>RAW MATERIALS CONSUMED :</b>		
Opening Stock	1,657.00	538.01
Add : Purchases	9,799.45	10,203.47
	<u>11,456.45</u>	<u>10,741.48</u>
Less : Closing Stock	1,521.87	1,657.00
	<u>9,934.58</u>	<u>9,084.48</u>
<b>SCHEDULE ' 17 '</b>		
<b>MANUFACTURING AND OTHER EXPENSES :</b>		
Cost of purchases	10.27	-
Job Work Expenses	40.12	4.00
Stores & Spares consumed	1,095.00	1,094.21
Packing Materials	307.05	241.93
Excise Duty Paid on Closing Stock of Finished Goods	6.00	(4.58)
Ash Handling Expenses	0.00	0.94
Power & Fuel	1,926.97	1,746.62
Electricity Duty	23.40	-
Raw Water charges and Cess	24.74	25.44
Repairs, Renewals & Replacements :		
Buildings	9.00	11.60
Plant & Machinery	244.59	303.01
Others	79.42	94.32
	<u>3,766.56</u>	<u>3,517.49</u>
<b>SCHEDULE ' 18 '</b>		
<b>PAYMENT TO AND PROVISIONS FOR EMPLOYEES :</b>		
Salaries, Wages including Variable Pay, Bonus and Ex-gratia	1,024.57	958.78
Contribution to Provident Funds and Other Funds	158.27	141.53
Welfare Expenses	139.30	168.47
	<u>1,322.14</u>	<u>1,268.78</u>
<b>SCHEDULE ' 19 '</b>		
<b>SELLING, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES :</b>		
Rates & Taxes(Net)	17.51	14.10
Rent Paid	4.63	4.00
Lease rent Paid	0.07	0.07
Insurance	46.99	50.40
Business Head Office Expenses	128.33	130.80
Miscellaneous Expenses	289.67	211.85
Travelling & Conveyance	58.59	53.13
Donations	3.54	22.80
Auditors' Remunerations	11.97	8.48
Directors' Remuneration	69.82	55.94
Directors' Sitting fee	9.20	8.89
Commission on Sales	22.22	21.78
Foreign Exchange Fluctuation (Net)	-	1.36
Advertisement	4.96	4.48
Rebate & Claims	8.48	11.15
Freight & Forwarding(Net)	164.87	254.22
Previous year Adjustment(Net)	1.31	5.56
Loss on sale of Assets(Discarded)	-	3.60
Miscellaneous Expenditure written off	3.62	56.79
	<u>845.78</u>	<u>919.40</u>
<b>SCHEDULE ' 20 '</b>		
<b>INTEREST AND FINANCIAL CHARGES</b>		
Interest Charges on		
Term Loans	235.00	328.38
Others	23.90	9.06
Debt Restructuring Expenses	-	9.22
Brokrage/Demat Charges on Investment	0.28	-
Premium / Discount Written Off	4.82	10.49
	<u>264.00</u>	<u>357.15</u>

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

## SCHEDULE '21'

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

## A) SIGNIFICANT ACCOUNTING POLICIES

## (i) Basis of Preparation

The financial statements have been prepared under the historical cost convention on an accrual basis in compliance with all material aspect of the applicable Accounting Standards notified by Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956 (the Act). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

## (ii) USE OF ESTIMATES

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles, which require the management to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known / materialize.

## (iii) FIXED ASSETS

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

Machinery spares which can be used only in connection with an item of fixed assets and whose use is expected to be irregular (Insurance Spares) are Capitalized during the year as an addition to the parent assets and written off over the remaining estimated useful life of the parent assets.

Capital Work in Progress is stated at cost and other relevant overheads incurred during construction period.

## (iv) DEPRECIATION/ AMORTISATION

- a) Depreciation on Fixed Assets up to March 31, 1987 has been provided at the then prevailing rates on Straight Line Method pursuant to Circular No. 1/86 dated May 21, 1986 issued by the Department of Company Affairs, Government of India.
- b) For Fixed Assets added from April 1, 1987 onwards, the specified period has been recomputed according to the revised rates of depreciation as specified in schedule XIV to the Act as amended by Notification dated December 16, 1993 and the amount of depreciation has been calculated by allocating the unamortized value over the remaining part of the recomputed specified period.
- c) For Fixed Assets added from April 1, 1993 onwards, depreciation is provided on Straight Line Method at the rates, specified in Schedule XIV, as amended by Notification dated December 16, 1993 of the Act except in the case of the following assets, where depreciation is charged over the estimated useful lives of such assets:

Assets	Estimated useful life (Years)
Condensers (Plant & Machinery)	03
Heat Sealing Machine (Plant & Machinery)	01
Weighing Machine (Plant & Machinery)	01
Leasehold Land	Over the primary period of the lease
Insurance Machinery Spares	Over the remaining estimated useful life of the related parent assets
Computer Software	3 years from the date of their acquisition/ purchase

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**

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

**(v) INVESTMENTS**

Current Investments are stated at lower of cost and fair value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value. Investments which are readily realisable and intended to be held for period less than one year are current investments. Other Investments are considered as long term investments. Long term debt securities are carried at amortized cost

**(vi) IMPAIRMENT OF ASSETS**

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

**(vii) INVENTORIES**

- a) Finished Goods (including goods in transit), work-in-progress are valued at cost or net realizable value whichever is lower.
- b) Raw materials, components, stores and spares are valued at lower of weighted Average cost or net realisable value. However, these items are considered to be realisable at cost if the finished products in which they will be used are expected to be sold at or above cost. Obsolete, defective and unserviceable inventory is duly provided for. Scrapped items of stock are valued at net realisable value.
- c) Cost comprises of all costs of purchases, costs of conversions and other costs incurred in bringing the inventory to their present location and conditions.
- d) The value of closing stock of finished goods lying at depot is inclusive of freight charges and excise duty paid.

