



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

Registered Office: 'Ghanshyam Kunj', Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand)  
Tel No.: (06584) 262 211, 262 221, 262 488 Fax : (06584) 262 205 Email : [abcil.investors@adityabirla.com](mailto:abcil.investors@adityabirla.com)  
Website : [www.adityabirlachemicalsindia.com](http://www.adityabirlachemicalsindia.com) CIN : L24100JH1976PLC001255

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 38<sup>th</sup> Annual General Meeting of members of Aditya Birla Chemicals ( India ) Limited ( "the Company" ) will be held at the Registered Office of the Company at 'Ghanshyam Kunj', Garhwa Road, P.O. Rehla – 822 124, Distt. Palamau (Jharkhand) on Monday 29<sup>th</sup> September 2014 at 10:00 A.M. to transact with or without modifications, as may be permissible, the following business :

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2014 and the Statement of Profit & Loss for the financial year ended 31<sup>st</sup> March 2014 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31<sup>st</sup> March 2014.
3. To appoint a Director in place of Shri Lalitkumar Shantaram Naik (DIN: 02943588), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

“Resolved that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Khimji Kunverji & Co., Chartered Accountants, Mumbai (Registration No.: 105146W), the retiring Statutory auditors of the Company, be and is hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this 38<sup>th</sup> Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company and the Audit Committee of the Company be and are hereby authorized to fix the remuneration of Statutory auditors of the Company for the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties.”

#### **SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass the following resolution as Special Resolution :

“Resolved that in accordance with the provisions of Sections 196,197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 (earlier as pursuant to Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956) including any statutory modifications or re-enactment thereof, for the time being in force, the approval of the Company be and is hereby accorded to the appointment of Shri Kailash Chandra Jhanwar (DIN: 01743559) as Managing Director of the Company, for a period of 3 (three) years effective from 1<sup>st</sup> March 2014, on the terms and conditions as set out below and in Explanatory Statement annexed to the Notice convening this meeting, with the liberty to the Board of Directors (which term shall include any Committee

constituted or to be constituted by the Board) from time to time to alter/enhance/vary the said terms and remuneration in such manner as may be agreed to between the Board and Shri Jhanwar, and as may be permissible at law.

- Period of Appointment : 3 (three) years w.e.f. 1<sup>st</sup> March 2014
- Shri Jhanwar will not be paid any remuneration by the Company for the time being. Consequently, provisions of Section 202 of the Companies Act, 2013 will not be applicable in the event of the termination of the appointment of Shri Jhanwar as Managing Director of the Company till the time no remuneration is paid to him. However, the Board reserves the right to remunerate him with recommendation of the Remuneration Committee of the Company in accordance with the applicable statutes.
- Shri Jhanwar shall be entitled to reimbursement of all expenses, actually and properly incurred in the course of and for the legitimate business of the Company.
- If Shri Jhanwar wishes to leave the position and services as the Managing Director of the Company at any time during his tenure with the Company, he will be released from the position and services as the Managing Director of the Company subject to the approval of the Board in terms of the applicable statutes.
- Shri Jhanwar will not be paid any sitting fee for attending the meeting of the Board of Directors or Committee thereof from the date of his appointment.
- Shri Jhanwar will not be liable to retire by rotation.
- The other terms, responsibilities, authorities etc. are usual and as per the prevailing practices.

“Resolved further that the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution”.

6. To consider and, if thought fit, to pass the following resolution as Ordinary Resolution :

“Resolved that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 55,000/- plus service tax as applicable and reimbursement of out-of-pocket expenses for the financial year ending 31<sup>st</sup> March 2015, as approved by the Board of Directors of the Company, to be paid to M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai (Registration No. 7464) for the conduct of the audit of the cost records of the Company, be and is hereby ratified and confirmed”.

“Resolved further that the Audit Committee / Board of Directors of the Company be and is hereby authorised to decide and revise the aforesaid remuneration, in case required, and do all such acts, deeds and things and take all such steps as may be necessary or expedient to give effect to this resolution.”

7. To consider and, if thought fit, to pass the following resolution as Special Resolution :

“Resolved that pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to borrow any sum or sums of money from time to time at their discretion, as deem fit, by way of loans, advances, issue of any kind of security(ies) or instruments including Commercial Papers, even if the borrowing(s) together with the monies already borrowed by the Company, including the borrowings in foreign currencies, (apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business), exceeds the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, and to determine,

fix, negotiate, arrange or agree to the terms and conditions of all such monies borrowed / to be borrowed from time to time, provided however, that the money or monies to be borrowed by the Company together with the money already borrowed and outstanding shall not, at any time, exceed Rs. 2500 crores (Rupees two thousand five hundred crores only) over and above the aggregate of the paid up Share Capital and free reserves of the Company.”

“Resolved further that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient to implement the Resolution, as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Company or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by authority of this resolution”.

8. To consider and, if thought fit, to pass the following resolution as Special Resolution :

“Resolved that the consent of the Company be and is hereby granted in terms of Section 180 (1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter called “the Board”), which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or person(s), to mortgage and / or charge any of its movable and / or immovable properties wherever situated both present and future or to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create a mortgage and / or charge, on such terms and conditions at such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company’s any one or more of the undertakings or all of the undertakings of the Company in favour of any Lenders, Agents and / or trustees, bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not, for securing the long term, short term and medium term borrowings of the Company availed / to be availed by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debenture and / or non-convertible debentures / bonds/ any other nature of debt instruments, etc.) issued / to be issued by the Company as also deferred sales tax loans availed / to be availed by various Units of the Company, from time to time, subject to the overall limits approved / as may be approved by the members under Section 180(1)(c) of the Companies Act, 2013 as also the interest on the principal amounts at the respective agreed rates, additional interest, compound interest in the case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, premium (if any) on redemption, remuneration of agents(s) / trustees(s) / all other cost, charges and expenses, including any increase as a result of devaluation/ revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of loan agreement(s), heads of agreement, debenture trust deed(s) and / or any other deed(s) or document(s) entered in to / to be entered into between the Company and the lender(s) / agent(s) / Trustees(s) / state government(s) / agency(ies) representing various state governments / bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not and / other agencies, etc in respect of the said loans / borrowings / debentures/ securities / deferred sales tax loans and containing such specific term and conditions and covenants in respect of the enforcement of the security as may be stipulated in that behalf and agreed to between the Board and the lender(s) / agent(s) / Trustees(s) / bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not, etc.”

“Resolved further that the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and / or charges already created

or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.”

“Resolved further that the Board be and is hereby authorized to finalize, settle and execute any and all; agreements, documents, deeds, writings and papers as may be necessary for creating the mortgages and / or charges as aforesaid and to do all such acts, deeds, matters and things as it/ they may, in its / their absolute discretion consider necessary, desirable or expedient for implementing this resolution and to resolve any question, difficulty or doubt relating thereto, or otherwise considered to be in the best interests of the Company.”

9. To consider and, if thought fit, to pass the following resolution as Ordinary Resolution :

“Resolved that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the provisions of Clause 49 of the Listing Agreement, including any modification or amendment thereof, Shri Girish Mohanlal Dave (DIN: 00036455), an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years commencing from the conclusion of this Annual General Meeting of the Company, not liable to retire by rotation.”

10. To consider and, if thought fit, to pass the following resolution as Ordinary Resolution :

“Resolved that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the provisions of Clause 49 of the Listing Agreement, including any modification or amendment thereof, Shri Biswajit Choudhuri (DIN: 00149018), an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years commencing from the conclusion of this Annual General Meeting of the Company, not liable to retire by rotation.”

11. To consider and, if thought fit, to pass the following resolution as Ordinary Resolution :

“Resolved that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the provisions of Clause 49 of the Listing Agreement, including any modification or amendment thereof, Shri Jagdish Chandar Chopra (DIN: 00041143), an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years commencing from the conclusion of this Annual General Meeting of the Company, not liable to retire by rotation.”

12. To consider and, if thought fit, to pass the following resolution as Ordinary Resolution :

“Resolved that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the provisions of Clause 49 of the Listing Agreement, including any modification or amendment thereof, Shri Prem Prakash Sharma (DIN: 00788601), an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years commencing from the conclusion of this Annual General Meeting of the Company, not liable to retire by rotation.”

13. To consider and, if thought fit, to pass the following resolution as Special Resolution :

“Resolved that pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Article of Association of the Company.”

“Resolved further that the Board of Directors of the Company (which term shall include any Committee constituted or to be constituted by the Board) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

14. To consider and, if thought fit, to pass the following resolution as Special Resolution :

“Resolved that pursuant to the provisions of Clause 49(VII) of the equity Listing Agreement as contained in SEBI circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to enter into related party transaction(s) with M/s. Hindalco Industries Limited, Holding Company of the Company for sale of Caustic Soda and other products & services, purchase of Aluminium ingots and other products & services and Payment of Dividend, which are commercial transactions in the ordinary course of the business and are at arm’s length, being material in nature as detailed in the explanatory statement to the Notice.”

“Resolved further that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution.”

**By Order of the Board,  
For ADITYA BIRLA CHEMICALS ( INDIA ) LIMITED**

Registered Office:  
‘Ghanshyam Kunj’, Garhwa Road,  
P.O. Rehla - 822 124 Distt. Palamau  
(Jharkhand)  
Tel No.: (06584) 262211, 262221,  
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Website : [www.adityabirlachemicalsindia.com](http://www.adityabirlachemicalsindia.com)  
CIN : L24100JH1976PLC001255

**Akash Mishra  
Company Secretary**

Place : Mumbai  
Dated : August 6, 2014

**NOTES :**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 38<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY (“THE MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- 2) **A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**
- 3) Corporate members intending to send their authorised representatives to attend the meeting pursuant to Section 113 of Companies Act, 2013 are requested to send to the Company duly certified copy of the Board resolution authorising their representatives to attend and vote on their behalf at the meeting.
- 4) Disclosure pursuant to Clause 49 of the Listing Agreement with respect to Directors seeking re-appointment/appointment at the Annual General Meeting is attached hereto.
- 5) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 6) Members are requested to bring their Attendance Slip along with their copy of Annual Report while attending the Meeting.
- 7) Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 10:30 A.M. and 12:30 P.M. upto the date of the Meeting.
- 8) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday 24<sup>th</sup> September 2014 to Monday 29<sup>th</sup> September 2014 (both days inclusive) for the purpose of payment of dividend, if approved by the members.
- 9) The dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or after 30<sup>th</sup> September 2014 to those members or their mandates whose names stand registered in the Company’s Register of Members :
  - i) as Beneficial Owners as at the end of the business hours on 23<sup>rd</sup> September 2014, as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
  - ii) as Members in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar and Transfer Agent (RTA), M/s. C. B. Management Services (P) Limited, Kolkata on or before 23<sup>rd</sup> September 2014.
- 10) *Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Unpaid / Unclaimed dividend for the financial year 2005 – 2006 has been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.*
- 11) *Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year 2006-07 and the dividends for the subsequent years, which remain unpaid or unclaimed for a period of 7 years will be transferred to IEPF. Shareholders who have so far not cashed the dividend warrant(s) for the financial year 2006-07 are requested to make their claim to the Secretarial Department at the Registered Office of the Company or the office of the RTA accordingly, failing which the unpaid / unclaimed amount will be transferred to the IEPF. It may also be noted that once the unpaid / unclaimed dividend is transferred to the IEPF as above, no claim shall lie against the Company or the IEPF in respect of such amount by the member. The due date for transfer of Unpaid/Unclaimed Dividend are given hereinbelow :*

<i>Dividend For F.Y.</i>	<i>Date of Annual General Meeting</i>	<i>Date due for transfer to “Investor Education &amp; Protection Fund”</i>
<i>2006-07</i>	<i>11.08.2007</i>	<i>10.09.2014</i>
<i>2007-08</i>	<i>21.08.2008</i>	<i>20.09.2015</i>
<i>2008-09</i>	<i>29.06.2009</i>	<i>28.07.2016</i>
<i>2009-10</i>	<i>06.08.2010</i>	<i>05.09.2017</i>
<i>2010-11</i>	<i>08.08.2011</i>	<i>07.09.2018</i>
<i>2011-12</i>	<i>08.08.2012</i>	<i>07.09.2019</i>
<i>2012-13</i>	<i>10.09.2013</i>	<i>09.10.2020</i>

- 12) *The Ministry of Corporate Affairs (MCA), Government of India, through its circular No. 17/2012 dated 23<sup>rd</sup> July, 2012 has directed companies to upload on the Company's website information regarding unpaid and unclaimed dividend. In terms of the circular, the Company has uploaded the details of unpaid and unclaimed dividend and the same can be viewed on [www.adityabirlachemicalsindia.com](http://www.adityabirlachemicalsindia.com)*
- 13) Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or its RTA quoting their Folio number or their Client ID number with DP ID number, as the case may be.
- 14) Members are requested to notify immediately any change of address :
- i) to the their Depository Participants(DPs) in respect of shares held in electronic form, and
  - ii) to the Company or its RTA, in respect of the shares held in physical form together with a proof of address viz. Electricity Bill, Telephone Bill, Ration Card, Voter ID Card, Passport etc.
- In case the mailing address mentioned on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
- 15) (a) Members are advised to avail of the facility for receipt of dividend through National Electronic Clearing Service (NECS). The NECS facility is available at specified locations. Members holding shares in electronic form are requested to contact their respective DPs for availing NECS facility. Members holding shares in physical form are requested to download the NECS form from the website of the Company viz. [www.adityabirlachemicalsindia.com](http://www.adityabirlachemicalsindia.com) and the same duly filled up and signed along with a photocopy of a cancelled cheque may be sent to the Company or to its RTA.
- (b) The Securities and Exchange Board of India (SEBI) vide its Circular dated 21<sup>st</sup> March, 2013 has provided that companies making cash payments to their investors shall use approved electronic mode of payment such as ECS, NECS, NEFT etc. To enable usage of electronic payment instruments, companies are required to maintain requisite bank details of their investors:-
- For securities held in demat mode, companies shall seek relevant bank details from the Depositories.
  - For securities held in physical mode, companies shall maintain updated bank details received from the investors.
- (c) To avoid the incidence of fraudulent encashment of dividend warrants, members are requested to intimate the Company under the signature of the Sole / First Joint holder, the following information, so that the bank account number and name and address of the bank can be printed on the dividend warrants:
- 1) Name of Sole/first Joint holder and Folio No.**
  - 2) Particulars of Bank Account, viz.**
    - i) Name of the Bank**
    - ii) Name of Branch**
    - iii) Complete address of the Bank with Pin code Number**
    - iv) Account Type, whether Savings (SB) or Current Account (CA)**
    - v) Bank Account Number**
- 16) Members who hold shares in electronic form and want to change / correct the bank account details should send the same immediately to their concerned DP and not to the Company. Members are also requested to give the MICR Code of their bank to their DPs. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. The said details will be considered, as will be furnished by DPs to the Company.
- 17) As per the provisions of Section 72 of the Companies Act 2013, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the Company's Secretarial Department at its Registered Office or its RTA or can download the form from the Company's website viz. [www.adityabirlachemicalsindia.com](http://www.adityabirlachemicalsindia.com) Members holding shares in electronic form have to approach their DPs for completing the nomination formalities.
- 18) Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or its RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.

- 19) The Annual Report of the Company for the year 2013-14, being circulated to the Members of the Company, is available on the Company's website viz. [www.adityabirlachemicalsindia.com](http://www.adityabirlachemicalsindia.com).
- 20) In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, transmission of shares and transposition of shares.
- 21) *The Company has entered into agreements with NSDL and CDSL. The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, thefts in postal transit, delay in transfers, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc. Members, therefore, now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL. Members are encouraged to convert their holdings to electronic mode.*
- 22) Non-resident Indian members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately:
- a) the change in the Residential status on return to India for permanent settlement.
  - b) the particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
- 23) In line with the measures of Green Initiative taken by SEBI, Companies Act, 2013 also provides for sending notice of the meeting and other shareholder correspondences through electronic mode. **Members holding shares in physical mode are requested to register their e-mail ID's with the Company or its RTA and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs).**
- If there is any change in the e-mail ID already registered with the Company, Members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
- A 'Green Initiative' form is available on the Company's website viz. [www.adityabirlachemicalsindia.com](http://www.adityabirlachemicalsindia.com) for registering the email ID by the members.**
- 24) **Voting through electronic means :**

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide facility to members to exercise their right to vote at the 38<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through E-Voting services provided by Central Depository Services (India) Limited (CDSL). The E-voting is optional for the members.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 22<sup>nd</sup> September 2014 at 9:00 A.M. and ends on 24<sup>th</sup> September 2014 at 6:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, **as on the cut-off date (record date) of 22<sup>nd</sup> August 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user, follow the steps given below:



<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company / Depository Participant are requested to enter in capital letters the PAN field of 10 characters as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by "0" (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr. / Mrs. / Smt. / Miss / Ms. / M/s. etc.</li> </ul> <p>Example:            (1) Mr. V. N. Swami and Folio Number is S/0245, the PAN will be VN00S0245            (2) M/s. 4-Line Company Ltd. and Folio Number is C-0052 the PAN will be 4L00C0052</p>
DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> <li>Please Enter the DOB or Bank Account Number in order to Login.</li> <li>If both the details are not recorded with the depository or company then please enter in the Dividend Bank Details field the Number of Shares Held by you <b>as on Cut Off date (record date) of 22<sup>nd</sup> August 2014.</b></li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the **EVSN (E-voting Sequence Number - 140812042)** for the relevant **"Aditya Birla Chemicals (India) Limited"** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) on or before 24<sup>th</sup> September 2014, upto 6:00 P.M. without which the vote shall not be treated as valid.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22<sup>nd</sup> August 2014.