**(viii) TRANSACTION OF FOREIGN CURRENCY ITEMS**

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items (except forward contract transactions) are reported using closing rate of exchange at the end of the year. The resulting exchange gain/ loss is reflected in the Profit and Loss Account. Other non-monetary items, like fixed assets are carried in terms of historical cost using the exchange rate at the date of transaction. Exchange rate difference arising on account of conversion/ translation of liabilities for acquisition of Fixed Assets is recognised in the Profit & Loss account.

**(ix) RETIREMENT AND OTHER EMPLOYEE BENEFITS**

Employee benefits of short term nature are recognized as expense as and when accrued.

**Defined Contribution Plan**

The Company makes defined contribution to Provident Fund and Superannuation schemes which are recognized in the Profit and Loss Account on accrual basis.

**Defined Benefit Plan**

The Company's liabilities under Payment of Gratuity Act (funded), and long term compensated absences (non funded) are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short term compensated absences which are provided for based on estimates. Actuarial gains and losses are recognised immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and tenure

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

of the Government bonds are consistent with the currency and estimated tenure of the defined benefit obligation.

**(x) RECOGNITION OF INCOME & EXPENDITURE**

Sales are recorded net of trade discounts, Sales Tax, VAT, and include excise duty. Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Income and Expenditure are recognised on accrual basis but Sales claims under escalation clause, insurance and other claims are accounted on acceptance basis.

**(xi) BORROWING COST**

Borrowing Costs, attributable to acquisition and construction of qualifying assets, are capitalised as a part of the cost of such asset up to the date when such assets are ready for its intended use. Other borrowing costs are charged to the Profit and Loss Account.

**(xii) TAXATION**

- a) Tax expense comprises of current and deferred tax.
- b) Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961.
- c) The deferred tax for timing differences is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future.
- d) Deferred tax assets in case of unabsorbed losses and unabsorbed depreciation are recognised only if there is virtual certainty that such deferred tax asset can be realised against future taxable profits.
- e) Credit for entitlement of Minimum Alternate Tax (MAT) is recognized only if the same can be utilized within statutorily permissible time.

**(xiii) INTANGIBLE ASSETS**

Intangible Assets are recognized by the Company only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the same can be measured reliably.

Intangible Assets are amortized on a systematic basis over its useful life and the amortization for each period will be recognized as an expense.

**(xiv) GOVERNMENT GRANTS/ CAPITAL SUBSIDY**

- a) Capital subsidy/ Government grants are recognised when there is reasonable assurance that the same will be received. Revenue grants are recognised in the Profit & Loss Account.
- b) Capital subsidy/ Government grants relating to specific non depreciable fixed assets and in the nature of Promoter's Contribution are credited to capital reserve account.
- c) Capital subsidy/ Government grants related to specific depreciable assets are credited to capital reserve account and are recognized as income in profit and loss statement on a systematic and rational basis over the useful life of assets.

**(xv) CONTINGENT LIABILITIES AND PROVISIONS**

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence. Contingent Liabilities are not provided for in the accounts. These are disclosed by way of Notes to the Accounts.

Provisions are recognised when there is a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date.

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

### B) NOTES ON ACCOUNTS

As at  
March 31, 2011    As at  
March 31, 2010  
(Rs in Lacs)

1.	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	<b>166.29</b>	52.86
<b>2.</b>	<b>CONTINGENT LIABILITIES &amp; PROVISIONS</b>		
A)	Contingent Liabilities not provided for in respect of the following:		
	<b>Claims against the Company not acknowledged as debts:</b>		
a)	i. Annual Minimum Guarantee Electricity charges & delayed payment surcharge thereon against which Rs.100 lacs (previous year Rs.100 lacs) has been deposited: refer note number 20	<b>6459.65</b>	6408.05
	ii. Delayed payment surcharge on the amount of fuel surcharge arrears	<b>480.63</b>	479.13
b)	Bank Guarantees outstanding (Against which Rs.465.00 lacs has been deposited as FDR with Banks, Previous year Rs.115.81 lacs)	<b>769.11</b>	270.01
c)	Income Tax		
	i. AY 1998-99, 2000-01, ITAT (Appeals) effect Pending with A.O. (Against which Rs.9.32 lacs paid)	<b>13.15</b>	13.15
	ii. AY 2005-06 for which the Company had filed appeal with CIT (Appeals). CIT (Appeals) order partly allowed certain expenses disallowed earlier against which appeal before ITAT has been filed.	Nil	19.80
	iii. AY 2002-03 for which the Company has filed appeal with CIT (Appeals).	<b>2.27</b>	2.27
	iv. AY 2007-08 for which the Company has filed appeal with CIT (Appeals) and Petition u/s 154 has been filed for considering correct amount of TDS & Advance Tax	<b>197.02</b>	197.02
	v. AY 2008-09 for which the Company has filed appeal with CIT (Appeals) and Petition u/s 154 has been filed for considering correct amount of TDS.	<b>357.32</b>	Nil
d)	Liquidated damage and interest claimed by BSIDC not acknowledged by the Company	<b>129.16</b>	115.14
e)	Compensation payable against various labour cases pending with various courts	<b>156.00</b>	156.00
f)	Land revenue and Maintenance charges payable to Ranchi Industrial Area Development Authority (RIADA), Ranchi	<b>10.50</b>	10.50

### B) Provisions

(Rs in Lacs)

	Nature	Opening Balance	Addition	Utilisation	Closing Balance
	Various pending labour cases with court	147.80	0.00	0.00	147.80

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**

3. Liabilities no longer required written back includes Rs 342.88 lacs, earlier provided, towards Foreign Exchange and Customs Duty (FE&CD) variation and non/defective Supplies of materials for financial year 1999-2000. The same has been reviewed and written back by the management in current year.