The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 22<sup>nd</sup> August 2014.

The shareholders shall have one vote per equity share held by them as on the cut-off date (record date) of 22<sup>nd</sup> August 2014. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.

Shri Atul Kumar Labh, Practising Company Secretary (FCS - 4848 / CP - 3238) of M/s A. K. Labh & Co., Company Secretaries, Kolkata has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblocks the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Company has provided an option to its Members who do not have access to the e-voting facility, to cast their votes by way of a Ballot. The Ballot Form is enclosed with the Annual Report. Members who do not have access to e-voting facility may send duly completed Ballot Form so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Shri Atul Kumar Labh, Practising Company Secretary (FCS - 4848 / CP - 3238) of M/s A. K. Labh & Co., Company Secretaries, Kolkata not later than close of working hours (6:00 P.M.) on 24<sup>th</sup> September 2014. Ballot Form received after this date and time will be treated as invalid.

Members are hereby informed that the votes casted electronically shall be treated as final, in case, votes are casted by any member through both the modes, i.e., electronically as well as by exercising the votes vide ballot forms.

The Scrutinizer's decision on the validity of the vote shall be final and binding.

The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the website of CDSL within two (2) days of passing of the resolution at the AGM of the Company and will be communicated to the Stock Exchanges where the Company's Shares are Listed, i.e. National Stock Exchange Ltd. and BSE Ltd.

The resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of e-voting, Ballot and voting held at the AGM.

**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 5**

The Board of Directors of the Company ((hereinafter referred to as “the Board”), in its meeting held on 11<sup>th</sup> February 2014 has, subject to approval of Shareholders of the Company & other concerned authorities, as required, and pursuant to the provisions of Section(s) 198, 269, 309, 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and the Companies Act, 2013 and the relevant provisions of the Articles of Association of the Company, appointed Shri Kailash Chandra Jhanwar, Director, as Managing Director of the Company w.e.f. 1<sup>st</sup> March 2014 for a period of 3 (three) years in place of Shri Vijaykumar Ramratan Agrawal, existing Managing Director of the Company due to his resignation from the position of the Managing Director of the Company w.e.f. the closing hours of 28<sup>th</sup> February 2014. An Agreement has been entered into between the Company and the new Managing Director signifying the terms, responsibility, authorities etc.

As required under Section 196 of the Companies Act, 2013, the terms and conditions of the appointment, remuneration and other matters, as also in the Agreement, including the concern/interest of the Directors in the appointment, of Shri Kailash Chandra Jhanwar, as Managing Director of the Company (hereinafter referred to as “Shri Jhanwar”), are as under :

- Period of Appointment : 3 (three) years w.e.f. 1<sup>st</sup> March 2014
- Shri Jhanwar is already in employment in other organization. He will not be paid any remuneration by the Company for the time being. Consequently, provisions of Section 202 of the Companies Act, 2013 will not be applicable in the event of the termination of the appointment of Shri Jhanwar as Managing Director of the Company till the time no remuneration is paid to him. However, the Board reserves the right to remunerate him with recommendation of the Remuneration Committee of the Company.
- Shri Jhanwar shall be entitled to reimbursement of all expenses, actually and properly incurred in the course of and for the legitimate business of the Company.
- If Shri Jhanwar wishes to leave the position and services as the Managing Director of the Company at any time during his tenure with the Company, he will be released from the position and services as the Managing Director of the Company subject to the approval of the Board in terms of the provisions of (then the Companies Act, 1956 at the time of appointment) the Companies Act, 2013.
- The Managing Director will not be paid any sitting fee for attending the meeting of the Board of Directors or Committee thereof from the date of his appointment.
- The Managing Director will not be liable to retire by rotation.
- The terms and conditions may be altered /enhanced /varied from time to time in due course by the Board subject to the applicable provisions of (then the Companies Act, 1956 at the time of appointment) the Companies Act, 2013.
- The terms and conditions have been made as per the provisions of the Companies Act, 1956 and related rules and regulations (as applicable at the time of appointment) and that shall also be valid and enforceable to the corresponding provisions of the Companies Act, 2013 and related rules and regulations or any enactment, amendment, notification etc. as applicable and enforced by the Authorities from time-to-time.
- The other terms, responsibilities, authorities etc. are usual and as per the prevailing practices.

Memorandum of Concern or Interest

None of the Directors/manager/key managerial personnel or any of the relatives of such, other than Shri Kailash Chandra Jhanwar in his personal capacity and his relatives, is/are interested or deemed to be interested or concerned financially or otherwise in the above resolution.

The resolution as set out in Item no. 5 of this Notice is accordingly commended for your approval.

**Item No. 6**

The Board of Directors of your Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March 2015.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing the resolution as set out in item no. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2015.

Memorandum of Concern or Interest

None of the Directors/manager/key managerial personnel or any of the relatives of such, is/are interested or deemed to be interested or concerned financially or otherwise, in the above resolutions.

The resolution as set out in Item no. 6 of this Notice is accordingly commended for your approval.

**Item No. 7 & 8**

The enhancement in the borrowing limit of the Company with authorization to create charge on the present and future assets of the Company is required to cater the need of finance for present & future expansion of business and capital expenditures of your Company.

**Memorandum of Concern or Interest**

None of the Directors/manager/key managerial personnel or any of the relatives of such, is/are interested or deemed to be interested or concerned financially or otherwise, in the above resolutions.

The resolutions as set out in Item nos. 7 & 8 of this Notice are accordingly commended for your approval.

**Item No. 9 to 12**

The Companies Act, 2013 ("the Act") provides for appointment of Independent Directors for a term upto 5 consecutive years. Further the Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed Company.

The following Directors are Independent Directors viz. Shri Girish Mohanlal Dave, Shri Biswajit Choudhuri, Shri Jagdish Chandar Chopra and Shri Prem Prakash Sharma on the Board of the Company.

It is proposed to appoint each of them as Independent Directors under Section 149 of the the Act and Clause 49 of the Listing Agreement to hold office for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting, not liable to retire by rotation.

Shri Girish Mohanlal Dave holds a Master's Degree in Commerce and a Bachelor's Degree in Law. He is a partner of Dave & Girish & Co., Advocates. He is also on the Board of several Companies.

Shri Biswajit Choudhuri is B. Tech. (Hons) in Mechanical Engineering from IIT (Kharagpur) and Fellow Member of the Institute of Cost and Works Accountants of India. He has expertise in Engineering, Banking, Finance and Management with experience of the last 46 years. He was former Chairman and Managing Director (1996 to 2001) of United Bank of India and former Executive Director (1992 to 1996) of UCO Bank.

Shri Jagdish Chandar Chopra holds a Master's degree in Economics and has worked in the corporate sector in Senior Management positions, for over 50 years, as Marketing Director of Hindustan Lever, Senior Vice President and Director of Voltas, Senior Vice President and Director Marketing at Tata Consultancy Services, apart from being on the Board of no. of Tata Companies. He has been a member of the Board of Governors of National Applied Economic Research, Committees of the Planning Commission and Vice Chairman of Agro Foods Punjab, a joint sector Company of Punjab Govt. and Voltas, which handled the entry of Pepsi in India.

Shri Prem Prakash Sharma is a retired IAS Officer with a Bachelor's Degree in Law. He served in the Indian Administrative Service.

The Company has received notices pursuant to the provision of Section 160 of the Act from Members signifying their intention to propose the candidature of Shri Dave, Shri Choudhuri, Shri Chopra and Shri Sharma as Independent Directors of the Company.

The above mentioned Directors are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has received declarations from each of them that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement.

The Board has reviewed the declarations made by each of them and in the opinion of the Board, Shri Dave, Shri Choudhuri, Shri Chopra and Shri Sharma fulfil the conditions for their appointment as Independent Directors as specified in the Act, the Rules made thereunder and the Listing Agreement. All of them are independent of the management.

Considering their vast experience, their presence on the Board will be of immense value to the Company.

A copy of their draft letters of appointment as Independent Directors setting out the terms and conditions are available for inspection by the Members at the registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 10:00 am to 12:00 pm up to the date of the AGM.

**Memorandum of Concern or Interest**

None of the Directors, Key Managerial Personnel and their relatives thereof other than Shri Dave, Shri Choudhuri, Shri Chopra and Shri Sharma and their relatives, is/are interested or deemed to be interested or concerned financially or otherwise, in the above respective resolutions for their appointment.

The resolutions as set out in Item nos. 9 to 12 of this Notice are accordingly commended for your approval.

### **Item No. 13**

The existing Articles of Association ("AoA") of the Company are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to the specific Sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 (Act 2013). The Act 2013 is now largely in force and substantive Sections of the Act 2013 which deal with the general working of companies stand notified.

With the coming into force of the Act 2013 several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act 2013 which sets out the model Articles of Association for a Company limited by shares. The existing articles have been streamlined and aligned with the Act 2013.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders of the Company.

#### Memorandum of Concern or Interest

None of the Directors/manager/key managerial personnel or any of the relatives of such, is/are interested or deemed to be interested or concerned financially or otherwise, in the above resolution.

The resolution as set out in Item no. 13 of this Notice is accordingly commended for your approval.

### **Item No. 14**

The transactions with the related parties as per resolution in item no. 14 are at arm's length and in its ordinary course of business. However as per SEBI circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 vide revised Clause 49(VII) of listing agreement effective from 1st October 2014 SEBI has prescribed that all related party transactions shall require prior approval of the Audit Committee and all material transactions with related party shall require approval of the Shareholders of the Company through special resolution and the related parties shall abstain from voting on such resolutions. "Material Transaction" means any transaction entered either individually or taken together with previous transactions during a financial year, exceeds five percent of the annual turnover or twenty percent of the net worth of the company as per the last audited financial statements of the Company, whichever is higher. M/s. Hindalco Industries Limited is the Holding Company of our Company, holding 51.33% of the total share capital. The Company sells Caustic Soda & other allied products, buys Aluminium ingots & other allied products and makes the payment of Dividend on the shareholdings accordingly to Hindalco Industries Limited and its other subsidiary on an ongoing basis at arm's length. The details are also shown in the Notes on the Accounts of the Annual Report. The Audit Committee has approved all related party transactions which were placed before it in its meeting held on 6<sup>th</sup> August, 2014, including the transactions with Hindalco Industries Limited and the Audit Committee has noted that these transactions are in the ordinary course of business & are at arm's length. Since the transactions with Hindalco Industries Limited, though in the ordinary course of business and at arm's length, are material in accordance with the SEBI circular, it is proposed for the approval of the members by way of special resolution.

#### Memorandum of Concern or Interest

None of the Directors/manager/key managerial personnel or any of the relatives of such, is/are interested or deemed to be interested or concerned financially or otherwise, in the above resolution.

The resolution as set out in Item no. 14 of this Notice is accordingly commended for your approval.

**By Order of the Board,  
For ADITYA BIRLA CHEMICALS ( INDIA ) LIMITED**

Registered Office:  
'Ghanshyam Kunj', Garhwa Road,  
P.O. Rehla - 822 124 Distt. Palamau  
(Jharkhand)  
Tel No.: (06584) 262211, 262221,  
262488 Fax : (06584) 262 205  
Email : [abcil.investors@adityabirla.com](mailto:abcil.investors@adityabirla.com)  
Website : [www.adityabirlachemicalsindia.com](http://www.adityabirlachemicalsindia.com)  
CIN : L24100JH1976PLC001255

**Akash Mishra  
Company Secretary**

Place : Mumbai  
Dated : August 6, 2014

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE 38<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY**

Name of Director	Shri Lalitkumar Shantaram Naik	Shri Kailash Chandra Jhanwar	Shri Girish Mohanlal Dave	Shri Biswajit Choudhuri	Shri Jagdish Chandar Chopra	Shri Prem Prakash Sharma
Date of Birth	18.10.1961	30.06.1957	12.07.1938	30.04.1942	04.03.1931	18.07.1948
Date of Appointment	01.04.2010	21.10.2008 (Managing Director w.e.f. 01.03.2014)	16.04.2011	30.01.2002	17.10.2006	30.01.2002
Expertise in specific functional areas	Industry and Management	Industry and Finance	Legal	Engineering, Banking, Finance and Management	Economics, Marketing	Administration, Legal
Qualifications	Chemical Engineer ( IIT), Post-Graduate in Management ( IIM, Ahmedabad)	B. Com., F.C.A.	M.Com., LL.B., C.A.I.I.B.	B. Tech. (Hons) in Mechanical Engineering from IIT (Kharagpur), Fellow of the Institute of Cost and Works Accountants of India	M.A. (Economics)	I.A.S., M.A. (Economics), L.L.B.
List of outside Company Directorships held in Indian Public Limited Company excluding Alternate Directorship	1. Aditya Birla Nuvo Limited 2. Tanfac Industries Limited 3. Aditya Birla Science & Technology Co. Limited 4. Aditya Birla Epoxy (India) Limited	1. Aditya Birla Epoxy (India) Limited	1. Ultratech Cement Limited 2. Aditya Birla Retail Limited 3. Vinati Organics Limited 4. PCS Technology Limited 5. Grasim Bhiwani Textiles Limited	1. Hindusthan Engineering & Industries Ltd. 2. Ludlow Jute & Specialities Ltd. 3. Godawari Power & Ispat Ltd. 4. R. V. Investment & Dealers Ltd. 5. Maithan Alloys Ltd. 6. Khaitan Electricals Ltd. 7. Hira Ferro Alloys Ltd.	1. Global Offshore Services Limited	1. Burnpur Cement Limited
Chairman/ Member of the Committee of the Board of Directors of the Company	1. Audit Committee (Member) 2. Shareholders' Grievance Committee (Chairman)	1. Shareholders' Grievance Committee (Member)	1. Audit Committee (Member)	1. Audit Committee (Chairman) 2. Shareholders' Grievance Committee (Member)	1. Audit Committee (Member)	Nil
Chairman/ Member of the Committee of the Board of Directors of other Companies in which he/ she is a Director. a. Audit Committee	1. Tanfac Industries Limited - Member 2. Aditya Birla Science & Technology Co. Limited - Member	Nil	1. Ultratech Cement Limited - Member 2. Aditya Birla Retail Limited - Chairman 3. Vinati Organics Limited - Member 4. Grasim Bhiwani Textiles Limited - Member	1. Hindusthan Engineering & Industries Ltd. - Chairman 2. Ludlow Jute & Specialities Ltd. - Member 3. Godawari Power & Ispat Ltd. - Chairman 4. Khaitan Electricals Ltd. - Member 5. Hira Ferro Alloys Ltd. - Chairman	Nil	Nil
b. Shareholders'/Investors' Grievances Committee	Nil	Nil	1. Ultratech Cement Limited - Member	1. Hira Ferro Alloys Ltd. - Chairman	Nil	Nil
No. of Shares Held in the Company as on 31.03.2014	Nil	Nil	Nil	100	Nil	Nil



## ADITYA BIRLA CHEMICALS ( INDIA) LIMITED

Registered Office: 'Ghanshyam Kunj', Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand)  
 Tel No.: (06584) 262 211, 262 221, 262 488 Fax : (06584) 262 205 Email : [abcil.investors@adityabirla.com](mailto:abcil.investors@adityabirla.com)  
 Website : www.adityabirlachemicalsindia.com CIN : L24100JH1976PLC001255

**38<sup>th</sup> Annual General Meeting : Monday, 29<sup>th</sup> September 2014**

### BALLOT FORM

(To be returned to Scrutinizer appointed by the Company)

Name of the First Named Shareholder : .....

Postal Address : .....

Folio No. / DPID No. and Client ID\* : .....  
 (\* Applicable to Shareholders holding shares in electronic form)

Number of Equity Share(s) held : .....

I/We hereby exercise my/our vote in respect of the following Resolution(s) to be passed at the 38<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, 29<sup>th</sup> September 2014 at 10:00 A.M. at the Registered Office of the Company at 'Ghanshyam Kunj', Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand) in respect of businesses as stated in the Notice of the Company dated 6<sup>th</sup> August 2014 by conveying my/our assent or dissent to the said resolution(s) by placing the tick (✓) mark at the box against the respective matters:

Item No.	Description of businesses as set out in the Notice of the Annual General Meeting	No. of equity shares held	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Adoption of the Audited Balance Sheet as at 31 <sup>st</sup> March 2014 and the Statement of Profit & Loss for the financial year ended 31 <sup>st</sup> March 2014 and the Reports of the Board of Directors and Auditors thereon			
2.	Declaration of Dividend on equity shares for the year ended 31st March 2014			
3.	Appointment of Director in place of Shri Lalitkumar Shantaram Naik (DIN: 02943588) who retires by rotation and being eligible offers herself for re-appointment			
4.	Re-appointment of M/s. Khimji Kunverji & Co., Chartered Accountants, Mumbai (Registration No.: 105146W), the retiring Statutory Auditors of the Company & fix their remuneration			
5.	Approval of the appointment of Shri Kailash Chandra Jhanwar (DIN: 01743559) as Managing Director of the Company			
6.	Ratification of payment of remuneration to the Cost Auditors viz. M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai for the financial year ending 31 <sup>st</sup> March 2015			
7.	Approval of the Borrowing Limits of the Company under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013			
8.	Approval for Creation of Charges/mortgage pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013			
9.	Appointment of Shri Girish Mohanlal Dave (DIN: 00036455) as an Independent Director of the Company			
10.	Appointment of Shri Biswajit Choudhuri (DIN: 00149018) as an Independent Director of the Company			
11.	Appointment of Shri Jagdish Chandar Chopra (DIN: 00041143) as an Independent Director of the Company			
12.	Appointment of Shri Prem Prakash Sharma (DIN: 00788601) as an Independent Director of the Company			
13.	Approval & adoption of new set of Articles of Association of the Company			

Item No.	Description of businesses as set out in the Notice of the Annual General Meeting	No. of equity shares held	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
14.	Approval of material related party transaction(s) with M/s. Hindalco Industries Limited pursuant to the provisions of Clause 49(VII) of the equity Listing Agreement as contained in SEBI circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014			

Place : .....

Date : .....

.....

Signature of the Member/ Beneficial Owner

#### INSTRUCTIONS FOR FILLING THE BALLOT FORM

1. A Member desiring to exercise vote by ballot form may complete this ballot form and send it to the Scrutinizer, appointed by the Company viz. Shri Atul Kumar Labh, Practicing Company Secretary (Membership No. FCS 4848 & C. P. No. 3238) at M/s. A. K. Labh & Co., 40, Weston Street, 3<sup>rd</sup> Floor, Kolkata – 700 013.
2. In case of shares held by Companies, trusts, societies etc., the duly completed ballot form should be accompanied by a certified true copy of Board Resolution/Authority/Power of Attorney (POA).
3. Unsigned ballot forms will be rejected.
4. A Member need not cast all the votes in the same way.
5. Duly completed ballot form should reach the Scrutinizer not later than 6:00 p.m. on Wednesday, 24<sup>th</sup> September 2014 at the address mentioned in point no. 1 above.
6. The Scrutinizer's decision on the validity of a Ballot Form will be final.





**ADITYA BIRLA CHEMICALS ( INDIA) LIMITED**

Registered Office: 'Ghanshyam Kunj', Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand)  
Tel No.: (06584) 262 211, 262 221, 262 488 Fax : (06584) 262 205 Email : [abcil.investors@adityabirla.com](mailto:abcil.investors@adityabirla.com)  
Website : [www.adityabirlachemicalsindia.com](http://www.adityabirlachemicalsindia.com) CIN : L24100JH1976PLC001255

**38<sup>th</sup> Annual General Meeting : Monday, 29<sup>th</sup> September 2014**

**ATTENDANCE SLIP**

Regd. Folio/DP-ID & Client ID	
Name and Address of the Shareholder	
Name(s) of Joint Holder(s), if any	
No. of shares held	

I hereby record my presence at the Annual General Meeting of the Company being held on Monday, the 29<sup>th</sup> day of September 2014 at 10:00 AM at the Registered Office of the Company at 'Ghanshyam Kunj', Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand)

.....  
Signature of the Shareholder / Proxy Present

- Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip, duly signed, to the meeting and hand it over at the entrance.
- Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.

**ELECTRONIC VOTING PARTICULARS**

EVSN (E-voting Sequence Number)	User ID	Password
<b>140812042</b>	<b>Please Refer Note No. 24 in the Notice of the AGM</b>	



**ADITYA BIRLA CHEMICALS ( INDIA) LIMITED**

Registered Office: 'Ghanshyam Kunj', Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand)  
Tel No.: (06584) 262 211, 262 221, 262 488 Fax : (06584) 262 205 Email : [abcil.investors@adityabirla.com](mailto:abcil.investors@adityabirla.com)  
Website : [www.adityabirlachemicalsindia.com](http://www.adityabirlachemicalsindia.com) CIN : L24100JH1976PLC001255

**Form No. MGT-11  
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : .....  
Registered address : .....  
E-mail ID : .....  
Folio No. / DP ID and Client ID : .....

I / We, being the member(s) of ..... shares of the above named Company, hereby appoint:

1. Name : .....  
Address : .....  
Email ID : .....  
Signature : ..... or failing him / her

2. Name : .....  
Address : .....  
Email ID : .....  
Signature : ..... or failing him / her

3. Name : .....  
Address : .....  
Email ID : .....  
Signature : .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 38<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, 29<sup>th</sup> September 2014 at 10:00 A.M. at the Registered Office of the Company at 'Ghanshyam Kunj', Garhwa Road, P.O. Rehla - 822 124 Distt. Palamau (Jharkhand) and at any adjournment thereof in respect of such resolutions and as indicated below:

Resolution No.	Description of the Resolution	For	Against
1.	Adoption of the Audited Balance Sheet as at 31 <sup>st</sup> March 2014 and the Statement of Profit & Loss for the financial year ended 31 <sup>st</sup> March 2014 and the Reports of the Board of Directors and Auditors thereon		
2.	Declaration of Dividend on equity shares for the year ended 31 <sup>st</sup> March 2014		
3.	Appointment of Director in place of Shri Lalitkumar Shantaram Naik (DIN: 02943588) who retires by rotation and being eligible offers herself for re-appointment		
4.	Re-appointment of M/s. Khimji Kunverji & Co., Chartered Accountants, Mumbai (Registration No.: 105146W), the retiring Statutory Auditors of the Company & fix their remuneration		
5.	Approval of the appointment of Shri Kailash Chandra Jhanwar (DIN: 01743559) as Managing Director of the Company		
6.	Ratification of payment of remuneration to the Cost Auditors viz. M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai for the financial year ending 31 <sup>st</sup> March 2015		
7.	Approval of the Borrowing Limits of the Company under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013		
8.	Approval for Creation of Charges/mortgage pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013		
9.	Appointment of Shri Girish Mohanlal Dave (DIN: 00036455) as an Independent Director of the Company		
10.	Appointment of Shri Biswajit Choudhuri (DIN: 00149018) as an Independent Director of the Company		
11.	Appointment of Shri Jagdish Chandar Chopra (DIN: 00041143) as an Independent Director of the Company		
12.	Appointment of Shri Prem Prakash Sharma (DIN: 00788601) as an Independent Director of the Company		
13.	Approval & adoption of new set of Articles of Association of the Company		
14.	Approval of material related party transaction(s) with M/s. Hindalco Industries Limited pursuant to the provisions of Clause 49(VII) of the equity Listing Agreement as contained in SEBI circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014		

Signed this ..... day of ..... 2014

Affix  
Revenue  
Stamp

.....  
Signature of Member(s)

.....  
Signature of Proxy holder(s)

**Note:**

**This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

# STAYING FOCUSED DELIVERING PERFORMANCE



ANNUAL REPORT  
2013 - 2014

ADITYA BIRLA CHEMICALS (INDIA) LIMITED



Mr. Aditya Birla  
We live by his values.  
Integrity, Commitment, Passion, Seamlessness and Speed.

**DIRECTORS**

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

**MANAGING DIRECTOR**

Shri K. C. Jhanwar

**COMPANY SECRETARY**

Shri Akash Mishra

**CHIEF FINANCIAL OFFICER**

Shri H. K. Panda

**BANKERS**

HDFC Bank Limited  
Bank of Baroda  
Punjab National Bank  
Indian Bank  
State Bank of India  
Axis Bank Limited

**STATUTORY AUDITORS**

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

**COST AUDITORS**

M/s. R. Nanabhoy & Co.  
Cost Accountants,  
Mumbai

**REGISTERED OFFICE**

‘Ghanshyam Kunj’  
Garhwa Road, P.O. Rehla-822 124  
Dist. Palamau (Jharkhand)  
Phone : (06584) 262 211, 262 221, 262 488  
Fax No: (06584) 262 205  
CIN : L24100JH1976PLC001255  
Email : [abcil.investors@adityabirla.com](mailto:abcil.investors@adityabirla.com)  
Website : [www.adityabirlachemicalsindia.com](http://www.adityabirlachemicalsindia.com)

**UNIT HEADS**

Shri V. R. Agrawal, Karwar  
Shri B. B. Dixit, Rehla  
Shri Suresh Sodani, Renukoot

**MANUFACTURING UNITS**

- (1) Garhwa Road, P.O. Rehla - 822 124  
District - Palamau (Jharkhand)
- (2) Renukoot Chemical Division,  
P.O. Renukoot - 231 217  
District - Sonebhadra (Uttar Pradesh)
- (3) Karwar Chemical Division,  
P.O. Binaga - 581 307,  
Dist. Uttar Knnada (Karnataka)

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## DIRECTORS' REPORT TO SHAREHOLDERS

**Dear Shareholders,**

We are pleased to present the 38th Annual Report together with the Annual Accounts of your Company for the financial year ended 31st March 2014.

**FINANCIAL PERFORMANCE**

The performance of the Company for the Financial Year ended 31st March 2014 is summarised below :

	(Rs. in crores)	
	<u>2013-2014</u>	<u>2012-2013</u>
Gross Turnover	<u>1117.87</u>	840.85
Gross Profit/(Loss)	<u>166.11</u>	105.76
Depreciation	<u>(76.86)</u>	(60.02)
Profit before Tax	<u>89.25</u>	45.74
Tax Expenses	<u>(39.51)</u>	(26.09)
Profit/(Loss)after Tax	<u>49.74</u>	19.65
Balance brought forward from previous year	<u>295.97</u>	279.05
Balance available for Appropriation	<u>345.71</u>	298.70
<b>APPROPRIATIONS :</b>		
Proposed Dividend	<u>3.51</u>	2.34
Tax on Proposed Dividend	<u>0.60</u>	0.40
Transfer to General Reserve	<u>2.49</u>	–
Balance carried to Balance Sheet	<u>339.11</u>	295.96

The journey of excellence of your Company has been furthered by acquisition of Chlor- Alkali & Phosphoric Acid Division of Solaris Chemtech Industries Limited situated at Karwar, Karnataka, including Salt works at Singach, Gujarat w.e.f. 1st September 2013 on a slump sale basis for a cash consideration of Rs. 153 crores.. The financing of this transaction has been arranged from internal accruals and borrowings. The acquired unit at Karwar has been named as Karwar Chemical Division.

The financial data of the Company for the year under review are inclusive of the financial data of Karwar Chemical Division & Singach Salt Works from post acquisition period i.e. 1st September 2013; hence these are not fully comparable with the previous year's financial data. The Net Sales of your Company grew significantly from Rs. 755.21 crores in the F.Y. 2012-13 to Rs. 1001.61 crores in F.Y. 2013-14. Your Company also registered rise in its operating profit from Rs. 196.10 crores in F.Y. 2012-13 to Rs. 256.72 crores in F.Y. 2013-14. The interest cost was Rs. 90.61 crores in F.Y. 2013-14 in comparison to Rs. 90.34 crores in F.Y. 2012-13. Depreciation expenses increased from Rs. 60.02 crores in F.Y. 2012-13 to Rs. 76.86 crores in F.Y. 2013-14. These factors led to a higher profit before tax at Rs. 89.25 crores, against the preceding year's Rs. 45.74 crores. After tax adjustment, the net profit soared to Rs. 49.74 crores, compared to Rs. 19.65 crores in the previous year. You will appreciate that despite of continuous increase in power, logistics and raw material costs, unstable market demand & supply and other backdrops, the Company has succeeded in maintaining its excellent business performance.

*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 are included in the Management Discussion and Analysis Report.*

**DIVIDEND**

Your Directors are pleased to recommend a dividend @ 15% i.e. Rs. 1.50 per share on the paid up equity share of Rs. 10/- each of the Company.

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

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

### EXPANSION

Your Company has successfully commissioned 30 MW Captive Co-generation Power Plant at Rehla in March 2014 and also started the Brownfield Expansion Project of Caustic Soda Plant with capacity of 59400 TPA at Karwar during the year under review.

### AWARDS AND ACCOLADES

Your directors are pleased to share with you that your Company has received the "Environment Excellence Silver Award-2014" in Chemical sector by Green Tech Foundation. Moreover, your Company has bagged the "Agrotech Award" by Birsa Agriculture University, Ranchi for Excellence in Community Development for the year 2013-14.

### COMMUNITY SERVICES

Your Company has been working constantly to make a qualitative difference to the lives of the underprivileged people living near its area of operations. Your Company serves about 76,000 people living below the poverty line in more than 45 villages. Your Company has successfully undertaken major initiatives in education, healthcare, livelihood, women empowerment and agriculture improvement programs with a focus on sustainable development through innovative and need-based initiatives.

Your Company's CSR team works in collaboration with the Birsa agriculture university, NABARD, DRDA, PRIs, Kisan mitra, Gram Siksha Committees, Village Development Committees as well as several Government programs like MNREGA, NHRM etc. The Community Initiatives and CSR projects have achieved unprecedented success. The performance demonstrated in this field has always fostered the image of your Company as a social, caring and responsible corporate citizen.

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

Your Company is committed to the safety of employees and has engaged all stakeholders', involved directly or indirectly, activities related to safety. Your Company has taken various steps to promote safety, health and pollution control.

In collaboration with DuPont Sustainable Solutions (DSS), your Company is continuing the effort of implementing and practicing best-in class safety practices. Cross-functional teams are working together to achieve world class safety standards and embedding a safety culture throughout the organization. Our people of all levels are engaged in the safety journey, so that we achieve our goal of "Zero" incident/injuries. Recently we tied up with DSS to further working in the areas of Process Safety Management (PSM) initiatives in addition to on-going workplace safety improvements.

Your Company has installed the hardware to implement safety & pollution control standards and is continuously upgrading the plant's process safety through better instrumentation and control.

In addition, your Company is putting all efforts in moving towards a sustainable world to run its operations with substantial reduction in natural resources consumptions, reduction of carbon foot-print etc. in years to come. We have installed 18 rain water harvesting systems. Your Company's continuous thrust is on conserving natural resources by reducing consumption of water and auxiliary power. Your Company has taken significant steps to protect the environment by maintaining a green belt inside the plants and planting of trees around the plant sites.

### DIRECTORS

During the year under review, the Board appointed Shri K. C. Jhanwar as Managing Director of the Company effective from 01.03.2014, subject to approval of Shareholders of the Company in terms of the Companies Act in place of Shri V. R. Agrawal, who had resigned from the Board of Directors of the Company. Shri L. S. Naik, Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The provisions of the Companies Act, 2013, the Rules made there-under and listing Agreement with Stock Exchanges related to the Independent Directors are being complied with.

The Board recommends the appointment /re-appointment of the eligible Directors. Items seeking your approval on the above are included in the Notice convening the Annual General Meeting together with the required details of the Directors seeking appointment / re-appointment.



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

### 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 BSE Limited.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, unpaid/unclaimed dividend for financial year 2005-06 has been transferred to the Investor Education & Protection Fund.

### 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

The Board has proposed the re-appointment of M/s. Khimji Kunvarji & Co., Chartered Accountants, Mumbai, as Statutory Auditors of your Company based on the recommendation of the Audit Committee, to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting. M/s. Khimji Kunvarji & Co., Chartered Accountants, Mumbai has forwarded Certificate to the effect that their re-appointment, if made, would be within the limits prescribed under section 139 of the Companies Act, 2013 and that they are not disqualified for re-appointment within the meaning of Section 141 of the said Act.

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

### COST AUDIT

The Board of Directors of your Company has, on the recommendation of the Audit Committee, appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, as Cost Auditors, to conduct the cost audit of your Company for the financial year ending 31st March, 2015, at a remuneration as mentioned in the Notice convening the Annual General Meeting, subject to ratification of the remuneration by the Members of the Company. The Audit Committee has received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with your Company. The Cost Audit Report of the Company for the financial year 2012-13 was duly filed on 04.10.2013.

### 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) of the Companies Act, 1956 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 accounts as therein set out, are being sent to all members of the Company excluding the aforesaid information about the employees. Any

## ADITYA BIRLA CHEMICALS (INDIA) LIMITED

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

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

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 preparation of the Annual Accounts, applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- (ii) the accounting policies selected have been applied consistently and judgments and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2014 and of the profit of your Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities;
- (iv) the Annual Accounts of your Company have been prepared on a going concern basis.

#### APPRECIATION

Your Directors place on record their appreciation of the contribution made by employees at all levels. Your Directors express their deep sense of gratitude to the Central and State Governments, banks, financial institutions, stakeholders and business associates for their co-operation and support.

Place : Mumbai  
Dated : May 7, 2014

For and on behalf of the Board of Directors

L. S. Naik  
Director

K.C. Jhanwar  
Managing 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 2014

**A. CONSERVATION OF ENERGY:**

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

- Replacement of old pump-motor set with more efficient set
- Installation of VFDs in various equipments
- Replacement of conventional luminaries with energy efficient CFL & LED luminaries
- Installation of Hydrogen base boiler
- Rationalization by stopping one Air compressor
- Installation of star delta circuit in one of the centrifuge in ETP
- Improving the insulation of steam pipelines

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

- Installation of VFDs
- Installation of high capacity pump to serve both for electrolyzers and CEU
- Installation of 4th gen electrolyser removing 2nd generation to have power saving
- Insulation of steam lines and cladding

**(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 Aluminum Chloride Anhydrous, Chlorinated paraffin wax, Stable Bleaching Powder and Caustic soda flakes to more than ten countries.