**4. RETIREMENT BENEFITS**

The details of the Company's defined benefit plans for its employees are as under:

**AMOUNTS RECOGNISED IN THE BALANCE SHEET IN RESPECT OF GRATUITY (FUNDED BY THE COMPANY):**

**Present value of the funded defined benefit obligation**

(Rs in Lacs)

	<b>As on March 31, 2011</b>	<b>As on March 31, 2010</b>
<b>A Status</b>		
a) at the end of the period	<b>614.26</b>	544.44
b) Fair value of plan assets	<b>544.38</b>	415.20
c) Net Liability/ (Asset)	<b>69.88</b>	129.24

**Amounts recognised in Salary, Wages and Employee Benefits in the Profit and Loss Account in respect of gratuity:**

(Rs in Lacs)

	<b>Current Year</b>	<b>Previous Year</b>
<b>A Components of Employer Expenses</b>		
a) Current Service Cost	<b>33.51</b>	30.33
b) Interest on Defined Benefit Obligations	<b>46.35</b>	39.94
c) Expected Return on Plan Assets	<b>(38.38)</b>	(28.64)
d) Actuarial Losses/ (Gains)	<b>32.31</b>	38.71
e) Actuarial losses/ (gains) on Plan assets	<b>(3.90)</b>	(26.09)
f) Net Gratuity Cost	<b>69.89</b>	54.25

**Actual Return on Plan Assets:**

(Rs in Lacs)

	<b>As on March 31, 2011</b>	<b>As on March 31, 2010</b>
a) Expected Return on Plan Assets	<b>38.38</b>	28.64
b) Actuarial Gain/ (Loss) on Plan Assets	<b>3.90</b>	26.09
c) Actual Return on Plan Assets	<b>42.28</b>	54.73

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

**Reconciliation of present value of the obligation and the fair value of the Plan Assets:**

(Rs in Lacs)

	As on March 31, 2010	As on March 31, 2009
<b>A Change in Defined Benefit Obligation</b>		
a) Opening Present Value of Defined Benefit Obligation	544.44	454.04
b) Current Service Cost	33.51	30.33
c) Interest Cost	46.35	39.94
d) Actual (Gains)/ losses	32.31	38.71
e) Benefits Paid	(42.35)	(18.58)
f) Closing Present Value of Defined Benefit Obligation	614.26	544.44
<b>B Change in Fair Value of Assets</b>		
a) Opening Plan assets	415.20	300.78
b) Expected Return on plan assets	38.38	28.64
c) Actual Company contributions	129.24	78.27
d) Employee Contributions	0	0.00
e) Actuarial gains/ (losses) on Plan Assets	3.90	26.09
f) Benefits paid	(42.34)	(18.58)
g) Closing Plan assets	544.38	415.20

There are no amount included in the fair value of Plan Assets for:

- Company's own financial instrument
- Property occupied by or other assets used by the company

Expected rate of return on assets is based on the average long term rate of return expected on investments of the funds during the estimated term of the obligations.

**AMOUNTS RECOGNISED IN THE BALANCE SHEET IN RESPECT OF LEAVE ENCASHMENT (ACCRUED BUT NOT FUNDED):**

**Present value of the defined benefit obligation**

(Rs in Lacs)

	As on March 31, 2011	As on March 31, 2010
<b>A Status</b>		
a) At the end of the period	114.16	111.77
b) Fair value of plan assets	0.00	0.00
c) Net Liability/ (Asset)	114.16	111.77



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

Amounts recognised in Salary, Wages and Employee Benefits in the Profit and Loss Account in respect of leave encashment:

(Rs in Lacs)

	Current Year	Previous Year
<b>A Components of Employer Expenses</b>		
a) Current Service Cost	10.62	14.60
b) Interest on Defined Benefit Obligations	9.04	8.80
c) Expected Return on Plan Assets	0.00	0.00
d) Actuarial Losses/(Gains)	28.16	10.59
e) Net Gratuity Cost	47.82	34.00

Reconciliation of present value of the obligation and the fair value of the Plan Assets:

(Rs in Lacs)

	As on March 31, 2011	As on March 31, 2010
<b>A Change in Defined Benefit Obligation</b>		
a) Opening Present Value of Defined Benefit Obligation	111.77	108.34
b) Current Service Cost	10.62	14.60
c) Interest Cost	9.04	8.80
d) Actuarial (Gains)/ Losses	28.16	10.59
e) Benefits Paid	(45.43)	(30.57)
f) Closing Present Value of Defined Benefit Obligation	114.16	111.77
<b>B Change in Fair Value of Assets</b>		
a) Opening Plan assets	0.00	0.00
b) Expected Return on plan assets	0.00	0.00
c) Actual Company contributions	45.43	30.57
d) Employee Contributions	0.00	0.00
e) Actuarial gains/ (losses) on Plan Assets	0.00	0.00
f) Benefits paid	(45.43)	(30.57)
g) Closing Plan assets	0.00	0.00

Principal Actuarial Assumptions at the Balance Sheet date

(Rs in Lacs)

	As on March 31, 2011	As on March 31, 2010
Discount Rate	8.00%	8.00%
Rate of return on plan Assets (only in case of Gratuity)	8.00%	8.00%
Rate of increase salaries	5.00%	5.00%
Expected Average remaining working lives of employees (years)	12.99	12.93
Withdrawal Rates	Varying between 2% per annum and 1% per annum depending on duration and age of the employees	

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

### In respect of Defined contribution schemes-

The company contributes 12% of salary for all eligible employees towards Provident Fund managed by Approved Trust. The company also contributes a 15% of salary for eligible employees as per scheme towards Superannuation Funds managed by Approved Trusts.