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

Foreign exchange earned	:	Rs. 6,533.95 Lacs
Foreign exchange used	:	Rs. 6,304.89 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 <u>2013-14</u>	Previous Year <u>2012-13</u>	
<b>1. Electricity</b>			
(a) Purchase			
Unit (KWH in thousand)	82257	50839	
Total amount (Rs. in lacs)	4147	2252	
Rate/ unit (Rs.) (Average Cost)	5.04	4.43	
(b) Own generation (Net)			
(i) Through Diesel generator			
Unit (KWH in thousand)	19	25	
Unit per Ltr. of diesel oil	0.49	2.54	
*Cost/ unit (Rs.)	27.79	17.80	
(* higher due to fuel consumption on regular test run of DG set)			
(ii) Through steam turbine/generator (Net)			
Unit (KWH in thousand)	515177	457124	
Total amount (Rs. in lacs)	15536	13113.47	
Rate / unit (Rs.) (Average cost)	3.02	2.87	
<b>2. Coal used in Power Generation</b>			
Quantity (Tonnes in thousand)	611	517.93	
Total Cost (Rs. in lacs)	15382	12259.01	
Average rate per tonne (Rs.) (Average cost)	2516.03	2366.91	
<b>3. Furnace Oil/ HSD</b>			
Quantity (K. Ltr.)	237	313.01	
Total Amount (Rs. in lacs)	135	145.29	
Average rate/ Ltr. (Rs.) (Average cost)	56.82	46.42	
<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) &amp; Unit</b>			
	Standard	Current Year	Previous Year
Electricity (KWH/MT)	<u>                    </u>	<u>2013-14</u>	<u>2012-13</u>
Caustic Soda	2500	2489	2580
Phosphoric Acid	279	284	—

FORM "B"

DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

**RESEARCH & DEVELOPMENT**

- |   |   |  |
|---|---|--|
| 1. <b>Specific areas in which R &amp; D is carried out by the Company</b> | : | <ul style="list-style-type: none"> <li>● Modification in the coal silo, to reduce labour deployment in leveling of crushed coal in bunkers</li> <li>● Developing of a process to treat the brine bleeding of new caustic soda plant along with effluent of phosphoric acid plant</li> <li>● Evaluation of various other rock phosphate, for its suitability in phosphoric acid production</li> </ul>   |
| 2. <b>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</li> <li>● Reduced specific power consumption in Plants</li> </ul>   |
| 3. <b>Future plan of action</b>   | : | <ul style="list-style-type: none"> <li>● Installation of VFDs and other energy saving schemes.</li> <li>● Installation of on line stack monitoring system to send data to JSPCB</li> <li>● Servicing of old transformers to save more power</li> <li>● Value addition to the phosphate sludge of phosphoric acid plant</li> <li>● Recovery of calcium chloride, a waste product of phosphoric acid plant</li> <li>● Manufacture of food grade phosphoric acid</li> </ul> |
| 4. <b>Expenditure on R &amp; D</b>  | : | <ul style="list-style-type: none"> <li>● Rs. 195.65 lacs – for energy saving schemes</li> </ul>  |

**TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**

- Logic modification in Ion Exchange column to increase equipment reliability
- Generator bus duct covered by FRP covering replacing metallic covering
- Replacement of Gen IV elements with Gen V elements
- Adoption of SVCC metal spray technology for Boiler tubes metal coating in erosion prone zone for improved operation
- Installation of additional Oxygen Analyzer

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## REPORT ON CORPORATE GOVERNANCE

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

Corporate governance encompasses the manner in which corporations are governed, directed and controlled. The governance structure lays down the manner in which rights and responsibilities are distributed among stakeholders and involve a set of relationships between them.

Corporate Governance at the Aditya Birla Group is a continuing process. The Group is committed to the adoption of best governance practices and their adherence in true spirit at all times. Your Company strives to achieve excellence in corporate governance through its values – Integrity, Commitment, Passion, Seamlessness and Speed.

The Company is in full compliance with the requirements under Clause 49 of the Listing Agreement with the Stock Exchanges. In terms of Clause 49 of the Listing Agreement executed with Stock Exchanges, the details of compliance are given here-in-under.

### BOARD OF DIRECTORS

The Board of Directors, as on 31st March 2014, comprises seven Directors out of whom six 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 half of the total strength of the Board is independent. All the directors are above 21 years of age and are not related to other directors in any manner. The composition of the Board as on 31st March 2014, attendance at Board meetings held during the financial year under review and at the last Annual General meeting and the number of Directorships and Memberships/Chairmanships in public Companies held by Directors as on 31st March 2014 (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	5	4	6	—	—	No
Shri L. S. Naik	Non Executive	5	5	4	3	1	Yes
Shri K. C. Jhanwar (w.e.f. 1st March 2014) #	Managing Director	5	5	1	1	—	No
Shri Biswajit Choudhuri	Independent	5	4	7	3	5	Yes
Shri P. P. Sharma	Independent	5	1	1	—	—	No
Shri J. C. Chopra	Independent	5	5	1	1	—	No
Shri G. M. Dave	Independent	5	4	5	5	1	No
Shri V. R. Agrawal (upto 28th February 2014)	Ex-Managing Director	5	4	—	1	—	Yes

\* 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.

# Shri K. C. Jhanwar was already a Director of the Company since 2008.

## CORPORATE GOVERNANCE (Contd..)

During the year 2013-14, five (5) Board Meetings were held, the details of which are given here-in-below :

Date	Board Strength	No. of Directors Present
08.05.2013	8	6
31.05.2013	8	5
13.08.2013	8	6
08.11.2013	8	8
11.02.2014	8	7

During the year under review, the Board appointed Shri K. C. Jhanwar as Managing Director of the Company effective from 01.03.2014, subject to approval of Shareholders of the Company in terms of the Companies Act in place of Shri V. R. Agrawal, who had resigned from the Board of Directors of the Company w.e.f. 28.02.2014. Shri L. S. Naik, Director, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The provisions of the Companies Act, 2013, the Rules made thereunder and Listing Agreement with Stock Exchanges related to the Independent Directors are being complied with.

The required details of Directors seeking appointment/re-appointment are appended to the notice convening the ensuing 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 a regular basis. Post meeting follow-up, review and reporting of 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 Companies Act and Corporate Governance requirements. The three members out of total four members of the Committee 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 include:- overseeing the Company's financial reporting process and disclosure of its financial information; the recommendation for appointment, remuneration and terms of appointment of Auditors of the Company, review and monitor the Auditor's independence and performance, and effectiveness of audit process; examination of the financial statement and the Auditors' report thereon approval or any subsequent modification of transactions of the Company with related parties; scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the company, wherever it is necessary; evaluation of internal financial controls and risk management systems; monitoring the end use of funds raised through public offers and related matters; reviewing and discussing with the Auditors internal control systems, scope of audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliance with accounting standards and listing agreement entered into with the Stock Exchanges and other legal requirements concerning financial statements; reviewing the Legal matters of the Company and reviewing the quarterly, half-yearly and annual financial statements before submitting those to the Board of Directors and other matters as per the provisions of the Companies Act 2013 and Listing Agreement. Minutes of the Audit Committee meetings are circulated to, discussed and noted by the members of the Board.

## ADITYA BIRLA CHEMICALS (INDIA) LIMITED

### CORPORATE GOVERNANCE (Contd..)

The Committee held five (5) meetings during the year under review on 08.05.2013, 31.05.2013, 13.08.2013, 08.11.2013 and 11.02.2014. The attendance of members at the meetings was as follows :

Name of Member	Status	No.of meetings attended
Shri Biswajit Choudhuri	Chairman	4
Shri L. S. Naik	Member	5
Shri J. C. Chopra	Member	5
Shri G. M. Dave	Member	4
Shri V. R. Agrawal (Upto 28th February 2014)	Permanent Invitee	4

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

#### SHAREHOLDERS' GRIEVANCE COMMITTEE

The Shareholders' Grievance Committee of the Board, inter-alia, ratifies/ approves issue of duplicate share certificates and oversees and reviews all matters connected with securities transfers. The Committee also looks into redressal of shareholders' complaints/queries 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, as on 31st March 2014, comprises Independent, 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 08.05.2013, 13.08.2013, 08.11.2013 and 11.02.2014. The attendance of members at the meetings was as follows :

Name of Member	Status	No.of meetings attended
Shri L. S. Naik	Chairman	4
Shri Biswajit Choudhuri	Member	4
Shri K. C. Jhanwar	Member	4
Shri V. R. Agrawal (Upto 28th February 2014)	Member	3

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

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



## CORPORATE GOVERNANCE (Contd..)

**REMUNERATION COMMITTEE**

The Remuneration Committee of Directors of the Company has been constituted to recommend/review remuneration of the Managing Director and/or Whole Time Directors, as per requirement.

The Remuneration Committee, as on 31st March 2014, comprises Independent and Non-Executive Directors. The Committee held one (1) meeting during the year under review on 08.11.2013. 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 L. S. Naik	Member	1
Shri Biswajit Choudhuri	Member	1
Shri K. C. Jhanwar (Upto 28th February 2014)	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	80,000/-
Shri L. S. Naik	250,000/-
Shri K. C. Jhanwar (Fees paid upto 28th February 2014)	150,000/-
Shri Biswajit Choudhuri	210,000/-
Shri P. P. Sharma	20,000/-
Shri J. C. Chopra	210,000/-
Shri G. M. Dave	160,000/-

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 2014, except Shri A. K. Agarwala and Shri Biswajit Choudhuri, Directors, who hold 14700 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 2013-14 to the Managing Director is as follows :

(all fig. in Rs. in Lacs)

	Salary	Variable Pay	All other elements of the remuneration package	Total
Shri V. R. Agrawal (Upto 28th February 2014)	39.24	13.67	16.33*	69.24
Shri K. C. Jhanwar (w.e.f. 1st March 2014)	—	—	—	—

\* including perquisites valued as per Income Tax Act excluding Gratuity and un-encashed Earned Leave Salary

## ADITYA BIRLA CHEMICALS (INDIA) LIMITED

### CORPORATE GOVERNANCE (Contd..)

The Managing Director is entitled to remuneration & facilities as per the rules of the Company and Agreement entered with him. The appointment of Shri K. C. Jhanwar is for a period of three (3) years w.e.f 01.03.2014. He will not be paid any remuneration by the Company for the time being. Consequently, provisions of Section 202 of the Companies Act, 2013 will not be applicable in the event of the termination of the appointment of Shri Jhanwar as Managing Director of the Company till the time no remuneration is paid to him. However, the Board reserves the right to remunerate him with recommendation of the Remuneration Committee 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 the physical as well as electronic transfer of Company's shares.

The Board of Directors have delegated the power of approving the 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>Complaints from Statutory bodies</b>							
	SEBI	0	0	0	0	0	0	0
	Stock Exchanges	0	0	0	0	0	0	0
B.	<b>Complaints from Shareholders</b>	0	0	0	0	0	0	0
C.	<b>Queries/requests from Shareholders</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.	10	05	08	21	44	44	0
	<b>Total</b>	<b>10</b>	<b>05</b>	<b>08</b>	<b>21</b>	<b>44</b>	<b>44</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: 29th September 2014 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 : on or after 30th September 2014 Date of Book Closure: 24th September 2014 to 29th September 2014 (both days inclusive)
Financial calendar (Tentative)	<ul style="list-style-type: none"> <li>● Results for the quarter ending 30th June 2014 : by 14th August 2014</li> <li>● Results for the quarter ending 30th September 2014 : by 14th November 2014</li> <li>● Results for the quarter ending 31st December 2014 : by 14th February 2015</li> <li>● Results for the quarter/year ending 31st March 2015 : by 14th May 2015</li> <li>● Next Annual General Meeting (next year) : by 30th September 2015</li> </ul>
Listing on Stock Exchanges & Stock Code	i) BSE Ltd., Mumbai (Stock Code : 500057)  ii) National Stock Exchange of India Ltd., Mumbai (Symbol – "ABCIL")  Annual Listing Fee (as applicable) paid upto 2014-15
Demat ISIN in NSDL and CDSL for Equity Shares	ISIN INE605B01016

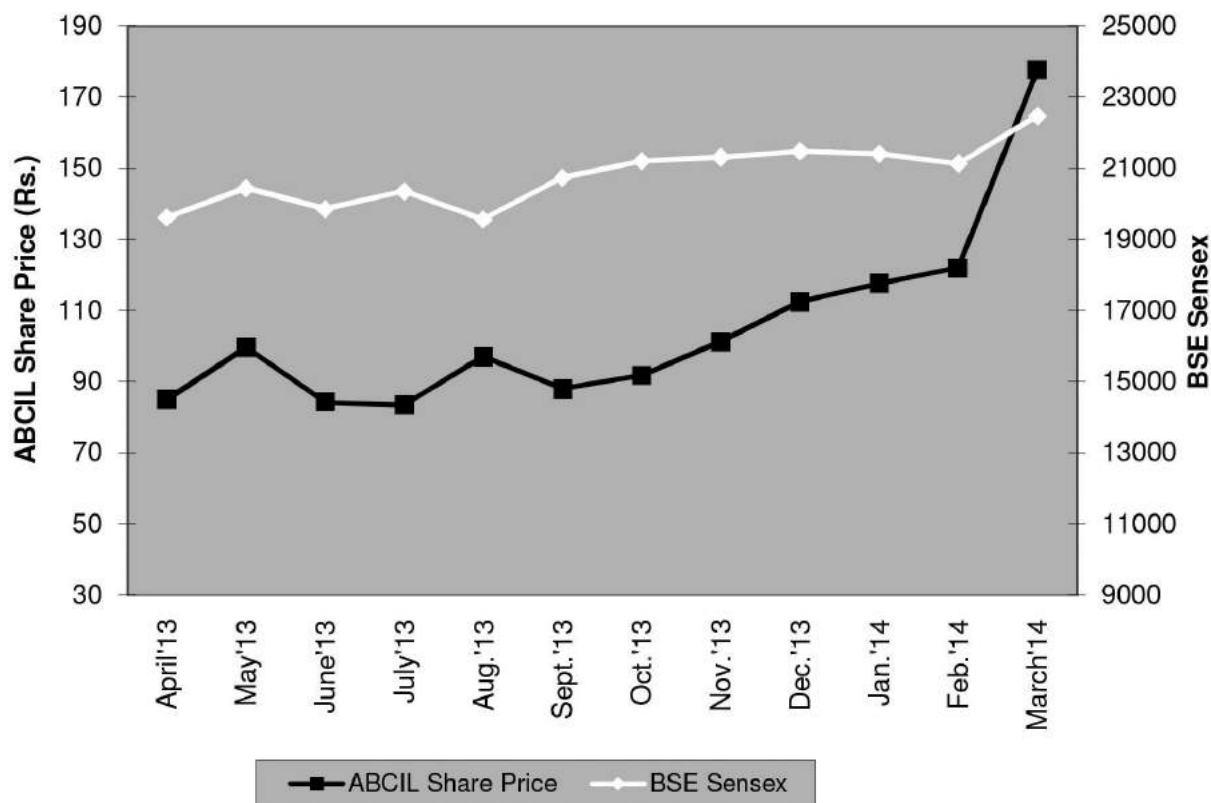
**MARKET PRICE DATA : HIGH, LOW DURING EACH MONTH IN FINANCIAL YEAR 2013-14**

Month	BSE		National Stock Exchange	
	High(Rs.)	Low (Rs.)	High(Rs.)	Low (Rs.)
April 2013	84.95	74.30	86.00	75.05
May 2013	99.70	77.00	99.85	75.75
June 2013	84.25	73.05	84.50	74.00
July 2013	83.45	66.00	80.00	65.65
August 2013	97.00	60.25	97.80	62.35
September 2013	88.00	78.00	86.00	76.30
October 2013	91.80	78.05	92.95	79.00
November 2013	101.25	86.05	102.00	85.10
December 2013	112.45	92.00	112.15	90.85
January 2014	117.65	98.05	117.75	98.00
February 2014	122.00	97.05	120.75	98.05
March 2014	177.70	111.75	179.65	111.35

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## 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 40116728/40116717/ 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 2014	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	654,958	2.80
	Individuals	4,971,948	21.26
	NRI/FII/OCB	2,444,255	10.45
	Clearing Member	109,352	0.47
	<b>TOTAL</b>	<b>23,386,500</b>	<b>100.00</b>

**CORPORATE GOVERNANCE (Contd..)**

Holding of shares as on 31st March 2014	i) NSDL : 21,105,177 ii) CDSL : 1,938,038 iii) Physical : 343,285 (1.47 % of Company's Equity Shares in physical form)
Plants' Location	<ul style="list-style-type: none"> <li>● Garhwa Road, P.O. Rehla - 822 124 District - Palamau (Jharkhand)</li> <li>● Renukoot Chemical Division, P.O. Renukoot - 231 217 District - Sonebhadra (Uttar Pradesh)</li> <li>● Karwar Chemical Division, P.O. Binaga - 581 307 District - Uttar Kannada (Karnataka)</li> </ul>
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 2010 – 2011	FY 2011 – 2012	FY 2012 – 2013
Date and Time	08.08.2011 at 10:00 A.M.	08.08.2012 at 10:00 A.M.	10.09.2013 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.
- Special Resolutions are proposed 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 2014.
- (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.

## ADITYA BIRLA CHEMICALS (INDIA) LIMITED

### CORPORATE GOVERNANCE (Contd..)

(vi) The Company does not have any Subsidiary Company.

(vii) CEO / CFO Certificate : The Managing Director and Finance Head have 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.

#### 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, Un-claimed Dividend details etc. of the Company are posted on the website of the Company : [www.adityabirlachemicalsindia.com](http://www.adityabirlachemicalsindia.com)

Annual Report, Quarterly Results, Shareholding Patterns etc. of the Company are also posted on the website of the Stock Exchanges : [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.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 with conditions of Corporate Governance as stipulated in Clause 49 and the same is annexed herewith.

Place : Mumbai  
Dated : May 7, 2014

For and on behalf of the Board of Directors

L. S. Naik  
Director

K. C. Jhanwar  
Managing 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 during the financial year ended 31st March 2014.

For ADITYA BIRLA CHEMICALS ( INDIA ) LIMITED

**K. C. JHANWAR**  
[ 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 cash flow statement for the year ending 31st March 2014 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**  
[AVP (F & C)]

**K. C. Jhanwar**  
[Managing Director]

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## AUDITORS' 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, 2014, 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

Date: May 7, 2014

Place: Mumbai

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



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY DEVELOPMENTS AND OUTLOOK

Global Caustic Soda Industry growth is expected to be around 3.2% per annum by 2018. Caustic soda demand growth follows GDP, however it is not specifically driven by GDP, particularly in developed countries. The Global Chlorine demand is expected to grow around 3.6% per annum.

The Chlor-Alkali sector plays an important role in the overall development of the economy. It contributes immensely to the manufacturing sector and to the external trade of the country. The Chlor-Alkali industry is thus a sector providing inputs to a large number of other end user industries and the demand of its products is linked to the performance of the end user products of these industries.

#### Market Scenario and Outlook

During the year 2013-14, Caustic Soda and Chlorine prices remained highly volatile. As a result of global recession, the demand of Chlorine in the Vinyl and PVC segments remained sluggish resulting in very low prices for Chlorine during the year. Caustic Soda prices, however, remained at reasonable levels. The caustic prices were low in the start of Financial Year, but during the second half of the year, prices of Caustic Soda were restored.

In the year 2014-15, with a growth of around 4%, the domestic consumption of Caustic Soda is expected to reach 2.8 Million MT. Overall Production would be largely governed by the demand growth in Chlorine. The limitation in lower demand of Chlorine compared to Caustic Soda would require Caustic Soda demand to be partially met through imports.

The coming year on Indian market looks to be reasonably strong as prices of Caustic Soda is likely to remain firm because of weak rupee and imports being more expensive. The demand for Caustic will be driven by higher consumption from the key consuming industries such as Aluminium, Paper and Pulp, Fibre, Soaps etc.

The Company has started the Brownfield Expansion Project of Caustic Soda Plant with capacity of 59400 TPA at Karwar. The Company has also commissioned a new Cogeneration Captive Power Plant of 30 MW at Rehla Unit which will help in reduction of power cost and will improve the profitability. The availability of power may also allow Company to explore the possibility for capacity expansion of caustic soda by a further 200 TPD.

#### Risks and Concerns

The increasing energy cost will remain cause of concern for the industry in the coming year, which shall increase the cost of production. The Company will focus on reduction in Power consumption and raw material costs. The expansion of installed capacities during 2013-14 in the domestic caustic industry, cheaper imports of Caustic Soda and Logistics costs shall be other areas of concern in the coming year. As usual frequent movement disturbances due to Bandhs, etc. in Jharkhand & slower growth in chlorine, chlorine derivatives and HCl demand will also remain concern areas.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has in place adequate internal control systems commensurate with the size of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, applicable laws and regulations, safeguarding of assets and economical and efficient use of resources. The system is assessed periodically. The Internal Audit team continuously monitors the effectiveness of the internal control systems. It reports to the Audit Committee about the adequacy and effectiveness of the internal control system of your Company. Your Company has risk management plan, which is regularly reviewed to ensure that it accurately reflects the current potential risks to its business.

## ADITYA BIRLA CHEMICALS (INDIA) LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.,)

#### FINANCIAL AND OPERATIONAL PERFORMANCE

The financial data of the Company for the year under review are inclusive of the financial data of Karwar Chemical Division & Singach Salt Works from post acquisition period i.e. 1st September 2013; hence these are not fully comparable with the previous year's financial data. The Revenue from operation for the year under review was Rs. 1182.42 crores as compared to Rs. 888.54 crores in the previous year, an increase of 33%. The profit before interest, depreciation and tax was Rs. 256.72 crores. After providing Rs. 90.61 crores for interest, Rs. 76.86 crores for depreciation and Rs. 39.51 crores for taxes, net profit for the year was Rs. 49.74 crores.

The average production of Caustic Soda for the year 2013-14 was 633.48 TPD. The net turnover at Rs. 1001.61 crores, as compared to Rs. 755.21 crores in the previous year, reflects a rise of 33%. The Company's good performance is due to optimum utilization of plant capacity, optimization of process parameters and various cost reduction initiatives.

Earnings per share was Rs. 21.27 compared with Rs. 8.40 in last year and return on net worth was 11.84% vis-a-vis 5.26% last year.

#### HUMAN RESOURCES / INDUSTRIAL RELATIONS

Your Company strives to foster a culture of high performance. Ongoing learning, aligning HR systems in line with global bench-marks, aligning rewards and recognition with performance have enabled your Company to sustain its reputation of being a meritocratic organization. The Group's Corporate Human Resources function continues to play an integral role in your Company's talent management program.

The Company has a committed work force of about 1227 employees as on 31.03.2014. The Company has a very congenial and healthy Industrial Relations environment and there were no disputes.

#### Cautionary Statement

Statements in this Management Discussion and Analysis Report are based on 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.

Place : Mumbai  
Dated : May 7, 2014

For and on behalf of the Board of Directors

L. S. Naik	K. C. Jhanwar
Director	Managing Director

## INDEPENDENT AUDITORS' REPORT

### To the Members of ADITYA BIRLA CHEMICALS (INDIA) LIMITED

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of **ADITYA BIRLA CHEMICALS (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of per General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion Opinion.
6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

#### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 4 and 5 of the Order.

## ADITYA BIRLA CHEMICALS (INDIA) LIMITED

### INDEPENDENT AUDITORS' REPORT

8. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the applicable Accounting Standards referred to in subsection (3C) of section 211 of the Act;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;

For **Khimji Kunverji & Co**  
Chartered Accountants  
Firm Registration No 105146W

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

Place: Mumbai  
Date: May 07, 2014

## INDEPENDENT AUDITORS' REPORT

**Annexure referred to in paragraph 7 of the Our Report of even date to the members Aditya Birla Chemicals (India) Limited on the accounts of the company for the year ended 31st March, 2014**

- (i) (a) The Company has generally 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 procedures of physical verification of inventory followed by the managements 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 with regard to the deposits accepted from the public applies
- (vii) In our opinion, the company has an internal audit system commensurate with the size of the company 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, 2014 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 under:

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## INDEPENDENT AUDITORS' REPORT

Name of the Statute	Nature of dues	Period	Amount (Rs in Lac)	Forum where dispute is pending
Income Tax Act 1961	Income Tax and Interest	AY 2002-03 & 2006-07	5.10	CIT (Appeal), Ranchi
		AY 2007-08	197.02	CIT (Appeals) and Petition u/s 154
		AY 2008-09, 2009-10 & 2010-11	502.44	CIT(Appcal), Ranchi
Sales Tax/ Trade Tax	Sales Tax	FY 2003-04	10.86	Allahabad High Court
		FY 2007-08 and FY 2008-09	7.33	Office of the Additional Commissioner (A), Mirzapur
UP Tax on Entry of Goods into Local Area Tax, 2007	Entry Tax	FY 2006-07 to FY 2011-12	212.75	Supreme court, New Delhi
Central Excise Act 1944	Cenvat and Penalty	FY 1995-96, 1999-2000, 2000-01 2005-06, 2006-07 & 2007-08	603.82	CESTAT, New Delhi
		FY 1996-97 to FY 2000-01	8.06	High Court, Allahabad
		FY 2004-2008	525.70	CESTAT, Kolkata
		FY 2006-07	12.78	AC, Central Excise, Mirzapur
		FY 2007-08 to FY 2012-13	168.48	JC/Commissioner of CE Allahabad
Sec 94 of Finance act 1994	Service Tax and Penalty	FY 2005-06 & 2006-07	184.66	CESTAT, New Delhi High Court, Allahabad
		Fy 2004-2008	105.02	CESTAT, Kolkata

- (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 a 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
- (viii) In our opinion, the Company is not a chit fund or a nidihi/ 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

INDEPENDENT AUDITORS' REPORT

- (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 **Khimji Kunverji & Co**  
Chartered Accountants  
Firm Registration No 105146W

Place: Mumbai  
Date: May 07, 2014

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

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## BALANCE SHEET AS AT MARCH 31, 2014

(Rs. in Lacs)

	<u>Note No.</u>	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	B.1	2,338.65	2,338.65
Reserves and Surplus	B.2	39,939.95	35,376.00
		<u>42,278.60</u>	<u>37,714.65</u>
<b>Non-Current Liabilities</b>			
Long-term Borrowings	B.3	73,318.75	58,593.75
Deferred Tax Liabilities (Net)	B.4	9,432.76	7,360.95
Long-term Provisions	B.5	1,541.57	896.01
		<u>84,293.08</u>	<u>66,850.71</u>
<b>Current Liabilities</b>			
Short-term Borrowings	B.6	17,724.99	13,351.25
Trade Payables	B.7	5,662.33	1,800.81
Other Current Liabilities	B.8	26,838.11	25,241.28
Short-term Provisions	B.9	1,154.63	648.12
		<u>51,380.06</u>	<u>41,041.46</u>
	Total	<u>177,951.74</u>	<u>145,606.82</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	B.10	129,334.84	105,926.60
Intangible Assets	B.11	1,755.45	1,850.45
Capital Work-in-Progress	B.12	5,757.96	2,124.55
Non-Current Investments	B.13	-	504.44
Long-term Loans and Advances	B.14	4,549.58	3,801.77
Other Non-Current Assets	B.15	309.13	426.57
		<u>141,706.96</u>	<u>114,634.38</u>
<b>Current Assets</b>			
Current Investments	B.16	-	146.69
Inventories	B.17	17,153.89	9,057.00
Trade Receivables	B.18	13,460.50	10,426.90
Cash and Bank Balances	B.19	618.08	3,003.50
Short-Term Loans and Advances	B.20	2,783.98	2,983.37
Other Current Assets	B.21	2,228.33	5,354.98
		<u>36,244.78</u>	<u>30,972.44</u>
	Total	<u>177,951.74</u>	<u>145,606.82</u>
Significant accounting policies	A		
Significant Accounting Policies and other Notes on Accounts form an integral part of Financial Statements			
As per our attached report of even date			
<b>For Khimji Kunverji &amp; Co</b>			
Chartered Accountants			
Firm Registration No. 105146W			
Hasmukh B Dedhia			
Partner (Membership No. F-033494)			
Place : Mumbai	Akash Mishra	L.S. Naik	K. C. Jhanwar
Dated : May 7, 2014	Company Secretary	Director	Managing Director



**ADITYA BIRLA CHEMICALS (INDIA) LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014**

(Rs. in Lacs)

	<u>Note No.</u>	<u>For the year ended March 31, 2014</u>	<u>For the year ended March 31, 2013</u>
<b>REVENUES</b>			
Gross Revenue from Operations	B.22	<b>118,241.73</b>	88,854.15
Less: Excise Duty Paid		<b>11,625.48</b>	8,564.30
Net Revenue from Operations		<b>106,616.25</b>	80,289.85
Other Income	B.23	<b>1,095.15</b>	1,052.04
Total Revenues	Total -A	<b>107,711.40</b>	81,341.89
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	B.24	<b>53,989.74</b>	39,860.72
Purchases of Stock-in-Trade	B.25	<b>5,221.59</b>	4,155.52
Changes in Inventories	B.26	<b>131.76</b>	(932.53)
Employee Benefits Expenses	B.27	<b>5,895.87</b>	4,362.86
Power and Fuel	B.28	<b>6,172.56</b>	3,758.75
Finance Costs	B.29	<b>9,060.62</b>	9,034.00
Depreciation and Amortization Expenses	B.30	<b>7,686.12</b>	6,002.24
Other Expenses	B.31	<b>10,628.11</b>	9,115.62
Total Expenses	Total-B	<b>98,786.37</b>	75,357.17
Profit before Exceptional and Extraordinary items and Tax	Total A-B	<b>8,925.03</b>	5,984.72
Exceptional items : Loss on discarded assets	B.32	-	1,410.63
Profit before Extraordinary items and tax		<b>8,925.03</b>	4,574.08
Profit before tax		<b>8,925.03</b>	4,574.08
Tax Expenses	B.33		
Current tax		<b>1,878.86</b>	2.68
Deferred tax		<b>2,071.81</b>	2,606.53
Profit/ (Loss) for the period		<b>4,974.36</b>	1,964.87
<b>Earnings per Share of Rs 10/- each (EPS)</b>			
Basic EPS (Rs)	B.35	<b>21.27</b>	8.40
Diluted EPS (Rs)		<b>21.27</b>	8.40
Significant accounting policies <span style="float:right">A</span>			
Significant Accounting Policies and other Notes on Accounts form an integral part of Financial Statements			
As per our attached report of even date			
<b>For Khimji Kunverji &amp; Co</b>			
Chartered Accountants			
Firm Registration No. 105146W			
Hasmukh B Dedhia			
Partner (Membership No. F-033494)			
Place : Mumbai	Akash Mishra	L.S. Naik	K. C. Jhanwar
Dated : May 7, 2014	Company Secretary	Director	Managing Director

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Rs. in Lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before Tax</b>	8,925.04	4,574.08
Adjustment for :		
Finance Costs	8,910.62	8,884.00
Depreciation and Amortization Expenses	7,686.12	6,002.24
Miscellaneous Expenditure written off	150.00	150.00
(Profit)/Loss on sale of Assets (Net)	131.27	47.07
Write-off and amortization of fair value adjustments	-	1,157.45
(Gain) / Loss from Investing Activities (Net)	(5.94)	2.39
Interest / Dividend Received	(263.02)	(598.60)
<b>Operating profit before working capital changes</b>	<b>25,534.09</b>	<b>20,218.63</b>
Changes in working Capital:		
Change in Inventories	(8,096.89)	(2,415.89)
Change in Trade and other Receivables	(3,033.61)	(2,882.85)
Change in Trade and other Payables	3,861.49	994.85
Change in long term loans & advances	1.45	104.36
Change in other current assets	140.34	(1,097.97)
Change in long term provisions	645.57	(34.59)
Change in Other Balances with Banks	923.28	2,221.61
Change in Other Current Liabilities	2,344.87	5,396.76
Change in Non Current Assets	57.43	2,616.06
<b>Cash generation from Operation</b>	<b>22,378.01</b>	<b>25,120.97</b>
Payment of Direct Taxes	(1,903.47)	(963.40)
Increase in Deferred Miscellaneous Expenditure	(90.00)	-
<b>Net Cash Generated/ (Used) - Operating Activities</b>	<b>20,384.54</b>	<b>24,157.57</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets (including assets acquired on slump sale basis)	(32,862.76)	(18,272.75)
Sale of Fixed Assets	15.09	25.47
Sale / (Purchase) of Long Term Investments (Net)	495.10	1,198.22
Sale / (Purchase) of other Investments (Net)	148.03	28.30
Interest Received	703.07	567.75
<b>Net Cash Generated/ (Used) - Investing Activities</b>	<b>(31,501.47)</b>	<b>(16,453.02)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (Repayment) from Long-term Borrowings (Net)	14,465.00	(8,151.25)
Proceeds / (Repayment) from Short-term Borrowings (Net)	4,373.74	10,823.71
Finance Cost Paid	(8,910.35)	(8,591.60)
Dividend Paid (including Dividend Tax)	(273.62)	(135.90)
<b>Net Cash Generated/ (Used) - Financing Activities</b>	<b>9,654.77</b>	<b>(6,055.04)</b>
Net Increase/ (Decrease) in Cash and Cash Equivalents	(1,462.15)	1,649.51
Add : Opening Cash and Cash Equivalents	1,771.31	121.80
Closing Cash and Cash Equivalents	<b>309.15</b>	<b>1,771.31</b>

Notes:

- Cash and Cash equivalents include cheques/drafts in hands and remittance in transit and balance with Banks.
- Previous years figures have been regrouped/rearranged wherever necessary.

As per our attached report of even date

**For Khimji Kunverji & Co**

Chartered Accountants

Firm Registration No. 105146W

Hasmukh B Dedhia

Partner (Membership No. F-033494)

Place : Mumbai

Dated : May 7, 2014

Akash Mishra

Company Secretary

L.S. Naik

Director

K. C. Jhanwar

Managing Director

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

**A. BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES****BACKGROUND**

Aditya Birla Chemicals (India) Limited ('the Company') is subsidiary company of Hindalco Limited - a leading aluminium company of India having global operations. The company is engaged in the business of chloro chemicals having plant and registered office at Ghanshyam Kunj, Garhwa Road, Rehla, Dist: Palamau, Jharkhand

During the year under report, the company has acquired the business comprising of Chlor Alkali & Phosphoric Acid Plant at Karwar (Karnataka) & Salt Works at Singach (Gujarat) (articulated as 'Karwar Chemical Division' or 'KCD') September 1, 2013 (effective date) from Solaris Chemtec Industries Limited on slump sale basis for a total cash consideration of Rs 153 crores. The assets, liabilities, revenue, expenses and other details in the financial statements for the year under report include numbers/details of KCD from the effective date. The corresponding figures and details of previous year, are therefore, not fully comparable with those for the year under report.

**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 amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount 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.

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

**(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:

## ADITYA BIRLA CHEMICALS (INDIA) LIMITED

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

Assets	Estimated useful life (Years)
Condensers (Plant & Machinery)	3
Heat Sealing Machine (Plant & Machinery)	1
Weighing Machine (Plant & Machinery)	1
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

- 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

- Finished Goods (including goods in transit), work-in-progress are valued at cost or net realizable value whichever is lower.
- 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.
- Cost comprises of all costs of purchases, costs of conversions and other costs incurred in bringing the inventory to their present location and conditions.
- 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.

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

**Defined Benefit Plan**

The Company's liabilities under Payment of Gratuity Act (funded/non 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 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 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. Long term Finance cost ancillary to arrangement of long-term borrowings are amortised over period of borrowings or 5 years whichever is less. 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.