The Company has recognised the following amount as an expense and included in the Schedule 18 "Contribution to Provident Fund and other Funds":

(Rs in Lacs)

	Current Year	Previous Year
Contribution to Employee Provident Fund	62.08	59.06
Contribution to Superannuation Fund	22.12	26.50
Contribution to Gratuity Fund	74.07	55.98
	158.27	141.54

The shortfall of interest on Trust Managed Funds compared to statutory rates (presently Nil), if any, arising in future is not recognized as the Guidance Note from Actuarial Society of India is yet to be issued in relation to this.

### 5. LOAN AND ADVANCES INCLUDES

Amount Receivable from	Balance as on March 31, 2011	Balance as on March 31, 2010	Maximum amount due at any time during the year ended March 31, 2011	Maximum amount due at any time during the year ended March 31, 2010
Managing Director	NIL	NIL	NIL	NIL
Dues from Employees	982,976	701,611	16,37,732	19,82,805

### 6. SEGMENT REPORTING

The Company is primarily engaged in Chlor Alkali Chemicals. Since the inherent nature of entire business activities is governed by the same act of risk and returns, there is no reportable segment. Company does not have reportable secondary segment.

### 7. RELATED PARTY DISCLOSURE :

Disclosure in respect of Related Parties pursuant to Accounting Standard 18

#### A. List of Related Parties

##### (i) Holding Company

Hindalco Industries Ltd.

##### (ii) Fellow Subsidiaries Company

1 Aditya Birla Minerals Limited	14 Birla Resources Pty Limited
2 Al Dotcom Sdn. BHD.	15 Consórcio Candonga (Unincorporated Joint Venture)
3 Albrasilis - Alumínio do Brasil Industria e Comercio Ltda	16 Dahej Harbour and Infrastructure Limited
4 Alcom Nikkei Specialty Coatings Sdn Berhad	17 Deutsche Aluminium Verpackung Recycling GmbH(J-V)
5 Aluminum Company of Malaysia Berhad	18 East Coast Bauxite Mining Company Private Limited
6 Aluminum Upstream Holdings LLC	19 Eurofoil, Inc.
7 Aluminium Norf GmbH	20 Evermore Recycling LLC
8 AV Aluminium Inc, Canada	21 France Aluminium Recyclage SA
9 AV Metals Inc, Canada	22 Hindalco - Almex Aerospace Limited
10 AV Minerals BV, Netherland	
11 Birla Maroochydore Pty Limited	
12 Birla Mt Gordon Pty Limited	
13 Birla Nifty Pty Limited	

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

23 HAAL (USA) Inc	44 Novelis do Brasil Ltda
24 Indal Exports Limited	45 Novelis Inc.
25 Logan Aluminium Inc.	46 Novelis Foil France SAS
26 Lucknow Finance Company Limited	47 Novelis Korea Ltd.
27 Mauda Energy Limited	48 Novelis Italia SpA
28 Minerals and Minerals Limited	49 Novelis Luxembourg SA
29 Mini MRF LLC (J-V)	50 Novelis Lamines France SAS
30 Novelis Acquisitions LLC	51 Novelis No. 1 Limited Partnership
31 Novelis North America Holdings Inc.	52 Novelis Madeira, Unipessoal, Lda
32 Novelis (India) Infotech Ltd.	53 Novelis PAE SAS
33 Novelis AG	54 Novelis PAE Corporation
34 Novelis Aluminium Beteiligungsgesellschaft mbH	55 Novelis South America Holdings LLC
35 Novelis Aluminium Holding Company	56 Novelis Services Limited
36 Novelis Belgique SA	57 Novelis Technology AG
37 Novelis Brand LLC	58 Novelis Switzerland SA
38 Novelis Benelux NV	59 Novelis UK Ltd.
39 Novelis Corporation (Texas)	60 Renuka Investments & Finance Limited
40 Novelis Cast House Technology Ltd	61 Renukeshwar Investments & Finance Ltd
41 Novelis Deutschland GmbH	62 Suvas Holdings Limited
42 Novelis de Mexico SA de CV	63 Tubed Coal Mines Ltd
43 Novelis Europe Holdings Limited	64 Utkal Alumina International Limited
	65 4260848 Canada Inc.
	66 4260856 Canada Inc.

(iii) **Key Managerial Personnel**  
Mr. S. S. Gupta

**B. During the year following transactions were carried out with the related parties in the ordinary course of business**

(Rs in Lacs)

Sl. No.	Nature of relationship/ Transactions	Holding Company	Fellow Subsidiary	KMP	Total
1.	Managing Director Remuneration	- (-)	-- (-)	69.82 (55.94)	69.82 (55.94)
2.	Purchase of goods/ licence	2,518.49 (1,647.63)	- (-)	- (-)	2,518.49 (1,647.63)
3.	Sale of goods	11,696.68 (14,850.58)	- (-)	- (-)	11696.68 (14,850.58)
4.	Sale of Assets & Services	3.53 (1.25)	- (-)	- (-)	3.53 (1.25)
5.	Dividend paid	180.08 (180.08)	11.63 * (11.63) *	- (-)	191.71 (191.71)
6.	Sundry Debtors	132.66 (647.33)	- (-)	- (-)	132.66 (647.33)
7.	Sundry Creditors	50.88 (98.37)	- (-)	- (-)	50.88 (98.37)

\* Paid to Renuka Investments & Finance Limited  
Amounts in brackets represent corresponding amount of previous year.  
There have been no write off/ write back in respect of the related parties during the year  
Related party relationship have been identified by the management and relied upon by the auditors.