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

### (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.

### B. NOTES ON FINANCIAL STATEMENTS

#### B.1 Share Capital

##### Authorized, Issued, Subscribed and Paid-up Share Capital

	As at March 31, 2014	As at March 31, 2013
<b>Authorized</b>		
24,500,000 (Previous year 24,500,000) Equity Shares of Rs. 10/- each.	2,450.00	2,450.00
50,000 (Previous year 50,000) Redeemable Cumulative Preference Shares of Rs. 100/- each	50.00	50.00
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).	<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued, Subscribed and Fully Paid-up</b>		
23,386,500 (Previous year 23,386,500) Equity Shares of Rs. 10/- each	<u>2,338.65</u>	<u>2,338.65</u>
	<b>2,338.65</b>	<b>2,338.65</b>

12,004,987 Equity Shares (Previous year 12,004,987) of the Company are held by Hindalco Industries Limited, the holding company, 775,000 shares (Previous year 775,000) are held by Renuka Investment & Finance Limited (Subsidiary of Hindalco Industries Limited).

The company has only one class of share referred as equity share having a par value of Rs. 10/-. Each holder of equity share is entitled to same right in all respect.

##### Reconciliation of the number of Shares outstanding

Particulars	As at March 31, 2014		As at March 31, 2013	
	No.	Amount	No.	Amount
Equity shares outstanding at the beginning of the year	23,386,500	2,338.65	23,386,500	2,338.65
Add : During the year	-	-	-	-
Equity shares outstanding at the end of the year	23,386,500	2,338.65	23,386,500	2,338.65

##### Shareholder holding more than 5 percent shares of the Company:

Name of shareholder	As at March 31, 2014		As at March 31, 2013	
	Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
Hindalco Industries Limited	12,004,987	51.33	12,004,987	51.33
Renuka Investment and Finance Limited (Subsidiary of Hindalco Industries Ltd)	775,000	3.31	775,000	3.31
Fidelity Puritan Trust-Fidelity Low - Priced Stock Fund	2,338,600	10.00	2,338,600	10.00
Bihar State Industrial Development Corporation Ltd	2,028,000	8.67	2,028,000	8.67

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

<b>B.2 Reserves and Surplus</b>		<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	
Capital Reserve		1,700.00	1,700.00	
Securities Premium Reserve		1.75	1.75	
General Reserve		4,326.76	4,078.04	
Surplus in Profit and Loss Account		33,911.44	29,596.21	
		<b>39,939.95</b>	<b>35,376.00</b>	
<b>Additions and deductions for the year ended 31.03.2014</b>				
	<b>Opening</b>	<b>Addition</b>	<b>Deduction</b>	<b>Closing</b>
Capital Reserve	1,700.00	-	-	1,700.00
Securities Premium Reserve	1.75	-	-	1.75
General Reserve	4,078.04	248.72	-	4,326.76
Surplus in Profit and Loss Account	29,596.21	4,974.36	(659.14)	33,911.44
	35,376.00	5,223.08	(659.14)	39,939.95
<b>Additions and deductions for the year ended 31.03.2013</b>				
	<b>Opening</b>	<b>Addition</b>	<b>Deduction</b>	<b>Closing</b>
Capital Reserve	1,700.00	-	-	1,700.00
Securities Premium Reserve	1.75	-	-	1.75
General Reserve	4,078.04	-	-	4,078.04
Surplus in Profit and Loss Account	27,904.96	1,964.87	(273.62)	29,596.21
	33,684.75	1,964.87	(273.62)	35,376.00
<b>Details of allocations and appropriation for balance in statement of Profit and Loss</b>				
		<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>	
As per last Balance Sheet		29,596.21	27,904.95	
Add: Profit for the period		4,974.36	1,964.88	
		<b>34,570.57</b>	29,869.83	
Less: Dividend on Equity Shares		350.80	233.87	
Less: Tax on Proposed Dividend		59.62	39.75	
Less: Transfer to General Reserve		248.72	-	
Closing Balance		<b>33,911.44</b>	29,596.21	
<b>B.3 Long-term Borrowings</b>				
<b>Secured</b>				
Term Loans				
From Banks		73,318.75	58,593.75	
		<b>73,318.75</b>	<b>58,593.75</b>	

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

- (i) Security and Terms of Term loan from Banks amounting to Rs. 73318.75 Lacs (Previous Year Rs. 58,593.75 Lacs)
- (a) **Nature of Securities**  
Secured by way of first charge in favour of Security Trustee IDBI Trusteeship Services Ltd on all the immovable properties and all movable properties and assets other than current assets of the Company (both present & future) and second charge on all current assets of whatsoever nature and wherever arising both present and future.
- (b) Term of Repayment
- i) Outstanding Rs. 49218.75 Lacs  
Repayable 25 (Previous year 29) quarterly instalment of Rs. 2,343.75 lacs each from May 31, 2014 (start date of repayment August 31, 2012) alongwith interest of 11.50% p.a. (Previous Year 11.10% p.a.) (also refer Note B.8.(i))
- ii) Outstanding Rs. 24100.00 Lacs  
Repayable 32 (Previous year Nil) quarterly instalment of Rs. 753.13 lacs each from Sept 30, 2015 alongwith interest of 11.10% p.a. (Previous Year Nil.) (also refer Note B.8.(i))

### B.4 Deferred Tax

	As at <u>March 31, 2014</u>	As at <u>March 31, 2013</u>
<b>Deferred Tax Liabilities</b>		
Depreciation and Amortization Expenses	9,791.80	7,602.96
Processing Fee	-	8.50
	<u>9,791.80</u>	<u>7,611.46</u>
<b>Deferred Tax Assets</b>		
Retirement benefits Expenses	129.12	39.48
Voluntary Retirement	0.24	0.83
Other items	229.68	210.20
	<u>359.04</u>	<u>250.51</u>
<b>Deferred Tax Liabilities/ (Assets) (Net)</b>	<u>9,432.76</u>	<u>7,360.95</u>

### B.5 Long-Term Provisions

Provision for Employee Benefits (Refer Note B.38)	1,541.57	896.01
	<u>1,541.57</u>	<u>896.01</u>

### B.6 Short-term Borrowings

<b>Secured</b>		
Loans repayable on demand		
From Banks	14,670.50	10,561.88
	<u>14,670.50</u>	<u>10,561.88</u>
<b>Unsecured</b>		
Loans repayable on demand		
From Banks	3,054.37	-
From Others	0.12	2,789.37
	<u>3,054.49</u>	<u>2,789.37</u>
	<u>17,724.99</u>	<u>13,351.25</u>

### Security

- (i) Rs. 181.43 lacs Secured against pledge of Fixed Deposits of the Company.
- (ii) Rs. 14519.81 lacs against exclusive first charge by way of hypothecation on all stock in trade both present & future consisting of raw materials, finished goods, goods in process and all book debts, outstanding money receivables, claims & bills due / to be due to the Company.



SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

**B.7 Trade Payables**

	As at March 31, 2014	As at March 31, 2013
Payable to Micro, Small and Medium Enterprises	68.74	118.24
Payable to Others	5,593.59	1,682.58
	<u>5,662.33</u>	<u>1,800.81</u>

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

Sl. No.	Particulars	Current Year	Previous Year
a)	i) Principal amount remaining unpaid to any supplier at the end of the accounting year ii) Interest due on above	68.74 —	118.24 —
b)	Amount of interest paid by the buyer in terms of Section 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.	—	—

**B.8 Other Current Liabilities**

(i) Current maturities of long-term debt [Refer note B3(b)]	9,375.00	9,635.00
(ii) Interest accrued but not due on borrowings	684.26	697.92
(iii) Advance from customers	216.15	517.77
(iv) Creditors for Capex	4,171.91	1,530.89
(v) Unpaid Dividends	14.34	14.31
(vi) Foreign Currency Payable	172.68	2,745.93
(vii) Employee related Liabilities	555.71	481.52
(viii) Other Sundry creditors	9,326.45	6,944.67
(ix) Security & Other Deposits	432.96	556.63
(x) Statutory Dues Payables (Refer note B.45)	1,836.61	2,115.74
(xi) Book overdraft	52.05	0.90
	<u>26,838.11</u>	<u>25,241.28</u>

**B.9 Short-term Provisions**

(i) Employee Benefits (Refer note B.38)	596.35	226.63
(ii) Provisions for Others (Refer note B.37 B)	147.86	147.86
(iii) Proposed Dividends (Refer note below)	350.80	233.87
(iv) Tax on Proposed Dividends (Refer note below)	59.62	39.76
	<u>1,154.63</u>	<u>648.12</u>

The Board of Director have recommended dividend @ 15 % i.e. Rs 1.50 per equity share of the company for the year, under report.

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

### B.10 Tangible Assets

	As at March 31, 2014	As at March 31, 2013
<b>Net Carrying Amount of each class of Tangible Assets are as under :</b>		
Freehold Land	7,689.57	5,486.47
Leasehold Land*	837.70	435.85
Buildings	17,233.73	14,803.27
Jetty Platform	21.88	-
Salt pans, Reservoir and condensers	310.65	-
Plant and Equipment	99,619.13	81,075.51
Chlorine Tonners	1,516.60	1,965.60
Vehicles	632.37	699.49
Railway Siding	884.45	939.06
Furniture and Fixtures	385.88	391.56
Office Equipment	202.87	129.78
	<u>129,334.84</u>	<u>105,926.60</u>

\*Leasehold land includes land, the lease titles whereof are in process of being transferred in the name of the company.

### Reconciliation of the Gross and Net Carrying Amount of each class of tangible Assets during FY 2013-14 :

	As at 01.04.2013	KCD	Additions	Deductions /Adjustment	As at 31.03.2014
<b>Cost</b>					
Freehold Land	5,486.47	1,916.38	286.72	-	7,689.57
Leasehold Land	535.90	480.97	-	-	1,016.88
Buildings	16,194.48	2,590.63	224.09	35.50	18,973.70
Jetty Platform	-	52.21	-	-	52.21
Salt pans, Reservoir and condensers	-	741.10	-	-	741.10
Plant and Equipment	101,487.07	8,270.18	16,213.88	83.39	125,887.74
Chlorine Tonners	3,758.16	-	-	27.35	3,730.81
Vehicles	907.58	11.00	34.16	23.20	929.54
Railway Siding	1,378.50	-	14.27	-	1,392.77
Furniture and Fixtures	638.56	10.00	35.03	5.95	677.64
Office Equipment, Computers	314.68	18.24	76.86	21.74	388.04
	<u>130,701.40</u>	<u>14,090.71</u>	<u>16,885.00</u>	<u>197.13</u>	<u>161,479.98</u>
<b>Accumulated Depreciation</b>					
Leasehold Land	100.05	-	79.12	-	179.17
Buildings	1,391.21	-	539.62	190.86	1,739.97
Jetty Platform	-	-	30.32	-	30.32
Salt pans, Reservoir and condensers	-	-	430.45	-	430.45
Plant and Equipment	20,411.56	-	5,666.20	(190.85)	26,268.61
Chlorine Tonners	1,792.56	-	439.52	17.87	2,214.21
Vehicles	208.09	-	96.98	7.90	297.17
Railway Siding	439.44	-	68.88	-	508.32
Furniture and Fixtures	247.01	-	50.14	5.39	291.76
Office Equipment, Computers	184.90	-	19.86	19.59	185.17
	<u>24,774.81</u>	<u>-</u>	<u>7,421.09</u>	<u>50.75</u>	<u>32,145.14</u>

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

<b>Reconciliation of the Gross and Net Carrying Amount of each class of tangible Assets during FY 2012-13 :</b>					
	As at 01.04.2012	KCD	Additions	Deductions /Adjustment	As at 31.03.2013
<b>Cost</b>					
Freehold Land	5,447.75	-	-	(38.73)	5,486.47
Leasehold Land	535.90	-	-	-	535.90
Buildings	12,443.33	-	3,789.87	38.73	16,194.48
Plant and Equipment	89,274.55	-	15,488.71	3,276.19	101,487.07
Chlorine Tonners	1,263.11	-	351.85	(2,143.20)	3,758.16
Vehicles	846.37	-	70.14	8.93	907.58
Railway Siding	1,378.50	-	-	-	1,378.50
Furniture and Fixtures	923.18	-	48.06	332.68	638.56
Office Equipment	325.01	-	20.24	30.57	314.68
	112,437.70	-	19,768.87	1,505.17	130,701.40
<b>Accumulated Depreciation</b>					
Leasehold Land	54.66	-	45.38	(0.01)	100.05
Buildings	1,039.42	-	351.78	-	1,391.21
Plant and Equipment	16,211.61	-	4,709.93	509.99	20,411.56
Chlorine Tonners	1,089.92	-	426.68	(275.96)	1,792.56
Vehicles	118.65	-	92.88	3.44	208.09
Railway Siding	373.95	-	65.48	(0.01)	439.44
Furniture and Fixtures	211.16	-	47.99	12.14	247.01
Office Equipment	194.98	-	17.09	27.17	184.90
	19,294.35	-	5,757.21	276.76	24,774.82
<b>B.11 Intangible Assets</b>					
			<b>As at</b>		<b>As at</b>
			<b>March 31, 2014</b>		<b>March 31, 2013</b>
Net Carrying Amount of each class of Intangible Assets					
Value of Licence			1,602.65		1,826.28
Computer software			152.80		24.17
			1,755.45		1,850.45
<b>Reconciliation of the Gross and Net Carrying Amount of each class of Intangible Assets during FY 2013-14:</b>					
	As at 01.04.2013	KCD	Additions	Deductions /Adjustment	As at 31.03.2014
<b>Cost</b>					
Value of Licence	2,236.26	-	-	-	2,236.26
Computer software	175.94	-	170.03	-	345.97
	2,412.20	-	170.03	-	2,582.23
<b>Accumulated Amortization</b>					
Value of Licence	409.98	-	223.63	-	633.61
Computer software	151.76	-	41.40	-	193.16
	561.74	-	265.03	-	826.77

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

### Reconciliation of the Gross and Net Carrying Amount of each class of Intangible Assets during FY 2012-13:

Cost	As at 01.04.2012	KCD	Additions	Deductions /Adjustment	As at 31.03.2013
Value of Licence	2,236.26	-	-	-	2,236.26
Computer software	179.00	-	-	3.06	175.94
	<u>2,415.26</u>	<u>-</u>	<u>-</u>	<u>3.06</u>	<u>2,412.20</u>
<b>Accumulated Amortization</b>					
Value of Licence	186.36	-	223.63	-	409.98
Computer software	131.84	-	21.40	1.48	151.76
	<u>318.20</u>	<u>-</u>	<u>245.03</u>	<u>1.48</u>	<u>561.74</u>

### B.12 Capital Work-in-Progress

	As at March 31, 2014	As at March 31, 2013
Capital Work in Progress	<u>5757.96</u>	<u>2124.55</u>
<b>The Above includes Pre-operative expenses pending allocation</b>		
Consultancy & Legal Charges	81.26	478.42
Insurance	-	10.52
Transportation Charges	42.48	139.78
Foreign Exchange Fluctuation	-	(30.00)
Administrative & other Expenses	-	124.87
Labour & consumables	<u>200.57</u>	<u>103.48</u>
	<u>324.31</u>	<u>827.07</u>
Add: Brought forward from previous year	<u>284.93</u>	<u>806.66</u>
	<u>609.24</u>	<u>1,633.73</u>
Less: Allocated to Fixed Assets	<u>410.35</u>	<u>1,348.80</u>
<b>Total</b>	<u>198.89</u>	<u>284.93</u>

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

### B.13 Non-Current Investments

#### Long-Term, Non Trade

(valued at amortised cost method, unless stated otherwise)

Investments in Debentures and Bonds	-	504.44
	<u>-</u>	<u>504.44</u>
	<u>-</u>	<u>504.44</u>
Less: Provision made for diminution in value of Investments	<u>-</u>	<u>-</u>
	<u>-</u>	<u>504.44</u>
<b>Aggregate amount and Market value:</b>		
Aggregate amount of Quoted Investments	-	504.44
Aggregate market value of Quoted Investments	-	498.34

**ADITYA BIRLA CHEMICALS (INDIA) LIMITED**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS**

(Rs. in Lacs)

**Investments in Debentures or Bonds**

	Face value per Unit (Rs. in Lacs)	As at March 31, 2014		As at March 31, 2013	
		Number	(Rs. in Lacs)	Number	(Rs. in Lacs)
<b>Quoted (other than trade)</b>					
10.20% TATA STEEL LTD. 2015	10.00	-	-	20	204.44
9.05% TATA Capital Ltd. 2020	10.00	-	-	30	300.00
			-		504.44

**B.14 Long-term Loans and Advances**

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
(i) Capital Advances		
Unsecured, Considered Good	<b>1,642.26</b>	917.63
(ii) Security Deposits		
Unsecured, Considered Good	-	1.44
(iii) Current Tax Assets (Net of Provisions)	<b>230.38</b>	188.98
(iv) MAT Credit Entitlement	<b>2,676.93</b>	2,693.72
	<u><b>4,549.58</b></u>	<u>3,801.77</u>

**B.15 Other Non-Current Assets**

Prepaid Expenses	<b>6.32</b>	-
Other loans and advances	<b>10.35</b>	-
Balance with Banks:		
Deposits with more than 12 months maturity	<b>27.46</b>	-
Earmarked deposit with bank held as margin money	-	101.57
Unamortized Expenses	<b>265.00</b>	325.00
	<u><b>309.13</b></u>	<u>426.57</u>