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

### 8. EARNINGS PER SHARE (EPS) IS CALCULATED AS UNDER:

(Rs in Lacs)

Particulars	Current Year	Previous Year
Net Profit after exceptional items as disclosed in Profit and Loss Account (Rs in Lacs)	<b>6270.81</b>	6,074.27
Weighted average Number of Equity Shares outstanding during the year (in lacs)	<b>233.86</b>	233.86
Basic and Diluted EPS (Rs)	<b>26.81</b>	25.97

### 9. DEFERRED TAX LIABILITY/(ASSET) AT THE PERIOD END COMPRISE TIMING DIFFERENCES ON ACCOUNT OF:

(Rs in Lacs)

Particulars	As on March 31, 2011	As on March 31, 2010
<b>Deferred Tax Liability (A)</b>		
Depreciation	<b>3617.32</b>	3,624.50
Premium on Debt Restructuring	<b>0</b>	0
<b>Total</b>	<b>3617.32</b>	3,624.50
<b>Deferred Tax Asset (B)</b>		
Retirement Benefit Expenses	<b>9.51</b>	36.96
Voluntary Retirement	<b>10.69</b>	20.75
Others	<b>3.55</b>	5.47
<b>Total</b>	<b>23.75</b>	63.18
<b>Net Deferred Tax Liability (A-B)</b>	<b>3593.57</b>	3,561.32

### 10. AUDITORS' REMUNERATION :

(Amount in Rs.)

Statutory Auditors :	Current Year	Previous Year
Audit Fees	<b>4,50,000</b>	3,50,000
Tax Audit Fees	<b>1,00,000</b>	75,000
Certification Work	<b>4,10,000</b>	2,81,999*
Reimbursement of Expenses	<b>2,14,508</b>	1,14,855**
<b>Cost Auditors:</b>		
Audit Fees	<b>20,000</b>	20,000
Reimbursement of Expenses	<b>2,040</b>	4,684

\* Include Rs12,000 paid to erstwhile auditors

\*\* Include Rs 42,733 paid to erstwhile auditors

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**

11. Power (electricity) purchase as well as sale (supply) to JSEB has been accounted for in the accounts as sale/ purchase of power.
12. Realisation from generation of Power (Captive consumption) & cost of power Generation is charged to Profit & Loss Account in respective Division viz Power Plant Division and Caustic Division.
13. In the opinion of the management, Current Assets, Loan and Advances would realize, at least, at the value stated in the Balance Sheet, in the normal course of business.
14. Sundry Debtors include dues from Holding Company, Hindalco Industries Limited, Rs.132.66 lacs (Previous year Rs. 647.33 lacs).
15. With a view to optimise the benefits of specialisation and minimise cost to the Company, its share of expenses towards business operations of Rs.15.73 Lacs (Previous year Rs. 130.80 lacs) contributed to Aditya Birla Nuvo Limited and Rs.112.60 Lacs (Previous year Rs. Nil) contributed to Grasim Industries Limited the same has been accounted under 'Business Head Office expenses in Schedule 19.

**16. CAPITAL WORK-IN-PROGRESS INCLUDES PRE-OPERATIVE EXPENSES PENDING ALLOCATION:**

(Rs in Lacs)

	<b>As on March 31, 2011</b>	<b>As on March 31, 2010</b>
Consultancy & Legal Charges	<b>41.25</b>	17.54
Insurance	<b>2.55</b>	0.00
Interest & Financial charges	<b>0.01</b>	0.00
Administrative & other Expenses	<b>0.08</b>	0.34
Stores & Spares	<b>0.25</b>	0.00
	<b>44.14</b>	17.88
Add: Brought forward from previous year	<b>18.48</b>	0.60
	<b>62.62</b>	18.48
Less: Allocated to Fixed Assets	<b>0.00</b>	0.00
	<b>62.62</b>	18.48

**Note:** The above noted revenue expenditures capitalized as a preoperative expense relates only up to the period the concerned Fixed assets have been put to use

**17. REMUNERATION TO MANAGING DIRECTOR**

(Rs in Lacs)

	<b>Current Year</b>	<b>Previous Year</b>
Basic Salary	<b>24.76</b>	22.34
Special allowance	<b>19.80</b>	14.99
Variable pay	<b>13.65</b>	8.86
Contribution to Provident and Other Funds *	<b>7.45</b>	6.03
Medical expenses	<b>2.08</b>	1.86
Other Perquisites **	<b>2.08</b>	1.86
<b>Total</b>	<b>69.82</b>	55.94

\* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall company basis at the end of each year and accordingly have not been considered in the above information

\*\* In the determination of Manager's remuneration, certain perquisites have been valued in accordance with the Income Tax Rules, 1962

The Computation of net profit under section 349 of the Companies Act, 1956 has not been given as no commission is payable to the Managing Director and/or Whole Time Director(s) under Section 309 of the Companies Act, 1956 and the remuneration paid to the Managing Director and or Whole Time Director(s) is within the limit specified U/s 198, read with section 349 & 309.

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

18. Based on the available information with the Company, the information related to Micro, Small and Medium Enterprises Development Act, 2006 is as under:

(Rs in Lacs)

Sl.No.	Particulars	Current Year	Previous Year
a) i)	Principal amount remaining unpaid to any supplier at the end of the accounting year	1.96	3.76
	ii) Interest due on above	-	-
b)	Amount of interest paid by the buyer in terms of Sec. 16 of the Act, along with amount of the payment made beyond the appointed date during the year	-	-
c)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act	-	-
d)	Amount of interest accrued and remaining unpaid at the end of financial year	-	-
e)	Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Act	0.07	0.07

19. Stores & Spares consumed includes replacement of Spare parts of Plant & Machinery, as per consistent policy followed by the company.
20. The order of Consumer Grievance Redressal Forum relating to Annual Minimum Guarantee case was challenged by JSEB before Ranchi High Court. On hearing, the Ranchi High Court directed JSEB to raise the bill in accordance with the Forum's order subject to final adjudication of pending writ. Complying with Forum's order, JSEB has raised bill which involved a refund of Rs 17.80 Lacs to the Company. Since the writ is pending before the Court, contingent liability of Rs.64.60 crores has been disclosed in the accounts.
21. Other additional information as required under paras 3, 4C and 4D of Part II of Schedule VI to the Act:

### a. CAPACITY AND PRODUCTION:

Product	Unit	Installed Capacity*		Production***	
		2010-11	2009-10	2010-11	2009-10
Caustic Soda (100% NaOH)	MT	105000	105000	98343	99993
Liquid Chlorine	MT	63000	63000	57132	60487
Hydrochloric Acid (HCL)	MT	43750	43750	57710 **	58630**
Sodium Hypo Chlorite (Lye weight)	MT	18000	18000	13080	15505
Aluminium Chloride	MT	10000	8575	10370#	7598#
Compressed Hydrogen	NM <sup>3</sup>	60000	-	7776	-
Stable Bleaching Powder (SBP)	MT	17520	17520	9094	7543
Electricity (Thermal Power)	MW/Hour	30	30	28.16	28.32

\* The installed capacity is as certified by the management and licensed capacity is not given as licensing has been abolished

\*\* Production of HCL is made on 33% basis

\*\*\* Actual Production is net of Captive/ Auxiliary consumption except for generation of electricity

# Production of Aluminium Chloride includes its production on job work basis by outside parties

**ADITYA BIRLA CHEMICALS (INDIA) LIMITED**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**

**b. PARTICULARS OF SALES & STOCK**

(Rs. in Lacs)

	Sales		Opening stock		Closing stock		Purchase	
	Qty. (MT)	Value	Qty. (MT)	Value	Qty. (MT)	Value	Qty. (MT)	Value
Caustic Soda	98180 (100138)	17,018.75 (19,255.66)	65 (210)	8.32 (27.37)	228 (65)	25.06 (8.32)	- -	- -
Liquid Chlorine (including export)	56958 (60450)	2606.70 (949.69)	103 (66)	1.36 (-)	277 (103)	4.22 (1.36)	- -	- -
Hydrochloric Acid(33%)	57063 (59269)	1153.60 (367.72)	44 (683)	0.17 (1.91)	691 (44)	3.41 (0.17)	623.59 -	10.27 -
Sodium Hypo Chlorite(Lye)	13062 (15402)	313.45 (312.28)	113 (10)	2.36 (0.21)	131 (113)	2.61 (2.36)	- -	- -
Aluminium Chloride	10383 (7988)	3932.44 (2,493.59)	370 (760)	116.10 (198.51)	357 (370)	119.63 (116.10)	- -	- -
Compressed Hydrogen	7776 (-)	1.18 (-)	- (-)	- (-)	- (-)	- (-)	- -	- -
Stable Bleaching Powder (SBP)	9195 (7620)	929.89 (646.50#)	209 (286)	18.60 (20.74)	108 (209)	10.94 (18.60)	- -	- -
Electricity to/ from JSEB (KWH)	1838500 (1757000)	63.57 (53.41)	- -	- -	- -	- -	40976740 (44130000)	1484.90 (1361.46)
Others	1882 (1660)	87.47 (28.78)	- -	- -	- -	- -	- -	- -
<b>TOTAL</b>		26,107.05 (24,107.63)	- -	146.91 (248.74)	- -	165.87 (146.91)	- -	- -

# Sales exclude sale of product during trial period

# # Numbers in bracket ( ) denote previous year's figures

**c. DETAILS OF RAW MATERIALS CONSUMED :**

(Rs. in Lacs)

Items	Unit	Qty.		Value	
		2010-11	2009-10	2010-11	2009-10
Salt	MT	162494	164635	3353.28	3,600.70
Soda Ash	MT	267	244	44.87	41.57
Aluminium Ingots	MT	2133	1601	2399.60	1,520.50
Barium Carbonate	MT	1316	1601	307.32	320.74
Coal	MT	212373	213231	3000.39	3,037.81
Lime	MT	8091	7177	469.82	359.02
Sulphuric Acid	MT	1645	1564	107.38	58.70
Others*	MT	-	-	251.92	145.44
<b>Total</b>				<b>9934.58</b>	<b>9,084.48</b>

\* It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 1% in total value of the raw material

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

### d. DETAILS OF IMPORTED & INDIGENOUS MATERIALS CONSUMED

(Rs. in Lacs)

	2010-11		2009-10	
	Amount	%	Amount	%
i) Consumption of Raw Materials :				
Imported	Nil	-	Nil	-
Indigenous	9934.58	100.00	9,084.48	100.00
	9934.58	100.00	9,084.48	100.00
ii) Consumption of Stores & Spares:				
Imported	378.07	34.53	300.39	27.45
Indigenous	716.93	65.47	793.82	72.55
	1095.00	100.00	1094.21	100.00

(Rs. in Lacs)

CIF Value of Imports	2010-11	2009-10
i) Raw Materials	-	-
ii) Capital Goods & Components	429.00	297.52
<b>Expenditure in Foreign Currency (Payment against purchase orders)</b>	<b>526.62</b>	<b>280.71</b>
<b>Earnings in Foreign Currency Export of goods on FOB basis</b>	<b>47.78</b>	<b>50.23</b>

### e. DIVIDEND TO NON-RESIDENT SHAREHOLDERS :

Year	No. of Shareholders	No. of Shares held	Amount of dividend remitted (Rs. in Lacs)
For F.Y. 08-09	6	1400	0.02
For F.Y. 09-10	6	1400	0.02

22. Information pursuant to part IV of schedule VI of the Companies Act, 1956, is annexed herewith.

23. Figures of previous year have been regrouped/ rearranged wherever necessary.

As per our attached report of even date

For Khimji Kunverji & Co  
Chartered Accountants  
F.R.N. : 105146W

Hasmukh B. Dedhia  
Partner (F-033494)