ADITYA BIRLA CHEMICALS (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

	<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>			
<b>B.16 Current Investments</b>					
(Valued at cost or market price whichever is lower unless stated otherwise)					
Investments in Debentures and Bonds	-	146.69			
	-	146.69			
<b>Aggregate amount and Market value</b>					
Aggregate amount of Quoted Investments	-	125.40			
Market value of Quoted Investments	-	128.98			
	<b>Face value per Unit (Rs. in Lacs)</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>		
		<b>Number</b>	<b>(Rs. in Lacs)</b>	<b>Number</b>	<b>(Rs. in Lacs)</b>
<b>Current Maturities of Long Term Investments (valued at amortised cost method)</b>					
<b>i) Quoted (Other than trade)</b>					
7.35% HUDCO TX SR-SD5 2013	10.00	-	-	9.00	87.35
6.75% IDBI BANK LTD OMNI-1 2013	1.00	-	-	40.00	38.05
			-		125.40
<b>ii) Unquoted (Other than trade)</b>					
6.9% MECON LTD 2013	4.00	-	-	11.00	21.29
			-		21.29
			-		146.69
				<u>As at March 31, 2014</u>	<u>As at March 31, 2013</u>
<b>B.17 Inventories (Valued at cost and net realisable value, whichever is less)</b>					
(i) In Hand :					
Finished Goods			<b>2,090.45</b>		2,305.97
Work-in-Progress			<b>767.07</b>		271.72
Stock-in-Trade			-		105.43
Raw Materials			<b>8,034.31</b>		4,431.40
Packing Materials			<b>435.67</b>		213.52
Waste / Scrap			<b>71.30</b>		-
Stores and Spares			<b>1,928.19</b>		1,002.01
(ii) In Transit :					
Raw Materials			<b>3,826.89</b>		726.95
			<u><b>17,153.89</b></u>		<u>9,057.00</u>

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

	As at March 31, 2014	As at March 31, 2013
<b>B.18 Trade Receivables</b>		
(i) Outstanding for a period exceeding six months (from the due date)		
Unsecured, Considered Good	267.46	115.30
Doubtful	346.91	336.93
(ii) Outstanding for a period less than six months (from the due date)		
Unsecured, Considered Good	13,193.04	10,311.60
	13,807.41	10,763.83
Less: Allowance for bad and doubtful debts	346.91	336.93
	<u>13,460.50</u>	<u>10,426.90</u>
Trade Receivables include dues from Holding Company, Hindalco Industries Limited, Rs. 2379.61 lacs (Previous year Rs. 1,507.92 lacs) maximum due at any time during the year Rs. 2379.61 lacs (Previous year Rs. 1,966.12 lacs)		
<b>B.19 Cash and Bank Balances</b>		
(i) <b>Cash and Cash Equivalents</b>		
Balance with Banks:		
Deposits with less than 3 months maturity	-	1,704.58
Current Accounts	287.36	56.31
Cheques and Drafts on hand	-	1.50
Cash in hand	21.81	8.91
	<u>309.16</u>	<u>1,771.31</u>
(ii) <b>Others</b>		
Balance with Banks:		
Earmarked Balances	14.34	14.31
Earmarked deposit with bank held as margin money	294.58	517.88
Deposits above 3 months but before 12 months maturity	-	700.00
	<u>308.92</u>	<u>1,232.19</u>
	<u>618.08</u>	<u>3,003.50</u>
<b>B.20 Short-term Loans and Advances</b>		
<b>Unsecured, Considered Good</b>		
Loan and Advance to Employees	44.27	27.11
Loan and Advance for Trade (Goods and Services)	1,755.84	1,530.38
Other loans and advances	21.59	647.94
Security Deposits	962.28	777.94
	<u>2,783.98</u>	<u>2,983.37</u>
<b>B.21 Other Current Assets</b>		
(i) Accrued Interest	55.96	496.00
(ii) Accrued Export and Other Incentives	110.80	152.77
(iii) Prepaid Expenses	111.75	58.54
(iv) Unamortized Expenses	180.00	150.00
(v) Fixed Assets held for sale (Refer note B.31)	-	33.71
(vi) Defer Premium on Forward Cover	5.27	34.17
(vii) Foreign Currency Receivable	-	2,745.93
(viii) Claims and Other Receivables	1,764.54	1,683.85
	<u>2,228.33</u>	<u>5,354.98</u>

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

	For the year ended <u>March 31, 2014</u>	For the year ended <u>March 31, 2013</u>
<b>B.22 Revenue from Operations</b>		
Sale of Products	111,786.89	84,085.14
Other Operating Revenues		
Export and Other Incentives	133.42	175.45
Sale of Traded Goods	5,792.00	4,262.74
Sale of Scrap	493.18	325.60
Miscellaneous Receipts	36.24	5.21
Gross Revenue from Operations	<u>118,241.73</u>	88,854.15
Less: Excise Duty Paid	11,625.48	8,564.30
Net Revenue from Operations	<u>106,616.25</u>	<u>80,289.85</u>
<b>Details of sale of product</b>		
Caustic Soda	69,858.50	58,398.49
Liquid Chlorine	1,260.73	(739.25)
Hydrochloric Acid (33%)	685.35	662.99
Sodium Hypo Chlorite (Lye)	379.87	420.82
Phosphoric Acid	9,983.77	-
Aluminium Chloride	12,210.82	9,684.01
Power	116.81	179.61
Compressed Hydrogen	66.80	79.22
Stable Bleaching Powder	5,245.36	3,988.98
Chlorinated Paraffin	8,521.40	8,108.37
Poly-Aluminum Chloride	2,682.22	2,518.85
Salt	97.18	
Others	678.09	783.04
	<u>111,786.89</u>	<u>84,085.13</u>
<b>B.23 Other Income</b>		
(i) Interest Income		
On Long Term Investments	39.66	113.02
On Fixed Deposits	159.58	446.30
Others	63.78	39.28
(ii) Gain/ (Loss) on sale of Investments (Net)		
On Long Term Investments	4.60	(8.09)
On Current Investments	1.34	5.70
(iii) Subsidy - Sales Tax	411.16	334.39
(iv) Rent Income	14.74	4.82
(v) Miscellaneous Income	31.99	53.10
(vi) Previous Year Adjustment	-	41.37
(vii) Sundry Balance written off/back(Net)	368.30	22.14
	<u>1,095.15</u>	<u>1,052.04</u>



**ADITYA BIRLA CHEMICALS (INDIA) LIMITED**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS**

(Rs. in Lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>B.24 Cost of Raw Materials Consumed</b>		
Salt	11,540.20	8,944.66
Rock Phosphate	3,509.78	—
Hydrochloric Acid	1,546.23	—
Alumina Hydrate	1,256.09	1,187.19
Aluminium Ingots	7,475.87	6,234.42
Barium Carbonate	609.36	654.31
Coal	15,273.54	12,268.53
Lime	2,433.64	1,479.94
Sulphuric Acid	115.50	138.63
Packing Materials	2,239.12	1,068.11
Heavy - Normal Parafinn	6,269.71	2,190.39
Normal Parafinn	—	4,372.34
Others	1,720.68	1,322.20
	<u>53,989.74</u>	<u>39,860.72</u>
<b>B.25 Purchases of Stock-in-Trade</b>		
Finished Goods Purchased	5,221.59	4,155.52
	<u>5,221.59</u>	<u>4,155.52</u>
<b>B.26 Changes in Inventories</b>		
<b>Opening Stocks</b>		
Finished Goods	2,305.97	1,314.14
Work-in-Progress	271.72	277.80
Stock-in-Trade	105.43	—
Waste / Scrap	—	10.56
	<u>2,683.11</u>	<u>1,602.50</u>
<b>Stocks acquired from KCD</b>		
Finished Goods	46.47	—
Work-in-Progress	337.67	—
	<u>384.14</u>	<u>—</u>
	<u>3,067.25</u>	<u>1,602.50</u>
<b>Less: Closing Stocks</b>		
Finished Goods	2,089.05	2,305.97
Work-in-Progress	767.07	271.72
Stock-in-Trade	—	105.43
	<u>2,856.13</u>	<u>2,683.11</u>
	<u>211.12</u>	<u>(1,080.61)</u>
Change in Excise Duty on Stock (Net)	<u>(79.36)</u>	<u>148.08</u>
	<u>131.76</u>	<u>(932.53)</u>

Details of Work-in-Progress under broad heads are given below :

	For the year ended March 31, 2014			For the year ended March 31, 2013		
	Opening	KCD	Closing	Opening	KCD	Closing
Aluminium	172.31	—	213.90	177.32	—	172.31
Caustic Soda	63.765	—	83.37	20.16	—	63.77
Brine	33.87017	—	25.19	28.67	—	33.87
Rock Phosphate	—	14.66	14.66	—	—	—
iso Amyl Alcohol	—	88.38	88.38	—	—	—
Salt	—	336.98	336.98	—	—	—
Others	1.77	—	4.59	51.65	—	1.77
	<u>271.72</u>	<u>440.02</u>	<u>767.07</u>	<u>277.80</u>	<u>—</u>	<u>271.72</u>

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>B.27 Employee Benefits Expenses</b>		
Salaries, Wages and Bonus	5,039.92	3,641.40
Contractors' PF and Bonus	55.90	89.99
Contribution to Provident and other Funds	415.55	305.22
Employee Welfare	384.51	326.24
	<u>5,895.87</u>	<u>4,362.86</u>
<b>B.28 Power and Fuel</b>		
Power and Fuel*	6,038.26	3,629.06
Electricity Duty	134.30	129.69
	<u>6,172.56</u>	<u>3,758.75</u>
*Power and Fuel cost includes liability of Rs 801.58 Lacs (Previous year Rs. 892.39 Lacs) towards Renewable Purchase Obligation which is being contested.		
<b>B.29 Finance Costs</b>		
Interest Expenses	8,713.24	8,882.56
Other Borrowing Costs	347.38	151.44
	<u>9,060.62</u>	<u>9,034.00</u>
<b>B.30 Depreciation and Amortization Expenses</b>		
Depreciation Expenses	7,421.09	5,757.21
Amortization Expenses	265.03	245.03
	<u>7,686.12</u>	<u>6,002.24</u>

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>B.31 Other Expenses</b>		
Consumption of Stores and Spare parts	2,845.07	2,962.39
Legal & Professional Charges	406.56	294.81
Rent	46.33	50.02
Contractual Labour-Packing	130.94	101.93
Repairs to Buildings	466.40	132.38
Repairs to Machinery	1,047.93	736.58
Repairs to Others	444.59	325.25
Insurance	303.97	251.21
Rates and Taxes	93.72	67.72
Business Head Office Expenses*	53.48	43.19
Auditors' Remuneration (See Note Below)	29.97	20.03
Freight and Forwarding (Net)	2,947.85	2,355.13
Bad and doubtful debts, loans and advances written off	9.98	333.02
Donation	3.75	1.97
Directors' Sitting Fees	10.80	9.60
(Profit)/ Loss on Fixed Assets sold (Net)	131.27	47.07
(Gain)/ Loss on foreign currency transactions and translation (Net)	57.63	118.23
Raw Water charges and Cess	76.22	58.21
Travelling & Conveyance	219.27	132.31
Commission on Sales	307.41	276.32
Advertisement	5.77	5.14
Rebate & Claims	44.45	38.91
Brokerage/Demat Charges on Investment	—	0.16
Premium / Discount Written Off	13.93	3.93
Miscellaneous Expenses	930.83	750.11
	<u>10,628.11</u>	<u>9,115.62</u>
*With a view to optimise the benefits of specialisation and minimise cost to the Company, its share of expenses towards business operations of Rs 53.33 Lacs (Previous year Rs. 43.19 lacs) contributed to Grasim Industries Limited and Rs.0.15 Lacs (Previous year Rs. Nil) contributed to Indo Gulf Fertilizers the same has been accounted under 'Business Head Office expenses in Notes B.31		
Details of Auditors' Remuneration are as follows		
Statutory Auditors:		
Audit Fees	8.65	7.00
Tax Audit Fees	4.00	1.90
Company Law matters & other certification	15.46	9.39
Reimbursement of expenses	1.35	1.24
<b>Total (A)</b>	<u>29.46</u>	<u>19.53</u>
Cost Auditors		
Statutory/ Cost Audit Fees	0.40	0.40
Reimbursement of expenses	0.11	0.10
<b>Total (B)</b>	<u>0.51</u>	<u>0.50</u>
<b>Total (A+B)</b>	<u>29.97</u>	<u>20.03</u>

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013	
<b>B.32 Exceptional Items</b>			
Loss on Discard of Fixed Assets	-	1,410.63	
	<u>-</u>	<u>1,410.63</u>	
<b>B.33 Tax Expenses</b>			
<b>Current Tax Expenses</b>			
Current Tax for the year	1,878.86	984.48	
MAT Credit Entitlement	-	(981.80)	
	<u>1,878.86</u>	<u>2.68</u>	
<b>Deferred Tax Expenses</b>			
Deferred Tax for the year	2,071.81	2,606.53	
	<u>2,071.81</u>	<u>2,606.53</u>	
<b>B.34 Segment information</b>			
<p>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.</p>			
<b>B.35 Earning per Share (EPS)</b>			
Net Profit (Rs. in Lacs)	4,974.35	1,964.87	
Weighted average number of shares used in the calculation of EPS			
Weighted average number of Basic Equity Shares outstanding	23,386,500	23,386,500	
Weighted average number of Diluted Equity Shares outstanding	23,386,500	23,386,500	
Face value of per share (Rs.)	10.00	10.00	
Basic EPS (Rs.)	21.27	8.40	
Diluted EPS (Rs.)	21.27	8.40	
<b>B.36 Commitments</b>			
S.N.	Particulars	As at March 31, 2014	As at March 31, 2013
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	6,508.96	11,298.96
b)	The company has other commitments under fuel supply agreement (FSA) with CIL for lifting of minimum guaranteed quantity of coal every year under that FSA	—	—

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

B.37 CONTINGENT LIABILITIES & PROVISIONS			
S.N.	Particulars	As at March 31, 2014	As at March 31, 2013
A)	Contingent Liabilities not provided for in respect of the following:		
a)	Outstanding Bank Guarantees (Against which Rs. Nil has been deposited as FDR with Banks, Previous year Rs. 316 lacs)	2.203.72	1,787.09
b)	Claims/Disputed liabilities against the Company not acknowledged as debt		
i)	a) Annual Minimum Guarantee Electricity charges & delayed payment surcharge thereon against which Rs.100 lacs (previous year Rs.100 lacs) has been deposited ( <i>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.6562.84 lacs has been disclosed in the accounts.</i> )	6,562.84	6,562.84
	b) Delayed payment of surcharge on the amount of fuel surcharge arrears	483.63	483.63
ii)	Amount claimed by the Kandla Port Trust not acknowledge by company, matter is pending before the Court.	382.60	382.60
iii)	Income Tax		
	a) 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	197.02	197.02
	b) 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	357.32	357.32
	c) AY2010-11 for which the Company has filed appeal with CIT (Appeals) and Petition u/s 154 has been filed for reducing demand (Against which Rs.19.09 lacs paid)	141.78	141.78
	d) Various other cases for which the Company has filed appeal with CIT (Appeals)	8.44	8.44
iv)	Liquidated damage and interest claimed by BSIDC not acknowledged by the Company	171.22	157.20
v)	Compensation payable against various labour cases pending with various Courts	156.00	156.00
vi)	Incremental Lease Rent with Interest to Tata Motors Ltd. as per the order of High court	45.56	42.42
vii)	Sales Tax		
	AY 2003-04 for which the Company has filed writ no.1811/2007 before Allahabad High Court against Dy Commissioner(A), Sonebhadra Order (due to non submission of certificate of Trade tax check post at Nepal Border Rs.1.63 lac was deposited) and disallowance by Jt. Commissioner (corporate), Sonebhadra of VAT credit for Asst. Year 2007-08 and 2008-09	18.19	10.86

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

S.N.	Particulars	As at March 31, 2014	As at March 31, 2013
viii)	Excise		
a)	For the Period (2000-01 to 2006-07): Demand of Excise duty on clearance of SBP to M/s UNICEF without payment of Excise duty under Notification No. 108/95 C.E. Case is pending before CESTAT, New Delhi	60.42	60.42
b)	For the Period (June'03- March' 07): Case against demand raised for excise duty is pending before CESTAT, New Delhi	533.46	533.46
c)	For the Period (April'04- September'08): Case against demand raised for excise duty is pending before CESTAT, Kolkata	525.70	525.70
d)	Various other cases pending before excise department, High Court & CESTAT	12.40	14.76
ix)	Service tax		
a)	Demand of Service Tax for the period April' 05- June' 06. Cases were pending before CESTAT, New Delhi.	159.55	141.21
b)	Demand of penalty on service tax on banking and other financial services availed by company for issue of FCCB. Cases were pending before CESTAT, New Delhi.	25.11	25.11
c)	For the Period (January'05- August'07): Case against demand raised for Service Tax is filed Appeal before CESTAT, Kolkata	105.02	Nil

### B) Provisions

Nature	Opening Balance	Addition	Utilization	Closing Balance
Various pending labour cases with Court	147.80	0	0	147.80

### B.38 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:

	As at March 31, 2014	As at March 31, 2013
<b>A Status</b>		
a) At the end of the period	759.54	743.54
b) Fair value of plan assets	(771.17)	(748.85)
c) Net Liability/ (Asset)	(11.63)	(5.31)

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

	Current Year	Previous Year
<b>A Components of Employer Expenses</b>		
a) Current Service Cost	34.61	32.65
b) Interest on Defined Benefit Obligations	71.39	56.57
c) Expected Return on Plan Assets	(72.20)	(63.57)
d) Actuarial Losses/ (Gains) on defined benefit obligation	(43.99)	23.43
e) Actuarial losses/ (gains) on Plan assets	3.87	(1.23)
f) Net Gratuity Cost	(6.32)	47.85

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

**Actual Return on Plan Assets:**

	As at March 31, 2014	As at March 31, 2013
a) Expected Return on Plan Assets	72.20	63.57
b) Actuarial Gain/ (Loss) on Plan Assets	(3.87)	1.23
c) <b>Actual Return on Plan Assets</b>	<b>68.33</b>	64.80

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

<b>A Change in Defined Benefit Obligation</b>		
a) Opening Present Value of Defined Benefit Obligation	743.54	670.67
b) Current Service Cost	34.61	32.65
c) Interest Cost	71.39	56.57
d) Actuarial (Gains)/ losses	(43.99)	23.43
e) Benefits Paid	(46.01)	(39.78)
f) Closing Present Value of Defined Benefit Obligation	759.54	743.54
<b>B Change in Fair Value of Assets</b>		
a) Opening Plan assets	748.85	663.83
b) Expected Return on plan assets	72.20	63.57
c) Actual Company contributions	—	60.00
d) Employee Contributions	—	—
e) Actuarial gains/ (losses) on Plan Assets	(3.87)	1.23
f) Benefits paid	(46.01)	(39.78)
g) Closing Plan assets	771.17	748.85

There are no amounts 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 (assumed rate on return) expected on investments of the funds during the estimated term of the obligations.