Akash Mishra  
Company Secretary

A. K. Agarwala  
Biswajit Choudhuri  
J. C. Chopra  
G. M. Dave  
L. S. Naik  
K. C. Jhanwar  
S.S. Gupta

Director  
Director  
Director  
Director  
Director  
Director  
Managing Director

Place : Mumbai  
Dated : April 26 2011



# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details		State Code	03					
Registration No./CIN	L24100JH1976PLC001255							
Balance Sheet Date	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="text-align: center; width: 30px;">31</td> <td style="text-align: center; width: 30px;">03</td> <td style="text-align: center; width: 30px;">2011</td> </tr> <tr> <td style="text-align: center; font-size: small;">Date</td> <td style="text-align: center; font-size: small;">Month</td> <td style="text-align: center; font-size: small;">Year</td> </tr> </table>	31	03	2011	Date	Month	Year	
31	03	2011						
Date	Month	Year						

II. Capital Raised during the year (Amount in Rs. Thousand)	
Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

III. Position of Mobilisation and Deployment of Funds (Amt. in Rs. Thousand)	
Total Liabilities	Total Assets
4141379	4141379
Sources of Funds :	Reserves & Surplus
Paid-up Capital	3286611
233865	Unsecured Loans
Secured Loans	1040
260506	Deferred Tax Liabilities
Application of Funds :	359357
Net Fixed Assets	Deferred Tax Assets
2548444	0
Net Current Assets	Investments
1132699	460236
Accumulated Losses	Misc. Expenditure
0	0

IV. PERFORMANCE OF COMPANY(Amount in Rs. Thousand)	
	Total Expenditure
Turnover	2064047
2626521	++ Profit/Loss after Tax
Profit/Loss Before Tax	627081
714433	Dividend
Earning per share in Rs.	5.00%
26.81	

V. Generic Names of Three Principal Products/Services of Company As per Monetary Terms	
Item Code No. (ITC Code)	281510
Product Description	Caustic Soda Lye
Item Code No. (ITC Code)	280110
Product Description	Liquid Chlorine
Item Code No. (ITC Code)	280610
Product Description	Hydrochloric Acid

	Akash Mishra Company Secretary	A. K. Agarwala Biswajit Choudhuri J. C. Chopra G. M. Dave L. S. Naik K. C. Jhanwar S.S. Gupta	Director Director Director Director Director Director Managing Director
Place : Mumbai			
Dated : April 26 2011			

**ADITYA BIRLA CHEMICALS (INDIA) LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

(Rs. in lacs)		
	Year ended March 31, 2011	Year ended March 31, 2010
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/(loss) before tax	7,144.33	7,122.34
Adjustments for :		
Depreciation	2,036.26	2,003.57
Miscellaneous Expenditure written off	3.62	61.00
(Profit)/loss on sale of Investment	(143.20)	(5.45)
(Profit)/Loss on sale of Assets (Net)	(20.40)	3.60
Interest/Dividend Received	(611.20)	(425.23)
Interest charges	259.18	337.44
<b>Operating Profit before working capital changes</b>	<b>8,668.59</b>	<b>9,097.27</b>
Changes in Working Capital		
Decrease/(Increase) in Trade and Other receivables	142.69	(43.98)
Decrease/(Increase) in Inventories	125.56	(967.86)
Increase/(Decrease) in Trade payables	(595.78)	(1263.78)
<b>Cash generated/(Used in) from Operating Activities</b>	<b>8,341.06</b>	<b>6,821.65</b>
Direct taxes paid	(1607.78)	(940.75)
<b>Cash flow before non-recurring items</b>	<b>6,733.28</b>	<b>5,880.90</b>
Increase in Deferred Miscellaneous Expenditure	(3.62)	0.00
<b>Net Cash generated/(Used in) from Operating Activities</b>	<b>6,729.66</b>	<b>5,880.90</b>
<b>B. Cash Flow from Investment Activities</b>		
Purchase of Fixed Assets	(1929.73)	(683.21)
Sale of Fixed Assets	63.46	34.69
Purchase of Investments (Net)	(13584.51)	(3178.34)
Sale of Investments	12,219.09	120.05
Dividend Received	5.78	0.17
Interest Received	556.27	307.65
<b>Net Cash generated/(Used in) from Investment Activities</b>	<b>(2669.64)</b>	<b>(3398.99)</b>
<b>C. Cash Flow from Financing Activities</b>		
Dividend Paid (including Corporate Tax on Dividend)	(409.06)	(410.42)
Proceeds from State Capital Subsidy	175.00	0.00
Proceeds/(Repayment) of Long Term Borrowings	(1855.40)	(1145.60)
Proceeds/(Repayment) of Short Term Borrowings	65.42	933.88
Interest paid	(261.58)	(335.04)
<b>Net Cash generated/(Used in) from Financing Activities</b>	<b>(2285.62)</b>	<b>(957.18)</b>
<b>Net Increase/(Decrease) in cash and Cash Equivalents(A+B+C)</b>	<b>1,774.40</b>	<b>1,524.73</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>4,512.31</b>	<b>2,987.58</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>6,286.71</b>	<b>4,512.31</b>
<b>Notes:</b>		
1 Cash and cash equivalents include cheques/drafts in hands and remittance in transit and balance with Banks.		
2 Previous years figures have been regrouped/rearranged wherever necessary.		
As per our attached report of even date		
For Khimji Kunverji & Co		
Chartered Accountants		
F.R.N. : 105146W		
Hasmukh B. Dedhia	Akash Mishra	A. K. Agarwala
Partner (F-033494)	Company Secretary	Director
		Biswajit Choudhuri
		Director
		J. C. Chopra
		Director
		G. M. Dave
		Director
		L. S. Naik
		Director
		K. C. Jhanwar
		Director
		S.S. Gupta
		Managing Director
Place : Mumbai		
Dated : April 26 2011		

**COMPANY SECRETARY'S RESPONSIBILITY STATEMENT**

The Company Secretary confirms that, for the financial year 2010-11, the Company has :

1. maintained all the books of accounts and statutory registers,
2. filed all forms and returns and furnished all necessary particulars to the Registrar of Companies and/or Authorities as required under the Companies Act, 1956,
3. registered all the charges, if any, created in favour of financial institutions, banks and others with the Registrar of Companies and/or Authorities as required under the Companies Act, 1956,
4. issued all Notices required to be given for Board Meetings and General Meetings within the time limit prescribed by law,
5. conducted the Board Meetings and Annual General Meeting as per the Companies Act, 1956,
6. effected share transfers and dispatched the certificates within the time limit prescribed by various authorities,

No unpaid dividend was due for transfer to the Investor Education and Protection Fund, constituted by the Central Government during the year under review.

The Company has complied with the rules and regulations prescribed by the Stock Exchanges, SEBI and other Statutory Authorities and the statutory requirements under the Companies Act, 1956 and other applicable statutes in force.

**Akash Mishra**  
**Company Secretary**

Camp : Mumbai  
Date : 26th April 2011

## ADITYA BIRLA CHEMICALS (INDIA) LIMITED

Parameters	Unit	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
<b>Financial Results</b>											
Gross Turnover	Rs.in crores	90.78	104.27	107.84	124.83	129.05	166.31	202.51	230.91	241.08	261.07
PBDIT	Rs.in crores	28.85	36.82	37.96	50.88	55.31	71.30	85.01	79.90	94.83	94.45
PBDT	Rs.in crores	13.60	21.96	25.78	41.95	47.52	60.58	75.81	74.32	91.26	91.81
PBT	Rs.in crores	6.38	13.95	16.06	29.70	38.12	44.76	58.45	55.60	71.22	71.45
PAT	Rs.in crores	3.93	7.51	8.63	26.45	26.15	33.76	49.27	46.08	60.74	62.71
Net Worth	Rs.in crores	30.45	36.86	56.64*	81.53	108.56	146.13	195.79	239.34	289.36	352.05
Current Ratio	Numbers	0.95	1.04	1.42	1.34	0.98	1.66	1.56	2.13	3.44	5.96
Debt Equity Ratio	Numbers	3.64	2.64	1.37	0.73	1.02	0.76	0.40	0.19	0.15	0.07
Earning per share	Rs./Share	5.04	9.63	4.84*	11.31	11.18	14.43	21.07	19.70	25.97	26.81
Return on Capital Employed	%	15.31	21.46	21.07	27.39	32.00	21.25	23.04	19.62	20.52	20.04
Book Value/Share	Rs./Share	39.04	47.26	24.21*	34.84	46.42	62.49	83.72	102.34	123.73	150.53
Return on Net worth	%	12.91	20.37	15.24*	32.44	27.51	23.10	25.16	19.25	20.99	17.81
Dividend	%	Nil	Nil	5%	8%	10%	15%	15%	15%	15%	5%

\*Due to increase in equity capital on account of rights-issue @ 2:1

## ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT

**C B MANAGEMENT SERVICES (P) LIMITED,**  
 A/C: ADITYA BIRLA CHEMICALS (INDIA) LIMITED,  
 P-22, BONDEL ROAD,  
KOLKATA - 700 019

Dear Sirs,

**FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND.**  
**Please fill-in the information in CAPITAL LETTERS in ENGLISH ONLY.**

Please TICK  Wherever applicable.

For shares held in physical form

For Office use only
ECS Ref. No. :

Master Folio No.

For shares held in electronic form

DP ID	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Client ID	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of First holder	<input type="text"/>																		
Bank Name	<input type="text"/>																		
Branch Name	<input type="text"/>																		
MICR Code	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank) Please attach a photocopy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the Bank's name, branch and code number.																		
Account Type	Saving			Current			Cash Credit												
A/c No. (as appearing in the cheque book)	<input type="text"/>																		
Effective date of this mandate	<input type="text"/>																		

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Aditya Birla Chemicals ( India ) Limited will not be held responsible. I agree to avail the ECS facility provided by RBI.

I further undertake to inform the Company any change in my Bank/branch and account number.

Place \_\_\_\_\_

\_\_\_\_\_  
(Signature of First Holder)

Date \_\_\_\_\_

\_\_\_\_\_  
Name of First Holder

Tear Here

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**ADITYA BIRLA CHEMICALS (INDIA) LIMITED**

“Ghanshyam Kunj” Garhwa Road, P.O. Rehla - 822 124, Distt. Palamau (Jharkhand)

**ATTENDANCE SLIP**

**35th Annual General Meeting**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I/We hereby record my/our presence at the Annual General Meeting of the Company being held on Monday, the 8th August 2011 at 10:00 A.M. at the Registered Office of the Company.

Folio No.		Full Name of the shareholder (In Block Letter)	Signature
DP ID*			
Client ID *		Full Name of Proxy (In Block Letter)	Signature

\*Applicable for investors holding shares in electronic form

Tear here

**ADITYA BIRLA CHEMICALS (INDIA) LIMITED**

Garhwa Road, P.O. Rehla - 822 124, Distt. Palamau (Jharkhand)

**PROXY FORM**

DP ID*	
Client ID*	

Regd. Folio No.	
-----------------	--

Folio No/Client ID No....., DP ID No.....

I/We.....  
of.....being a Member/ Members of Aditya Birla Chemicals (India) Limited hereby appoint.....  
of .....or failing him.....  
of.....as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 35th Annual General Meeting of the Company, to be held on Monday, the 8th August 2011 at 10:00 A.M. and at any adjournment thereof.

As Witness my/our hand/hands this.....day of.....2011.

Signature (s).....

Revenue Stamp

\*Applicable for investors holding shares in electronic form

**Note :** The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Tear Here