**AMOUNTS RECOGNISED IN THE BALANCE SHEET IN RESPECT OF GRATUITY (NON FUNDED BY THE COMPANY):****Present value of the funded defined benefit obligation:**

	As at March 31, 2014	As at March 31, 2013
<b>A Status</b>		
a) At the end of the period	1,770.32	862.89
b) Fair value of plan assets	—	—
c) Net Liability/ (Asset)	1,770.32	862.89

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

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

	Current Year	Previous Year
<b>A Components of Employer Expenses</b>		
a) Current Service Cost	56.59	38.40
b) Interest on Defined Benefit Obligations	122.92	76.17
c) Expected Return on Plan Assets	—	—
d) Actuarial Losses/ (Gains)	169.97	31.38
e) Actuarial losses/ (gains) on Plan assets	—	—
<b>f) Net Gratuity Cost</b>	<b>349.48</b>	<b>145.95</b>

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

	As at March 31, 2014	As at March 31, 2013
<b>A Change in Defined Benefit Obligation</b>		
a) Opening Present Value of Defined Benefit Obligation	1,636.25	829.93
b) Current Service Cost	56.59	38.40
c) Interest Cost	122.91	76.17
d) Actuarial (Gains)/ losses	169.97	31.38
e) Benefits Paid	(215.41)	(112.99)
f) Closing Present Value of Defined Benefit Obligation	1770.32	862.89
<b>B Change in Fair Value of Assets</b>		
a) Opening Plan assets	—	—
b) Expected Return on plan assets	—	—
c) Actual Company contributions	215.41	112.99
d) Employee Contributions	—	—
e) Actuarial gains/ (losses) on Plan Assets	—	—
f) Benefits paid	(215.41)	(112.99)
g) Closing Plan assets	—	—

There are no amounts 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.



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

**AMOUNTS RECOGNISED IN THE BALANCE SHEET IN RESPECT OF LEAVE ENCASHMENT (ACCRUED BUT NOT FUNDED):****Present value of the defined benefit obligation**

	As at March 31, 2014	As at March 31, 2013
<b>A Status</b>		
a) At the end of the period	354.64	259.75
b) Fair value of plan assets	—	—
c) Net Liability/ (Asset)	354.64	259.75

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

	Current Year	Previous Year
<b>A Components of Employer Expenses</b>		
a) Current Service Cost	34.80	19.77
b) Interest on Defined Benefit Obligations	26.28	21.91
c) Expected Return on Plan Assets	—	—
d) Actuarial Losses/ (Gains)	121.17	63.97
e) <b>Net Leave encashment Cost</b>	<b>182.25</b>	<b>105.65</b>

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

	As at March 31, 2014	As at March 31, 2013
<b>A Change in Defined Benefit Obligation</b>		
a) Opening Present Value of Defined Benefit Obligation	267.21	227.01
b) Current Service Cost	34.80	19.77
c) Interest Cost	26.28	21.91
d) Actuarial (Gains)/ losses	121.17	63.97
e) Benefits Paid	(94.82)	(72.91)
f) Closing Present Value of Defined Benefit Obligation	354.64	259.75
<b>B Change in Fair Value of Assets</b>		
a) Opening Plan assets	—	—
b) Expected Return on plan assets	—	—
c) Actual Company contributions	94.82	72.91
d) Employee Contributions	—	—
e) Actuarial gains/ (losses) on Plan Assets	—	—
f) Benefits paid	(94.82)	(72.91)
g) Closing Plan assets	—	—

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

### Principal Actuarial Assumptions at the Balance Sheet date (Rehla Unit)

	As on March 31, 2014	As on March 31, 2013
Discount Rate	8.25%	8.25%
Rate of return on plan Assets (only in case of Gratuity)	9.50%	9.00%
Rate of increase salaries	5.00%	5.00%
Expected Average remaining working lives of employees (years)	13.10	13.04
Withdrawal Rates	Varying between 8% per annum to 1% per annum depending on duration and age of the employees	

### Principal Actuarial Assumptions at the Balance Sheet date (RCD)

	As on March 31, 2014	As on March 31, 2013
Discount Rate	8.25%	8.25%
Rate of increase salaries	5.00%	5.00%
Expected Average remaining working lives of employees (years)	13.74	13.49
Withdrawal Rates	Varying between 8% per annum to 1% per annum depending on duration and age of the employees	

### Principal Actuarial Assumptions at the Balance Sheet date (KCD)

	As on March 31, 2014	As on March 31, 2013
Discount Rate	8.25%	–
Rate of increase salaries	5.00%	–
Expected Average remaining working lives of employees (years)	7.48	–
Withdrawal Rates	Varying between 8% per annum to 1% per annum depending on duration and age of the employees	

### 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 Notes B.27 “Contribution to Provident Fund and other Funds”:

	Current Year	Previous Year
Contribution to Employee Provident Fund	305.31	241.21
Contribution to Superannuation Fund	40.04	25.49

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

### B.39 LOANS AND ADVANCES INCLUDES

Amount Receivable from	Balance as on March 31, 2014	Balance as on March 31, 2013	Maximum amount due at any time during the year ended March 31, 2014	Maximum amount due at any time during the year ended March 31, 2013
Managing Director	NIL	NIL	NIL	NIL
Dues from Employees	40.92	25.88	93.44	71.16

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

**B.40 RELATED PARTY DISCLOSURE**

Disclosure in respect of Related Parties pursuant to Accounting Standard 18

**(A) List of Related Parties****(i) Holding Company**

Hindalco Industries Limited

**(ii) Fellow Subsidiaries Company**

1 Aditya Birla Minerals Limited	2 Al Dotcom Sdn. BHD
3 Albrasilis - Alumínio do Brasil Industriae Comercia Ltda	4 Alcom Nikkei Specialty Coatings Sdn Berhad
5 Aluminum Company of Malaysia Berhad	6 Aluminum Upstream Holdings LLC
7 Aluminium Norf GmbH	8 4260848 Canada Inc.
9 AV Metals Inc, Canada	10 AV Minerals BV, Netherland
11 Birla Maroochydore Pty Limited	12 Birla Mt Gordon Pty Limited
13 Birla Nifty Pty Limited	14 Birla Resources Pty Limited
15 Consórcio Candonga (Unincorporated Joint venture)	16 Dahej Harbour and Infrastructure Limited
17 Deutsche Aluminium Verpackung Recycling GmbH(J-V)	18 East Coast Bauxite Mining Company Private Ltd.
19 Eurofoil, Inc.	20 France Aluminium Recyclage SA
21 Hindalco Do Brasil Ind Com Alumina Ltda	22 Hindalco – Almex Aerospace Limited
23 Hindalco Guinea SARL	24 Lucknow Finance Company Limited
25 Logan Aluminium Inc.	26 4260856 Canada Inc
27 Mauda Energy Limited	28 Minerals and Minerals Limited
29 Novelis (Shanghai) Aluminum Trading Co., Ltd.	30 Novelis Acquisitions LLC
31 Novelis North America Holdings Inc.	32 Novelis (India) Infotech Ltd.
33 Novelis AG	34 Novelis Aluminium Beteiligungsgesellschaft mbH
35 Novelis Aluminium Holding Company	36 8018227 Canada Inc.
37 Novelis Brand LLC	38 8018243 Canada Limited
39 Novelis Corporation (Texas)	40 Novelis Cast House Technology Ltd
41 Novelis Deutschland GmbH	42 Novelis de Mexico SA de CV
43 Novelis Europe Holdings Limited	44 Novelis do Brasil Ltda
45 Novelis Inc.	46 Novelis Sheet Ingot GmbH
47 Novelis Korea Ltd.	48 Novelis Italia SpA
49 Novelis Delaware LLC.	50 Novelis Lamines France SAS
51 Novelis No. 1 Limited Partnership	52 Novelis Madeira, Unipessoal, Lda
53 Novelis PAE SAS	54 Novelis PAE Corporation
55 Novelis South America Holdings LLC	56 Novelis Services Limited
57 Novelis (China) Aluminum Products Co., Ltd.	58 Novelis Switzerland SA
59 Novelis UK Ltd.	60 Novelis MEA Ltd.
61 Novelis Vietnam Company Limited	62 Novelis Asia Holdings (Singapore) Pte. Ltd.
63 Renuka Investments & Finance Limited	64 Renukeshwar Investments & Finance Ltd.
65 Suvas Holdings Limited	66 Tubed Coal Mines Ltd.
67 Utkal Alumina International Limited	68 Utkal Alumina Technical & General Services Limited

**(iii) Key Managerial Personnel**

Mr. K.C. Jhanwar, Managing Director from 1/3/2014

Mr. V.R. Agrawal, Managing Director up to 28/2/2014

**(iv) Significant Influence**

Tanfac Industries Ltd.

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

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

Sl. No.	Nature of relationship/ Transactions	Holding company	Fellow Subsidiary	KMP	Significant Influence	Total
1	Managing Director Remuneration	— —	— —	69.24 (60.04)	— —	69.24 (60.04)
2	Purchase of goods/ licence	8,194.82 (6,521.23)	— —	— —	— —	8,194.82 (6,521.23)
3	Sale of goods	36,687.81 (32,463.41)	6.15 (—)	— —	— —	36,693.96 (32,463.41)
4	Sale of Assets & Services	3.04 (1.07)	— —	— —	— —	3.04 (1.07)
5	Dividend paid	120.05 (60.02)	7.75* (3.88)	— —	— —	127.80 (63.90)
6	Sundry Debtors	2,379.60 (1,862.60)	3.06 (—)	— —	— —	2,382.66 (1,862.60)
7	Sundry Creditors	515.16 (445.20)	— —	— —	— —	515.16 (445.20)
8	Loans and Advances	— —	— —	— —	— (300.00)	— (300.00)
9	Repayment of Loans and Advances	—	—	—	300.00	300.00
10	Interest on Loan & Advances	—	—	—	36.16	36.16

\* 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.

✓ Related parties transaction represents cost of materials & services bought/sold net of taxes, duty and discounts.

**B.41** Power (electricity) purchase as well as sale (supply) to UPPCL, U.P., JSEB, Jharkhand and HESCOM, Karnataka has been accounted for in the accounts as sale/purchase of power..

**B.42** 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.

### B.43 REMUNERATION TO MANAGING DIRECTOR

	Current Year	Previous Year
Basic Salary	20.49	20.90
Special allowance	18.75	18.82
Variable Pay	13.67	8.89
Contribution to Provident and Other Funds*	2.46	5.64
Medical expenses	3.17	0.49
Other Perquisites**	10.70	5.30
Total	69.24	60.04

\* 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.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

\*\* 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 ("the Act") and the remuneration has been paid to the Managing Director in accordance with the provisions of clause (C) of section II of part II of schedule XIII to the act.

**B.44** Stores & Spares consumed includes replacement of Spare parts of Plant & Machinery, as per consistent policy followed by the company.

**B.45** Statutory dues include Rs.879.36 Lacs (Previous Year Rs. 697.40 Lacs) towards liability made under Entry Tax of Goods Act, 2007 (U.P) which is disputed.

**B.46 OTHER ADDITIONAL INFORMATION**

**(A) DETAILS OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED**

	2013-14		2012-13	
	Amount	%	Amount	%
<b>i) Consumption of Raw Materials</b>				
Imported	5,014.69	9.29	1,724.72	4.33
Indigenous	48,975.05	90.71	38,136.00	95.67
<b>Total</b>	<b>53,989.74</b>	<b>100</b>	<b>39,860.72</b>	<b>100</b>
<b>ii) Consumption of Stores &amp; Spares</b>				
Imported	51.38	1.80	331.76	11.20
Indigenous	2,793.69	98.20	2,630.63	88.80
<b>Total</b>	<b>2,845.07</b>	<b>100</b>	<b>2,962.39</b>	<b>100</b>

**(B) DETAILS OF FOREIGN CURRENCY TRANSACTIONS**

	2013-14	2012-13
<b>CIF Value of Imports</b>		
i) Raw materials	5627.95	2,354.84
ii) Capital Goods & Components	676.94	2,147.19
<b>Expenditure in Foreign Currency (Payment against purchase orders)</b>	<b>4,291.51</b>	<b>4,618.96</b>
<b>Earnings in Foreign Currency</b>		
Export of goods on FOB basis	6,533.95	7,308.58

# ADITYA BIRLA CHEMICALS (INDIA) LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

(Rs. in Lacs)

### (C) DIVIDEND TO NON-RESIDENT SHAREHOLDERS

Year	No. of Shareholders	No. of Shares held	Amount of dividend remitted
For F Y 11-12	5	1,200	0.01
For F Y 12-13	5	1,200	0.01

### B.47 Figures of previous year have been regrouped/ rearranged wherever necessary

As per our attached report of even date

**For Khimji Kunverji & Co**

Chartered Accountants

Firm Registration No. 105146W

Hasmukh B Dedhia

Partner (Membership No. F-033494)

Place : Mumbai

Dated : May 7, 2014

Akash Mishra

Company Secretary

L.S. Naik

Director

K. C. Jhanwar

Managing Director

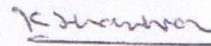
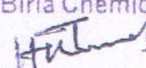

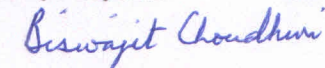
<b>ADITYA BIRLA CHEMICALS ( INDIA ) LIMITED</b>											
<b>Parameters</b>	<b>Unit</b>	<b>04-05</b>	<b>05-06</b>	<b>06-07</b>	<b>07-08</b>	<b>08-09</b>	<b>09-10</b>	<b>10-11</b>	<b>11-12</b>	<b>12-13</b>	<b>13-14</b>
<b>Financial Highlights</b>											
Gross Turnover/ Revenue from Operations	Rs.in crores	124.83	129.05	166.31	202.51	230.91	243.55	262.65	670.64	888.54	1182.42
PBDIT	Rs.in crores	50.88	55.31	71.30	85.01	79.90	94.83	94.44	151.37	196.10	256.72
PBDT	Rs.in crores	41.95	47.52	60.58	75.81	74.32	91.26	91.80	70.67	105.76	166.11
PBT	Rs.in crores	29.70	38.12	44.76	58.45	55.60	71.22	71.44	16.65	45.74	89.25
PAT	Rs.in crores	26.45	26.15	33.76	49.27	46.08	60.74	62.30	4.29	19.65	49.74
Net Worth	Rs.in crores	81.53	108.56	146.13	195.79	239.34	289.36	352.05	353.98	373.90	420.14
Current Ratio	Numbers	1.34	0.98	1.66	1.56	2.13	3.44	4.14	1.34	1.11	1.08
Debt Equity Ratio	Numbers	0.73	1.02	0.76	0.40	0.19	0.15	0.04	2.00	1.92	2.17
Earning per share	Rs./Share	11.31	11.18	14.43	21.07	19.70	25.97	26.64	1.84	8.40	21.27
Return on Capital Employed	%	27.39	32.00	21.25	23.04	19.62	20.52	19.07	9.17	12.45	13.52
Book Value/Share	Rs./Share	34.84	46.42	62.49	83.72	102.34	123.73	150.53	151.36	159.88	179.65
Return on Net worth	%	32.44	27.51	23.10	25.16	19.25	20.99	17.70	1.21	5.26	11.84
Dividend	%	8%	10%	15%	15%	15%	15%	5%	5%	10%	15%

ADITYA BIRLA CHEMICALS (INDIA) LIMITED



**FORM A**

**Format of covering letter of the Annual Audit Report  
to be filed with the Stock Exchanges**

1.	Name of the Company:	Aditya Birla Chemicals (India) Ltd.
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3.	Type of Audit observation	Un-qualified / <del>Matter of Emphasis</del>
4.	Frequency of observation	Not Applicable Whether appeared first time .... / repetitive .... / since how long period .....
5.	To be signed by-	
	• <del>CEO</del> /Managing Director	: For Aditya Birla Chemicals (India) Limited   (K. C. Jhanwar) Managing Director
	• CFO	: Aditya Birla Chemicals (India) Ltd.  H.K. Panda Asst. Vice President (F. & C)
	• Auditor of the Company	: <b>Khimji Kunverji &amp; Co.</b> Chartered Accountants Firm Regn. No. 105146W  Pramodh Doshi Partner (F-33494)
	• Audit Committee Chairman	: For Aditya Birla Chemicals (India) Ltd.  (Biswajit Choudhuri) Director

*Handwritten mark*

**ADITYA BIRLA CHEMICALS (INDIA) LIMITED**

Regd. Office & Works : GARHWA ROAD REHLA : 822 124 DIST. : PALAMAU (JHARKHAND)  
PH : 01 6584 262211/221488 FAX : 01 6584 262205 E-MAIL : abcl@adityabirla.com